

2023 ACTER SUSTAINABILITY REPORT CO2

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Words from the Management

In recent years, we have faced frequent extreme climate events such as wildfires, heatwaves, and torrential rains. Climate risks have become a continuous concern. On July 3, 2023, we even experienced the hottest day ever recorded in history. Strict climate change measures not only pose challenges but also present opportunities for Acter, motivating us to innovate our business model. Centered on our core business, we aim to reduce environmental burdens through "carbon reduction, waste reduction, and reutilization". Through the innovation and application of our core competencies, we have enhanced resource efficiency and further reduced customers' capital and operating costs. Our innovative business model has also generated more opportunities for nurturing young talent and contributing to society, as we collectively pursue a better future.

Environment – Heading Towards Sustainable Net Zero

The transition to net-zero has presented a significant challenge to enterprises. As a leader in green engineering, Acter not only strengthens our expertise in "industrial low-carbon engineering" but also fully supports corporate transitions towards low-carbon practices aligned with global trends. We have consistently evaluated external environments and opportunities to, through technology introduction and industry-academic cooperation, explore potential business opportunities in the carbon reduction market.

Through equipment optimization, innovative R&D, and energy-saving initiatives, Acter offers customers approaches to reduce capital expenditures and achieve low-carbon operations during factory establishment. This includes minimizing the use of high-energy consumption equipment and reducing standby electricity consumption, turning green transformation a key for enhancing industry competitiveness.

In collaboration with our suppliers, Acter has established a green supply chain by introducing low-carbon production processes and smart energy management to develop innovative solutions, demonstrating our commitment to sustainability. Simultaneously, we consistently adjust our operational decisions to, from ourselves, integrate green management into daily operations, conduct regular reviews, and continuously optimize environmental protection policies.



Society – Symbiosis and Altruism

"Talent" is key for enterprises to maintain sustainable operations. We have continuously optimized employee welfare, aiming to build a safe and healthy workplace. Our goal is to stimulate employees to optimize their full potential through competitive compensation, comprehensive training, complete career planning, and a healthy and safe workplace, thereby fostering symbiotic growth with our stakeholders.

Giving back to society and fulfilling corporate social responsibility have always been Acter's philosophy and goals. We have devoted our core competencies to social welfare, aiming to bring a positive influence to society. Through collaborations between industry and academia, we have invested in educational resources in remote countries. This not only activates societal and business talents but also provides students with practical workplace experience, thereby building the industry's talent pool and providing a platform for youth development.

Governance – Sustainable Operations

The key to demonstrating business achievements and ESG performance lies in corporate governance. Starting from "governance", Acter has set organizational goals and developed strategies to translate our commitment to E (Environment) and S (Society) into tangible actions for sustainable operations and ongoing profitability.

Acter is among the few listed companies ranked in the top 5% for corporate governance for night consecutive years. With a strong governance foundation, we constantly ensure operational resilience and have implemented a sustainable management framework to achieve our goals and operational performance, thereby safeguarding the rights and interests of shareholders and stakeholders. Our objective is to collaboratively create sustainable value with our stakeholders.



Conclusion

In 2024, Acter will further integrate and amplify the synergies within our Group, working closely with ecosystem partners to advance low-carbon management and uphold our commitment to sustainability. We will embody the ESG spirit across ecological environments and the enhancement of societal well-being, fostering collaborative creation, thus creating a blueprint for business sustainability. We look forward to partnering with like-minded organizations to drive enterprises, the environment, and society toward sustainable development through innovative approaches, maximizing our positive impact with each passing year.

Chairman

Jin-Li Liang



Important Results and Sustainability Performance of 2023





About Acter

GRI:2-1,2-2, 2-6

Acter Co., Ltd. (hereinafter referred to as Acter) is committed to delivering professional and reliable turnkey engineering solutions to our customers. With a focus on innovative construction methods and smart management, we have earned a reputation as the first choice or our customers. Established in 1979, Acter specializes in a wide range of services including cleanroom engineering, electromechanical engineering, air-conditioning engineering, constant temperature and humidity engineering, biotechnology and medical engineering, environmental engineering, maintenance engineering, recycling systems, and more. We have accumulated extensive experience and achieved exceptional performance across Asia.

With engineering as our core expertise, Acter has integrated and applied green engineering technology to introduce eco-friendly engineering approaches, contributing to the development of a lowcarbon economy and positioning ourselves as an "excellent space creator". In addition to injecting sustainable growth momentum into industry upgrading and the global economy through a multi-type, multi-industry, and multi-talent operational strategy, we are committed to delivering the best service to our customers with passion, expertise, innovation, and high quality. Moving forward, we will uphold the spirit of "business integrity" to pursue sound corporate governance, aiming to provide a win-win platform for our shareholders, employees, supply chain, and customers.

Acter's Company Profile Date of Establishment February 19, 1979 Headquarters Taichung City, Taiwan No. of Affiliates 15 (6 affiliates in Taiwan and 9 affiliates in overseas) Paid-in Capital NT\$620 million Stock Code 5536 No. of the Group's Employees1,988 people Official Website http://www.acter.com.tw/



OThe Group's Operational Services





ODistribution of the Group's Operations Sites





Sustainable Managen

Sustainable Management

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

Acter views sustainability as an integral part of business operations decision-making. Leveraging our core expertise in green engineering, we have devised a sustainability strategy blueprint. This blueprint involves assessing environmental, social, and governance management frameworks to ensure our stable growth while demonstrating positive impacts across ESG dimensions. We are committed to developing green technologies that offer sustainable benefits and collaborating with stakeholders to co-create ESG value, thereby contributing to the creation of a more thriving society.

1.1 Sustainable Development Organizations and Strategies

• GRI: 2-12 to 14, 2-16, 2-22, 2-24

1.1.1 Corporate Sustainability Committee

2023 SUSTAINABILITY REPORT

To further the vision of corporate sustainability development and advance progress in environmental, social, and corporate governance towards achieving sustainability goals, Acter has established the Corporate Sustainability Committee. This committee serves as the primary driver of corporate sustainable governance and development, representing the Company's foremost entity for sustainable development implementation. The Committee, chaired by the Company's Chairman and comprising heads of departments and divisions, oversees Acter's direction in sustainable development. Its responsibilities include setting short-, mid-, and long-term goals, formulating pertinent management policies, and implementing specific action plans. The Committee regularly reports the progress of its initiatives to the Board of Directors. It has also established a Sustainability Office to oversee the sustainability action plan and related affairs. This includes integrating members from all groups to jointly promote environmental protection, social engagement, and corporate governance-related activities. The Committee oversees five main areas of responsibility and authority: policy development, system implementation, agreements, disclosure, and progress monitoring. Furthermore, its progress and effectiveness are evaluated through tracking assessments, with implementation results regularly reported to the Chairman and Board of Directors for ongoing tracking and improvement

Organizational Operations

- The Committee reports the implementation results to the Board of Directors annually and demonstrates its emphasis on sustainability development through the top-down governance structure. After reviewing these reports, the Board of Directors evaluates effectiveness based on implementation progress and, as necessary, provides guidelines and urges adjustments to ensure the Company aligns with its sustainability development strategy.
- Chaired by the Company's Chairman and comprising heads of departments and divisions, the Committee oversees the integration of strategic policies and resources across departments, while the Corporate Sustainability Office is responsible for planning sustainability actions and promoting related affairs.

Implementation Results for 2023

 The Committee has already convened four working meetings and reported important affairs and implementation status to the Board of Directors on November 8, 2023. In total, it has engaged with related departments/divisions to discuss 53 significant matters related to corporate governance (for detailed information, please refer to the TWSE MOPS website).



1.1.2 Sustainable Development Strategy and the Implementation of SDGs

With the vision of "sustainable operations", Acter has incorporated "environmental sustainability", "common good shared by all generations" and "co-creation of value" into our decision-making criteria. We evaluate the risks and opportunities posed by our core business on SDGs and proactively respond to the United Nations' (UN) Sustainable Development Goals (SDGs) through the implementation of the Group's policies. With a focus on these three sustainable development pillars, we have proactively implemented 13 SDGs in our daily operations to ensure that we have optimized our core competencies to effectively address social and environmental issues while providing sufficient resilience to stakeholders.



1.1.3 Core Competencies Linked to the Implementation of SDGs

To incorporate the ESG spirit into Acter's sustainable practices as a cornerstone, we have closely linked our core technologies with SDGs by integrating intelligent turnkey engineering technologies with green engineering and smart factory concepts. Our aspiration is for our employees to take pride in their work and contribute to global sustainable development efforts.



1.1.4 Sustainable Value Management

In terms of promoting internal sustainable management, Acter has invested in six capitals and established seven key sustainable management capabilities to enhance organizational sustainability performance. We have defined management mechanisms and planned specific, implementable long-term goals to optimize corporate operating profits and shareholder value, thereby creating sustainable value for the industry and society. Additionally, we have expanded our influence and efforts to fully implement sustainability.



1.2 Analysis of Stakeholders and Material Issues

• GRI: 2-22, 2-29, 3-1 to 3

1.2.1 Stakeholder Engagement

Acter has adhered to the five major principles of the AA1000SES:2015 (AA1000 Stakeholder Engagement Standard 2015) - impact, materiality, responsiveness, inclusivity, and completeness – to identify seven key stakeholder groups: employees, shareholders/investors, customers, suppliers/subcontractors, government/competent authorities, schools/institutions, and community-based non-profit organizations. Through multiple channels/mechanism, we listen, understand and respond to stakeholders' voices and needs. Through continuous communication and engagement, we aim to co-create mutual benefits and results. The results from our various communication channels in 2023 are as follows:

Stakeholders/ Relevance	Concerned Issues	Engagement Methods	Frequency	Engagement Results of 2023	Corresponding Chapters	
Employees		Labor-management coordination meeting	nanagement coordination Quarterly 4 meetings g			
		Occupational Safety and Health Committee	Quarterly	4 meetings		
	Human rights	Staff Welfare Committee	Quarterly	4 meetings	2.4 Operating Performance	
Create a friendly workplace by caring about	 Talent attraction and 	Management and plenary meeting	At least each quarter	4 management meetings and 1 plenary meeting	5.1 LOHAS at Acter	
employees' physical and mental health and paying attention to their welfare. Establish an internal sustainable field and build an	 retention Talent cultivation and development Workplace safety and health 	Announcement section of the official website; complaint hotline; and a dedicated email box.	At any time	Received 0 complaint	5.3 Human Rights Management 5.4 Occupational Health and	
atmosphere that fosters Acter's culture of sustainability.		Employee satisfaction surveys	Annually The score was 88.18. In 2023, an anonymous online questionnaire survey was conducted among all employees to assess their level of satisfaction. The survey aimed to understand employees' work experience, analyze the company's strengths and opportunities, and continuously improve and enhance them based on the survey results.		Safety	
Shareholders/ Investors	reholders/ Investors		Annually	Four corporate briefing sessions were held to report		
Based on open and transparent principles	Financial and business performance	Corporate briefing session	Quarterly	Acter's up-to-date operational and financial status to		
proactively communicate with investors to demonstrate the Company's transformation	Sustainable development and	Annual report and sustainability report	Annually	 shareholders and investors. Related information is disclosed on Acter's official website. 	2.1 Corporate Governance 2.2 Business Integrity	
capacity and sustainable performance. Actively engage with investors and provide frequent updates on the Company's	Corporate governance	Announcement section of the official website; and MOPS	Timely	The contact information for the spokesperson is disclosed on the Company's website, specifically in the section	2.4 Operating Performance	
operating status to minimize their concerns.	Risk management	Telephone, fax and email	Timely	designated for investors. This enables shareholders and investors to ask questions at any time.		



Stakeholders/ Relevance	Concerned Issues	Engagement Methods	Frequency	Engagement Results of 2023	Corresponding Chapters	
Customers	 Innovative technologies and 	Customer satisfaction survey	Semi-annually			
	services Customer services and	Customer visits and sales meetings	Timely	The customer satisfaction level of 91.8 was determined from a survey	2.2 Business Integrity	
Acter values and listens to customers' voices. Oriented towards customers' needs, Acter has become a reliable partner for our customers by continuously enhancing satisfaction and value.	 Carterin Schreiber and management Supply chain management Eco-friendly technologies Environmental policies and management system Climate change and energy-saving effectiveness 	• Telephone, fax and e-mail	Timely	conducted in compliance with the "Operating Procedures for Customer Satisfaction Levels and Sustainable Improvements". Feedback and opinions from customers were gathered, summarized, and detailed in a report that includes proposed improvement measures. The Company's performance is consistently monitored and tracked to ensure ongoing progress.	3.2 Green Engineering Management 3.3 Customer Services and Management 3.4 Supply Chain Management	
Suppliers/ Contractors		Visits to suppliers	At least 2 suppliers each year	Visited 4 suppliers to ensure that their code of conduct complies with relevant regulations; accurately control suppliers' current risk status; and assist them in enhancing their sustainability capability.		
	Customer services and	Toolbox meeting and ESH (Environment, Safety and Health) education/ training	Timely	Daily, called upon contractors to enforce occupational safety and testing measures and ensure the accurate completion of record forms		
Upholding the spirit of common good and mutual growth, Acter has initiated various	managementSupply chain managementEnvironmental policies and	Patrol and audit	Daily	Performed daily safety and health patrols to identify violations or deficiencies, ensured accurate completion of record forms, and monitored progress for ongoing improvements.	2.3 Risk Management3.4 Supply ChainManagement5.4 Occupational Healthand Safety	
also share operational insights through audits, educational sessions, and training, while managing supplier performance via our platform to foster a robust supply chain.	 management system Climate change and energy- saving effectiveness 	Suppliers evaluation	Semi-annually	The new supplier evaluation rate reached 100%. Among key suppliers, Level A, B, and C suppliers accounted for 39%, 61%, and 0%, respectively. These evaluation results served as the basis for judging suppliers' bidding qualifications and providing incentives in accordance with the "Procedures Governing Procurement and Materials.		
		The section dedicated to suppliers on Acter's official website; telephone, fax and e-mail	Timely	Timely monitored the suppliers' implementation status.		
Government/ Competent Authorities		Corporate governance evaluation	Annually		2.1 Corporate Governance	
	Corporate Governance	Financial statements and important information	Timely	Ranked in the top 5% in corporate governance evaluation for 9	2.2 Business Integrity	
government and competent authorities, and align with the promotion and	Business IntegrityRisk Management	Participation in regulatory briefings, workshops, and associations	Irregularly	consecutive years, with related information published on MOPS and the company's official website; maintained constant communication with competent authorities: and actively aligned with government policies.	Environmental Management	
implementation of government regulations.		Official documents, meetings, telephone and email	Timely		5.4 Occupational Health and Safety	
Schools/ Institutions	Innovative technologies and convisos	Internships and industry-academia training program window	Annually	9 students participated in internships during the semester, 2 students joined industry-academia training programs, and 5 informative lectures		
Through industrial-academic exchange and	 Talent cultivation and 	On-campus recruitment events	Annually	were held. Continued to establish partnerships with National Taipei	3.1 Innovation and R&D	
cooperation, invest in R&D capacity; consult	development	Industry-academia career-sharing sessions	Irregularly	Science and Technology (YunTech). National Chin-Yi University of	5.2 Talent Development 5.5 Social Engagement	
to grasp industry trends; and foster industrial talents.	 Participation in social welfare activities 	R&D collaboration projects	Irregularly	Technology (NCUT), and National Kaohsiung University of Science and Technology (NKUST).	0.0	
Community-Based Non- Profit Organizations		Project-based cooperation or visits	Irregularly	Engaged in volunteer services and activities aligned with four social	4.2 Eporty and	
Actively collaborate with social enterprises	Climate change and energy-	Volunteer services	Annually	welfare themes (environmental sustainability, care for disadvantaged	Environmental	
to continuously invest in community care. Establish local links to expand the influence of projects and promote the common prosperity and well-being of society.	Social engagement	Corporate sustainability officer window	Timely	empowerment); and maintained good and friendly interactions with social welfare organizations and schools.	Management 5.5 Social Engagement	

1.2.2 Materiality Identification and Analysis

The materiality analysis is conducted annually based on international sustainability standards and trends, including GRI Standards, SDGs, Sustainability Accounting Standards Board (SASB), and Climate-Related Financial Disclosures (TCFD) frameworks. Materiality issues from industry benchmarks are also collected and, together with the Company's sustainable development goals and strategies, are used to assess the impact of sustainability issues. This dual assessment considers both external impacts and internal operational relevance. The collected information, data, and stakeholder communication outcomes serve as the basis for identifying materiality issues, which are discussed and confirmed in internal company meetings. Moreover, stakeholders' requests are addressed while formulating Acter's sustainability framework to outline sustainable development directions and strategy blueprints.

OImplementation Steps

Understand the STEP **Organizational Context**

Staring from Core Business

Engaged in air-conditioning engineering technical services with a vision for sustainable development, Acter is committed to developing low-carbon green engineering projects and collaborating with stakeholders and supply chain partners to embody the ESG (Environmental, Social, and Governance) spirit.

Collect sustainability issues

21 Sustainability Issues

STEP

2

STEP

Establish communication goals with a focus on "environmental sustainability", "common prosperity of society" and "co-creation of value". A total of 21 sustainability issues were summarized.

Investigate Stakeholders' STEP Level of Concern 3

244 External Questionnaires

Conduct a materiality questionnaire survey with 7 types of internal and external stakeholders. In total, 244 guestionnaires were collected, enabling the company to understand stakeholders' concerns on various issues and their level of concern.

Conduct Materiality Analysis

12 Materiality Issues

STEP

To comprehensively evaluate the significance of issues, calculate their respective scores based on impact level, level of concern, and influence on operations. As a result, 12 materiality issues were identified

Consider the Relevance with Internal Operations

Significance/Influence

Based on the questionnaires, member of the Corporate Sustainability Committee (Head of Operation Division) considers the influence of each issue on the Company's revenue, customer satisfaction level, operational risks, employee engagement, and brand image to examine the significance and impact of each issue on the Company.

Rank the Level of Positive STEP and Negative Impacts

Ranking/Identification

5

Calculate the "impact/influence level" and "probability of occurrence", thereby identifying the significant impact level of each issue and ranking them accordingly

Evaluate External Impacts and Probability

30 Internal Questionnaires

STEP

Uphold the ESG spirit to promote the core business team consisting of members of the Corporate Sustainability Committee and related colleagues. Evaluate the impacts of various issues on the value chain concerning external environment, society (including human rights), and governance aspects of operations. A total of 30 questionnaires were collected.

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Category	Sustainability Issues	Positive Impact(s)	Risk Impact	Negative Impact(s)	Risk Impact
	Environmental policies and manageme	ent		Mitigate the financial impacts derived from environmental risks to safeguard investors' rights	
	system	Reduce business impacts derived from environmental risks.	Potential	and interests.	Potential
	Climate change and energy-saving	Mitigate climate change impacts through energy saving and			
	effectiveness	carbon reduction.	Potential	Inaction leads to intensification of climate change.	Potential
ANR		Accelerate the development of energy-saving technologies			
69	Eco-friendly technologies	to effectively reduce environmental impacts.	Potential	Inaction leads to intensification of environmental impacts.	Potential
Environment		Reduce energy consumption to effectively mitigate			
Environment	Energy management	environmental impacts.	Potential	The overuse of resources indirectly leads to energy shortages.	Potential
		Adopt green, eco-friendly or certified energy-saving			
		materials and equipment to effectively reduce carbon		Failure to use green, eco-friendly, or certified energy-saving materials and equipment does not	
	Green procurement	emissions.	Actual	reduce carbon emissions.	Potential

	Talent attraction and retention	Enhance working conditions and build a happy workplace.	Actual	Workers do not receive adequate compensation or cannot hold their positions for long.	Potential
	- 1	Enhance employment conditions for talents and ensure			
	Talent cultivation and development	stable development.	Actual	Human capital cannot be valued in the workplace.	Potential
(G)		Support diversity awareness and construct an equal			
BUILT	Human rights protection	working environment.	Actual	Inequality in the workplace or lack of complaint channels.	Potential
Casiates		Ensure workers' occupational safety and enhance health			
Society	Workplace health and safety	awareness	Actual	Result in occupational injuries or harm to health.	Potential
111		Invest resources in disadvantaged minorities, bridge urban-			
	Social engagement	rural divides, and support environmental protection groups.	Actual	Groups in need cannot receive external resources.	Actual

Sustainable development strategy and				
promotion	Activate industrial economy and expand operational efficiency.	Potential	Result in stagnated business development.	Poter
	Enhance the quality of supply chain transactions and facilitate			
Supply chain management	industrial development.	Potential	Occurrence of negative incidents, such as violation or impact on human rights.	Pote
Risk management	Reduce business impacts caused by potential risks.	Potential	Mitigate the financial impacts derived from potential risks to safeguard investors' rights and interests.	Pote
	Create a transparent governance environment to protect			
Corporate governance	investors' rights and interests.	Actual	Lack of adequate governance can affect the Company's business performance.	Pot
Customer services and management	Enhance service quality and customer satisfaction.	Potential	Provision of inadequate services can affect corporate reputation.	Pot
Information security management	Protect customers and stakeholders' confidential information.	Actual	Cause customer confidential information leakage issues.	Pot
Innovative technologies and services	Invest in technological innovation to boost industrial upgrades.	Potential	Lack of technological innovation can result in losing customers.	Pot
Operational and financial performance	Increase revenue to enhance corporate reputation.	Actual	Increase in costs can harm corporate reputation.	Pot
	Uphold business integrity principles to enhance corporate			
Fair trade	reputation.	Actual	Cause litigation and enhance supply chain risks.	Pot
	Reduce dishonest behaviors in the industry to enhance social			
Anti-corruption	goodwill.	Actual	Cause litigation and enhance corporate business risks.	Pot
	Ensure customers' products are in compliance with local			
Legal compliance	regulations.	Actual	The shutdown caused by illegal activities will result in customer losses	Pot

Governance



OActer's Materiality Matrix for 2023

Order of Materiality Issues by Impact Level





OImpacts of Materiality Issues

	Aspect		Value chain impact boundaries and degree of involvement			Impact on Acter			Impact on the environment, society (including human rights) and governance						
		Materiality issues	Procurement	Engineering planning and design	Construction	For customers' uses	Positive	Negative	Probability	Positive	Negative	Probability	GRI topics	SASB themes	Management approaches (corresponding chapters)
Enviro		Eco-friendly technologies	Indirect	Direct	Direct	Business relationship	3.4	2.9	3.9	3.1	2.8	3.7	302 Energy	Lifecycle assessments for buildings	3.1 Innovation and R&D 3.2 Green Engineering Management
	E	Climate change and energy- saving effectiveness	Indirect	Direct	Direct	Indirect	3.3	2.7	4	3	2.6	3.8	302 Energy, 305 Emissions	-	4.1 Climate Change Management 4.2 Energy and Environmental Management
	J	Environmental policies and management system	Direct	Direct	Direct	Indirect	3.5	2.8	3.8	3.2	2.7	3.6	302 Energy	Environmental impacts	4.2 Energy and Environmental Management
		Talent attraction and retention	-	Direct	Direct	-	4.5	4.5	4	4.2	4.4	3.8	201 Economic Performance, 202 Market Presence, 401 Employment, 404 Training and Education, 405 Diversity and Equal Opportunity	-	5.1 LOHAS at Acter
	S	Talent cultivation and development	-	Direct	Direct	Indirect	4.1	4	4	3.8	3.9	3.8	404 Training and Education	-	5.2 Talent Development
Sc		Human rights protection	Indirect	Direct	Direct	-	3.6	3	4	3.3	2.9	3.8	402 Labor/Management Relations, 406 Non- discrimination, 408 Child labor, 414 Supplier Social Assessment	-	5.3 Human Rights Management
		Workplace health and safety	-	Direct	Direct	-	3.8	4	4	3.5	3.9	3.8	403 Occupational Health and Safety	Workforce health and safety	5.4 Occupational Health and Safety
		Social engagement	-	Direct	Direct	Indirect	3.4	3	3.7	3.1	2.9	3.5	203 Indirect Economic Impacts	-	5.5 Social Engagement
		Supply chain management	Business relationship	Direct	Direct	Indirect	3.3	3	4	3	2.9	3.8	204 Procurement Practices, 308 Supplier Environmental Assessment, 414 Supplier Social Assessment	-	3.4 Supply Chain Management
Gove	G	Customer services and management	-	Business relationship	Business relationship	Direct	3.2	3.5	4	2.9	3.4	3.8	418 Customer Privacy	Structural integrity and safety for buildings	3.3 Customer Services and Management
	ernance	Legal compliance	Direct	Direct	Direct	Direct	3.5	3	4	3.2	2.9	3.8	-	Business ethics	2.2 Business Integrity 4.2 Energy and Environmental Management 5.3 Human Rights Management
		Innovative technologies and services	Direct	Direct	Direct	Direct	3.4	3.3	3.8	3.1	3.2	3.6	302 Energy	-	3.1 Innovation and R&D

1.2.3 Goals of Materiality Issues

Focusing on the 12 materiality issues, Acter has integrated internal business strategy with a global vision when assessing the value and contribution that Acter can create for each materiality issue and sustainable development goal. Regarding the implementation plan, objectives, and performance of each goal, the Corporate Sustainability Committee is tasked with setting their respective short-, medium-, and long-term sustainable development goals, as well as reviewing and analyzing progress to ensure that Acter can make meaningful contributions to both the industry and society

Matarialit		Linking				Management Index	x and Goals			
issues	Management strategy	with	Key Performance	Goals of 2022		Achievement in 2022	Short-term goal	Key Performance Index (KPI)	Long-term goal	
		SDGs	Index (KPI)	GOAIS OF 2023	Achievement in 2023		2024	2026	2031	
E) Env	ronment									
Eco-friendl technologie	Provide customers with eco-friendly, energy- saving solutions and timely introduce green engineering technologies in projects to create differentiation and enhance industry value-added.	7. 1 9. 1 × 9. 5	Achievements of green engineering projects	At least 7	0	14 indicative green projects, estimated to achieve a total reduction of 11,283 metric tons of CO2e GHG emissions.	At least 8	At least 10	At least 12	
Climate change and energy-savii effectivene	Through annual identification, analysis, calculation, reduction, attention to international trends, and benchmarking, effectively examine gaps in climate change management to achieve continuous amelioration and improvement.	7.1 8 3 13.1 13.3	Greenhouse gas emissions	An absolute reduction of 2% in total GHG emissions (Types 1 and 2); and an absolute reduction of 2% in other indirect GHG emissions.	0	Types 1 and 2 emissions reduced by 14.29%; other indirect GHG emissions reduced by 5.88%.	An absolute reduction of 5% in total GHG emissions (Types 1 and 2); and an absolute reduction of 5% in other indirect GHG emissions.	An absolute reduction of 10% in total GHG emissions (Types 1 and 2); and an absolute reduction of 8% in other indirect GHG emissions.	An absolute reduction of 20% in total GHG emissions (Types 1 and 2); and an absolute reduction of 10% in other indirect GHG emissions.	
Environmen policy anc manageme system	Implement "Environmental Operation Control Procedures", establish tal environmental health and safety objectives and policy statements, continuously improve t the ISO energy and environmental management system, and comply with the latest environmental regulatory	7.1 7.1 11.6 11.a 8==	Obtain new certifications	Compliance with domestic and foreign environmental management standards	0	Obtained ISO 50001:2018 Energy Management Systems certification, which helps to optimize energy use; and implemented ISO 14001:2015 Environmental Management Systems; and maintained a clean record with zero environmental regulatory penalties.	Compliance with domestic and foreign environmental management standards	Compliance with domestic and foreign environmental management standards	Compliance with domestic and foreign environmental management standards	
	requirements.	Q 13.1 13.3	Energy consumption per capita	Lower than 4.58 GJ/ capita	0	The energy consumption per capital for the business headquarters was 4.33 GJ/capita.	Lower than the reference value	Lower than the reference value	Lower than the reference value	

Materiality Management strate = :		Linking wit				Management Index and G	bals		
issues	Management strategy	SDGs	Kay Darfarmanaa Inday (KDI)	Cools of 2022		Ashievement in 2022	Short-term goal	Key Performance Index (KPI)	Long-term goal
-			Key Performance index (KPI)	Goals of 2023		Achievement in 2023	2024	2026	2031
Societ	У								
_			Employee participation rate in welfare activities.	Over 60% of participation rate.	0	Achieved 100% ahead of schedule.	Above 65%	Above 70%	Above 75%
De	Devote efforts to recruit, nurture, and retain	5.4	Internships and industrial- academic collaboration plans.	Cultivate at least 7 students.	0	13 students (9 interns during the semester, 1 during the summer, 1 during the academic year, and 2 students participated in industrial- academic training plans) whose retention rate after the internship ends was 67%	At least 8 individuals	At least 10 individuals	At least 12 individuals
Talent ttraction and retention	Compensation Management Regulations" to provide competitive compensation, as well as diverse welfare and support measures to achieve the goals of	8.2 8.5	Comparison with base salary and salary adjustment situation.	Exceed the base salary with annual adjustments.	0	Salary adjusted by 4.22% on average.	Exceed the base salary with annual adjustments.	Exceed the base salary with annual adjustments.	Exceed the base salary with annual adjustments.
and support attracting a	attracting and retaining talent.	10.2	Hire physically/ mentally challenged people and indigenous people.	Comply with and greater than statutory requirements.	0	Accounted for 1.6% of all employees.	Comply with and greater than statutory requirements.	Comply with and greater than statutory requirements.	Comply with and greater tha statutory requirements.
		10,4	Promote women's career development and enhance female workers' long-term retention rate.	More than 20% of middle-level managerial positions are held by women.	0	23%	Above 20%	Above 20%	Above 20%
	Develop "Employee Performance Evaluation	100	Performance evaluation coverage rate	100% coverage rate.	0	100%	Maintain at 100%	Maintain at 100%	Maintain at 100%
Talent	Management Regulations", establish strategic talent	4.5-4.7	Education and training achievement rate	100% achievement rate.	0	100%	Maintain at 100%	Maintain at 100%	Maintain at 100%
ultivation and development	resources training process to ensure continuous		Professional skills achievement rate	Achievement rate above 86%.	0	89.43%	Above 87%	Above 88%	Above 89%
	quality talent pool for Acter.	17.14	Education and training satisfaction level	Satisfaction level above 82.	0	Achieved a score of 88.04 points ahead of schedule	Above 83 points.	Above 85 points.	Above 87 points.
Human rights	Develop "Acter's human rights policies" as the highest guiding principles for human rights governance. Establish smooth communication	1	Human rights policy or procedures; and employee training rate	Training rate above 82%	0	Achieved a score of 90.89% points ahead of schedule	Above 83%	Above 85%	Above 87%
protection	channels and a department dedicated to handling and responding to related issues.	8.2	Employee satisfaction survey	Satisfaction level above 82.	0	Achieved a score of 88.18 points ahead of schedule	Above 88.03 points.	Above 85 points.	Above 87 points.
Occupational	Provide employees and subcontractors with optimal occupational safety education and training, and implement regular sofety and health patrols to	137	Critical occupational safety incident	0 critical occupational safety incident	0	0 incident	0 critical occupational safety incident	0 critical occupational safety incident	0 critical occupational safety incident
safety	achieve accident prevention while enhancing Acter's disaster response capability.	3.9	Disability injury frequency rate	Below 1.5%	0	0%	Below 1.3%	Below 1%	Below 0.7%
Social engagement	With a focus on environmental sustainability, caring for disadvantaged minorities, community empowerment, and the development of sustainable towns and villages, create value for the common good.		Social engagement and volunteer activities	Added a new item	0	Added one social engagement volunteer project, "Dacheng Elementary School – Wheat Cabbage Cake DIY"; and continued with the existing three long-term volunteer activity projects.	Continue to add 1 item each year	Continue to add 1 item each year	Continue to add 1 item each year

2023 SUSTAINABILITY REPORT Sustainable Management | Sustainable Governance | Sustainable Innovation | Sustainable Environment | Common Prosperity and Growth | Annexes | 20

	NALE OF IT	eriality Management strategy sues		Management Index and Goals									
	issues			Key Performance Index (KPI)	Goals of 2023	Achievement in 2023	Short-term goal	Key Performance Index (KPI)	Long-term goal				
2				Key renormance maex (Krij	00013 01 2023		2024	2026	2031				
(Gove	ernance											
				New suppliers are required to sign the "Letter of Commitment for Sustainability".	The suppliers signing rate is above 100%	Achieved 100% signing rate	100%	100%	100%				
	Supply chain management	Develop the "Code of Conduct for Suppliers" to build a sustainable and responsible supply chain; and, through green and local procurement, collaborate with suppliers to jointly move towards sustainable operations.	Develop the "Code of Conduct for Suppliers" to build a sustainable and responsible supply chain; and, through green and local procurement, collaborate with suppliers to jointly move		Conduct supplier assessments and sustainability risk evaluations annually (suppliers receiving more than 80 points are classified as Class A suppliers).	The overall supplier rating is above 75.	75.1 points. Already completed the rating of 101 key suppliers, among which 39% are Level A suppliers, 61% are Level B suppliers, and 0% are Level C suppliers. We have also targeted high-risk suppliers to initiate the "Supplier Cultivation Plan". Through focused guidance, secondary audits, and other approaches, we assist them in complying with the Code of Conduct for Suppliers and obtaining ISO-related management system certifications to enhance their sustainability capabilities.	Above 76	Above 78	Above 80			
				Visit important suppliers or suppliers with potential risks	Visit at least 3 suppliers.	Visited 4 suppliers on-site to conduct audits. Provided suggestions for improving deficiencies and continued to monitor the status of improvements based on the audit results.	At least 3 suppliers	More than 4 suppliers	More than 5 suppliers				
			63.3	Green procurement	With an increase comparing to the previous year.	The amount reached NT\$435.24 million, reflecting an increase of 15.5% compared to the previous year.	With an increase compared to the previous year	With an increase compared to the previous year	With an increase compared to the previous year				
				Optimization of local procurement.	The expenditure accounts for above 95%.	The expenditure on local procurement reached 98.75% of the target ahead of schedule.	Above 96%	Above 98%	Above 99%				
	Customer services and management	Conduct regular customer satisfaction surveys for ongoing review and analysis. Provide adequate improvement plans accordingly to continuously deepen customer relations.	8.2 0.5	Customer satisfaction survey	The average satisfaction level is above 90.	Achieved a score of 91.8 points ahead of schedule.	Above 90 points	Above 90 points	Above 90 points				
	Legal compliance	Continue to check and ensure Acter's operations comply with the latest regulations, and regularly conduct education and training on ethical and legal compliance awareness for employees.	8.2 8.5	Achievement rate of ethical and legal compliance awareness training	The training achievement rate is above 80%.	92.45%	Above 83%	Above 85%	Above 87%				
	Innovative technologies and services	Continuously enhance R&D momentum and annually track the investment in and effectiveness of R&D expenses to ensure our competitiveness among industry players and in green engineering research and development.	4.5 · 4.7	The proportion of R&D expenses to total revenue.	The R&D expenses account for more than 0.85% of the total revenue.	Account for 1.47% of total revenue.	Above 0.88%	Above 0.90%	Above 0.92%				

Sustainable Governance

2.1 Corporate Governance2.2 Business Integrity2.3 Risk Management2.4 Operating Performance



Highlights 7 consecutive 6 consecutive years years Ranked in the top 5% Received the Received the TCSA in corporate Excellence in Taiwan Top 100 Sustainability Corporate Social governance Exemplary Award evaluation for 9 Responsibility Award consecutive years. by Commonwealth Magazine Labor Employment 88 Index TPEx 200 Index TPEx 50 Index Stock Corporate Governance Index • High Dividend Yield Index Stock TPEx Compensation Index

Compensation Index Stock

Performance

Acter continues to improve corporate governance practices. Apart from establishing a rigorous corporate governance framework and enhancing the Board's job functions, Acter also protects shareholders' rights and interests. Meanwhile, through a welldesigned risk management mechanism, Acter oversees the Company's business operations in order to build a robust and resilient organization and uphold the Company's core value of business integrity. Sustainable Management | Sustainable Governance | Sustainable Innovation | Sustainable Environment | Common Prosperity and Growth | Annexes | 22

2.1 Corporate Governance

• GRI: 2-9 to 12, 2-15, 2-17 to 20.

Acter is dedicated to establishing an integrity and transparent corporate culture to enhance our corporate governance with a comprehensive system. We have set clear business targets and regularly assess our achievements and performance to safeguard shareholders' legal rights and interests, as well as stakeholders' benefits. By analyzing risk trends and implementing effective risk management strategies, we successfully mitigate threats and minimize impacts. Meanwhile, we actively seek recommendations from external professional institutions to adopt best practices in corporate governance in the rapidly changing business environment. Since 2016, we have consistently ranked in the top 5% of TWSE's Corporate Governance Evaluation for 9 consecutive years and received accolades from various sustainability assessments, affirming our leading position in corporate governance. Moving forward, Acter will continue to engage globally and pursue excellence in sustainable business practices and enterprise.

2023 SUSTAINABILITY REPORT

2.1.1 Framework and Operations of the Board of Directors

The Board of Directors is the top governance unit of Acter for decision making. Comprising 7 directors, including 3 executive directors and 4 independent directors (2 of whom are female), the Board supervises the Company's overall operations and management. In 2023, the Board held 5 meetings with a 100% attendance rate. The Board established three functional committees – the Nomination Committee, Audit Committee, and Remuneration Committee – responsible for reviewing important proposals and discussing key topics related to the economy, environment, and society.

To effectively implement the mechanism of independent oversight and accountability, every proposal shall be reported to and discussed by the Board of Directors. Directors who, or whose represented legal entities, are in a conflict of interest are required to recuse themselves from the proposal discussion in the best interests of stakeholders.



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

2.1.2 Professionalism, Independence and Diversity of the Board of Directors

To continuously enhance corporate governance, Acter values the composition of the Board of Directors in terms of professionalism, independence, and diversity. We have established the "Nomination Committee", which is responsible for nominating directors and reviewing candidates' qualifications and conditions according to relevant regulations. This committee also considers the composition and structure of the Board to promote and implement continuous diversity initiatives. Acter adheres to high professional standards when evaluating directors' qualifications. Our Board members bring diverse industry backgrounds, along with varying educational credentials, professional expertise, and capabilities. Their wealth of experience enhances the Board's diversity, facilitating more effective oversight of the Company's management decisions, implementation of corporate governance standards, and improvement of our business quality.



>>> For more information on the authorities and diverse composition of the Board of Directors, as well as directors' profiles, please refer to Acter's official website (the "Investors" zone).

Aged 40-50: 1

Aged 50-60: 2

Aged > 60: 4

Age distribution

of the Board of

Directors

O Members of the Board of Directors

Diversific					Age			Experien	ce				Pro	ofessionalis	sm	
ation Director's name	Gender	Terms as an independe nt director	Concurrently serves in the Company as a managerial personnel	Aged 40-50	Aged 51-60	Aged above 60	Business management	Finance & accounting	Industry experie nces	Corporate governan ce	Industry knowle dge	Finance & accounting	Law	Leadershi p 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	-	•	-	-	•	-	•	•	•	-	•	•	•	•

>>> None of the board members belong to any specific demographic group.

O Performance Evaluation of the Board of Directors

To implement corporate governance and enhance the operational efficiency of the Board of Directors, Acter has established the "Regulations Governing the Payment of Remuneration to Members of the Boar d of Directors and Functional Committees" and "Regulations Governing the Performance Evaluation of the Board of Directors and Functional Committees", as well as incorporated legal compliance, corporate governance, risk control and corporate sustainable responsibility into corporate sustainability index. This is to ensure that the Board of Directors and functional committees fulfill their duties regarding corporate governance, business management, and corporate sustainability practices. Every year, Acter conducts a performance evaluation for the Board of Directors and functional committees based on various indices. In 2023, Acter's Board of Directors and functional fommittees were evaluated as having achieved "excellent" internal performance. Apart from internal self-evaluation, Acter also engages an external professional and independent organization to evaluate the Board of Directors' performance triennially. In December 2023, Acter commissioned the Taiwan Corporate Governance Association to evaluate the Board's performance, and we have implemented optimization suggestions from this evaluation to enhance our practices.

O Aspects of Performance Evaluation

Board of Directors and functional committees

- Participation in company operations (evaluation includes understanding of functional committees' responsibilities).
- Enhancement of the decision quality of the Board of Directors (functional committee).
- Composition and structure of the Board of Directors (functional committee).
- Selection of and continuing education courses for directors (functional committee members).
- Internal control

Members of the Board of directors

- Understanding of the Company's goals and missions.
- Awareness of their duties as a Board member.
- Participation in company operations.
- Internal relations management and communication.
- Directors' professionalism and continuing education.
- Supervise the Company's financial and operational performance.
- Supervise the Company's practices in internal audit, internal control, risk management and legal compliance.
- Ensure the Company's fulfillment of corporate sustainability.
 >>> For more information on the directors' continuing education progress and performance evaluation results, please refer to the "2023 Annual Report" and Acter's official website (the "Investors" zone).

Management of the Board's Conflict of Interests

To uphold principles of fairness and ensure the safe and stable operations of Acter and our subsidiaries during transactions with stakeholders, we have established the "Stakeholder Transaction Policy". This policy mandates adherence to principles of business integrity, confidentiality, and fairness during transactions while avoiding conflicts of interest and opportunities for personal gain.

In accordance with Acter's "Board Meeting Rules" and "Audit Committee Organizational Charter", directors or their represented legal entities must disclose any conflicts of interest related to meeting discussions or topics. If such conflicts could harm the Company's interests, these directors must refrain from participating in the discussion and voting. They are also required to excuse themselves from proposal discussions and may not represent other directors in exercising their rights (for more information, please refer to the 2023 Annual Report).

Senior Management Succession Plans

To enhance senior management's understanding of managers' responsibilities and roles, Acter has effectively established a talent echelon through project assignments, cross-functional rotations, and overseas assignments. We have developed training programs for managers that include strategic planning and decision-making courses, aiming to achieve our performance goals through team leadership. We also conduct annual performance evaluations, which serve as a crucial basis for management succession planning.

Compensation for Directors and Managers

© Remuneration for Directors

To strengthen our long-term business performance through effective corporate governance, Acter has implemented the directors' remuneration policy outlined in the "Regulations Governing the Payment of Remuneration to Members of the Board of Directors and Functional Committees". The remuneration levels are determined by the Remuneration Committee and Board of Directors based on each director's involvement in company operations, contributions, and value, as well as the ESG implementation status and industry compensation standards. The appropriateness of these levels is also evaluated in alignment with Acter's operational performance and the "Directors' Remuneration Payment Standards" by the same bodies.

© Compensation for Managers

To create long-term shareholder value and attract talented individuals by linking salary levels with job positions, Acter has established explicit guidelines for determining managers' salary and incentive items and standards. Their fixed compensation is determined based on their job position, duties, performance, and capabilities, in addition to external salary benchmarks in the market. As for non-fixed compensation, it is linked to the Company's annual business performance, individual achievements, and corporate sustainability metrics, with decisions made by the Remuneration Committee and Board of Directors after deliberation. The annual total salary of the highest-paid individual in the organization is 13.65 times the median annual total salary of other employees (excluding the highest-paid individual). Moreover, the former's annual salary growth rate is 1.74 times that of the median annual salary growth rate of other employees.

O Performance Measurement Aspects

Measurement Aspects	Item and proportion	Descriptions
Core value	Ability to practice and manage core values	Recognition to the company, commitment and ethical conducts are requisite; and be capable to practice business philosophy, shared vision and strategic goals to demonstrate leadership and management ability.
	Financial performance index, FPI (40%)	In the aspects of business, implementation, level of contribution, and value output.
Quantitative index	Comprehensive management index, CMI (30%)	Including innovation and integration; total quality control (TQC); talent resources management and cultivation; risk management; legal compliance; and practice of CSR.
	Sustainable practice index (30%)	Eco-friendly and value engineering proposals; proportion of environmental protection and energy-saving materials and equipment; and engagement in social welfare activities.

 Proportion of Senior Management Personnel's Compensation (above the level of deputy general director)



>>> For more information on rules governing the compensation of senior management personnel (above the level of deputy general director), please refer to the "2023 Annual Report".

2.2 Business Integrity

• GRI: 2-23 to 27, 205-3/ SASB: IF-EN-510a.3

2.2.1 Business Integrity and Legal Compliance

To implement business integrity, Acter has established the "Principles of Business Integrity", "Code of Ethics", "Guidelines for Business Integrity Processes and Behavior", and "Code of Conduct and Ethics". Acter requests all employees to fully understand and comply with the professional code of ethics, to respect and adhere to confidential agreements made with customers, and to refrain from accepting any gifts or special treatments. Acter also hopes that our customers, suppliers, business partners, and other entities with whom we conduct business understand and support Acter's core values and business integrity philosophy.

To ensure that our employees fully understand relevant regulations and to implement comprehensive education, training, and promotion, we not only require all new employees to undergo ethical training courses but also arrange annual training sessions for existing employees to reinforce our culture of integrity. These efforts aim to enhance employees' awareness and implementation of business integrity, thereby strengthening our corporate governance.

In terms of legal compliance, Acter continuously pays attention to domestic and foreign policies and regulations that may affect our business and financial operations. Moreover, we have established corporate governance rules and regulations and, in case of significant violations, adhere to the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities". The audit unit also continuously updates our internal regulations based on the legal compliance situation. Any violations of the professional code of conduct or international regulations identified through internal audits or reporting mechanisms are recorded, investigated, and subjected to penalties according to relevant regulations in order to uphold our reputation for fairness and integrity. Acter will continue to review and update our operating procedures, ensuring the implementation of necessary steps to maintain global legal compliance".

Acter has established multiple reporting and complaint mechanisms, including a complaint mailbox through which our employees can file complaints, to safeguard stakeholders' rights and interests while enhancing corporate governance. Whistleblowers can report incidents with their identity disclosed or anonymously. Our company will record and investigate incidents, as well as impose penalties accordingly to uphold our reputation for fairness and integrity. All case records will be properly retained as prescribed by laws and Acter's regulations, and only personnel handling the case will have access to this information to ensure the whistleblower's identity is well protected.

O Acter's Conduct in Promoting Business Integrity

Items	Explanation on effectiveness
Policy Statements and Advocacy	"Principles of Business Integrity", along with essential rules for handling important internal information, are summarized and announced on the public information platform.
Business Integrity Education and Training	Business integrity rules are incorporated into compulsory E-learning courses.
Compliant and Reporting Mechanism for Employees and Outsiders	Establish a disciplinary system related to business integrity. By conducting self-checks within relevant units and independent audits by the audit unit, the objective of achieving effective control and proper implementation will be met. No violations were reported in 2023.
Regular Reviews of the Internal Control System	Employees are able to report any event that violates, is suspected to violate, or may result in the violation of business integrity and ethics through various channels, and seek advice accordingly. Reports can be made confidentially or anonymously by providing evidence of facts, relevant information, or documents. Upon receiving such reports, the Company will conduct investigations and implement appropriate improvement measures. No reports were received by the Company in 2023.

Acer's Implementation of Business Integrity Education and Training in 2023

Employees' Job Position/ Gender	Male	Female
Senior management personnel (deputy general managers and above)	4	0
Mid-level management personnel (managers and above)	29	9
Junior management personnel (section chief and above)	24	9
General employees	181	99
No. of people who have passed the training	3	55
Percentage of total employees	92.	45%

2.2.3 Internal Control and Audit

Acter's internal control system is designed by managerial personnel and passed by the Board of Directors in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" established by the Financial Supervisory Commission, along with the considerations on the Company's overall business activities. The system aims to promote the sound operation of the Company while ensuring the achievement of operational effectiveness and efficiency, reliable and timely information reporting, transparency and compliance with relevant laws and regulations. It is also subject to continuous review and adjustment to accommodate changes in the Company's internal and external environment, thereby ensuring the ongoing effectiveness of the system design and implementation.

In accordance with regulatory guidelines, the internal audit unit assesses the adequacy of the internal control system and oversees the implementation of both ongoing and project-specific audits. The audit scope encompasses all operations within the company and its subsidiaries. Based on the results of risk assessments, the internal audit unit formulates an annual audit plan and implements it upon approval by the Board of Directors. Each month, audit reports are reviewed and approved by the Audit Committee, and any identified deficiencies are continuously tracked until improvements are made. Additionally, the head of the internal audit unit presents audit results at guarterly meetings of the Audit Committee and Board of Directors to ensure the effective implementation of the internal control system. In 2023, Acter implemented 47 annual audit plans, including site audits and written reviews of Acter, Enrich Tech, HER SUO, Suzhou Winmax Technology, and Sheng Huei (Vietnam). Acter also conducted a self-assessment of the internal control system and checked the associated operating risk index. No critical violations of business integrity or risks were discovered.

O Audit Operating Procedures

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

2.3 Risk Management

© Risk Management Organizational Framework and Authorities

• GRI: 2-13, 2-24 to 26, 418-1

2.3.1 Risk Management Policies and Operations

Upholding the philosophy of sustainable management, Acter has established, implemented, and maintained a proactive and dynamic risk management mechanism. This approach enables us to control internal and external issues, analyze business impacts, and effectively and flexibly respond to related challenges and environmental changes. We also regularly assess ourselves and continually enhance our resilience and, with a commitment to uninterrupted operations, safeguard the rights and interests of customers and stakeholders.

The Board of Directors is the Company's top risk management unit. It has established a risk management taskforce thereunder to, through the Audit Committee, report on the progress and outcomes of risk management activities annually, enabling the Board to supervise the operations and implementation of risk management mechanism. Led by the General Director as convener, with the heads of each business unit as members, the taskforce is responsible for promoting and implementing risk management initiatives while coordinating with other units and departments to conduct risk management activities. Each year, the risk management taskforce conducts comprehensive analysis and evaluation of all types of operational and emerging risks and scenarios to develop response strategies and prepare an annual risk management report submitted to the Board.

O Corporate Risk Management Policies





2.3.2 Risk Management and Response Strategies

To minimize the impact of internal and external uncertainties on our operations, Acter has implemented comprehensive risk management procedures, systematically identifying, evaluating, and responding to risks that all departments may face within their scope of business. Based on financial and non-financial indicators of risk severity and the occurrence rate of incidents, we have also developed a risk matrix to facilitate risk rating. For risks rated as high or moderately high, it is essential to develop an improvement plan. After implementing risk response measures, we continue to monitor their implementation status and make necessary improvements accordingly. In the meantime, we also identify emerging risks on a regular basis every year. By paying attention to global environmental changes, we not only actively launch control measures for potential negative impacts caused by emerging risks but also seek opportunities from possible future trends.

Main Risks	Risk Level	Occurrence	Level of	Descriptions	contingency Response
	\sim	Rate	Influence		measures strategies
Emerging risk (Geopolitical conflicts)	Mid to low	Mid to low	Mid to low	After the Russo-Ukrainian War started, energy prices (e.g., petroleum) and resource costs have continuously increased, leading to a rise in the construction cost index. The confrontational stances between China and the United States also profoundly affects the cross-strait relations, intensifying uncertainty regarding future operations and investments.	Implement a raw material supply chain tracking mechanism for precise control over sourcing; stay updated on regulatory changes and manage adaptations for legal compliance; closely monitor developments in cross-strait relations; and formulate response strategies to mitigate business impacts.
Emerging risk (high inflation)	Mid to low	Mid to low	Mid to low	The global economic outlook has been affected by high inflation, resulting in increased costs for labor, materials, and equipment. This has led to challenges in engineering procurement and outsourcing, impacting not only contract fulfillment progress and profitability but also the overall operational costs of the Company.	Unify the procurement of key raw materials to achieve cost reduction at scale. Sign long- term collaboration agreements with suppliers to further reduce costs and enhance project progress. Actively invest in innovative R&D to improve the engineering IT management system, enhance integration capabilities, and ensure efficient project progress and cost management.
Market risk	Mid to low	Mid to low	Mid to low	The change in economic situations, policies, or regulations, as well as fluctuations in raw material prices, can impact the Company's profitability.	Implement management procedures to prevent the Company's profitability from being affected by market changes.
Exchange rate (ER) risk	Mid to low	Mid to low	Mid to low	The changes in the market or political/economic situation have led to risks of interest rate or exchange rate fluctuations, or the inability to timely convert assets has resulted in potential loss risks.	The implementation is conducted in accordance with risk and crisis management operational guidelines and relevant management regulations; and observe market and industrial/political situations to adopt appropriate financial policies, enabling the company to maintain smooth capital liquidity.
Legal compliance risk	Mid to low	Mid to low	Mid to low	Violations resulting from non-compliance with relevant regulations, as well as potential losses due to contracts being legally invalid, clauses being omitted, or inadequate regulations.	Comply with regulations and orders from competent authorities and standards. Establish contract review procedures as the first line of defense.
Environment, Safety and Health (ESH) risk	High	Mid to High	High	When a major occupational disaster occurs at a site and affects the project progress and the Company's reputation. The on-site workers' insufficient awareness of high-risk operations can contribute to this kind of hazard.	Enhance audit quality and implement safety management; regularly convene deficiency review meetings to supervise the progress of improvements; and prioritize key ESH mechanisms and thematic education and training.
Quality control risk	High	Mid to High	High	The failure to implement relevant operations according to standard procedures has resulted in the occurrence of the problem. This can not only affect the project implementation costs and progress but also result in the Company's loss of reputation.	Enhance standards for daily operations, emphasize key control measures, organize education and training sessions to enhance employees' awareness, review project quality on a weekly basis, and conduct daily checks to identify and address issues promptly.
Information security risk	Mid to low	Mid to low	Mid to low	The confidentiality and completeness of corporate information	Comply with IT security management conducts. For more information, please refer to "2.3.3. Information Security Management".
Climate change risk	Mid to low	Mid to low	Mid to low	For more information, please refer to the "Sustainable Environment" chapter.	For more information, please refer to the "Climate Change Management" chapter.

O Deepening the Risk Awareness

To continuously enhance staff awareness of environmental, safety, and health (ESH) issues, Acter has organized various ESH activities aimed at deepening their understanding and concern. Meanwhile, regular site patrols conducted by management at all levels reinforce the importance of safety, promoting greater awareness and recognition among colleagues. The establishment of an ESH reward mechanism, which rewards projects and personnel with outstanding performance in ESH, links risk items with employees' performance rewards. This encourages accountability and effective safety and health management practices, while instilling a "Safety First" culture in our daily operations and ensuring a safe workplace environment. In 2023, Acter conducted 9,318 hours of management courses and training, achieving a 99% coverage rate.

© Emergency Risk Contingency and Response

The Company has established an emergency risk incident control mechanism that defines warning and action standards for various types of key risks. When an emergency risk incident occurs, the responsible unit evaluates its severity based on these standards to activate the mechanism. The competent authority not only plans and implements countermeasures but also tracks the control, disposal, and relief status weekly to minimize associated influences and impacts. Depending on the severity of the incident, senior management also participates in managing the emergency risk incident.

To mitigate operational risks measures, we have focused on specific major threats such as fire, natural disasters, and environmental impacts outlined in the "Emergency Response Plan" established for our business premises. Through scenario drills for these incidents, our staff gain familiarity with response measures, enabling them to minimize impacts during emergencies. In September 2023, we conducted safety lectures for employees and successfully completed our annual firefighting and evacuation drill.

O Continuous Business Management

Confronted with a rapidly changing environment, enhancing enterprises' ability to respond to risks and emergency incidents is essential to solidifying the organizational business resilience, optimizing continuous operational management, and protecting customers' rights and interests. To safeguard our business continuity and mitigate the impact of major incidents or disasters, Acter has implemented rigorous risk management strategies as outlined in our plans. These include developing specific restoration plans tailored to different risk scenarios, ensuring swift service resumption following disruptions caused by events like pandemics, information service interruptions, or financial liquidity challenges. Regular meetings are conducted to assess our operational continuity and the effective execution of these plans, thereby ensuring their accurate implementation.

2.3.3 Information Security Management

Acer prioritizes the safety of our employees and partners' information assets. We have implemented a comprehensive information security management mechanism to ensure the accuracy, usability, and security of information-related systems, equipment, and networks. Regular internal information security drills, education, and training sessions are conducted to enhance our staff's awareness and vigilance regarding information security, thereby ensuring the security of customer and product information.

Four Key Operational Guidelines



Information Security Policies and Organizations

Acter has adopted ISO 27001 and BS 7799 standards to develop information security management policies and operational procedures. This focus on processes, systems, legal compliance, and staff training has enhanced the security of our data, information systems, equipment, and network communications. These measures effectively mitigate risks such as theft, unauthorized use, leakage, tampering, or destruction of information assets resulting from human error, intentional acts, or natural disasters, thus fulfilling our commitment to shareholders and customers while ensuring business continuity. We have established an information security task force to oversee information security-related matters and promote the development of information security management systems. technical standards, and maintenance operations. Guided by our "information security policies", we have implemented practices to safeguard the information assets of our employees, customers, suppliers, and business partners, thereby ensuring the sustainability of our business operations.

Information Security Dedicated Organization – Information Security Taskforce



Information Security Management Strategies

In response to internal and external environmental changes, Acter has gradually established comprehensive network and computer information security (cybersecurity) defense-in-depth measures from the aspects of personnel, processes and technology. Apart from continually enhancing our internal information security across information technology, operational technology, and cloud security domains, we have also joined an information security intelligence-sharing organization to receive information security alerts, threat and vulnerability information. For example, Taiwan Computer Emergency Response Team/ Coordination Center (TWCERT/ CC). We also collaborate with external information security vendors and expert resources to continuously monitor the latest information security information, technologies, and trends. These efforts enable us to evolve our protection and management strategies in line with current practices, thereby enhancing our response capabilities. Our goal is to effectively mitigate emerging threats, ensure service resilience. and minimize the impact of information security risks on our operations.



formation Security Maintenance

- Conduct social engineering drills and information security education and training for employees to comprehensively enhance employees' information security awareness.
- Use various tools and technologies to timely and effectively identification, protection, detection, response, and recover.
- Establish procedures for responding to abnormal information security incidents to promptly isolate and eliminate threats, thereby minimizing their scope and impact.
- Regularly conduct disaster recovery drills for key application systems to ensure their effectiveness.
- Continuously pay attention to new technologies to advance our protection and management measures over time. This enables us to effectively blocking new types of information security threats and reducing operational risks.



Acter has established a comprehensive information security reporting procedure, allowing our staff to promptly report and respond to any information security incidents. This procedure also ensures that we can recover the data/ system within the shortest time when an incident occurs, ensuring the normal operations of our business practices. In 2023, there were no reported information security incidents. However, we provide our employees with opportunities to obtain professional certifications and participate in various information security seminars and workshops. We also conduct annual social engineering drills and training sessions every year to prevent email fraud and uphold the continuity of our core business operations. In 2023, a total of 384 people participated in these activities.

Business Continuity Management and Disaster Recovery Drills

allocated time for recovery procedures.

To ensure business continuity and uninterrupted operation of critical tasks, and to prevent interruptions in important information systems due to critical disasters, Acter conducts an annual testing drill. This drill ensures our readiness to respond to and recover swiftly from disasters, aiming to restore operations to normal or acceptable levels promptly. This approach guarantees the continuous operation of critical application systems and maintains uninterrupted business operations. Besides, the backup administrator selects some backup storage media or backup devices to conduct data restoration tests at least once a year. The testing confirms the readability of the backup data, the usability of the storage media, and the accessibility of the steps for restoring important assets. All of these ensure effective backup operations, which can be completed within the

• 2023 Information Security Management Actions

Action 1 🚿	Proactively detect abnormal incidents through data analysis and provide related information to the responsible unit for immediate handling. Continuously optimize the information security management platform and establish an information security records and incident management platform to facilitate network monitoring and incident analysis.
Action 2	Enhance endpoint protection deployment, management mechanisms, and functionalities; and, together with endpoint malware detection and response operations (MDR), strengthen our defense-in-depth capabilities.
Action 3	Regularly conduct vulnerability scans on the system.
Action 4	Continue to pay attention to vulnerabilities and updates released for each system, and establish a patch management mechanism.
Action 5	Regularly conduct social engineering attack simulation drills; and organize online and physical cybersecurity education and training.
4	Action Outcome
Outcome 1	Action Outcome Continuously analyze and manage information security incidents to effectively block abnormal connections and suspicious emails, minimizing the risks of hacker attacks and data leaks.
Outcome 1 Outcome 2	Action Outcome Continuously analyze and manage information security incidents to effectively block abnormal connections and suspicious emails, minimizing the risks of hacker attacks and data leaks. Enhance antivirus and endpoint detection on personal computers and servers to analyze and block suspicious programs and behaviors.
Outcome 1 Outcome 2 Outcome 3	Action Outcome Continuously analyze and manage information security incidents to effectively block abnormal connections and suspicious emails, minimizing the risks of hacker attacks and data leaks. Enhance antivirus and endpoint detection on personal computers and servers to analyze and block suspicious programs and behaviors. Complete vulnerability repairs and enhance protection.
Outcome 1 Outcome 2 Outcome 3 Outcome 4	Action Outcome Continuously analyze and manage information security incidents to effectively block abnormal connections and suspicious emails, minimizing the risks of hacker attacks and data leaks. Enhance antivirus and endpoint detection on personal computers and servers to analyze and block suspicious programs and behaviors. Complete vulnerability repairs and enhance protection. Complete significant system security vulnerability patches and perform system patches irregularly.

2.4 Operating Performance

• GRI:201-1

2.4.1 Financial Performance

A sound financial foundation is the cornerstone of sustainable business operations. Acter has adhered to a steady business plan aimed at creating long-term stable economic value and providing returns to all stakeholders. To deepen our communication with investors and ensure transparency and immediacy in financial information, Acter not only regularly discloses the latest financial results but also consistently achieves financial performance that meets our targets, thereby enhancing investors' confidence in Acter for long-term investment. In 2023, Acter's consolidated revenue reached NT\$ 25.06 billion, with attributable net profit to the parent company's owners at NT\$ 1.83 billion. Earnings per share (EPS) after tax, calculated based on a per share face value of NT\$ 10, amounted to NT\$ 30.6, setting new highs for both revenue and profitability.

2023 SUSTAINABILITY REPORT



• Acter's Financial Information over the Years

Unit: NT\$1,000

Item/ Year	2019	2020	2021	2022	2023
Annual revenue (operating income)	12,674,886	13,977,010	20,217,225	28,262,385	25,060,7
Total assets	11,993,080	15,118,595	18,703,967	27,116,523	27,586,
Total Equity	5,549,042	6,298,480	7,295,998	10,798,675	13,084,
Operating profit	1,778,512	1,701,062	2,139,259	3,322,529	3,263,
Net profit after tax (attributable to the parent company)	1,036,094	970,082	1,204,410	1,933,122	1,838,
Return on Asset (%)	10.77%	8.88%	9.30%	11.02%	9.0
Return on Equity (%)	23.35%	20.23%	22.86%	27.62%	21.
EPS (NT\$)	19.16	17.90	21.08	16.84	5,213,
Operating costs	2,694,847	4,181,080	5,535,064	10,232,716	
Employees' salaries and welfare	470,703	451,150	565,627	789,414	764,
Payments to investors	813,041	812,801	686,241	859,029	1,415,
Payments to the government	129,258	61,436	120,955	168,326	350,
Community investments	3,013	4,253	2,332	1,871	1,

2.4.2 Distribution of Dividends

Acter is dedicated to achieving stable financial performance by distributing annual earnings to shareholders through dividends and bonuses. Since 2009, shareholders have consistently received cash dividends each year. In 2023, the dividend payout equated to NT\$21 per share with a face value of NT\$10.



2.4.3 Shareholders' Structure



2023 SUSTAINABILITY REPORT

Year 2023	No. of people	No. of possessed shares	Shareholding ratio
Foreign institutions and juridical persons	202	25,077,372	20.21%
Individuals	16,208	75,755,336	61.05%
Other juridical persons	233	18,253,567	14.71%
Financial institutions	9	4,994,655	4.03%
Total	16,652	124,080,930	100%

2.4.4 Taxation Policy

Due to our expanding business operations across various countries, we are obligated to adhere to the national taxation laws of each operational site. Any unfavorable changes in taxation laws and regulations will increase our effective tax rate and adversely affect our business performance. To effectively mitigate tax risks, Acter follows internal control processes to identify, assess, and manage regulatory changes and tax risks arising from our business activities. This approach ensures that we can adequately measure, manage, and control associated risks. In 2023, Acter's effective tax rate was 26.06%.

On the basis of integrity and honesty, maintain good

interaction and relationships with local taxation agencies.

Local financial and accounting units should monitor tax

and standards.

once a year.

updates closely to improve their tax management capabilities

Report tax governance status to the Board of Directors at least

O Tax Policies



Affiliates should comply with tax policies and abide by the principle of "complying with regulations and paying taxes honestly".

The information on the financial statements should remain transparent, and the disclosure of taxation should comply with regulations and standard requirements.

Carefully evaluate taxation risks and issues to mitigate tax risks.

O Tax Information over the Last Five Years

Item	2019	2020	2021	2022	2023	Five-year average
Income before tax	1,866,466	1,694,106	2,178,501	3,419,946	3,516,001	2,535,004
Income tax expense	590,182	495,293	624,629	920,610	916,428	709,428
Income tax rate (%)	31.62%	29.24%	28.67%	26.92%	26.06%	28.50%
Paid income tax	438,350	393,948	489,805	638,253	943,244	580,720
Cash tax rate (%)	23.49%	23.25%	22.48%	18.66%	26.83%	22.94%



Performance Highlights S-91.8 points **NT\$400** million Customer Total green procurement satisfaction level amount reached NT\$435.24 million (cop) \$24 10,000 100 % MTCO_{2e} Reduced carbon 100% of suppliers have signed the "Corporate emissions by 11,283 MTCO_{2e} Sustainability Commitment Letter" Corresponding materiality issues • Innovative technologies and services • Customer services and management • Eco-friendly technologies Innovation is the cornerstone of Acter's sustainable development and competitiveness enhancement. Oriented towards customer needs, we provide professional green engineering solutions that align with market trends. We emphasize enhancing internal innovation capacity and fostering co-creation and collaboration with our supply chain suppliers, aiming to create innovative value and implement future development plans.

3.1 Innovation and R&D3.2 Green Engineering Management

3.3 Customer Services and Management3.4 Supply Chain Management

3.1 Innovation and R&D

• Specific Themes of Acter / SASB:IF-EN-160a.2 and IF-EN-410a.2

3.1.1 Innovation Management Framework

2023 SUSTAINABILITY REPORT

Positioning ourselves as a "high-quality space creator", Acter not only continuously advances our core green engineering business but also proactively engages in research and development in innovative technologies to drive new revenue growth and momentum. We have enhanced our competitiveness and that of our customers, serving as critical infrastructure for long-term operations. Integrating the circular economy concept, we are dedicated to reducing environmental impacts in engineering and construction processes, while striving to achieve a balance between industrial development and environmental protection, thus promoting sustainable impacts on human life and the natural environment.

Internally, to motivate employees to courageously pursue innovation, we have established a proposal incentive system. Externally, we have jointly established a green supply chain with our customers and subcontractors to embody green innovation. Meanwhile, we collaborate with academia to nurture talent and embody the corporate spirit of "continuous innovation" from within. Through training programs, we have enhanced engineers' design abilities, quality and efficiency, thereby improving overall project management skills. This enables us to swiftly adapt to rapid market changes and facilitate quicker, more precise, and competitive project implementation. In 2023, Acter's R&D investment totals NT\$370,516,000, representing 1.47% of total revenue.



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

Content	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
R&D Expenditure	146,433	181,177	207,367	334,495	370,516
Proportion to Revenue	1.16%	1.30%	1.03%	1.18%	1.47%

Unit: NTD1.000.

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

3.1.2 Leading Technology

Acter has been playing a pioneering role in the industry with our "multi-industrial, multi-disciplinary, and multi-regional" development strategy, while adhering to green engineering management principles. Through talent optimization techniques, we have helped customers accelerate the adoption of green engineering and promote eco-friendly concepts across the supply chain. Our aim is to exceed stakeholders' expectations while balancing economic, social, and environmental development to contribute to industrial progress.

In terms of professional skills, through the expansion of our high-tech business, we have analyzed our overall design abilities and project execution experiences to continuously improve professional design capabilities. During the construction phase, we have also applied 3D visualization and information technology simulation systems to optimize construction schedules and enhance engineering quality and efficiency. Up to 2023, Acter has cumulatively developed 28 special/innovative engineering methods, obtained 4 patented technologies, and secured 12 new development technologies.

OActer's Interdisciplinary Special/ Innovative Engineering Methods or Techniques

Category	Special or innovative engineering methods and techniques.	
lce-storage energy- saving engineering	Use a raft-based ice-storage system to transfer peak loads.Store the cooling water in the fire cistern to reduce space occupancy and contractual capacity.	
Supertall building	Adopt the ultra-cold air system to reduce the area covered by pipelines.A 42-floor building for multiple uses.	

Note 5: TFT refers to Thin-Film Transistor. Note 6:PCB refers to Printed Circuit Board.

Intellectual Property Patents of 2023

Category Special or innovative engineering methods and techniques.	Patent Type Patent Name
 Integrated technology for hospitals with SARS negative pressure isolation equipment. The Administration's bio-chemical laboratories. Integrated engineering technology for the input of the entire tobacco factory. Integrated electromechanical engineering technology for weaving and dyeing factory. 	 Full-automatic wet-process equipment with single-batch four-flower basket synchronous operation NEW Anti-bubble high-stability refractometer NEW Novel full-automatic electronic-grade chemical tank filling assembly line system NEW
Green energy engineering • Integrated engineering method for the supply of solar energy.	 ITO oxalic acid powder dust removal device NEW Full-automatic 4L chemical barrel cleaning equipment
 Integrated technology for the first H1N1 vaccine plant. Integrated engineering technology for the cleanrooms of cGMP factory (Note 1). Integrated engineering methods for professional biopharmaceutical (cordyceps sinensis) manufacturing plant Integrated energy-saving electromechanical technology for biochemical equipment factories. Integrated engineering technology for GTP cleanroom (Note 2). Transnational output of integrated electromechanical technology for food/cGMP factories. Integrated energy-saving electromechanical technology for poultry holding and processing factories. Integrated technology that allows manufacturing sites to freely switch to a positive or negative pressure-environment depending on the product feature. Integrated engineering technology for high toxic OEB5 injection plant (Note 3). 	 Positioning structure of fixed-angle selective compliance wafer conveying mechanical arm Photoresist mixing and filtering supply equipment Automatic chemical filling equipment 200L barrel automatic conveying line equipment Novel TMAH developer regeneration and concentration management system Novel butterfly cleaning tank cover Alternative pure water high pressure spray cleaning system Adjustable air bubble detection device Novel front and rear oscillating mechanism Novel inline chemical concentration measuring device 200L automatic palletizing and handling equipment Novel array developer concentration dilution and control system Process tank flow field test device
 Innovative engineering method for the first PDP mass production factory (Note 4). Innovative engineering method for Japanese polarizer manufacturers. Innovative engineering methods for TFT manufacturers (Note 5). Special engineering methods for the 6" silicon wafer fab turn-key service under the cooperation with SONY (Japan). Innovative engineering methods for Taiwan's second largest assembly house. 	 Novel acid barrel joint device for chemical recycling system Novel fully automatic equipment for cleaning electronic chemical drum accessories Control devices and equipment Flow control switch Detection system and detection device Gas cabinet
 Innovative engineering methods for the whole-plant electromechanical integratio module factory. Innovative engineering method for FPCB factories (Note 6). Innovation method for the integrated export of component factories in Japan. Innovative engineering method for electromechanical integration of PEC manufac Innovative engineering method for the microenvironment of semiconductor devic washing factory. 	 R&D in an up-down swinging mechanism that controls rotation NEW R&D in an anti-bubble high-stability refractometer NEW R&D in a type of valve box for the slurry supply system NEW R&D in a rapid connection device for the slurry supply system NEW R&D in full-automatic 4L chemical barrel cleaning equipment NEW R&D in a novel manually adjusted ball-valve locking device
 Note 1: cGMP refers to current Good Manufacturing Practice, which are pharmaceutical production regulations promulgated by the Ministry of Health and Welfare in response to global trends in pharmaceutical manufacturing. Note 2: GTP refers to Good Tissue Practice, which specifies the requirements for high-class clean laboratories in the production of various pharmaceutical preparations for clinical trials. Note 3: OEB refers to Occupational Exposure Band. OEB5 (with an exposure limit of < 1 μg/m3) provides a high level of operator safety. Note 4: DP refers to Plasma Display Panel. 	

3.1.3 Outlook for Research and Development

2023 SUSTAINABILITY REPORT

Upholding the philosophy of professionalism and innovation, Acter continuously enhances our expertise to create differentiation while establishing advantages. We have been developing green innovative technologies and implementing an environmental management system based on four directions: "technology patent development", "energy-saving technology development", "biotechnology industry research" and "industry-academia cooperation and talent cultivation". Our goal is to strive for economical and accessible eco-friendly, energy-saving solutions to seize opportunities for innovation and assist industries in heading towards the transformation to net-zero emissions for sustainability. Meanwhile, we have established industry-academia alliances and cooperation, and implemented plans to cultivate young talent. This allows us to actively exchange knowledge with industry associations and organizations, stay up-to-date with the latest industry information, and enhance our internal occupational training program. We will continue to innovate our technological development and boost momentum to become long-term and reliable partners for our customers.

3.2 Green Engineering Management

O Green Engineering Project Management Procedures

• GRI:302-5/SASB:IF-EN-160a.2 and IF-EN-410a.2

3.2.1 Green Engineering Management and Circular Economy Model

In response to the global focus on corporate carbon reduction efforts, Acter has gradually phased out old production processes and focused on developing high-value, low-power consumption and low pollution technologies, while enhancing green procurement practices and integrating them into engineering operations. With our dedication to developing various green technologies and establishing green engineering project management procedures, we aim to install high-value, low-power consumption, and low-pollution green factory facilities to minimize the impact of factory operations on land, air, water, and natural ecological systems. Considering that significant energy can be consumed throughout the entire life cycle of engineering construction projects, we start from the initial planning and design stages to enhance energy efficiency and minimize environmental impact. This approach not only reduces customers' operating costs but also facilitates the efficient distribution of energy resources while decreasing greenhouse gas emissions. Moreover, we actively propose optimal green solutions to customers, assisting them in planning, designing, and constructing green buildings to advance the industry's transition to net-zero emissions.

Direction

Development

Descriptions

Analyze industry and technology trends to identify R&D items that can facilitate corporate or industrial development and have market value. Strategically deploy resources to continuously obtain patents for core engineering technologies.

Continue researching and developing engineering technology and products related to environmental protection. Enhance the energy efficiency of consumption products, integrate them with intelligent systems, and optimize control processes to establish a production environment with even more effective engineering methods.

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

 Maintain collaborations with Taipei Tech, YunTech, NKUST, NCUT, and FCU to foster innovation breakthroughs. • In 2023, collaborated with Taipei Tech to develop the Digital Twin technology and its applications for HVAC systems using building information systems and simulation technology for research and technological advancement.

- Engage in thorough communication with customers to optimize business scale and resource utilization, while avoiding over-design.
- Provide professional "green value engineering solutions" tailored to customers' specific demands and budget. These solutions are presented to customers for evaluation and selection, creating new opportunities for the green economy.
- material waste.
 - Reality (VR) technology to facilitate discussions with customers regarding site pipelines and space configuration. This allows for thorough communication and minimizes time and manpower waste

- excessively ordered shall be repurchased by the suppliers or the information regarding the excess shall be entered into the procurement system for use by other units. These measures can effectively reduce and control leftover materials. Provide customers with a
- proper maintenance and repair strategy to decrease equipment wear and tear rates and equipment replacement rates.


Recognizing the increasingly stringent requirements for eco-friendliness, sustainability, and net-zero initiatives, Acter has made efforts to create green and eco-friendly engineering solutions to effectively mitigate climate change and environmental impacts. From design to material selection, transportation, construction, usage, and dismantling, we have implemented green practices throughout various operational stages and integrated an internal procurement system to manage leftover materials, specifically implementing the circular economy model. We have also formulated response strategies and control systems implemented in our turnkey engineering business to transform waste into resources for sustainable utilization, thereby creating a green circular sustainable business model.

• Acter's Approach for Mitigating Environmental Risks of All Phases

Phase	Environmental risks	Mitigation approach
Design	Different electrical, pipeline, instrument control and equipment design methods can result in different environmental impacts.	Modular/ standardized design.Intellectualization of turnkey projects.
Materials	Exploitation of natural resources, energy consumption and production of materials.	Green procurement: Adopt low-pollution, high-efficiency, multi-functional equipment and materials.
Transportation	GHG emissions during the transportation process.	 Local procurement: Reduce transportation costs and adopted combined transportation for goods.
Construction	The generation and treatment of various pollutants, including the greenhouse gases, air pollution, waste, water and noise.	 Enhance the wastewater and waste recycling and utilization rates to mitigate environmental impacts. Prohibit any open-air burning at the construction site. Adopt low-noise construction equipment.
Use	GHG emissions, duration and maintenance.	 Apply high-efficiency equipment and eco-friendly materials.
Removal	Waste classification, temporary storage, subsequent disposal methods.	Recycle and reuse resources.

O Circular Economy Model



3.2.2 Performance and Projected Benefits of Promoting Green Engineering Techniques

Ranging from fundamental techniques to research and development, Acter has collaborated with our supply chain partners to break through the current the bottleneck of green engineering innovation and continuously search for solutions, having them implemented in engineering projects to contribute to the development of environmental sustainability. In 2023, Acter created 32 green engineering techniques and applied them in 14 indicative green engineering projects, resulting in a projected reduction of 11,283 MtCO2e greenhouse gas emissions. Details are as follows:

◎ An Overview of New Green Engineering Techniques in Recent 2 Years

Scope of Techniques	Acter's approach	Implementation results
20.	23 When an air duct airflow switch is necessary, such as in cleanrooms, freezers/refrigerators, or when reserving ductwork for Phase II, choose AMCA Leakage Class 1 or higher.	Minimizing leakage while enhancing the system's operational efficiency and reducing energy consumption.
	The air duct exhaust outlet is designed with a backdraft damper featuring excellent blade edges and airtightness.	Effectively reducing untreated makeup air from entering the room, thereby decreasing air-conditioning loads and preventing condensation.
Air-	The air duct system is designed with a airfoil blade backdraft damper	The airfoil blade, in the fully open position, has lower static pressure loss compare to a three-vane blade, reducing the power required for the fan shaft and lowering energy consumption.
conditioning and energy- saving	The low-humidity air-conditioning chemical desiccant wheel features an energy-saving plate heat regenerator that recovers regenerative power in full.	Recycling the high-temperature exhaust of regenerative electric power to preheat the temperature of regenerated makeup air. This can reduce approximately 10% to 17% of regenerative electric power, thereby decreasing the power consumption/ carbon emissions.
	Designing to incorporate cloud-based AI smart control for the main chilled water system.	Utilizing AI smart dynamic control strategy and analysis to identify the optimal operating point for the system, enabling a reduction in energy consumption by approximately 10% to 25%.
	Designed to incorporate a central air-conditioning system with an 8°C temperature difference for chilled water and a 6°C temperature difference for cooling water.	Reducing system flow, duct size, and pump power requirements to minimize resource consumption and operating energy.
	Small-sized air conditioning air cooler system, designed to incorporate a DC FCU direct-current variable frequency indoor air-conditioning forced draft fan.	Compared to the forced draft fan of an AC FCU, it reduces operating energy consumption by 30% to 50% during spring, autumn, winter, and nighttime.

Scope of techniques	Acter's approach	Implementation results
202	2 The central ducted exhaust system of general buildings is designed with a variable air volume (VAV) system and an odor detector to control the exhaust volume.	Increase the operating efficiency of the exhaust system, reduce power consumption, and collectively decrease the pre-cooling capacity needed for makeup air. This can alleviate the burden on the central air- conditioning unit.
	Design a central air-conditioning cooling tower equipped with an electronic descaler.	Scale can be removed from the cooling water to reduce scaling on the inner wall of the chiller's cooling coils. This also helps to increase the heat exchange efficiency, minimize damages to the cooling water pump, and reduce power consumption.
	Design and use a chemical dehumidification circuit for the air-conditioning system in areas with a higher latitude and altitude.	When the chemical dehumidification efficiency is higher than that of the low-temperature ice-water dehumidification system, the required capacity of the air-conditioning unit can be reduced to increase operational efficiency and personnel's comfort, while reducing the demand for energy consumption.
Air-	Adopt chemical dehumidification by using the silicon rotor created at a low temperature together with a high-temperature heat pump system.	The high-temperature heat pump provides the silicon rotor with the heat energy required for regeneration (80°C to 90°C), whereas the cooling side of the heat pump is integrated into the operation of the air- conditioning system to enhance the operational efficiency of the system while reducing energy consumption.
and energy- saving	The central air-conditioning cooling tower adopts the IE 5 heat-dissipation fan motor (permanent magnet direct current motor).	This can increase electricity efficiency and, as a speed reduction mechanism is not required, the use of resources can also be reduced, helping to lower the GHG emissions.
	Enhance the design of the cleanroom's FFU (Fan Filter Unit) by replacing the AC (Alternating Current) FFU with an EC (Electronically Commutated) FFU.	Increase electricity efficiency
	Enhance the design of the cleanroom's FFU by incorporating the new PTFE (Polytetrafluoroethylene) low pressure loss high-efficiency filter.	The sentence states that the PTEE low pressure loss high-efficiency filter has an initial pressure loss that is approximately 55% lower than that of a traditional high-efficiency glass fiber filter. Furthermore, depending on the rotational speed range of 800~1200 rpm, it is possible to achieve energy consumption savings of 18% to 24%.
202	Use the water circulation wet film humidifier in electronic factory's MAU hygienic humidification design.	Compared to traditional water wash humidifiers, film humidifiers offer several advantages. They have a shorter absorption distance, higher saturation efficiency, and consequently, a lower water-gas ratio. This means that the circular pump requires less water, resulting in reduced demand for MAU casting resources and decreased energy consumption of the circulation pump. The film humidifier operates at a lower flow rate and with a low-lift pump, further contributing to energy savings.
Air- conditioning	The makeup air unit (MAU) for high-salinity environment (e.g., near the sea) is designed with an anti-salt filter.	Extending the service life of equipment and mitigating indoor environmental corrosion from salt damage
environmental protection function	Designed with the AMCA Leakage Class 1 exhaust damper/ outlet.	Minimizing condensation and condensed water from indoor-outdoor temperature differences, and preventing untreated makeup air from entering indoor spaces, thereby reducing the workload on air- conditioning systems.

Scope of techniques	Acter's approach	Implementation results
Air- 2022	Medium-efficiency filters are installed in general air- conditioning AHU/ RCU/ PAU/ MAU designs.	Use medium-efficiency filters to capture PM2.5 particles to reduce health hazards to personnel.
environmental protection function	The Venturi valve is used in the air-conditioning duct design for Grade B area or above in PIC GMP biotech plant.	The Venturi valve responds faster than VAV and can stabilize indoor pressure fluctuations caused by opening/closing doors and the starting/stopping of exhaust systems. This helps to reduce the risk of cross-contamination between different areas.
2023	The food factories' process pipelines incorporate the circular CIP (Clean-in-Place) & SIP (Sterilization-in- Place) systems	The circular CIP water usage, wastewater generation, and chemical usage require only 10% to 20% of a single-pass CIP system.
	Use the supergravity acid/ alkali scrubber in the design.	Supergravity scrubber consumes 16% less power consumption comparing to traditional scrubber.
Water and energy-saving in the manufacturing	For medium-temperature processes, the cooling water is replaced with pure water supplied in circulation from the front-stage soft water tank	Recover soft and waste cooling water for cooling during the medium-temperature process. This helps to reduce the factory's energy consumption and resource usage, while minimizing GHG emissions.
process	During the nighttime rest period or suspension of its operations, the cleanroom/ germ-free room uses automatic monitoring and sequencing to lower the loading of the air-conditioning system. During day- time operations, the system is operated ahead of time to ensure a clean and sterile environment that meets the cleanroom requirements.	Reduce reactive power losses.
2023	Designed to incorporate automatic socket control	The socket power will be automatically cut off when the space is unused or after personnel leave for 30 minutes. This helps to reduce unnecessary energy consumption from equipment in standby/sleep mode (dedicated circuit for essential equipment).
Energy coving	Designed to incorporate renewable energy generation equipment with a capacity equal to 10% of the total capacity, such as solar panels and fans.	Reducing carbon emissions.
through electrical engineering technology	Designed to incorporate energy storage equipment/ systems using air compressor for daytime power supply.	Use energy storage equipment to store energy during off-peak hours at night, and discharge the energy during peak hours in the daytime to flatten load peaks and fill load valleys. This will help achieve electricity balance, while saving operating costs through differential electricity prices between peak and off-peak hours.
	Designed to use busways as the secondary side main power conductors to electrical rooms on each level.	Use the busway's lower electrical impedance characteristics to reduce voltage drop and power loss.
	Designed to incorporate the Power and Energy Management System (PEMS)	Monitor the distribution of energy consumption, prioritize management of energy-consuming equipment, optimize system load allocation, enhance power quality, and minimize reactive power loss.

Scope of techniques	Acter's approach	Implementation results
2022 Energy-saving	2 The air-conditioning unit in public areas (ex., shopping mall or exhibition hall) is designed with deep ultraviolet (UVC) LED germicidal lamps.	Reduce power consumption.
through electrical	Use the IE4 high-efficiency motor.	Increase power efficiency.
engineering technology	For systems with higher utilization of variable frequency drives, active harmonic filters are incorporated in the design of the power system infrastructure.	Increase the power quality and reduce reactive power losses.
2022	The process exhaust system of the packaging material and label factory is designed with zeolite concentration rotor incineration instead of the wet scrubber treatment.	Compared to direct-fired incineration, it consumes less energy and achieves higher disposal efficiency due to the hydrophobic nature of the VOCs in the label's raw materials, which are not easily soluble in water. This can effectively reduce air pollution.
Air pollution control	When performing cutting operations that generate dust on the construction site (e.g., wood, calcium silicate board, gypsum board), utilize dust- collection and filtration equipment	This can effectively reduce air pollution
2023	Allocate dormitories or boarding houses for personnel involved in inter-regional projects and encourage those staying together to carpool.	This can reduce exhaust gas and GHG emissions.
	The parking space is designed with EC induced flow jet fan.	It effectively reduces noise by 4dBA to 6dBA compared to a traditional induced flow jet fan.
Noise pollution control	Install rubber shock absorber pads under the transformers within the residential area of the building.	how about: Preventing alternating magnetic flux caused by transformer core vibration from transmitting through the building to the interior, thereby enhancing personnel's comfort.
2022	The central air-conditioning system is designed with the low-noise cooling tower.	It effectively reduces noise by 5dBA to 7dBA compared to a traditional cooling tower.
202	Designed to integrate the recycling of RO/pure water process wastewater for replenishing water in the air-conditioning cooling tower.	Reducing the temperature of the cooling water and decreasing the volume of makeup water
Recovery system	For indoor air-conditioning systems that utilize a general and purely physical method for dust collection and exhaust, the air can be recovered to the inlet of the PAU/MAU by installing medium- or high-efficiency filters in the tail gas design.	Reduce energy consumed during the cooling and dehumidification of air-conditioning makeup air to save energy and reduce waste.
Green	In high-salinity environment (e.g., near the sea) and high-altitude areas, choose outdoor pipelines (e.g., air-conditioning cooling system) and valve components made of stainless steel or coated with anti-corrosive paint.	Enhancing anti-corrosive effectiveness and extending the service life of pipelines/valve components, which is 2.5 to 3.5 times longer than those made of galvanized materials.
buildings	Designed to use siphonic rainwater downpipe.	Decrease the quantity of main rainwater drainage pipes and reduce resource consumption.
	Designed to use the physical air-conditioning cooling water treatment system.	This helps to prevent secondary contamination by chemical agents and reduces the workload on the wastewater treatment system.

Scope of techniques	Acter's approach	Implementation results
2023	Designed to integrate emergency fire broadcasting with business broadcasting	Effectively reduce the usage of pipes and wires.
Green buildings	The RC foundation for the mechanical and electrical / HVAC equipment is designed with load-bearing footings to support specific unit area loads.	Compared to traditional mechanical and electrical / HVAC equipment, the full-size RC foundation reduces the projected area, leading to reduced resource usage and lower greenhouse gas emissions.
2022	Optimize the configuration of the factory's internal pipelines, coordinate the routing of various system pipelines and plan for the construction of shared pipe racks.	Increase space utilization, construction quality/efficiency, reduce resource usage and lower GHG emissions.
Application of mobile devices on construction sites	Utilize mobile devices or tablet software for remote video conferencing with personnel in different areas.	Minimize personnel shifts and transportation to reduce exhaust and GHG emissions.
2023	Designed to incorporate a process exhaust system where the wind speed at the exhaust outlet is at least twice as high as the prevailing wind speed in surrounding areas, and the exhaust point is positioned at least 10% higher than the total height of the building.	This allows the exhaust flow to smoothly penetrate through the natural circulation layer around the building, preventing the recirculation of air from the wake region back into the makeup inlet and re-entering the building or HVAC system.
Indoor air quality	Designed to incorporate building materials such as formaldehyde-free calcium silicate board, wood boards, plywood/angle sections, and paint.	Reducing the generation of indoor volatile organic compounds (VOCs) to maintain human health.
2022	Adopt the new rotary ion adsorption energy recovery ventilation (ERV) in the design.	Apart from using ERV to reduce air conditioning load, the non- porous ion-exchange resin material that does not adsorb odor/odor molecules helps prevent the re-entry of odor/odor molecules from exhaust into the indoor environment, enhancing personnel comfort and maintaining indoor air quality (IAQ)
	Encourage the adoption of hybrid electric vehicles, electric vehicles, or vehicles with first-class energy efficiency for company cars used by managerial personnel.	Reduce waste gas and GHG emissions.
Environmental	Designed to incorporate the parking space detection and indication system.	Indicating available parking spaces to prevent drivers from circling, thereby minimizing waste gas and greenhouse gas emissions.
Protection	Designed to incorporate the use of anti-mildew and antibacterial emulsion paint when renovating/ repairing the ceiling/walls of the restrooms/ toilets/ garbage room.	Reduce the proliferation of mold/bacteria such as E. coli to maintain environmental quality.
	Designed to use epidemic prevention elevators.	Prevent the remaining and proliferation of bacteria while minimizing cross-infection of epidemics.

Note: This table presents only green engineering techniques developed in the past two years. For green engineering techniques before 2021, please refer to the "Sustainable Innovation" chapter of Acter's 2021 CSR report titled "An Overview of Green Engineering Technology and Applications", available on the Company's official website.

• Achievement and Estimated Benefits of Promoting Key Green Engineering Techniques in 2023

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 of CO _{2e} per year.	Expected energy-saving benefits Unit: million joules
Project 1: F	Pharmaceutical production	n facilities					
1	The air-conditioning hot water system is powered by electricity	The boiler's steam is converted to heat water supplied to the air- conditioning system for reheating	 A. The hot water consumption is calculated at 190 kW, with an estimated annual average usage of 30%, totaling 429,415,200 kcal/year. B. Gas: 636kCal/NT C. Pump water consumption: 2.2kW D. Electricity: 860kCal/kW-hr E. Electricity fee: NT\$4.1/kWh 	Annual electricity savings (kWh)= (A/DxE-(A/ B+Cx8,760 xEx0.3))/E	328,860	163	1,183,896
2	Single cooling coil design	Adopt a dual cooling coil design to reach reheat reduction	 A. Air-conditioning heating requirement = 151 kW B. The number of hours required to cool, dehumidify and reheat the makeup air throughout the year = 8,143 hr C. Annual average heating requirement rate = 20% 	Annual electricity savings (kWh)=AxBxC	245,919	122	885,307
Project 2: E	Biopharmaceutical factory						
1	The chiller system adopted a conventional design with a 5°C temperature difference	The chiller system is designed with a 6°C temperature difference	 A. The full low-temperature load requirement is 600RT (operating at 40% capacity throughout the year). B. Total power consumption of chilled water pumps with a 5°C temperature difference: 64.2kW C. Total power consumption of chilled water pumps with a 6°C temperature difference: 55.5kW 	Annual electricity savings (kWh)= (B-C)x8,760x40%	30,485	5	109,746
2	The air-conditioning hot water system is powered by electricity	The air-conditioning hot water system has adopted the heat recovery system	 A. The hot water consumption is calculated at 981 kW, with an estimated average annual usage of 30%. The consumption equals 2,217,138,480 kcal/year. B. Gas: 636kCal/NT C. Pump water consumption: 11kW D. Electricity: 860kCal/kW-hr E. Electricity fee: NT\$4.1/kWh 	Annual electricity savings (kWh)= (A/DxE-(A/B+Cx8,760 xEx0.3))/E	1,698,900	841	6,116,039
3	Non-energy saving cooling tower model	Energy-saving cooling tower model	 A. The full load requirement is 874RT (operating at 40% capacity throughout the year). B. Non-energy saving model is 0.025kW/RT C. Energy-saving model is 0.0197kW/RT 	Annual electricity savings (kWh)= (B-C)xAx8,760x40%	16,231	8	58,432
4	Control the number of fixed-frequency air compressors	Use variable frequency screw air compressor	A. Variable frequency screw air compressor is 5.62kw/CMMB. Fixed frequency centrifugal air compressor is 6.06kw/CMMC. Regulate the air volume at 6.6CMMx70% (average loading).	Annual electricity savings (kWh)= (BxCx(70% +(1-70%) x30%)-AxCx70%))x8,760	49,340	24	177,625

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 of CO _{2e} per year.	Expected energy-saving benefits Unit: million joules
Project 2: E	Biopharmaceutical factory						
5	Adopt general lighting fixtures installed with traditional T5 tube lights	Adopt LED light	 A. Each traditional T5 tube consumes 14 W (for 2 m) or 28 W (for 4 m) of electricity, with an energy efficiency of around 90 lm/W. B. The energy efficiency of a 36-W to 40-W LED high-efficiency panel light is around 110-120 lm/W, which is equivalent to the luminous flux of approximately 4 traditional T5 fluorescent tubes. The LED tube is approximately 15 W (for 4 m) and each triangle batten light requires 2 tubes (for 4 m). C. This project has adopted 527 LED panel lights and 223 triangle batten lights. D. Calculated based on 12 hours of daily lighting. 	Annual electricity savings (kWh) = [527x(14x4- 40)+223x2x (28-15)] /1,000(kw/W) x 365 (days/year) x 12 (hr/day) = 49,630	49,630	25	178,668
6	Single cooling coil design	Adopt a dual cooling coil design to reach reheat reduction	 A. Air-conditioning heating requirement = 739kW B. The number of hours required to cool, dehumidify and reheat the outside air throughout the year = 6,977hr C. Annual average heating requirement rate = 20% 	Annual electricity savings (kWh) = AxBxC	1,031,201	510	3,712,322
Project 2: F	Providing all types of IC pac	kaging and testing services					
1	Single warm and chilled water system for HVAC	Adopt the dual- temperature system with the supply of warm and chilled water to fulfill different environmental requirements	 A. The full medium-temperature load requirement is 6,000 RT (operating at 40% capacity throughout the year). B. Efficiency of the low-temperature unit = 0.575 kw/RT C. Efficiency of the medium temperature unit = 0.5069 kw/RT 	Annual electricity savings (kWh) = Ax(B-C) x 8,760x40%	1,431,734	709	5,154,244
2	The chiller system adopted a conventional design with a 5°C temperature difference	The chiller system is designed with a 6°C temperature difference	 A. The full low-temperature load requirement is 5,400 RT (operating at 40% capacity throughout the year). B. Total power consumption of the primary and secondary pumps with a 5°C temperature difference: 603.6 kW C. Total power consumption of the primary and secondary pumps with a 6°C temperature difference: 503.4 kW D. The full medium-temperature load requirement is 6,000 RT (operating at 40% capacity throughout the year). E. Total power consumption of the primary and secondary pumps with a 5°C temperature difference: 651 kW. F. Total power consumption of the primary and secondary pumps with a 6°C temperature difference: 554.7 kW. 	Annual electricity savings (kWh) =((B+E)-(C+F)) x 8,760x40%	688,536	341	2,478,730
3	The air-conditioning hot water system is powered by electricity	The air-conditioning hot water system has adopted the heat recovery system	 A. The full load requirement for air-conditioning hot water = 2,000 RT, with an estimated average annual of 30%. The consumption equals 15,894,144,000 kcal/year. B. Electrical efficiency = 0.86 kcal/W-hr. C. Energy efficiency of heat recovery chiller = 4.21 kcal/W-hr. 	Annual electricity savings (kWh) = (A/B-A/C)/1,000 (W/KW)	14,706,232	7,280	52,942,434
4	Control the number of fixed-frequency air compressors	Use variable frequency screw air compressor	A. Variable frequency screw air compressor is 5.49 kw/CMM.B. Fixed frequency centrifugal air compressor is 5.43 kw/CMM.C. Regulate the air volume at 128 CMM x 70% (average loading).	Annual electricity savings (kWh) = (BxCx(70%+(1-70%) x 30%) -AxCx70%)) x 8,760	500,876	248	1,803,153
5	Non-energy saving cooling tower model	Energy-saving cooling tower model	 A. The full load requirement is 13,680 RT (operating at 40% capacity throughout the year). B. Non-energy saving model is 0.0485 kw/RT. C. Energy-saving model is 0.0412 kw/RT. 	Annual electricity savings (kWh) = (B-C) x Ax8,760x40%	349,923	173	1,259,724

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 of CO _{2e} per year.	Expected energy-saving benefits Unit: million joules
Project 3. P	Providing all types of IC pa	ckaging and testing services					
6	Single cooling coil design	Adopt a dual cooling coil design to reach reheat reduction	 A. Air-conditioning heating requirement = 739kW. B. The number of hours required to cool, dehumidify and reheat the outside air throughout the year = 1,785hr. C. Annual average heating requirement rate = 20%. 	Annual electricity savings (kWh) = AxBxC	263,823	131	949,763
Project 4. P	Providing beverage filling a	and bottle/cap production li	ne services				
1	Adopt CNS compliant high-voltage transformer	Adopt high-efficiency high- voltage transformer	 A. The design has adopted a high-efficiency transformer that operates at 50% of the long-term load compared to a CNS-compliant transformer. Taking the example of a 1500-KVA transformer, this design can save approximately NT\$100,000 (equivalent to about 31,000 kWh) annually. B. The calculation refers to the data for Shihlin Electric's 1500-KVA transformer. C. This project includes 5 set of 3,150-KVA transformer. 	Annual electricity savings (kWh) = 31,000x(3,150/1,500) x5=325,500	325,500	161	1,171,800
2	Adopt general lighting fixtures installed with traditional T5 tube lights	Adopt LED light	 A. Each traditional T5 tube consumes 14 W (for 2 m) or 28 W (for 4 m) of electricity, with an energy efficiency of around 90 lm/W. B. The energy efficiency of a 36-W to 40-W LED high-efficiency panel light is around 110-120 lm/W, which is equivalent to the luminous flux of approximately 4 traditional T5 fluorescent tubes. The LED tube is approximately 15 W (for 4 m) and each industrial batten light requires 2 tubes (for 4 m). C. The energy efficiency of a traditional mercury bulb is approximately 55 lm/W; and that of a LED high bay light is approximately 110-140 lm/W. D. This project has adopted 1,114 LED panel lights, 1,476 LED industrial batten lights, and 786 LED high bay lights (300 W). E. Calculated based on 12 hours of daily lighting. 	Annual electricity savings (kWh) = [1,114x(14x4- 36)+1,476x2x(28- 24)+786x(600-300] /1,000(kw/W) x 365 (days/year) x12 (hr/day) = 1,182,109	1,182,109	585	4,255,592
Project 5. P	Providing biopharmaceution	cal production					
1	Adopt CNS compliant high-voltage transformer	Adopt high-efficiency high- voltage transformer	 A. The design has adopted a high-efficiency transformer that operates at 50% of the long-term load compared to a CNS-compliant transformer. Taking the example of a 1500-KVA transformer, this design can save approximately NT\$100,000 (equivalent to about 31,000 kWh) annually. B. The calculation refers to the data for Shihlin Electric's 1500-KVA transformer. C. 2 sets of 2,500-KVA transformer. 	Annual electricity savings (kWh) = 31,000x(2,500/1,500)x2=103,333	103,333	51	372,000
2	Adopt general lighting fixtures installed with traditional T5 tube lights	Adopt LED light	 A. Each traditional T5 tube consumes 14 W (for 2 m) or 28 W (for 4 m) of electricity, with an energy efficiency of around 90 lm/W. B. The energy efficiency of a 36-W to 40-W LED high-efficiency panel light is around 110-120 lm/W, which is equivalent to the luminous flux of approximately 4 traditional T5 fluorescent tubes. One 30-W LED integrated light fixture (for 4 m). C. The energy efficiency of a traditional mercury bulb is approximately 55 lm/W; and that of a LED high bay light is approximately 110-140 lm/W. D. This project has adopted 350 LED panel lights, 1,729 LED integrated light fixtures, and 130 LED high-bay lights (150 W). E. Calculated based on 12 hours of daily lighting. 	Annual electricity savings (kWh) = [350x(14x4- 36)+1,729x (28x2-30) +130x(300- 150] /1,000(kw/W) x 365 (days/year) x12 (hr/day) = 315,097	315,097	156	1,134,349

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 of CO _{2e} per year.	Expected energy-saving benefits Unit: million joules
Project 6. P	roviding bottle/cap produ	uction line services					
1	Adopt CNS compliant high-voltage transformer	Adopt high-efficiency high- voltage transformer	 A. The design has adopted a high-efficiency transformer that operates at 50% of the long-term load compared to a CNS-compliant transformer. Taking the example of a 1500-KVA transformer, this design can save approximately NT\$100,000 (equivalent to about 31,000 kWh) annually. B. The calculation refers to the data for Shihlin Electric's 1500-KVA transformer. C. This project includes 1 set of 2,500-KVA transformer. 	Annual electricity savings (kWh) = 31,000x(2,500/1,500) x1=51,667	51,667	26	186,000
2	Adopt general lighting fixtures installed with traditional T5 tube lights	Adopt LED light	 A. Each traditional T5 tube consumes 14 W (for 2 m) or 28 W (for 4 m) of electricity, with an energy efficiency of around 90 lm/W. B. The energy efficiency of a 36-W to 40-W LED high-efficiency panel light is around 110-120 lm/W, which is equivalent to the luminous flux of approximately 4 traditional T5 fluorescent tubes. C. This project has adopted 261 LED panel lights. D. Calculated based on 12 hours of daily lighting. 	Annual electricity savings (kWh) = [261x(14x4-36)] /1,000 (kw/W) x 365 (days/year) x12 (hr/day) =22,864	22,864	11	82,310
Project 7. T	he R&D, manufacturing a	and sales of semiconductor li	thography process services				
1	Adopt CNS compliant high-voltage transformer	Adopt high-efficiency high- voltage transformer	 A. The design has adopted a high-efficiency transformer that operates at 50% of the long-term load compared to a CNS-compliant transformer. Taking the example of a 1500-KVA transformer, this design can save approximately NT\$100,000 (equivalent to about 31,000 kWh) annually. B. The calculation refers to the data for Shihlin Electric's 1500-KVA transformer. C. This project includes 1 set of 2,500-KVA transformer. 	Annual electricity savings (kWh) = 31,000x(2,500/1,500) x1=51,667	51,667	26	186,000
2	Adopt general lighting fixtures installed with traditional T5 tube lights	Adopt LED light	 A. Each traditional T5 tube consumes 14 W (for 2 m) or 28 W (for 4 m) of electricity, with an energy efficiency of around 90 lm/W. B. The energy efficiency of a 36-W to 40-W LED high-efficiency panel light is around 110-120 lm/W, which is equivalent to the luminous flux of approximately 4 traditional T5 fluorescent tubes. One 30-W LED integrated light fixture (for 4 m). C. This project has adopted 852 LED integrated light fixtures. D. Calculated based on 12 hours of daily lighting. 	Annual electricity savings (kWh) = [852x(28x2-30)] /1,000 (kw/W) x 365 (days/year) x12 (hr/day) =97,026	97,026	48	349,294
Project 8: P	roviding bottle/cap produ	uction line services					
1	Adopt general lighting fixtures installed with traditional T5 tube lights	Adopt LED light	 A. Each traditional T5 tube consumes 14 W (for 2 m) or 28 W (for 4 m) of electricity, with an energy efficiency of around 90 lm/W. B. The energy efficiency of a 36-W to 40-W LED high-efficiency panel light is around 110-120 lm/W, which is equivalent to the luminous flux of approximately 4 traditional T5 fluorescent tubes. One 30-W LED integrated light fixture (for 4 m). C. The energy efficiency of a traditional mercury bulb is approximately 55 lm/W; and that of a LED high bay light is approximately 110-140 lm/W. D. This project has adopted 93 LED high-bay lights (150 W). E. Calculated based on 12 hours of daily lighting. 	Annual electricity savings (kWh) = [93x(300-150] /1,000 (kw/W) x 365 (days/year) x12 (hr/day) =61,101	61,101	30	219,964

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 of CO _{2e} per year.	Expected energy- saving benefits Unit: million joules
Project 9. E	iotechnology company/ c	ledicated to the R&D of new	-generation cancer cell immunotherapy				
1	Adopt general lighting fixtures installed with traditional T5 tube lights	Adopt LED light	 A. Each traditional T5 tube consumes 14 W (for 2 m) or 28 W (for 4 m) of electricity, with an energy efficiency of around 90 lm/W. B. The energy efficiency of LED high-efficiency tube is approximately 110-120 lm/W. C. The LED tube is approximately 20 W (for 4 m) and each cleanroom light requires 3 tubes (for 4 m). D. This project has adopted 119 LED cleanroom lights. E. Calculated based on 12 hours of daily lighting. 	Annual electricity savings (kWh) = [119x3x(28- 20)] /1,000 (kw/W) x 365 (days/year) x12 (hr/day) = 12,509	12,509	6	45,032
Project 10.	Biopharmaceutical factor	Ϋ́					
1	Adopt general lighting fixtures installed with traditional T5 tube lights	Adopt LED light	 A. Each traditional T5 tube consumes 14 W (for 2 m) or 28 W (for 4 m) of electricity, with an energy efficiency of around 90 lm/W. B. The energy efficiency of a 36-W to 40-W LED high-efficiency panel light is around 110-120 lm/W, which is equivalent to the luminous flux of approximately 4 traditional T5 fluorescent tubes. The LED tube is approximately 20 W (for 4 m) and each triangle batten light requires 2 tubes (for 4 m). C. This project has adopted 50 LED triangle batten lights. D. Calculated based on 12 hours of daily lighting. 	Annual electricity savings (kWh) = [50x2x(28- 20)] /1,000 (kw/W) x 365 (days/year) x12 (hr/day) = 3,504	3,504	2	12,614
Project 11.	Professional multi-layer p	printed circuit board manufa	cturing factory				
1	FFU with an AC motor	FFU with an DC motor	 A. AC FFU (15CMM@280Pa) power consumption: 160 W. B. DC FFU (15CMM@280Pa) power consumption: 140 W. C. Total: 20 pcs. 	Annual electricity savings (kWh) = (A-B) x C/1,000x8,760	3,504	2	12,614
2	Adopt general lighting fixtures installed with traditional T5 tube lights	Adopt LED light	 A. Each traditional T5 tube consumes 14 W (for 2 m) or 28 W (for 4 m) of electricity, with an energy efficiency of around 90 lm/W. B. The energy efficiency of a 36-W to 40-W LED high-efficiency panel light is around 110-120 lm/W, which is equivalent to the luminous flux of approximately 4 traditional T5 fluorescent tubes. The LED tube is approximately 15 W (for 4 m) and each cleanroom light requires 3 tubes (for 4 m). C. This project has adopted 25 cleanroom lights. D. Calculated based on 12 hours of daily lighting. 	Annual electricity savings (kWh) = 〔25x3x(28- 15)〕/1,000 (kw/W) x 365 (days/year) x12 (hr/day) = 4,271	4,271	2	15,376
Project 12.	Professional multi-layer p	printed circuit board manufa	cturing factory				
1	FFU with an AC motor	FFU with an DC motor	 A. AC FFU (15CMM@280Pa) power consumption: 160 W. B. DC FFU (15CMM@280Pa) power consumption: 140 W. C. Total: 133 pcs. 	Annual electricity savings (kWh) = (A-B) x C/1,000x8,760	23,302	12	83,886

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 of CO _{2e} per year.	Expected energy- saving benefits Unit: million joules
Project 12	2. Professional multi-layer prin	ted circuit board manufa	cturing factory				
2	Adopt general lighting fixtures installed with traditional T5 tube lights	Adopt LED light	 A. Each traditional T5 tube consumes 14 W (for 2 m) or 28 W (for 4 m) of electricity, with an energy efficiency of around 90 lm/W. B. The energy efficiency of a 36-W to 40-W LED high-efficiency panel light is around 110-120 lm/W, which is equivalent to the luminous flux of approximately 4 traditional T5 fluorescent tubes. The LED tube is approximately 20 W (for 4 m) and each cleanroom light requires 3 tubes (for 4 m). Each LED explosion-proof light is around 18 W (for 4 m); and each lamp adopts 2 tubes (4 m). C. This project has adopted 44 cleanroom lights and 59 anti-explosive lights. D. Calculated based on 12 hours of daily lighting. 	Annual electricity savings (kWh) = [44x3x(28- 20)+59x2 x(28-20)] /1,000(kw/W) x365 (days/year) x 12 (hr/day) =8,760	8,760	4	31,536
Project 13	B. Biotechnology company						
1	Adopt general lighting fixtures installed with traditional T5 tube lights	Adopt LED light	 A. Each traditional T5 tube consumes 14 W (for 2 m) or 28 W (for 4 m) of electricity, with an energy efficiency of around 90 lm/W. B. The energy efficiency of a 36-W to 40-W LED high-efficiency panel light is around 110-120 lm/W, which is equivalent to the luminous flux of approximately 4 traditional T5 fluorescent tubes. The LED tube is approximately 15 W (for 4 m) and each cleanroom light requires 3 tubes (for 4 m). C. This project has adopted 10 cleanroom lights. D. Calculated based on 12 hours of daily lighting. 	Annual electricity savings (kWh) = [10x3x(28-18)] /1,000 (kw/W) x 365 (days/year) x12 (hr/day) = 1,314	1,314	1	4,730
2	FFU with an AC motor	FFU with an DC motor	 A. AC FFU (15CMM@280Pa) power consumption: 160 W. B. DC FFU (15CMM@280Pa) power consumption: 140 W. C. Total: 9 pcs. 	Annual electricity savings (kWh) = (A-B) x C/1,000x8,760	1,577	1	5,676
Project 14	. The R&D, manufacturing and	sales of semiconductor	lithography process services				
1	Chemical desiccant wheel – The high-temperature heat from the fan in the power regeneration section is directly discharged into the atmosphere.	Install a heat regenerator to recycle high-temperature waste heat for reuse.	A. The heat received by the heat regenerator =18.79KW	Annual electricity savings (kWh) = 18.79KW x365 (days/year) x24(hr/day) = 164,600	164,600	81	592,560

Overall Energy-Saving Benefits for Year 2023

22,530,370 kWh/year = 11,283 metric tons CO2e

Note 1: Based on the electricity carbon emission factor of 0.495 kg CO_{2e} /kWh announced by the Bureau of Energy in 2022 under the Ministry of Economic Affairs, converted to metric tons of CO_{2e} .

3.3 Customer Services and Management

2023 SUSTAINABILITY REPORT

• Specific Themes of Acter

Acter has taken on "satisfying customers" as our core responsibility and views it as the primary consideration in delivering our products and services. We value our customers' satisfaction and strive to meet their high-quality standards. To achieve this, we regularly collect their feedback, conduct annual surveys, and develop relevant procedures and operational manuals guided by a clear and defined quality policy and goals. Moreover, we maintain compliance with international quality standards and have obtained multiple international certifications. Our objective is to align our quality, ESH (Environment, Safety, and Health), and energy policies and standards with global norms, ensuring that our systems are applicable, suitable, and effective. We translate these principles into practical actions to meet customer expectations, thereby enhancing service quality and bolstering our technical competitiveness in the market.

3.3.1 Quality Management System

To implement the concept of sustainable operations, maintain our market competitiveness, and grow in tandem with our customers, Acter is dedicated to providing high-quality green engineering services. Having "satisfying customers' needs" set as our quality management policy and goal, we have adopted a comprehensive management approach. This approach spans from project creation through stages of design, planning, engineering management, acceptance, and warranty, with clearly defined Standard Operating Procedures (SOPs) to facilitate tracking, management, and continuous improvement. We have already obtained third-party certification certificates, such as ISO 14001:2015 for Environmental Management Systems, ISO 45001:2018 for Occupational Health and Safety Management Systems, and ISO 50001:2018 for Energy Management Systems. In 2022, we completed the conversion to ISO 14064-1:2018 for disclosing emissions of other indirect greenhouse gases and received third-party assurance. Through continuous enhancement of our guality management capabilities and close collaboration with customers, we continue to require suppliers to meet our quality standards to comprehensively manage quality and achieve a win-win situation.



To continuously optimize operating procedures and enhance service quality, we have established multiple opinion collection channels. These include engineering case closure reports, our audit system, customer feedback mechanisms, and internal meetings for gathering input, based on which supervisors from all departments jointly review and make improvement proposals. If revisions to pertinent operating procedures are deemed necessary following the meeting, the responsible department will update the documents accordingly. Subsequently, they will review the changes under their document approval authority and proceed with official announcement and implementation upon approval. In 2023, Acter implemented three revisions primarily to comply with governmental regulations, manage project changes. and address practical needs identified during the review. To improve internal operations, the Q&A and Safety Department partnered with Acter A+ College to design courses focused on quality management. This initiative resulted in a total of 1.456 hours of quality training conducted in 2023.

Besides that, to enhance the internal quality culture, Acter has implemented incentive measures through proposal rewards, encouraging staff to continuously innovate and participate in interdepartmental observation and learning to enhance the Company's potential benefits. In 2023, our staff proposed a total of 6 effective improvement initiatives.

© Proposal Analysis for the Year 2023



3.3.2 Quality Management Practices

"Do things right the first time and do things well every time" re Acter's highest quality principles, based on which we formulate guidelines governing management practices at different stages to meet and comply with the Company's or customers' requirements.

OTotal Quality Control (TQC) Activities



Phase

peration erificatio

Specific practice in quality control

Understand customers' needs, overall building planning, process specificity, and future expandability to thoroughly discuss and confirm engineering requirements and design, ensuring they truly meet customers' needs.

Implement supplier management, evaluation, and factory inspection. Relevant staff must fully understand the specifications and functions of each piece of equipment and machinery to ensure accurate procurement and compliance with quality standards, thereby meeting engineering requirements.

Implement 5S site management and relevant systems to ensure that the engineering methods, construction quality, environmental waste reduction, and work safety measures in each phase comply with standards.

Adopt standard engineering methods, thoroughly discuss construction drawings and maps, embrace the spirit of " Do things right the first time and do things well every time", and implement self-inspection quality management to achieve excellence in each phase.

Verify that facilities and equipment operate within the specified operating limits and normal conditions in accordance with equipment operating procedures and rules.

Establish functional verification standard procedures and checklists from design verification to installation, operational verification, and quality management. Follow the procedures to conduct checks and verifications, aiming for optimal performance.

Provide engineering warranty services and, if requested by customers, factory operations service. Regularly or irregularly assist customers in inspecting, maintaining, and repairing the equipment to ensure overall engineering services maintain a stable quality and provide customers with a high-quality environment.

3.3.3 Customer Satisfaction

Acter upholds a commitment to pursuing customer satisfaction and prioritizing quality, which has consistently strengthened our relationships with existing customers. We continuously optimize our engineering and technical services to exceed customer expectations and establish ourselves as their reliable partner. To further enhance satisfaction, we conduct thorough questionnaire surveys, carefully listening to customer feedback and making ongoing improvements based on the results. In 2023, our customer satisfaction survey reached as high as 91.8%. This survey not only enables us to proactively respond to customers' needs by understanding their feedback on product quality, costs, delivery dates, and services but also reflects our commitment to enhancing customer benefits through premium services. In addition to understanding customers' needs through satisfaction surveys, we have established procedures to track customer complaints. Based on industry characteristics and practical requirements, we assign missions to employees and group them accordingly to provide timely responses and ensure the highest service quality.

O PDCA for Customer Satisfaction Survey



O Customer Service Strategy Framework



2019 2020 2021 2022 2023 Year



The 2023 Customer Satisfaction Survey

2023 SUSTAINABILITY REPORT

3.3.4 Customer Privacy Protection

Acter places a high value on protecting customers' confidential data and strictly adheres to the contracts signed with them and relevant regulations. We actively invest resources to continuously enhance information security, technical application safety, and other mechanisms for safeguarding customer confidentiality. This ensures that every step and process is rigorously controlled, thereby reinforcing our reliability to customers and ensuring the security of their privacy. We have adopted a zero-tolerance policy for privacy protection. Any employee found in violation will be penalized according to our code of conduct. In 2023, there were no instances of customer privacy infringement or leakage at Acter.

3.4 Supply Chain Management

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

Suppliers are the most important partners for Acter. In our pursuit of a sustainable and resilient supply chain, we integrate suppliers' ESG performance into our collaboration evaluation and management procedures. We have established a responsible and transparent supply chain management framework, requiring our suppliers to provide a safe workplace, prevent forced and child labor, respect and protect their employees, avoid environmental degradation, and comply with business ethics and other codes. Moreover, we conduct annual audits and offer guidance to ensure compliance with Acter's Code of Conduct. Our ongoing efforts steer our supply chain towards sustainability and transformation, aiming to mitigate potential risks and make substantial contributions to the UN's SDGs.

© Supplier Sustainability Management Framework



3.4.1 Supply Chain Structure

We categorize our suppliers as contractors and materials and equipment suppliers based on their attributes. Suppliers whose annual transaction amount exceeds NT\$10 million are designated as "key suppliers". As of 2023, Acter has accumulated 6,128 partners worldwide, encompassing regions such as Taiwan, Europe, the United States, Northeast Asia, Southeast Asia, and China. We prioritize a balanced approach between local procurement and supply chain diversity to minimize carbon emissions across the supply chain, create local employment opportunities, and mitigate overall supply chain risks.

Statistics on the Geological Distribution of Suppliers Over the Years



Information Security Management Mechanism

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

Advocacy and Educational Training for Employees

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

Legal Regulations and Complaint Channel

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

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

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	Content	Key Suppliers	Non-Key Suppliers
	Contractors	54.42%	45.58%
2019	Material and Equipment Suppliers	59.05%	40.95%
	Contractors	68.89%	31.11%
2020	Material and Equipment Suppliers	75.60%	24.40%
	Contractors	78.95%	21.05%
2021	Material and Equipment Suppliers	59.75%	40.25%
	Contractors	86.09%	13.91%
2022	Material and Equipment Suppliers	78.57%	21.43%
	Contractors	72.52%	27.48%
2023	Material and Equipment Suppliers	57.59%	42.41%

Note: "Key suppliers" refer to suppliers whose annual transaction amount exceeds NT\$10 million.

3.4.2 Supply Chain Management Implementation Policy

Suppliers are Acter's most important partners. Beyond the economic value they bring through the supply chain, we prioritize the social and environmental impacts of our operations and, rooted in respect for human rights, maximize our efforts toward sustainable practices. We encourage and require our suppliers to uphold their corporate social responsibilities. Through Acter's responsible supply chain management mechanism, we collaborate with them to collectively fulfill our social and environmental obligations and progressively achieve sustainability goals.

Oriented towards the four implementation policies of "follow guidelines", "risk assessment", "participation in audits", and "continuous improvements", we have formulated the "Supplier Code of Conduct", aiming to establish a responsible supply chain management mechanism and sustainability-related risk assessment strategies. Each year, we not only conduct supplier assessments and track their deficiencies for improvement but also implement procurement measures based on their ratings to minimize the risk of operational interruptions. Furthermore, we anticipate that, through the mutual influence within the value chain, sustainable development across the entire value chain will be promoted, allowing us to collaborate with suppliers towards sustainability goals.

O Four Major Implementation Policies for Supply Chain Management

1	Implementation Rules	Management Actions in 2023
ow lines	Manage upstream and downstream suppliers in accordance with the "Supplier Code of Conduct" and request their compliance with relevant rules and standards.	 Requested all new suppliers to sign the "Supplier Corporate Sustainability Commitment Letter". In 2023, all 260 new suppliers have signed the commitment, achieving a completion rate of 100%. In overall, 1,801 suppliers have signed the commitment letter. Requested all suppliers to sign "Commitment to Integrity and Honesty" and established a reporting mechanism. Suppliers who violate rules related to honesty and integrity will be included in the refusal list.
sk sment	Stipulated "Supplier Assessment Form" in accordance with "Procedures Governing Procurement and Materials", based on which Acter's team assesses suppliers' sustainability risks on an annual basis.	 Acter conducts the annual supplier assessment every year. In 2023, a total of 101 key suppliers were assessed in 2023. Suppliers' sustainable development and climate risk mitigation actions have been incorporated into the assessment criteria.
ation in dits	Distribute the "Sustainability Risk Self- Assessment Questionnaire" to suppliers and conduct on-site factory visits and audits based on the survey results.	 Targeted suppliers involving high risks were conducted on-site factory visits and audits, through which Acter managed to understand their risk status. Additionally, based on the audit results, suggestions for improvement were provided, and the suppliers' improvement status was tracked in order to mitigate related risks. No high-risk situations were identified in 2023. However, the Company still conducted on-site factory visits and audits on 4 suppliers. No deficiencies or matters requiring observation were found during the inspections.
nuous ement	Utilize the factory visit and audit results to engage in constructive discussions with suppliers to facilitate further improvement. Offer advice or assistance as needed to support their progress.	 Committed to establishing a corporate sustainability exchange platform through the "Supplier Foster Plan" to provide suppliers with education, training, and key guidance, and to monitor the subsequent improvement results. Ended business relationships with suppliers who were unable to achieve the goals.

3.4.2.1 Supplier Code of Conduct

With our commitment to corporate sustainable development, we expect our suppliers to share the same values. To strengthen our commitment to sustainability within the supply chain, Acter has referred to numerous international standards to establish the "Supplier Code of Conduct". Only suppliers who sign the "Supplier Code of Conduct" qualify as approved suppliers. Furthermore, Acter requires its suppliers to undergo risk assessments and on-site audits to implement sustainable improvement measures during our partnership. In 2023, 260 new suppliers signed the "Supplier Code of Conduct", achieving a signing rate of 100%. Meanwhile, we encourage our suppliers to impose these same standards on their partners. Through the mutual influence within the value chain, this approach aims to enhance sustainable development across the entire value chain.

Acter has also established a reporting mechanism. Suppliers found in violation of business integrity or relevant rules will be categorized as refused suppliers. Acter not only terminates all business relationships with them but also holds them accountable for any resulting legal responsibilities. As of 2023, no supplier has ceased collaboration with Acter due to breaches of business integrity or other significant rules.

The implementation results of new suppliers signing the "Supplier Corporate Sustainability Commitment Letter"



O Highlights of Supplier Code of Conduct



3.4.2.2 Supplier Assessment

To enhance the effectiveness of supply management, Acter has established the "Supplier Corporate Sustainability Rating Standards" in regard to the assessment on "key suppliers" or "Key suppliers rated as Class C in the previous assessment". The assessment items include material/construction quality, delivery date/construction achievement rate, price advantages, expertise, level of collaboration, finance, and corporate sustainable development performance. For those whose total score is below 60, Acter will not cooperate with them in the future. Suppliers assessed as Class A with a total score above 80 will be offered the "right to match" when their bidding price is the same as others. Suppliers who fail to meet the standard will experience a reduction in trading amount or termination of partnership with Acter. In 2023, Acter assessed 101 key suppliers. The assessment results are as follows:

O Historical Key Supplier Assessment Results



◎ Statistics on Key Supplier Assessments Over the Years

Statistics on Key Supplier Assessments Over the Years								
Content	2019	2020	2021	2022	2023			
Number of assessed suppliers	59	99	114	179	101			
Number of suppliers traded with during the year	950	1,008	1,093	1,309	1,268			
Assessment proportion	1%	9.82%	10.43%	14%	8%			
Average score	79.8	79.5	81.5	73.3	75.1			

3.4.2.3 Supplier Sustainability Risk Assessment

To manage suppliers' sustainability risks, Acter identifies potential economic, environmental, and social risks through regular assessments. For suppliers identified as high-risk during this process, Acter conducts audits and provides guidance to effectively control and mitigate these risks. Acter also offers suggestions and tracks their progress in addressing deficiencies to strengthen the resilience of Acter's supply chain.

To ensure transparency in supplier assessment results, Acer randomly selects four key suppliers for on-site audits to assess their current status across various facets and to exchange ideas on their management methods and continuous improvement efforts. Acter also completes the "Supplier Visit Assessment Form" to document inspection highlights. Based on the audit results, the four suppliers selected for the year showed no deficiencies and did not require further observations.

O Supplier Sustainability Risk Assessment

Facets Survey Content

Supply Chain Action Plan



3.4.2.4 Supplier Fostering Plan

Acter engages in a supplier fostering plan with a focus on the four key aspects of "strengthening suppliers' response capabilities", "implementing occupational safety and health management", "improving quality management", and "raising awareness of sustainable development". Through this initiative, we have not only established a corporate sustainability exchange platform but also implemented supplier education, training, key guidance, secondary audits, and other approaches to enhance suppliers' progress on ESG factors and accelerate the sustainability of supply chain management.

Implementation Strategy/ Specific Approach of the Supplier Foster Plan

Assisting suppliers in enhancing their response capabilities

- Offer substantial resources to mitigate the risks of supply chain equipment from being affected by the environment while enhancing suppliers' response capability.
- Arrange education and training programs to enhance suppliers' expertise, enabling them to adapt to market and technical changes.
- Enhance suppliers' response capability through the sharing of industrial experience.

Implementing occupational safety and health measures

- Provide ESH training programs and conduct toolbox meetings to enhance suppliers' awareness and capabilities in work safety and prevention.
- Implement occupational safety inspections.

Optimizing quality

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

Enhancing suppliers' awareness of corporate sustainability

- Establish a corporate sustainability exchange platform to share Acter's experience and information on ESG, and request suppliers to align with relevant policies to expand the benefits of corporate sustainability.
- Invite suppliers to participate in Acter's ESG activities and plans.

3.4.3 Supply Chain Risk Management and Control

To gain deep insights into the current development of the supply chain and manage potential risks, Acter has formulated an effective supply chain risk management strategy to mitigate potential risks. We continue to closely collaborate with our supply chain partners to establish uninterrupted supply chain operations. By managing suppliers' current risk conditions and enhancing their sustainability, we ensure a stable supply of raw materials and services, create a safe and healthy workplace, and reduce environmental and social impacts.

◎ Supply Chain Challenges and Response Strategies in 2023

Supply Chain Problems and Challenges Acter's Response Approach		Number of Suppliers	Implementation Effectiveness
• The significant growth in Acter's revenue leads to an insufficiency of supply chain resources. •	Enhance the development of all types of new suppliers and resources, especially outsourcing partners, and establish Key Performance Indicators (KPIs) for individuals in the Procurement Department for assessment. New Supplier Recommendation Effectiveness Tracking List: Continuously monitor the transaction outcomes of suppliers recommended by the engineering unit to the procurement department. Hold regular supplier conferences to promote the Company's visions and philosophy, co-creating win-win situations.	260	 The Procurement Department successfully developed 22 new suppliers in 2023. In 2023, 31 new suppliers reached NT\$500,000 in transaction amounts; and they are opportunities for Acter to cooperate with them in the future. The Supplier Conference was summoned in May 2024.
The cost increase and • delivery delay impact caused by the inflation, the Ukraine-Russia war, and the Israeli-Palestinian conflict.	Advance procurement, outsourcing, and batch-based Material Resource Planning (MRP) to spread risks, increase flexibility, and control costs. Review the risks associated with irregular importation of equipment and materials.	10	 In 2023, the work process was not affected by any delivery delays.

3.4.4 Green Procurement

Acter takes responsibility for promoting green engineering by implementing management measures throughout raw material production and procurement, emphasizing resource conservation and environmental protection. Our goal is to minimize environmental impact by reducing natural resource consumption and pollution emissions. We adhere to the 3R principles (Reduce, Reuse, and Recycle) by selecting products with the "Green Mark" and other equipment/materials recognized by the Environmental Protection Administration (EPA) as renewable, low-pollution, and recyclable, aiming to minimize environmental impacts and contribute to the Earth. In 2023, Acter's total green procurement for projects amounted to NT\$435.24 million, representing a 15.5% increase compared to the previous year.





3.4.5 Optimization of Local Procurement

Considering the promotion of economic development in regions where our operation sites are located and aiming to reduce carbon emissions caused by transporting materials, Acter has prioritized local procurement for each engineering project. When local procurement is feasible, we refrain from purchasing materials from other regions, as it helps to reduce the carbon footprint associated with transportation. Meanwhile, we also establish positive connections with local communities to facilitate economic development. In 2023, Acter achieved a local procurement rate of 98.75%.

With respect to human rights and upholding the concept of sustainable development, we have steadfastly addressed responsible mineral procurement and abstained from using conflict minerals. We mandate all suppliers to endorse the "Supplier Corporate Sustainability Commitment Letter" to uphold our conflict mineral management policy and eliminate child labor, fostering a peaceful and inclusive society. Moreover, we conduct rigorous due diligence on upstream suppliers to ensure compliance with monitoring responsibilities, guaranteeing products are free from minerals sourced from Congo and neighboring countries in Central Africa.

O Proportion of Acter's Local Procurement Over the Years

©The Responsible Procurement Management Process







Corresponding to the United

Nation's SDGs

Commitment to and Practice of Sustainable Environment -Acter's 2030 Carbon Reduction Action

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

Performance Highlights

4 45.45%

record of environmental penalty

Reduced 5.45% of water consumption per capita

Zero environmental penalty for 9 consecutive years

Responses to Materiality Issues

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

Climate issues have driven global trends towards low-carbon economies and transformative business models. As practitioners of green engineering, Acter not only establishes operational strategies and management goals to continually deepen our actions and commitments, but also proactively aligns with global development trends. We integrate the group's resources and collaborate with stakeholders to address climate challenges and create ESG (Environmental, Social, and Governance) values.

Sustainable Environment

4.1 Climate Change Management 4.2 Energy and Environmental Management

4.1 Climate Change Management

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• GRI:2-12,302-1, 302-3, and 305-1 to 305-3

Climate change and global warming are challenges that the world must confront at the moment. Although the issues brought by extreme climate events threaten corporate sustainable operations, they also present enormous opportunities for industries to move towards sustainable goals and transition to a low-carbon economy. Based on the TCFD framework, Acter has conducted financial analysis related to climate change, identified climate risks, and quantified their financial impacts. By disclosing these financial impacts and our future response strategies, we aim to establish a long-term, sustainable operating mechanism through the PDCA cycle management. Acter has set "GHG reduction", "energy resource usage reduction", "waste reduction", and "development of green energy-saving engineering techniques" as our four major sustainable environmental goals. Based on these goals, we have formulated our low-carbon and green engineering strategies, as well as energy-saving and carbon-reduction plans, to assist industries in achieving energy-saving goals and facilitate the transition to a low-carbon economy.

4.1.1 Core Elements and Management Practices of TCFD

Acter values organizational governance and operational efficiency in addressing climate issues. Considering the overall impact of climate risks, we have integrated the TCFD (Task Force on Climate-related Financial Disclosures) framework into our annual risk identification process and convened meetings to collectively review climate issues closely related to the Company's business operations. Subsequently, we categorize these issues based on their risk types to identify annual key risk factors and integrate them into the annual TCFD risk management plan, which is overseen by a working group for subsequent monitoring and management. In compliance with our "Hazard Identification Risk Assessment Management Procedure", units responsible for respective risks should, through a series of management procedures (e.g., risk identification, risk analysis, risk assessment, risk response and monitoring, risk reporting, and disclosure), assess identified risks and propose risk response and improvement plans based on the remaining risk levels to effectively mitigate risks.



Supervision by the Board Already reported climate risks and related response measures, as well as the schedule and progress of GHG inventory disclosure, to the Board of Directors in November 2023. The Board is expected to provide guidelines to ensure compliance with our sustainable development strategies. Disclose how an Corporate Sustainability Committee organization manages Serving as Acter's highest authority responsible for climate change management, the 4.1 Climate Change climate-related risks and Committee is chaired by the chairman and supervised by the General Administration Management Division as the executive secretary. It reviews the Company's climate change strategy opportunities. Governance and goals on a quarterly basis. In 2023, the Committee held 4 meetings. Sustainable Operations Team The commissioner, who is served by the deputy general director of the operations division of the engineering unit, promotes sustainability projects in accordance with the strategies and objectives. • Based on the occurrence rate and impact level of climate issues, identify 5 climate-Disclose existing and related high-risk factors and 7 medium risk factors. 4.1.2.2 Major Climate potential climate-• Evaluate their operational and financial impacts from the aspect of value chain, and **Risk Metrics** related risks and their conduct response measures according. 4.1.2.3 Identification (1) Risk Opportunity Strategy: Developing the green engineering market, and linking of Climate Risk potential impact on the Strategy organization's financial climate actions to organizational goals. Response Measures (2) Risk Opportunity Financial Impact: Regularly update financial impacts and and Opportunities planning. understand impact outcomes. Identification Procedures: Establish a risk issue taskforce to carry out identification work Disclose the procedures and report related risk and opportunity issues to the Corporate Sustainability 4.1.2.1 Climate for an organization to Committee. This will facilitate the formulation of management approaches, review of Change Risk examine, assess, and implementation status, and development of future plans, continuously improving risk Identification Risk management approaches and effectiveness. manage climate-related management Procedures Management Procedures: Establish PDCA management to clarify responsible units and risks conduct regular reviews • Target Setting: Establish net-zero targets for 2050 to enhance climate resilience and 1.2.3 Goals of Disclose important continually reduce climate impact risks. Materiality Issues indicators and goals that • Target Review: Quantify target management to build an ecosystem within the value 3.2 Green the organization uses to chain Engineering Indicators Management of Carbon Emissions: Conduct GHG inventory according to ISO 14064 and Management assess and manage and goals complete external certification accordingly. Please refer to the "GHG Management" 4.1.3 Greenhouse climate-related risks. section. Gas Management

Operational Management Framework of TCFD

4.1.2 Climate Change Risk Identification Procedures

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Climate-related risks and opportunities are now incorporated into our integrated enterprise risk management plan. Through our risk investigations, we identify and manage major risks using various approaches, including confirming risk transfer and implementing risk mitigation activities. Acter recognizes both the physical risks and transition opportunities posed by climate change. Through thorough analysis and inventory, we have adopted four key steps – identification, analysis, confirmation, and review – to incorporate TCFD risk scenarios into our annual risk assessments. We progressively disclose our short-, mid-, and long-term actions in response to climate risks and continually enhance our climate change risk control measures year by year. Furthermore, all these outcomes are reported to the Board of Directors and disclosed annually in our sustainability report and on our official website's "Communication with Stakeholders" section.

4.1.3 Identification of Major Climate Risks and Opportunities

Based on the TCFD framework, we identify transition and physical risks specific to operational site locations, and formulate relevant strategies while taking corresponding actions. Using criteria such as "occurrence rate" and "impact level", we create a matrix to classify risks as low, medium, or high. Risks categorized as high or medium are considered major risks, requiring the formulation of preventive measures and improvement plans. Through analysis of questionnaire investigations among internal supervisors, Acter has identified five high-risk climate factors, comprising two physical risks ("increase in average temperature" and "increase in extreme weather events – torrential rain") and three transition risks ("increase in raw material costs", "cost expenditure related to the transition to low-carbon technology", and "changes in customer behavior"). To continually enhance climate management, we conduct risk assessments, scenario analyses, and implement carbon reduction strategies, while disclosing information to ensure climate risks are integrated into our operational considerations, promoting the establishment of a low-carbon and sustainable future.



4.1.3.1 Application Scenario Descriptions

To analyze the impacts of future climate changes on Acter, we have targeted specific transition and physical risks based on the TCFD framework. We analyze their effects on our operations and supply chain under various global GHG emission control scenarios and incorporate the results into our strategic resilience considerations. Concurrently, we reference emission scenarios from the scientific assessment reports of the United Nations' Intergovernmental Panel on Climate Change (IPCC) to assess the potential maximum impacts of transition and physical risks. We have also included projections of future carbon emissions resulting from company growth, as well as our ongoing carbon reduction actions (including carbon offsetting), in our assessment to analyze the financial impacts that climate risks may bring.

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O Climate Change Strategies

Mitigation

Achieving net-zero emissions has been set as our primary mission, which also motivates our upstream and downstream partners to jointly achieve the 1.5°C goal set by the Paris Accords.

Adaptation

Enhancing climate resilience at our operations offices and sites has been set as our primary mission to ensure uninterrupted operations.

O Physical Risk Assessment



O Transition Risk Assessment

Risk Scenario	Acter is subject to carbon taxation	Suppliers are subject to carbon taxation, which is passed on to Acter	Customers reduce their demand for high- carbon emission investments		
Risk descriptions	The carbon inventory results show that the Scope 1 and Scope 2 emissions for 2023 amounted to 167.77 t-CO2e, reflecting a 14.17% reduction compared to the baseline year (2022). In the future, Acter will continue comprehensive energy-saving and carbon reduction efforts to manage potential impacts from these risks.	In the future, countries worldwide may impose carbon tariffs on imported goods. This could lead to an increase in procurement costs, with all tariffs paid by suppliers being passed on entirely to Acter.	High-carbon emission customers and enterprises have reduced their investment willingness and needs, which can result in an impact on the Company's business.		
Climate scenario	NZE	SSP 1-1.9 and SSP 3-4.5	-		
Response action plan	 Enhance energy efficiency. Promote various reduction measures, such as improving equipment efficiency and replacing old equipment. 	 Look for low-carbon emission suppliers and engage in local procurement. Encourage suppliers to implement carbon reduction measures. Adequately pass on the increased costs to customers. 	 Continue developing green technology and providing net-zero EPC value services to enhance our market competitiveness. Continue developing intelligent technologies and capabilities. 		
Expenses of the response action	Approximately NT\$500,000/year	Approximately NT\$1,000,000/year	Approximately NT\$400,000/year		

4.1.3.2 Climate Risk and Opportunity Assessment

According to the guidance of TCFD, we have classified industry-related risks into transition risks and physical risks. Transition risks are further subdivided into policy and regulatory, technological, market, and reputational aspects, whereas physical risks are categorized into immediate and long-term impacts. Meanwhile, we also conduct annual identification and assessment procedures for climate change risks and opportunities.

O Physical Risk Assessment

Туре	Type		Operational Impacts or	n Finance	Besperse Action Plan	
(Impacts)	NISK	Supplier	Organization	Customer	Response Action Plan	
Immediate	Increase in extreme whether event – typhoon Increase in extreme whether event – torrential rain	Delay in raw material imports	Resulting in construction/ project schedule delays	Cannot meet customer demands, resulting in customer loss.	 Change the construction strategy and strive for extending the project schedule; and list them in Acter's risk management approach. Enhance internal personnel and external contractors' occupational safety education and training (e.g., safety promotion and preventive measures) to effectively minimize occupational disasters at project/construction sites, thereby achieving achieve hazard prevention. Moreover, seek long-term partners to develop stable relationships and periodically review risks involved in the equipment delivery schedules. So far, there have been no delays in project progress due to weather events. 	
Long-term	Increase in average temperature Rise of sea level	-	The construction quality is affected, resulting in an increase in occupational accidents/incidents.	Cannot meet customer demands, resulting in customer loss.	 Acter employs the most advanced and applicable technologies, considering lifecycle efficiency and low-carbon emissions through green engineering methods, aiming to mitigate GHG effects. Promote various energy-saving measures and introduce ISO 50001:2018 to enhance energy use efficiency. 	

© Transition Risk Assessment

Type			Operation	al Impacts on Finance	Persona Action Dan		
(Aspects)	(Aspects)		Organization	Customer	Response Action Plan		
Policy and regulatory	Increase in sustainability related demands and regulations	Increase in		Cannot meet customer demands, resulting in customer loss.		Cannot meet customer demands, resulting in customer loss.	 Look for low-carbon emission suppliers and engage in local procurement. Encourage suppliers to implement carbon reduction measures.
	Increase in raw material costs	costs	-	 The new contract amount decreased, with customers reducing their investment willingness. 	 Establish a long-term partnership with suppliers Sign a long-term supply contract for bulk project raw materials. Establish inventory mechanism Shorten the design schedule to better control the procurement quantity. 		
Market .	Shifting of customer preference			 The new contract amount decreased, with high-carbon emission customers reducing 	Continue to develop green engineering techniques and provide net-zero value and services.		
	Changes in customer behavior	-	Decrease in orders	their investment willingness.Acter fails to grasp the business opportunity of the low-carbon industry.	Enhance market competitiveness.Continue developing intelligent technologies and capabilities.		

Type Rick		Operational Impacts on Finance			Perpanse Action Dian		
туре	NISK	Supplier	Organization	Customer	Response Action Plan		
Fechnology Technological	ESG assessment affecting investors and banks' willingness to invest	-	-	The new contract amount decreased, with high- carbon emission customers reducing their investment willingness.	 Implement sustainable governance and sustainability thinking through concrete actions to sustainably create value for stakeholders. Meanwhile, enhance the transparency of disclosed climate change management-related information. Communicate with stakeholders through the annual report, annual sustainability report, and corporate website. Participate in domestic and overseas ESG sustainability assessments to obtain certifications from sustainability-related organizations. 		
	Cost expenditure derived from the transition of low-carbon technology		The new contract amount decreased due to customer loss resulting from reduced competitiveness.	-	 Continue to develop green engineering technologies and techniques and provide net-zero value and services to enhance our market competitiveness. Continue developing intelligent technologies and capabilities. 		
Reputational	Increase in stakeholders' negative feedbacks		Customers reducing their		 Promote and implement green engineering technological services while ensuring the high quality or engineering services. 		
	Impact on corporate image due to falling to reach customers' expectations	-	investment willingness	-	 Provide engineering services that can minimize environmental impacts and reduce GHG emissions. Acter continues to communicate and exchange with stakeholders through the corporate website, sustainability report, and other means, and converts stakeholders' feedback into improvement actions. 		

4.1.4 Greenhouse Gas Management

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

4.1.4.1 GHG Inventory

In response to the challenges posed by global climate change, enterprises are tasked with consistently reducing greenhouse gas (GHG) emissions from their operations to mitigate adverse climate impacts. Each year, Acter conducts annual GHG inventories based on ISO 14064-1 standards and verifies them through third-party audits to ensure control over GHG emission sources and quantities at each factory site. In 2023, Acter's Scope 1 direct emissions totaled 75.9532 metric tons of CO2e, accounting for 14.79% of the Company's total GHG emissions; Scope 2 indirect emissions amounted to 91.8240 metric tons of CO2e, representing 17.88% of the total; and other indirect emissions totaled 345.6681 metric tons of CO2e, accounting for 67.32% of the Company's greenhouse gas emissions.

	Annual GHG emissions Unit:t-CO _{2e}			
Item	Descriptions	2021	2022	2023
Direct emission (Scope 1)	Covering the fuel of company cars, dispersion refrigerant of company car, dispersion refrigerant of office equipment, fire-extinguisher, and septic tank	103.2774	67.8315	75.9532
Indirect emission (Scope 2)	Covering externally purchased electricity	48.7653	127.6654	91.8240
Other indirect emission (Scope 3)	Covering business travel and employee commuting	-	321.6870	303.9383
Other indirect emission (Scope 4)	Covering waste produced from fuels and energy related activities and operations	-	45.5794	41.7298
Total of GHG emissions	(Scope 1 + Scope 2)	152.043	195.497	167.7772
Other indirect GHG emissions	(Scope 3 + Scope 4)	-	367.266	345.6681

Note 1: This inventory utilizes coefficients from the "Greenhouse Gas Emission Coefficients Management Table - Version 6.0.4" announced by the Environmental Protection Administration (EPA), Executive Yuan. It employs the Global Warming Potential (GWP) values from the IPCC Sixth Assessment Report as the basis for calculating carbon dioxide equivalent. For externally purchased electricity (Taiwan Power Company), the carbon emission coefficient announced by the Bureau of Energy, Ministry of Economic Affairs for 2022 is 0.495 kilograms of CO2e per kilowatt-hour, converted to metric tons of CO2e for calculation.

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

4.1.4.2 Commitment to Carbon Reduction for 2050

Considering the increasingly severe global warming issue, Acter has intensified our efforts in green engineering and procurement to reduce GHG emissions during the transportation of raw materials and construction, while implementing energy-saving measures in our daily management. We have established long-term energy-saving and carbon reduction goals to underscore our commitment to mitigating climate change. Taking 2022 as the baseline year, we have set a target to reduce the total GHG emissions (Scope 1 & 2) by 20% by 2030, and other indirect GHG emissions by 10%, aiming to reduce the environmental impact of our business operations and move towards net-zero emissions with the entire world. In 2023, Acter's total GHG emissions reduced by 8.8%, demonstrating our commitment to carbon reduction and implementation of energy-saving measures. In the future, we will continue to monitor GHG emissions from our operations, formulate appropriate reduction plans, and progressively move towards achieving net-zero emissions.

OActer's Carbon Reduction Action Pathway and Strategy Blueprint



4.2 Energy and Environmental Management

2023 SUSTAINABILITY REPORT

• GRI:2-27, 302-1, 302-3

4.2.1 Energy

In terms of energy use, our primary energy sources are externally purchased electricity and company cars (gasoline). We have implemented ISO standards to establish, implement, maintain, and continually improve energy management practices, aiming to optimize energy utilization and achieve tangible energy-saving outcomes. In 2023, our per capita electricity consumption was 4.33 (GJ/person), marking a 5.45% reduction from the baseline of 4.58 (GJ/person); and gasoline consumption per capita was 2.58 (GJ/person), showing a decrease of approximately 15.27% from the baseline of 3.045 (GJ/person). These reductions demonstrate the ongoing positive impact of our energy-saving initiatives. We will continue to monitor various energy consumption metrics and performance indicators, compiling annual performance statistics. By analyzing trends over the years, we aim to enhance operational energy efficiency. These results will guide the formulation of relevant policies and serve as a reference for setting carbon reduction and energy-saving goals, thereby progressively realizing our vision for low-carbon development.

O Power Consumption and Energy-Saving Goals in 2023



Note 1: The conversion factors for energy heating values are referenced from the "Energy Product Heating Value Table" provided by the Energy Bureau of the Ministry of Economic Affairs. The heating value for electricity and automotive gasoline are 860 Cal/kWh and 7,800 Cal/L, respectively.

- Note 2: The baseline is defined as the average usage for the previous two years to reduce potential bias caused by selecting a single data point.
- Note 3: The increase in total gasoline usage resulted from the increase in the number of projects in 2023, requiring personnel to travel back and forth between work locations. However, gasoline consumption per capita decreased by 15.27%.

O Energy-Saving Actions Adopted in 2023

- Adopt T5 tube lights and zone control measures; switch off lights in areas without the need for lighting.
- During working hours, turn off lights that are not in use or unnecessary, or maintain partial lighting.
- The employee who leaves the office work area last should turn off the lights. Employees
 who work overtime during holidays are only eligible to turn on the lights in their work areas.
- Review the lighting needs and enhance lighting performance.
- Set the air-conditioning temperature at 26°C to 28°C in the office.
- At 17:30 PM (the end of the workday), turn off the air-conditioning system for the entire area. Only employees who need to work overtime can turn on the air-conditioning system in their work areas.
- The air-conditioned areas should keep doors and windows closed, be separated from the outside air to reduce cold air leakage, or prevent the intrusion of hot air.
- Install curtains to reduce direct sunlight and minimize the use of the air-conditioning system.
- Purchase products with a green mark, energy-saving label, and high EER value.
- Switch off the computer after finishing work; and turn off the power and unplug all devices.
- Put printers and fax machines into energy-saving mode.
- Adjust water dispensers to energy-saving mode.
- Turn off the lights for an hour during lunch break.
- Set the air conditioner temperature to 26°C to 28°C and foster an office culture where suits and ties are not worn.
- Purchase water-saving labeled products and equipment; and add auto-sensing devices to faucets.
- Distribute eco-friendly EDMs irregularly to notify employees of the company's water-saving measures, thereby facilitating water use management.
- Review water use needs and increase the efficiency of using water resources.
- Make every effort to utilize double-sided photocopying. Ensure that bound papers are detachable and minimize the use of glue whenever possible.
- Digitize documents, operating procedures, and training materials to minimize paper usage, opt for renewable paper options, and reuse envelopes whenever possible.
- Use portable cups/bottles and chopsticks instead of paper cups and disposable chopsticks; replace tissues and paper towels with handkerchiefs.
- Implement garbage classification and recycle resources; avoid using over-packed products.

4.2.2 Environmental Management System

Item

Legal Compliance

Green Design

Education and

Trainings

Sustainable improvements on

the energy

resources management

system

2023 SUSTAINABILITY REPORT

To master broader and macro environmental trends. Acter has introduced the ISO 14001:2015 Environmental Management Systems under multifaceted environmental considerations. Following the PDCA management cycle, Acter has adopted an integrated management approach to ensure consistency between environmental protection goals and implementation strategy, while establishing mechanisms for pollution prevention and improvement. The Q&A and Safety Department, serving as the dedicated management unit, has implemented the "Procedures Governing Environmental Operations Control" across departments. Acter commits to environmental protection in the ESH policy statements, including regularly conducting environmental control planning, supervision procedures, and internal audits at both Acter's headquarters and selected construction sites, as well as having a third-party certification unit conduct external audits. Apart from committing to environmental protection and sustainable development, Acter also requires suppliers to comply with the same commitment, aspiring for our value chain partners to move towards sustainable development together. Up to 2023, Acter has not recorded any instances of environmental pollution for 9 consecutive years, demonstrating Acter's efforts.



4.2.2.1 Air Pollution

Acter always promotes and educates on-site personnel about relevant regulations of the Air Pollution Control Act before construction begins, ensuring that our personnel understand the air pollutant emissions standards they must comply with. Regarding inevitable events within legal limits, such as temporary emissions during construction or trial runs that may affect the neighborhood's living quality or cause environmental impacts, Acter always proactively notifies the neighborhood about the emission times and circumstances. Moreover, we prohibit any activities, such as open-sky burning, material transmission, or other operations, that may result in particulate pollutants affecting human health and natural ecology. In the event of a sudden incident leading to a significant emission of air pollutants, the responsible person at the construction site will implement emergency response measures and promptly notify the local competent authority within the legally prescribed timeframe. The relevant control measures are as follows:

es or penalties for 9	Environmental protection certification	5	254,495	Content	Approach	Implementation Effectiveness
al Protection Poli	cies			Spray paint and	 Conduct indoor operations only in spaces equipped with control equipment. 	Prevent the dispersion of air pollutants to safeguard
	Action(s)		Performance in 2023	solvent	 Operations must not be carried out in bad weather. Install ventilation and washing 	human health and the ecological environment.
Comply with ESH regul to international green activities.	lations and other requirement environmental protection and	s, and actively respond I zero-disaster	Zero violation and zero penalty		equipment.	
Implement green ener procurement, and ado commitment to enviro	gy-saving engineering techniq pt green management practic nmental protection.	ues, enhance green es to fulfill our	Environmental protection as the priority	Vehicle	 All vehicles and machines must pass through the car wash pool and be cleaned using water pipes before leaving the work area. After loading is complete the 	Prevent dust from flying or
Enhance ESH education resource conservation, policy. The objectives a labor safety and health	n and training for all staff to ra , and promote the Company's are to cherish the earth's natu n, and prevent diseases and we	aise their awareness of recycling and reuse ral resources, ensure orkplace hazards.	The completion rate of ESH training for new employees reached 100% in the year.	transportation and cleaning	 When driving into or through the construction site, it is mandatory to follow the site rules and obey the commands of the person in charge. 	settling to maintain air quality.
Continue to improve th and ISO 50001:2018, to example, systematicall and identify major ene improvement based or PDCA management cyo improve efficiency, and and carbon reduction to	he management system, inclu o enhance energy and resourd ly manage the company's ener ergy consumption areas, along n a comprehensive energy rev cle to strategically reduce ene d lower expenditures, thus ach targets.	ding ISO 14001:2015 ce efficiency. For rgy (ISO 50001:2018) with opportunities for iew. Implement the rgy consumption, nieving energy-saving	Completed the ISO 14064- 1:2018 greenhouse gases, obtained third-party certifications for ISO 14001:2015 and ISO 50001:2018, and conducted semi-annual office CO2 concentration testing.	Open-air burning	No burning of any kind.	Prevent the creation of air pollutants and GHG emissions.

4.2.2.2 Noise

Construction noise management is an important aspect of environmental safety. To maintain the health and safety of personnel and ensure construction quality, Acter prioritizes the use of low-noise construction machinery, equipment, vehicles, and instruments. In case of receiving complaints from the neighborhood about noise pollution caused by scheduled construction, Acter responds promptly and provides the complainant with an official report on the action plan or results. Additionally, all complaints are summarized and reviewed by the project manager for continuous tracking and inspection. Other measures for noise pollution prevention and control are as follows:

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Adopt low-noise construction machines, equipment, and vehicles as a priority.

Adjust our construction methods or complete operations that can create significant noise in a prefabricated factory and then transfer them to the site. Where the high-noise issue cannot be eliminated or avoided, it is a must to install sound insulation or adopt anti-vibration measures as required.



Avoid working during early morning or at night.

4.2.3 Water Resource Management Tap Water

Grounded in water resource protection and corporate sustainability, our headquarters autonomously inventories water resources. The water for our headquarters' building is directly supplied by the Taiwan Water Corporation, without using any groundwater or water obtained through other methods. Furthermore, all water is strictly reserved for our employees and visitors, ensuring minimal environmental impact. Wastewater is processed and discharged into rivers and oceans through sewers. To enhance water resource management and achieve reduction goals, we have installed automatic sensing devices on faucets, promote water-saving slogans, and send environmental protection enewsletters to employees to raise awareness about conserving water resources. In 2023, the total tap water usage at our headquarters increased compared to the baseline due to office expansion and increased floor area. Moving forward, we will continue promoting water conservation policies to achieve per capita reduction targets.

Scope boundary	Water consumption	Unit	2021	2022	2023	Scale of increase/ decrease
Headquarters/ Operations Office	Tap water consumption	Liters (I)	759	743	831	10.65%
	Water use intensity	Liters (I)/ Ping	1.37	1.34	1.5	10.7%
	Water consumption per capita	Liters (I)/No. of people	8.93	8.16	8.7	1.8%

Groundwater

Before commencing construction, we always confirm the establishment of a water use plan and wastewater discharge plan, and rigorously monitor the environment to ensure the quality of discharged water at the construction site. We strictly adhere to the rule of not abandoning or placing any waste or pollutant substances within a specific distance of the water body and its coast. All wastewater produced during the trial run on the construction site is handled respectively based on its volume and quality. It is either collected, processed, and released or recycled for reuse, or collected, disposed of, and treated by a legally authorized disposal organization.

4.2.4 Nature and Biodiversity

In recent years, "loss of biodiversity" has gradually become a concern for stakeholders. None of Acter's operational sites around the world are located within environmentally protected areas, biologically diverse areas, restored habitats, or natural forest lands that contain any precious plants, renowned trees, or endangered species listed in the IUCN Red List or national conservation lists. Simultaneously, Acter conducts environmental impact assessments in accordance with local regulations to prevent our operational activities from adversely affecting biodiversity conservation. We adopt eco-friendly techniques to proactively minimize pollution. Through continuous improvement of our practices and services, we promote natural and biodiversity conservation approaches to mitigate the ecological impact of our operations. Within our enterprise, we engage with value chain partners and operational sites to prevent excessive deforestation, aiming to continually avoid and mitigate impacts and proactively contribute to global conservation goals.

Sna



Common Prosperity and Growth

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

10.0







The total number of hours contributed by volunteers is 311 hours

Corresponding to Materiality

- Human rights protection
- Legal compliance
- Talent attraction and retention
- Talent cultivation and development
- Workplace safety and health
- Social engagement

Talent development and promotion are crucial elements for sustainable corporate operations. Through comprehensive remuneration and welfare systems, opportunities for diverse development, friendly workplace measures, and a supportive environment oriented towards a "happy homeland", we have cultivated harmonious teamwork and a positive work environment. By applying our expertise in society and effectively utilizing our resources and influence, our goal is to serve as a stabilizing force that promotes societal progress.

5.1 LOHAS at Acter

4cter

• GRI: 2-7, 2-8, 2-20, 2-21, 2-30, 201-3, 202-1, 202-2, 401-1, 401-2, 401-3, 404-2, 404-3, 405-1 and 405-2

2023 SUSTAINABILITY REPORT

Talents are vital strategic resources for companies, serving as creators of value and a crucial foundation for sustaining growth. At Acter, we value our employees highly, recognizing them as our most important assets. We collaborate with our team members to harness collective wisdom, foster individual and team potentials, and nurture professional aspirations and interests. Through shaping our corporate culture and developing key talents, we acquire expertise in critical domains and cultivate an open, innovative R&D culture and creative environment that stimulates our colleagues' vitality and imagination.

5.1.1 Talent Deployment

Acter values and cherishes employees' unique qualities. We respect the differences among individual employees and believe that such diversity forms the foundation of corporate competitiveness. We emphasize a work environment policy of "equal opportunities" and respect and embrace the diverse cultures of our team members. We believe that a diverse employee composition brings different viewpoints and opportunities for progress, and that a workplace culture that embraces diversity and tolerance enables employees to fully utilize their skills. Moreover, Acter places importance on gender-friendly mechanisms and is committed to building a work environment characterized by diversity, inclusiveness, and equality. Through the implementation of measures and management mechanisms that exceed regulatory standards, we aim to create a gender-friendly workplace.

O Acter Group's Workforce Distribution Over the Last Two Years

Yea	ar	2022			2023			
Type/ Gender/ Region		Taiwan	Mainland China	South- East Asia	Taiwan	Mainland China	South-East Asia	
Full-time	Male	395	668	62	541	751	96	
employees	Female	198	190	33	302	220	55	
Contract	Male	5	16	0	5	13	3	
employees	Female	4	0	0	2	0	0	
Total		1,571	people			1,988 peopl	е	

Note: All employees in our Group are full-time; none are part-time.

O Acter Group's Workforce Distribution in 2023

Region		Taiwan		Mainlar	nd China	South-East Asia	
Gender	Age	No. of people	%	No. of people	%	No. of people	%
	Up to 30 years old	182	21.41%	394	40.04%	31	20.12%
Male	31 to 50 years old	321	37.76%	334	33.94%	64	41.55%
	51 years old and above	43	5.05%	36	3.65%	4	2.59%
	Up to 30 years old	84	9.88%	106	10.77%	32	20.77%
Female	31 to 50 years old	200	23.52%	110	11.17%	23	14.93%
	51 years old and above	20	2.35%	4	0.4%	0	0
	Subtotal	850	100%	984	100%	154	100%

O Local Employment Rate of Acter Group's Major Operations sites in 2023



O Statistics on Acter's Employment Type and Gender in 2023



O Analysis of Acter's Workforce





© Statistics on Acter's New and Resigned Employees in 2023

Ne	ew hire / Turnover rate	No. of new employees	Diversity ratio	No. of resigned personnel	Diversity ratio
Male		37	73.8%	38	70.4%
	Female	13	13 26.2%		29.6%
Total Number of people		50		54	
	Up to 30 years old	26	51.8%	20	37%
\leq	31 to 50 years old	11	21.5%	17	31.4%
ale	51 years old and above	0	0%	1	1.9%
	New hire/turnover rate	6.8%		7%	
	Up to 30 years old	9	18.9%	9	16.7%
Fen	31 to 50 years old	4	7.8%	6	11.1%
nale	51 years old and above	0	0%	1	1.9%
	New hire/turnover rate	4.3%		5.3%	

Note: The new hire and turnover rate is obtained by dividing the number of new hires or departing employees by the total headcount as of December 31, 2023. Note: The table data is presented for Acter's headquarters

© Proportion of Female Managerial Personnel

Acter values gender equality and actively empowers outstanding female employees to achieve their career development goals, enabling them to fully utilize their talents in suitable positions. As of 2023, female employees constitute 32% of Acter's workforce, and women account for 23% of managerial personnel (above the level of section chief).



Continuing to Employ Indigenous People and People with Disabilities

Out of respect for the unique cultures of minority ethnic groups, we offer indigenous employees 8 hours of ritual leave, allowing them to choose their days off flexibly. As of the end of 2023, Acter has hired 3 indigenous employees. Meanwhile, we support the employment of individuals with disabilities, having employed 3 by the end of 2023 in compliance with legal requirements. Moving forward, Acter will continue to proactively evaluate internal job positions to provide more employment opportunities for individuals with disabilities.

O Acter's Employment of Indigenous People and People with Disabilities



5.1.2 Talent Attraction

5.1.2.1 Remuneration System

Acter complies with labor regulations across our global operations sites when hiring employees. We uphold the principle of equal opportunity, conducting open selection processes and offering highly competitive remuneration and relevant welfare policies to attract talented individuals. In 2023, Acter's average salary adjustment rate was 4.22%. Our entry-level employees receive a minimum starting salary of 1.14 times the basic salary, regardless of gender. The highest annual salary within our organization amounts to 13.65 times the average salary of other employees, excluding those with the highest salary. Besides, Acter has internalized ESG concepts as the foundation of our operations. We have fostered a strong sense of responsibility among our staff towards corporate sustainability and risk management by linking ESG performance indicators to employee turnover incentives. Aligning the Company's interests and benefits with those of our employees, we have established corporate sustainability as our shared goal. In 2023, our Company successively met the corporate sustainability ESG promotional goals, which has resulted in potential increase and fair allocation of remuneration for our employees, allowing everyone to share in the positive outcomes of our practices.

Ratio of Standard Salary at Major Operations sites to Local Basic Salary



O Acter's Annual Total Compensation Ratios



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

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

Overall Gender Pay Ratio of Major Operations sites

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Region		Taiwan				Mainland China			
Company		Acter		NOVA Technology		Suzhou Winmax Technology		Winmax Technology (Shanghai)	
Employee type/ Gender		Male	Female	Male	Female	Male	Female	Male	Female
	Senior managers (above the deputy general manager level)	1	-	1	-	1	-	1	-
Managerial position	Middle-level managers (above the manager level)	0.88	1	1.09	1	-	-	1.05	1
	Junior managers (above the section chief level)	1.94	1	1	1	1.55	1	1.08	1
Non-managerial position	General employees	1.13	1	0.96	1	1.34	1	1.73	1

Note: Calculated with women as the baseline ratio of 1, Acter, NOVA Technology, Suzhou Winmax Technology, and Winmax Technology (Shanghai) do not have female senior managers.

© List of Acter's Salary Type



5.1.2.2 Performance System

Acter's performance management and development systems aim to comprehensively enhance individual, departmental, and organizational performance. Centered on "talent development" and "compensation design", these systems effectively align the Company's strategic goals with employees' individual key performance indicators. Together with the performance evaluation, this approach enables employees to gain insights into their competencies and establish learning goals to support their career development, addressing skill gaps and improving work performance. Moreover, Acter employs a collaborative evaluation mechanism that incorporates feedback from supervisors and peers across departments, allowing each talent to fully utilize their abilities and capabilities. In 2023, Acter achieved a 100% completion rate for its performance evaluation system.

5.1.2.3 Employees' Commitment/ Satisfaction Level

To enhance employees' commitment to work and improve the workplace atmosphere, Acter conducts an annual comprehensive employee commitment survey focusing on "organizational commitment", "supervisory leadership", "management systems", "work satisfaction", and "education and training". The results of Acter's latest "employee commitment/satisfaction survey" show an overall score of 88.18, marking a 1.9% increase compared to the previous year. This indicates a growing positive perception among our colleagues towards the Company. Areas where recognition was lower have prompted us to develop improvement strategies based on these results, and we continue to conduct regular tracking and reviews to ensure ongoing enhancement.

© Professional Commitment/ Satisfaction Survey Results



5.1.3 Employee Care and Welfare System

Acter is committed to creating a "safe, secure, enjoyable, and LOHAS" workplace. Each year, we strive to optimize our employee healthcare and welfare measures, alongside offering a variety of health-promoting activities aimed at maintaining the physical and mental well-being of our employees. The goal is to foster unity among employees and their families, aiming to enhance employee well-being and fulfill the Company's commitment to sustainability.

Apart from providing a "safe and healthy" workplace, Acter has also created a LOHAS (Lifestyles of Health and Sustainability) workplace tailored to our employees' preferences. Upholding the spirit of integrating employee welfare, vitality, and public welfare, Acter organizes various activities to foster creativity and vitality during both work and leisure time.

O Acter's Employee Welfare System

Basic employee welfare	Labor and national health insurancesLabor pension	Group insuranceEmployer's liability insurance	• Education and training
Bonus Cash gifts Grant (allowance)	 Employee bonus Performance bonus Bonus/ cash gifts for three major national festivals Birthday gift money Allowance for weddings and funerals Childbirth grant 	 Employee emergency assistance Hospitalization allowance Scholarship for employees' children with excellent performance Training allowance Contracted childcare centers Employee referral bonus 	 Proposal incentive Location allowance Project incentive bonus Occupational safety excellence bonus
Leisure benefits	Company tripFamily Day	Volunteer DayCompany club activities	• Cultural, recreational, and leisure activities
Healthcare	 Free employee health checks On-site physician consultation services 	Maternal health protection policyHealth facilitation activities	• Monetary assistance for safety equipment
Special leaves	 Maternity/ prenatal leave Prenatal checkup and paternity leaves Family care leave 	 Paid volunteer leave Paid indigenous peoples' leave Vaccine leave 	Epidemic-prevention care leaveEpidemic-prevention quarantine leave
Employee assistance Programs (EAPs)	 Promotion/ Window of EAPs Set an employee caring taskforce Safety Department) Provide guidance materials for sp (corporate platform) 	 Regularly provide and Provide psycial and Provide psycial and channels Integrate ext 	ovide employees with mental health information hological counseling ternal resources
Retirement protection	 To protect employees' retirement employee benefit account design with the guidelines of the Labor S 	t rights and benefits, Acter makes mo ated by the Labor Affairs Bureau for itandards Act and labor pension acts.	onthly contributions to the pensions in accordance

© Statistics on Acter's Employee Welfare Expenditure

Content		2021		20	22	2023	
		No. of applicant	Applied amount	No. of applicant	Applied amount	No. of applicant	Applied amount
Employee Welfare Committee	Trips, birthday parties, sports/ entertainment facilities and activities	All employees	4,854,285	All employees	5,802,022	All employees	6,925,853
	Scholarship for employees' children with excellent performance	14	50,000	6	25,000	6	27,000
	Childbirth cash gift	9	45,000	9	42,000	17	82,000
	Wedding cash gift	2	39,300	9	182,900	15	325,300
Acter	Funeral cash gift	6	165,700	5	139,300	7	182,300
	Emergency benefit	0	0	1	100,000	0	0
	Hospitalization allowance	2	10,000	2	15,000	1	10,000
	Free health check	85	305,000	144	537,000	242	1,464,000
Total		3,959,217		5,469	9,285	9,016,453	

5.1.3.1 Parental Leave Measures and Maternity Care Plan

Acter values the health of female staff. When they have childcare needs, they can apply for unpaid leave and, upon completion of the leave period, apply to return to work. This helps them to balance personal and family caregiving responsibilities. Acter has also established a "Code of Conduct for Employees" in compliance with the "Labor Standard Act" and the "Act of Gender Equality in Employment" to ensure gender equality and protect employees' rights to parental leaves, including prenatal checkup leave, maternity leave, family care leave, paternity leave, and parental leave. Additionally, we offer a childbirth grant and discounts for contracted excellent childcare centers to encourage our employees to have children. Simultaneously, we have introduced a series of measures including occupational health and hazard assessments, controls, and graded management protocols exclusively designed for the well-being of our female workforce. We also conduct health evaluations for female employees who are either pregnant or have given birth within the past year. To ensure the fulfillment of our commitment to safeguarding our female employees, our dedicated Human Resource unit within the General Administration Division collaborates closely with the Q&A and Safety Department, offering vital support. Notably, in 2023, Acter achieved an exemplary 100% return-to-work rate for employees who had taken parental leave.

Statistics of Parental Leave /	2021		2022		2023	
Reinstatement	Male	Female	Male	Female	Male	Female
Number of people who are qualified to apply for parental leave.	39	10	36	9	37	13
Number of people who have applied for parental leave in the year.	0	1	1	2	0	2
Number of people who are expected to apply for reinstatement in the year	0	1	1	2	0	2
Number of people who are reinstated after the parental leave	0	0	1	2	0	2
Number of people who were reinstated in the previous year and continued to work for more than one year.	1	0	0	0	0	0
Application rate of parental leave (%)	0%	10%	2.78%	22.22%	0%	15.38%
Application rate of reinstatement (%)	0%	0%	100.00%	100.00%	0%	100.00%
Retention rate after parental leave (%)	100%	-	-	-	-	-

© Statistics of Acter's Parental Leave / Employee Reinstatement in 2023



5.1.3.2 Health Facilitation

Acter is dedicated to creating a healthy work environment by continuously safeguarding employees' health, ensuring a safe and secure workplace, and regularly organizing health checkups and various health facilitation activities to help employees relax their body and mind. We partner with health checkup institutions recognized by the Ministry of Labor across the country to provide employees with an annual health checkup that exceeds regulatory requirements. In 2023, we enhanced our health checkup allowances to optimize our health screening solutions. This initiative not only enables employees to promptly address health risks and take preventive measures but also fosters increased awareness of their health conditions through ongoing monitoring of health checkup results and cares for their physical health. Furthermore, we have engaged specialized occupational medicine physicians from China Medical University Hospital to provide onsite services, conducting individual consultations and assessments for employees in need. This helps employees better understand how to mitigate their health risks, receive tailored improvement recommendations, and promotes a comprehensive health-focused workplace environment.

Regarding health facilitation, we regularly conduct physical therapy activities aimed at improving and preventing musculoskeletal injuries and diseases, overseen by professional physical therapists who provide advocacy and health education. We also arrange oral cancer screenings at construction sites, offering one-on-one health screenings and education conducted by specialized physicians. Beyond our employees, we extend invitations to customers, outsourcers, and contractors to participate in these activities, thereby enhancing awareness of health prevention among construction personnel. Furthermore, we organize monthly Health Lectures covering various topics and disseminate information on health advocacy, such as the prevention of epidemic diseases and conditions related to hypertension, hyperlipidemia, and diabetes, to enhance employees' health awareness and encourage proactive health maintenance practice.



5.1.3.3 Company Trips and Club Activities

Our company established the "Employee Welfare Committee" in 2005, jointly organized by the General Administration Unit and the Employee Welfare Committee. This committee oversees various employee welfare activities, including domestic and overseas trips, Family Day events, club activities, department gatherings, and festival gift vouchers. Acter is committed to fostering a happy workplace that promotes employee well-being by creating an environment where employees can engage positively while maintaining a balanced body, mind, and spirit alongside their work. We also regularly communicate welfare-related matters through meetings to comprehensively address the needs of our employees and promote effective two-way communication. In 2023, we convened 3 Employee Welfare Committee meetings and organized a total of 62 domestic and international activities.





Acter's Company Trip to Tokyo

5.1.3.4 A Sound and Secure Retirement System

Acter safeguards employees' retirement rights and interests in accordance with local retirement regulations and systems. All our employees receive their rightful pension allocations, and we ensure adequate provisions through professional accounting consultants who conduct retirement fund actuarial assessments. This guarantees sufficient allocations to protect employee benefits. In addition to the standard company contributions, employees have the flexibility to allocate up to 6% of their pension to a designated account for tax exemption purposes. Furthermore, under the Middle-aged and Elderly Employment Promotion Act, Acter recruits retired senior supervisors as company advisors, enabling them to pass on their expertise to new employees. In 2023, the company allocated 6% of the pension, totaling NT\$15,333,644 annually. Employees who retire and terminate their employment relationship are rehired by the company as consultants based on their

professional skills, continuing to provide relevant advice and assistance.

5.2 Talent Development

• GRI: 2-24 and 404-1

In 2023, Acter Group employed a total of 1,988 employees. To ensure the balanced development of our workforce within this large organization, we have actively invested in talent cultivation resources. This includes establishing organizational frameworks, nurturing successors, and providing opportunities for employees to gain practical experience, with the aim of attracting like-minded professionals to join us. Through a comprehensive education and training plan, we not only train new employees but also provide professional development opportunities for employees across various job roles, aiming to build an agile organization.

5.2.1 Construct a Diverse and Tolerant Workplace

Acter encourages a diverse and inclusive workplace culture, and respects every employee's uniqueness. Aligned with the UN's "Universal Declaration of Human Rights" and best practices, we are committed to nondiscrimination and equal treatment for all employees, regardless of their gender, sexual orientation, race. sociopolitical position, age, marital status, family circumstances, language, religion, political affiliation, nationality, appearance, physical or mental disabilities, or other factors. Our goal is to cultivate an environment where diverse talents can thrive, enhancing our competitiveness. Acter believes that a diverse workforce brings fresh perspectives and drives innovation. Fostering a diverse and tolerant workplace culture empowers our employees to excel in their roles. contribute diverse ideas, and support Acter's sustainable development.



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5.2.2 Acter A+ Academy

To advance towards the corporate vision of "innovation and sustainability", Acter has established essential management functions across all levels of supervision and defined core and professional competency requirements for general employees. In addition to compulsory courses aimed at enhancing work efficiency, our employees have the opportunity to enroll in various elective courses tailored to their individual needs and future career development plans. These initiatives prepare them effectively for their next career stages. Annually, in the fourth quarter (Q4), the Company conducts training needs assessments. Based on the results, we then design development programs aligned with the occupational requirements of supervisors and employees, thereby achieving objectives such as preserving corporate culture, enhancing managerial capabilities among supervisors, and nurturing talent within the organization.

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



To facilitate employees' engagement in continuous learning anytime and anywhere, Acter has adopted online knowledge management and E-Learning platform systems to provide employees with diverse learning channels continuously, gathering more momentum for the Company's growth and societal uplift. In 2023, the total budget for education and training was NT\$15,196,378. A total of 894 internal and external education and training sessions were conducted, with employees receiving a cumulative training duration of 15,138.03 hours. The average training hours per employee were 35.62 hours. The overall employee satisfaction with the training was rated at 88.4 points, showing a growth of 2.13% compared to the previous year and surpassing the annual target set.

Statistics on the Number of Education and Training Sessions

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Internal or External Training / Year	2021	2022	2023
No. of internal training programs	204	380	467
No. of external training programs	271	344	427
Total number of training programs	475	724	894

Unit: NTD

Linit: NTD

© Education and Training Costs

Indicators	Items/Year	2021	2022	2023
	Total education and training expenditure	7,125,895	10,099,378	15,196,208
Casting	Average training cost per employee	20,897	26,029	39,573
Cost indicators	Average cost per male employee	20,712	24,905	43,883
	Average cost per female employee	21,252	28,313	30,538
	Achievement rate of individual plan	86%	86%	86%
Goal-oriented	Achievement rate of professional skills	85%	80.39%	75.88%
indicators	Achievement rate of education and training	100%	100%	100%
	Education and training satisfaction level	83.60	86.2	88.04
Career development	Proportion of key positions personnel	100%	100%	100%
indicators	Proportion of personnel participated in performance assessment	88.27%	94.58%	96.88%

© Statistics on the Total of Education and Training Budget

					Onit. NTD
	Internal or External Training/ Employee's Gender/ Year		2021	2022	2023
	Internal Trainings	Male	2,185,500	3,108,734	5,915,267
		Female	1,528,750	1,727,404	2,535,021
	External	Male	2,453,935	3,366,570	5,494,200
	Trainings	Female	957,710	1,896,670	1,251,720
	Total Amount		7,125,895	10,099,378	15,196,208

© Statistics on Employees' Average

I raining Hours			Unit	: Hour
Employee type/ Gende	er/Year	2021	2022	2023
Senior managers (above	Male	6	7	15.66
the deputy general manager level)	Female	-	-	-
Middle-level managers	Male	12	15.23	37.89
(above the manager level)	Female	20	46.61	20.93
Junior managers (above	Male	15	21.67	56.41
the section chief level)	Female	24	25.64	45.23
Conoral amployees	Male	21	23.49	44.35
General employees	Female	19	19.88	28.90
Total hours		1	15,138.0	3

5.2.3 Cultivation of New-Generation Talents

Youth represent a vital force for sustainable development and social progress, with education empowerment serving as the key driver of this momentum. Acter is committed to fostering the positive development of future generations, aiming to leverage our own expertise to guide young people in effecting change and addressing social and environmental challenges. To this end, we offer diverse developmental programs tailored to various stages of youth growth. By providing practical learning environments, we enhance their future workplace competitiveness, facilitate their integration into industries, and promote advancements in green engineering technologies. Acter has established long-term partnerships with institutions such as National Taipei University of Technology (Taipei Tech), National Yunlin University of Science and Technology (YunTech), National Chin-Yi University of Technology (NCUT), National Kaohsiung University of Science and Technology (NKUST), and others. Through lectures, seminars, internships, and scholarships, we actively cultivate nextgeneration talents and provide a platform for their voices to be heard. Acter's commitment extends from educational roots to nurturing and rewarding outstanding young students.

Comprehensive Youth Cultivation Programs Enriching Industry

Talent Resource

Young students represent the future leaders and innovators of society. We recognize their potential and envision them as future global leaders. Through organizing and sponsoring various industry-academic collaborations, we provide a range of resources such as exchanges, training, and rewards to nurture exceptional talent. It is our mission to leverage our core expertise to support young students in shaping a better future. In 2023, Acter implemented cultivation programs for 11 interns, with 6 successfully securing positions at Acter, resulting in a retention rate of 67% (excluding short-term winter and summer internships).

Cultivation	Descriptions	Achievements in 2023
Corporate internships	We established strategic partnerships with schools and have provided internship opportunities every year to encourage young students to apply what they have learned. Through one-on-one mentorship, we help students earn credits for corporate internships and gain practical experience	A total of 11 students participated in internships (9 for semester internships, 1 for an academic year internship, and 1 for summer internships), led by 11 mentors, with a total budget of NT\$4,084,933.
Industry- academia training programs	Since 2011, we have been participating in the industry-academia training program organized by the Workforce Development Agency of the Ministry of Labor to offer students a dual-track opportunity to study and work simultaneously. Through the provision of diverse professional resources and a living allowance, we have supported students in easing their employment pressure and economic burden, while equipping them with the expertise needed to adapt to industry changes and seamlessly transition into the workforce.	Cultivated 2 industry-academia trainees, led by 2 mentors, with a budget of NT\$984,638.
Scholarships and lectures	 Allocate scholarships to support young students at YunTech, NKUST, and NCUT for a worry-free education. Organize informative lectures at Taipei Tech, YunTech, and NCUT. 	 A total of NT\$310,000 was allocated for scholarships. Three campus lectures were organized, with a total budget of NT\$82,598.

O Youth Cultivation Achievements in 2023

Interns' Reflections Sharing

Huang Cheng-i / Semester Intern Fourth-year student in the Refrigeration, Air Conditioning, and Energy Department at Far East University. I chose to intern at Acter because I was in my fourth year of studies at that time, and our school offered two options: complete our final year on campus or gain practical experience through an off-campus internship. During a session promoting off-campus internships, Acter representatives visited our school and explained the Acter's background, work content, and future industry developments. Learning about Acter, I felt that it was the company I wanted to join, believing Acter would provide me with valuable learning opportunities. This is why Acter left a deep impression on me.

Since I had never left the campus environment before, Acter offered me a chance to experience the workplace in a relaxed setting. Hearing about Acter's comprehensive internship plans from their representatives piqued my interest in the company, prompting me to delve deeper into Acter's business philosophy. One aspect that particularly impressed me was Acter's commitment to environmental protection – this resonated deeply with me. Despite my initial unfamiliarity with internship procedures, Acter has a well-established system that helped me quickly adapt. This solidified my decision to choose Acter for my internship.

After becoming an intern at Acter and stepping onto construction sites, I quickly realized that everything was quite different from school. What struck me the most was the interpersonal communication during the internship. For instance, when discussing tasks with customers, we had to listen attentively to their requirements and ensure that the work was carried out safely. Moreover, it was crucial to jot down any customer instructions and engage in frequent communication to achieve mutual satisfaction. Moreover, I learned the importance of discussing and coordinating project execution details with the construction team, where precision in dimensions, units, and quantities played a pivotal role.

When I first started to discuss with the construction team, I was not very familiar with the entire construction process, which caused delays in the work schedule. Therefore, I approached the engineer who guided me on how to resolve the issue and steer it in the right direction. Then, I was managed to finalized a suitable solution with the construction team. The engineer enthusiastically assisted me, teaching me how to discuss construction procedures and

techniques with the construction team while encouraging me not to put too much pressure on myself. Throughout subsequent construction projects, I learned a great deal from my mentors and developed a strong rapport with them. This allowed me to absorb construction knowledge and skills seamlessly. Despite my initial concerns about bothering the mentors, the mentors consistently encouraged me to ask questions actively, so that both of us can learn from the other. This proactive approach led to fruitful discussions and effective problem-solving. I believe this exemplifies good two-way communication.

Upon completing the construction, the construction team must conduct a postconstruction inspection to verify that the items outlined in the inspection drawings and price list match those completed on-site. If discrepancies exist between the drawings and the actual site conditions, the team must prepare as-built drawings. As a first-time construction inspector, I who lacked experience in preparing inspection reports sought guidance from the engineer. I received clear instructions from him and conducted the site inspection under his supervision. With his guidance, I successfully resolved my uncertainties. This experience not only prepared me for future construction inspections but also contributed to maintaining construction quality and ensuring the accuracy of the as-built drawings.

During my brief four-month internship at Acter, I not only experienced workplace diversity, camaraderie, and culture but also gained valuable engineering knowledge, operational skills, and interpersonal communication abilities. Everything I observed, heard, and learned during the internship has become foundational to my capabilities, enabling me to transition from a student mindset to quickly adapting to future workplaces or related fields. Despite the numerous challenges present on the construction site, witnessing a project evolve from inception to reality has given me a profound sense of achievement. This experience has taught me to appreciate the journey, overcoming obstacles to savor the rewards. I am grateful to Acter for providing this internship opportunity, which has fortified my mental resilience and empowered me to tackle future challenges with confidence.




Wang Ching-hsien/ Semester Intern Fourth-year student in the Department of Safety, Health and Environmental Engineering at Hungkuang University

When our fourth year began, our school arranged off-campus internships for us, aiming to enhance our core skills effectively. Prior to the internship, we were tasked with finding placements and, by chance, I had the opportunity to join Acter, a prominent company. Before joining Acter, I learned that it specialized in air-conditioning engineering projects and was listed on the over the counter (OTC) market. Excited about interning at a company renowned for its robust systems and excellent employee welfare, I eagerly anticipated learning practical knowledge beyond the classroom and deepening my expertise. My understanding of occupational safety management was from the textbooks. However, this internship expanded my horizons, providing firsthand insights into occupational safety practices that textbooks alone cannot convey.

Initially, I understood occupational safety as monitoring on-site safety to ensure no hazards or violations during construction. However, during the internship, I learned that occupational safety personnel were required to manage documentation. From the aspect of occupational safety, successfully completing a project requires equal attention to both onsite management and paperwork – both are indispensable. Due to my unfamiliarity with the work and construction site, I often faced challenges that required assistance from senior students or mentors to resolve. By the end of the internship, however, I began to solve problems independently and effectively manage the construction site. The most valuable lesson from this experience was gaining practical insights into the entire process of occupational safety – from preparation to execution and follow-up – and learning effective communication skills crucial for ensuring the success and safety of construction projects.

Because of my school's arrangement, I had the opportunity to participate in an on-site internship before graduating from university and was fortunate to join Acter. Although I initially lacked knowledge and felt uncertain about occupational safety management, the guidance from mentors and support from senior students enabled me to independently manage the site, which benefited me greatly. During my site duties, a mentor once told me, "Even though an internship lasts only four months and you cannot learn or master everything in such a short time, you will gain experience from working on different projects and learn how to manage them independently. While you may not gain deep expertise in four months, you will gain breadth." Whenever I faced problems or difficulties during the internship, my team members were always there to support and assist me in completing tasks, which made me feel more secure and allowed me to learn from colleagues' different approaches and perspectives.

5.3 Human Rights Management

• GRI: 2-23 to 27, 402-1, 406-1, 408-1 and 414-2

Acter supports international labor-related human rights regulations. Based on international human rights initiatives such as "International Bill of Human Rights" and "International Labor Convention", we have established "Acter's Human Rights Policy" as our highest guiding principles for corporate human rights governance. In addition to strictly adhering to the regulations at our operations sites, we have explicitly stipulated the prohibition of child and forced labor, provision of equal job opportunities, allowance of freedom of association, respecting privacy, and combating discrimination, bullying, and sexual harassment. Acter's Human Rights Policy applies to Acter and Acter's reinvested businesses, subsidiaries, suppliers, customers, and business partners, ensuring that all our daily operations and business activities comply with these relevant requirements.

5.3.1 Human Rights Risk Assessment

To foster a work environment characterized by diversity, equity, inclusiveness, and a sense of belonging, Acter conducts an annual human rights risk assessment to rigorously evaluate potential risks from all perspectives. Our dedicated units adhere strictly to relevant guidelines, standards, and operational procedures to fulfill our commitments and responsibilities towards human rights. Based on the assessment findings, we establish corresponding management and improvement measures to ensure our policies and practices do not infringe upon labor rights of our employees. Concerning our suppliers and partners, we utilize public information and self-assessment forms to assess their adherence to sustainable development and human rights standards, thereby avoiding engagement with high-risk entities. By conscientiously implementing human rights policies, Acter strives to contribute to international human rights efforts.



O Acter's Response Strategy for Human Rights Risk Issues

2023 SUSTAINABILITY REPORT

Human Rights Risk Issues	Mitigation Measures	Remedial Action	Goals
Diverse employment and non-discrimination	 Implement policies prohibiting discrimination through human rights policies, codes of conduct, and employment management rules. Encourage diverse employment in all units. 	 Increase the employment of indigenous people and people with disabilities. During the employment process, do not ask for personal data that are irrelevant to work, and any discriminatory consideration shall be excluded. 	Equal work opportunities Eliminate discrimination
Prohibition of child and forced labor	Verify new employees' age documents.Respect employees' attendance status.	• Employees are required to show the original copy of their personal ID for in-person verification on the duty report date.	 Prohibit employing child labor. Prohibit non-voluntary labor.
Norking hours, and equal pay for equal work	 Manage overtime working hours. Regularly review employees' compensation, ensuring it is above the local minimum salary. Approve employees' compensation based on their job duties, not on their gender, age, or race discriminatively. 	 Monitor and control overtime working hours and the number of work days using the attendance system alerts. Develop employees' diverse capabilities and establish an effective internal human resource management system to balance working hours and minimize overtime. 	 Reasonable working hours for employees' physical and mental well- being Offer fair and competitive compensation
Freedom of association	 Protect employees' statutory rights to establish, participate, or refuse to join associations and collective agreements. 	 Labor representatives at the labor- management conference are directly elected by all employees to enhance the "collective bargaining" mechanism. 	 Create an environment of mutual respect, freedom of expression, and communication.
Occupational health and safety	 Implement preventive plans and monitoring to prevent unlawful infringements in the workplace. Assess risks in the workplace, formulate protective measures, and provide education and training programs. 	 Provide employees with mental and physical health counseling services. Provide accessible complaint channels, establish and promote complaint procedures, and conduct thorough investigations into filed complaints. 	 Provide a healthy and safe workplace.
Preventing and addressing exual harassment and set up a compliant hotline, enabling employees to file complaints in writing or orally.	 Establish the "Sexual Harassment Prevention Regulations" and set a compliant hotline, allowing employees to file a complaint in writing or orally. Organize workplace unlawful infringement and sexual harassment education and training programs. 	 The Sexual Harassment Complaint Handling Committee commences the investigation process while adhering to confidentiality and non-disclosure principles, ensuring a gender- balanced representation of 50%. The investigation findings will be delivered within 2 months. Upon substantiation of the complaint, it will be forwarded to the Chairman for necessary disciplinary 	 Create a secure and friendly workplace.

5.3.2 Prevention Policy

To uphold our commitment to human rights and prevent occurrences of office inequality and workplace infringements, Acter's Employee Handbook specifies an "Employee Opinion and Complaint Mailbox", allowing employees to voice their concerns via email. A dedicated unit promptly responds to and addresses these complaints, implementing risk mitigation measures and compensation systems as needed. Acter has also established relevant policies and operational procedures to explicitly declare our dedication to protecting employees' human rights in response to identified risk issues. Additionally, we utilize our internal E-Learning platform to conduct education and training programs that strengthen human rights standards, ensuring our employees have a clear understanding of their rights and Acter's human rights policies. In 2023, a total of 349 hours were dedicated to human rights-related training, with a training participation rate of 90.89%.

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

Note: In cases of mass redundancy resulting from significant operational changes, companies are required to manage related affairs in accordance with the Act for Worker Protection of Mass Redundancy. Generally, the redundancy plan must be submitted to the competent authority and relevant units or personnel and publicly disclosed 60 days prior to the redundancy.

Note: For employees whose employment is terminated due to redundancy, companies must provide them with necessary documents and assist them in applying for relevant allowances/subsidies from local authorities, as well as participating in employment/occupational training programs.

5.3.3 Complaint Mechanism and Reporting Channels

To establish an honest and transparent corporate culture and facilitate effective management, Acter has established clear reporting and complaint channels to uphold the code of ethics and business integrity principles set forth by the Company. In order to accurately address employee needs, Acter's employees can submit their opinions to designated complaint units, and an investigation team will promptly initiate an inquiry. If the reported incident is verified to be true, the Company will apply internal penalties accordingly. Through these diverse two-way communication channels, Acter ensures its ability to listen to the voices of our employees.

© Complaint/Reporting procedures



© The Implementation Status of Acter's Employee Complaint Channels in 2023.

Communication	Frequency	Conducts	Implementation status of 2023
E-mail notifications	Irregularly	Upon receipt of the complaint, the most senior supervisor of the HR unit will respond to each one individually and handle them promptly.	Zero complaint.
The Company's internal platform	Irregularly	Upon receipt of the complaint, the most senior supervisor of the HR unit will respond to each one individually and handle them promptly.	Zero complaint.
Employees' opinions mailbox	Irregularly	Upon receipt of the complaint, the most senior supervisor of the HR unit will handle them promptly.	Zero complaint.
Employees' seminars	Quarterly	The seminar enables Acter to share our business performance with the employees and exchange opinions bi-directionally, helping to reach a consensus between our employees and supervisors.	Held 4 supervisors' meetings and 1 plenary consensus meeting in 2023, with a 100% participation rate.
Employees commitment/ satisfaction survey	Annually	Conduct an internal review of the management approach concerning issues that employees are dissatisfied with, as well as their opinions, and develop improvement measures accordingly.	Employee satisfaction level reached 88.18 out of 100.
Labor- management meeting	Quarterly	Conduct bi-directional communication regarding employees' health, environmental safety, and benefits, and send the meeting minutes to all employees for their information.	Held 4 labor-management meetings, with the percentage of labor and management representatives being 50% each.

5.4 Occupational Health and Safety

• GRI: 2-8, 2-25, 2-27, 403-1 to 7, 403-9, 403-10/SASB:IF-EN-320a.1

5.4.1 ESH Policy and System

Personnel are at the core of our safety culture. With "safe and secure" as our foremost priority in the Environment, Safety, and Health (ESH) policy, we strive for continuous improvement across various fronts such as personnel health, environmental protection, risk management, regulatory compliance, contractual obligations, and comprehensive engagement. Our objective is to foster a workplace that is secure and safe, urging all on-site personnel to adhere strictly to ESH policy regulations to ensure the safety and wellbeing of all staff.

To effectively manage environmental safety and health and maintain a favorable work environment for our employees, all our factory sites have implemented the ISO 45001 Occupational Health and Safety Management System. Meanwhile, we continue to conduct plenary ESH evaluations to ensure that all staff and contractors, especially those not primarily involved in ESH-related tasks, along with department supervisors and staff, receive thorough education and training in ESH practices. This initiative aims to cultivate a culture of safety and foster positive attitudes toward safety behaviors among our colleagues.

© ESH Policy

Prioritize "Zero Workplace Safety Incidents, Zero Disasters, and Zero Environmental Hazards"	Facilitate employees' health and welfare
Dedicated to ensuring workplace safety and providing employees with a secure environment, we are committed to achieving "zero occupational injuries". We emphasize risk assessment and control, along with comprehensive training to enhance employees' awareness and commitment to occupational safety. This approach aims to foster a sound culture of safety and health.	With the belief that employees' physical and psychological health is the foundation of our continuous success, we provide annual health checkups, a comprehensive welfare plan, professional psychological health support, and various health facilitation activities. These initiatives aim to enhance the protection and care for employees' physical and psychological health while fostering a healthy, friendly, and smoke-free workplace.
Environmental protection and sustainable development	Implement risk management mechanism
Acter proactively promotes the optimization of energy efficiency and resource utilization. This is achieved through the introduction of energy- saving equipment, the use of eco-friendly materials, and adherence to recycling principles. We aim to reduce its reliance on natural resources and minimize its carbon footprint, thereby contributing to environmental protection and sustainable development.	Acter has established a clear risk management strategy and procedures, supported by effective monitoring and tracking mechanisms. Utilizing modern risk management tools and techniques, we accurately assess risk levels based on severity, incident occurrence rate, and exposure rate. Meanwhile, we promptly adjust our response strategy and propose improvement and corrective measures to mitigate based or ad risks
Regulatory compliance	mugate nazaros ano risks.
Regular identification is conducted based on ESH-related regulations, standards, and contracts, while complying with TOSHMS and ISO 45001:2018 procedures and operating guidelines, to ensure operations sustainably meet current regulatory requirements. Management procedures and operational standards are proactively stipulated to effectively achieve ESH goals.	Promote the full participation in training among employees Establish safety and health training materials tailored to employees' needs through an online learning platform. Examples include prevention of work aloft and hot work hazards, standards for ceiling and confined space operations, identification of high-risk environments, and response protocols. Utilizing the online platform, employees can access training programs anytime and anywhere. To ensure the
Continuously improve the ESH system	depth and practicality of the training content, we engage external lecturers for ESH training, enriching the learning experience. This hybrid
The PDCA management procedures are key mechanisms that ensure the continuous optimization of ESH activities. Through ongoing management cycles, corrections and improvements, we ensure the ESH system can adapt to environmental changes, promptly identify and resolve issues, and further achieve continuous optimization of ESH activities to enhance overall operational standards and ensure employee safety.	training model, integrating online learning with external expertise, enhances training diversity, meets diverse participant needs, fosters understanding and application of learning content, and strengthens overall safety practices while promoting a robust safety and health culture.

5.4.2 The ESH Culture for All

To cultivate a safety culture, Acter has established various safety and health management personnel, along with an ESH task force. This task force promotes all types of operations in compliance with the PDCA management model and ensures that the system can maintain effective operations each year through an external certification mechanism. The Company also regularly promotes organizational ESH activities. For example, we have organized not only lectures and educational programs, but also physical educational and advocacy activities. These initiatives enable our staff to understand various behaviors related to corporate culture and gradually internalize safety concepts, fostering a safer and more friendly workplace environment. To fully implement EHS management, Acter's labor and management representatives have jointly formed the Occupational Safety Committee. Chaired by the General Manager, the Committee consists of division-level supervisors, safety and health personnel, occupational health service nurses, and elected labor representatives. The Committee convenes every three months and may hold provisional meetings when necessary. According to the rules, at least half of all committee members must attend meetings, and resolutions require approval by at least half of the attending members. Subsequently, the Committee reports its decisions to the Chairman for approval and then issues a public announcement regarding implementation.

Occupational Safety Committee Implementation Status

Occupational Safety Committee	2021	2022	2023
No. of held meetings	4 meetings	4 meetings	4 meetings
No. of employer representatives	4 people	4 people	4 people
No. of labor representatives	3 people	3 people	3 people
No. of female representatives	3 people	3 people	5 people
The percentage of labor representatives in the total number of employees (%)	43%	43%	38%

5.4.3 Occupational Safety Management Effectiveness

To comply with the Occupational Safety and Health Act and management system requirements for contractor management, Acter has developed four primary protection plans: prevention of human-induced hazards, prevention of diseases caused by abnormal workloads, prevention of unlawful workplace infringements, and maternal health protection, all designed in accordance with the Occupational Safety and Health Act to facilitate the planning and organization of occupational health and safety activities. We also conduct daily education and training programs as part of our project contractor management to prevent occupational disasters among contractors at the workplace. In 2023, a total of 3 incidents related to occupational safety violations occurred, including non-compliance with regulations concerning forklifts and grinders, failure of a worker on the construction site to wear a helmet, and installation of ductwork in a humid environment. We have implemented corrective measures according to internal procedures and provided education and training for the worker involved. Furthermore, to enhance contractor safety and health management, we regularly share safety and health information with them. Our goal is to promote knowledge dissemination and improve awareness, thereby collaboratively fostering a safe workplace for all workers. In 2023, we organized a total of 24 occupational safety education and training programs, amounting to 1,456 hours.

Implementation Status of Acter's Four Major ESH Protection Plans



© Acter's Occupational Safety Management Effectiveness in 2023

Safety and Health Organization Meeting	Hold Occupational Safety and Health Committee meetings on a quarterly basis. Small-claims proceedings for first-instance medical dispute compensation
Safety and Health Training and Drill	Internal personnel training: Already held 24 occupational safety training sessions with a total of 1,456 hours. Education and training for external contractors: Safety and health advocacy through daily toolbox meetings, contractor on-site safety and health training; emergency response training; personal protective equipment (PPE) wearing training; disciplinary training for high-risk operations; organic solvent operation training; confined space operation training; heat hazard prevention education and training; and so on.
Risk Assessment and Safety Audits	Added 1 occupational safety and health-related regulation. Conduct regular legal compliance reviews, totaling 176 documents. Regularly conduct 5S inspections and monthly safety and health patrols and inspections on the construction site. Already implemented 96 safety and health audits.
Improvement Action Plans	Implemented 6 improvement action plans.
Work Environment Inspections	Office CO2 concentration detection: 100% qualified. Quarterly drinking water quality testing: 100% qualified, plus regular disinfections.
Safety Operating Procedures	Established 30 safety operating procedures. Completed the ISO 45001:2018 Occupational health and safety management systems, newly introduced the Taiwan Occupational Safety and Health Management System (TOSHMS). ISO 45001:2018 Occupational health and safety management systems. ISO 14001:2015 Environmental management systems. ISO 50001:2018 Energy management systems. Relevant laws, regulations, contracts, and guidelines have been incorporated into ESH management. Totally revised 6 safety operating procedures and 1 safety and health implementation form.
Emergency Response	Established the emergency response task force to conduct regular emergency response training, including fire-fighting drills, scaffold collapse emergency response training, aerial work platform troubleshooting drills, and confined space rescue and first-aid drills.



Toolbox meeting



Emergency response education and training for contractors



Acter is committed to creating a safe and healthy work environment. From November 1, 2011, to February 28, 2023, Acter has accumulated a total of 6,555,920 accident-free work hours. Acter also received the Q1 Occupational Safety Performance Award from Google and Outstanding ESH Company awards in 2023, demonstrating recognition from customers.

5.4.4 Occupational Injury Statistics Analysis

2023 SUSTAINABILITY REPORT

To promote the "Safety First" corporate culture, we conduct irregular audits on construction sites to monitor their status and enhance our awareness of work safety management. If we identify any safety concerns, we promptly report them and implement necessary corrections and improvements accordingly. In 2023, Acter reported zero major occupational injury incidents and zero disabling injury severity rate (SR), and our contractors also experienced no major occupational injuries. Moving forward, we will continue monitoring construction sites periodically to ensure a safe workplace.

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

			2021		2022		2023	
Statistical indicators	Calculation Method	Acter	Contractor	Acter	Contractor	Acter	Contractor	
Total of non- employee workers	-	-	159,800	-	223,185	-	104,608	
Absence rate (male)		0.28%	-	0.28%	-	0.64%	-	
Absence rate (female)	number of attendance days)X100%	0.77%	-	0.77%	-	1.12%	-	
Total working hours	Total working hours	633,400	1,278,400	736,568	1,785,480	772,248	836,864	
No. of recordable occupational injuries	Excluding incapacitation, death, and injuries caused during commuting.	-	4	-	0	-	0	
No. of significant occupational injuries	No. of disabling cases excluding fatalities	0	0	-	0	0	0	
No. of death	-	0	0	0	2	0	0	
Rate of recordable occupational injuries	Excluding incapacitation, death, and injuries caused during commuting.	-	0	-	0	-	0	
Occupational injury rate	No. of occupational injuries X200,000/ Total person-work hours	0	0.63	0	0.22	0	0	
Occupational disease rate	No. of occupational diseases X200,000/ Total person-work hours	0	0	0	0	0	0	
Lost day rate	Total lost work days X200,000/ Total person-work hours	0	24.09	0	1344.18	0	0	
Disabling injury frequency rate (FR)	No. of people suffering from disabling injuries X1,000,000/ Total person-work hours	0	3.13	0	1.12	0	0	
Disabling injury severity rate (SR)	No. of days lost by people suffering from disabling injuries X1,000,000/ Total person-work hours	0	120.46	0	6,720.88	0	0	
Frequency-severity indicator (FSI)	√ FR*SR/1000	0	0.614	0	2.744	0	0	



© Acter's Accident Handling and Prevention Procedures



© Highlights of Occupational Safety Incidents Improvement in 2023



5.4.5 Occupational Hazard Identification and Risk Assessment

Acter has appointed qualified and trained personnel to oversee hazard identification. Any identified hazards are reviewed by the Q&A and Safety Department, which determines their risk level and establishes related operations to control and improve the hazards/risks. These hazards are then integrated into the occupational safety management system for regular tracking to continuously eliminate potential occupational hazards in the workplace. In the event of an immediate dangerous emergency incident during operations, our employees will assess the severity of on-site hazards to decide whether to suspend operations or implement necessary protective measures; and employees who evacuate as required will not face any penalties.

5.5 Social Engagement

• GRI: 2-28 and 203-1

5.5.1 Create Social Influence

Acter has integrated the corporate spirit of "common good shared by all generations" into its approach to social engagement. In alignment with the United Nations' (UN) Sustainable Development Goals (SDGs), Acter has developed four major social engagement themes: "Environmental Sustainability", "Caring for the Underprivileged", "Sustainable Cities and Communities", and "Community Development". By leveraging our expertise and dedicated services, we have embedded sustainability principles into our corporate culture through specific actions. This effort aims to deepen our employees' sense of commitment to public welfare and collaborate with them to create shared value in promoting the "common good".

With the expectation of bringing substantial and positive changes to society, Acter continues to analyze the impact of every social engagement project and measures the value created by each activity for society, the environment, or the economy based on Social Return on Investment (SROI) theory, while satisfying stakeholders' expectations, each year. In 2023, our social engagement responded to 7 of the UN's SDGs, including zero hunger, good health and well-being, quality education, sustainable cities and communities, climate action, life on land, and partnerships for the goals, demonstrating Acter's dedication to fostering the spirit of "common good shared by all generations". Moreover, our Company also provides paid volunteer leave to encourage our employees to actively participate in volunteer activities and ensure the continuous cultivation of virtuous behavior.





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



© Effectiveness of Acter's Social Engagement in 2023

Internal benefits	 Implement Acter's "people-oriented" core value via services that are centered around people's well-being Through the planning of social welfare collaborative projects, Acter maintains good interactions with stakeholders, promoting a virtuous cycle and establishing social trust relationships. Through participating in volunteer services, our employees are able to experience the spirit of providing social welfare services and demonstrate it in customer interactions. 						
	Topics	Cooperating Unit/ Project	Descriptions	Outcomes			
	Environmental	Dacheng Elementary School, Changhua The "Catcher in the Rye" activity	Capitalizing on Dacheng's identity as a town with wheat fields, Acter's sustainability volunteers led students to sow wheat, fostering a sustainable environment. They also engaged in DIY wheat cabbage cakes to promote local agro-food culture and conducted energy-saving and carbon-reduction advocacy courses.	Volunteer hours totaled 36 hoursReached about 263 people			
	Sustainability	International Nature Restoration Action Association (INRAA) The "Clear Air, Clean Mind" action	Donated decomposing bacteria to 40 hectares of fields in Hualien to promote the adoption of decomposing bacteria among farmers to address air pollution caused by rice straw. It also facilitated the returning of agricultural waste to the fields, ensuring the circular and sustainable utilization of resources while increasing organic matter in the soil.	 Donated NT\$100,000 GHG emissions reduced by 360 tons of CO2e per year. 			
		The Hondao Senior Welfare Foundation The "Timely Help for the Elderly in Winter" program	For seven consecutive years, Acter has been collaborating with the foundation to assist underprivileged elderly people (e.g., those with low to mid-low incomes, physical/mental disabilities, or social isolation) by providing a shopping allowance and dispatching Acter's volunteers to offer warm and one-on-one companionship, helping these elderly individuals go out and purchase festival food and daily necessities.	 Cumulative donation of NT\$309,900 The cumulative number of people received warmth was 278 Volunteer hours totaled 735hours 			
External benefits	Caring for the Underprivileged	Taiwan Hope Volunteer Group The "Brick by Brick, Let Love Fly" activity	For seven consecutive years, Acter has collaborated with social welfare groups to assist underprivileged families. We have utilized our core competencies in engineering integration services to construct warm homes for them. This initiative not only brings warmth to society but also reflects our commitment to the value of "common good".	 Volunteer hours totaled 176 hours A total of 7 houses have been constructed for underprivileged. Cumulatively reaching 25 people. 			
		Dacheng Elementary School The "Improving the Educational Environment and Equipment of the School" project	To deliver love to rural areas, Acter donated to Dacheng Elementary School to improve its teaching environment and equipment, and to tackle resource disparities.	Donated NT\$290,000Reached about 263 people			
	Sustainable Cities and Communities	Global Views Commonwealth The "Planting the Seeds of Reading – Give Children a Big Future" social welfare project	Sponsored 11 primary schools in Changhua County with a one-year subscription to the monthly magazines "Future Children" and "Future Youth". A total of 34 copies of "Future Children" and 36 copies of "Future Youth" were subscribed, making a grand total of 70 copies.	Cumulative donation of NT\$600,000Reached about 832 people			
		Management Institute in Taipei The "Assist in Printing Health Books" project	As health concerns rise, Acter has launched the "Paper Book, Healthy Reading" initiative to promote awareness of reading habits.	Donated NT\$100,000			
		Upgrade of the Eden Social Welfare Foundation's library equipment	Acter has upgraded library equipment to improve reading quality and has donated consumables (e.g., library management software and scanning equipment) to the foundation.	• Donated NT\$53,000			
	Community Development	Taipei Tech "Christmas Tree Lighting Ceremony"	To empower community activities and attract young students to enter the engineering industry, Acter has collaborated with Taipei Tech to organize the "Christmas Tree Lighting Ceremony". This activity not only attracted the participation of young students and industry celebrities but also enhanced the industry's reputation.	Donated NT\$200,000			
	bevelopment -	National Innovation and Entrepreneurship Association (NiEA) "Replacement Upgrade of Tables and Chairs"	To respond to the international poverty alleviation initiatives in 2023, Acter assisted schools in Northern Thailand by replacing and purchasing old tables and chairs.	• Donated NT\$50,000			
Comprehensive outcome	 Investment Amount: The total investment amount in 2023 was NT\$2,183,325. Volunteer Services: Employees within the Company participated in volunteer activities during work or leave period, accumulating a total of 311 hours of volunteer service in 2023. 						

5.5.3 Project Highlights



Problems We Want to Solve Propose specific actions to mitigate climate change and, starting with the self, promote environmental sustainability to achieve the goals of "co-

achieve the goals of "coprosperity, common good, and sustainability".

The Actions We Took

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

© Collaborating with Farmers to Create a Sustainable Ecosystem and Leave a Clear Blue Sky to the Next Generation – The "Clear Air, Clean Mind" Action

In Taiwan, traditional rice farming is the mainstay. During the periods between rice harvests, farmers frequently burn rice straw in fields for efficient disposal. Although this method benefits farmers, it also poses significant environmental pollution and health risks.

Acter prioritizes the health and benefits of the land and humans. Since 2022, we have collaborated with the International Nature Restoration Action Association (INRAA) to jointly implement the "Clear Air, Clear Mind" plan. This initiative promotes replacing the burning of rice straw with decomposing bacteria and encourages farmers to sign the "Commitment to Stop Burning Rice Straw". Our efforts aim to return agricultural waste to the soil to increase organic content and facilitate the development of sustainable agriculture.

In 2023, Acter took up the lease of 40 hectares of land (Note 1) and sponsored NT\$100,000 towards the purchase of decomposing bacteria to assist farmers in addressing rice straw disposal issues under the 'Stop Burning Rice Straw' policy. In 2023, we successfully reduced emissions equivalent to 360 metric tons of CO2e. Our efforts not only aligned with the goals of "co-prosperity, common good, and sustainability" with farmers and the government but also contributed to improved air quality, mitigation of greenhouse gas effects, and human health enhancement.

© Enhancing Children's Connection to the Land and Fostering Their Love for the Homeland – Dacheng Elementary School's "Catcher in the Rye" and Wheat Cabbage Cake DIY Activities.

Wheat is a local agricultural product of Dacheng Township, Changhua, and is internationally recognized as a recyclable green material and a component of green buildings. Each year, Dacheng Elementary School organizes the "Catcher in the Rye" event to integrate local food ingredients from Dacheng Township with agricultural and culinary culture, while also promoting environmental sustainability issues within the school.

Acter has collaborated with Dacheng Elementary School for four consecutive years. In April 2023, we jointly made wheat cabbage cakes with students. From processing food ingredients to cooking, students participated in this DIY activity, gaining an understanding of the high-quality agricultural products from their homeland and how to incorporate them into daily life, thereby fostering a stronger sense of cohesion and identity towards their homeland.

In the second half of 2023, Acter's sustainability volunteers returned to Dacheng Elementary School to engage students in the process of planting wheat. Through this experience, students had the opportunity to learn about the many high-quality plants gifted by the land and how to utilize them effectively to maximize their benefits. This outdoor ecological education provided students with a meaningful learning experience.

Cumulative number of personnel promoting environmental protection

Corresponding to the UN's SDGs



Note 1: Every hectare can reduce 9 tons of CO2e, increase soil organic matter content by 0.3-0.5%, and yield an initial increase of 3-5% in agricultural output. Additionally, every hectare can save approximately NT\$3,000-4,000 per hectare in future fertilizers and labor costs.



Corresponding to the UN's SDGs



36 hours

Volunteer hours



672 people





Problems We Want to Solve

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

The Actions We Took

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

Reach the Most Vulnerable Corners of Society and Provide Material and Spiritual Support - The "Timely Help for the Elderly in Winter" Program

Population aging and declining birth rates have become prevalent in Taiwan, leading to a shortage of elder care resources and various social issues. For elderly individuals living alone with physical challenges, obtaining daily necessities is extremely difficult. Recognizing the persistent neglect of isolated elderly people, Acter collaborates annually with the Hondao Senior Welfare Foundation to implement the "Timely Help for the Elderly in Winter" program. This initiative aims to provide care and support to solitary underprivileged elderly individuals living alone, aiming to make a positive societal impact through our efforts.

In 2023, 33 volunteers from Acter dedicated a total of 99 hours to accompany 16 underprivileged elderly individuals on shopping trips to prepare for the Chinese New Year. Meanwhile, we also organized interactive activities where volunteers engaged with the elderly through music, images, and personal interactions. Volunteers also personally wrote heartfelt greeting cards for the elderly, aiming to make them feel cherished and leaving them with cherished memories.

Acter's volunteers are very patient and attentive. They interact warmly and passionately with the elderly. Acter will continue to sponsor this program, and our volunteers will continue to accompany the elderly so that they do not feel alone.

© Fulfill the Dream of Disadvantaged Families with Our Engineering Expertise – The "Brick by Brick, Let Love Fly" Activity

"Home" is the most important sanctuary for everyone. A stable, solid, and comfortable house shields us from wind and rain, providing a place to return to after a joyous journey. However, society holds hidden stories, such as that of Mr. Ma, who lost his home and loved ones in a devastating fire many years ago.

During the fire, Mr. Ma rushed into the inferno to rescue his family but tragically lost his father. The thick smoke he inhaled caused permanent damage to his lungs, limiting his ability to work long hours. Meanwhile, he now shoulders the responsibility of caring for his wheelchair-bound mother, who suffers from dementia, which requires him to work half-days at a nearby tofu workshop.

Acter has long been attentive to disadvantaged families. 2023 marks the 7th year of our participation in "Brick by Brick, Let Love Fly", where we utilize our expertise in integrated engineering services to assist disadvantaged families in constructing and renovating residential spaces. It is our aim to contribute our efforts to help the most vulnerable corners of society, continuing to give back to society and achieve common prosperity.

Corresponding to the UN's SDGs





735 hours

hours

Cumulative volunteer



Corresponding to the UN's SDGs

12

11.5

11.0



Long-term Projects from 2017 to 2023

NT\$309,900 Cumulatively donated amount 278 people Cumulative number of people who have been assisted 1,442 hours Cumulative volunteer hours

25 people Cumulative number of people who have been assisted



Problems We Want to Solve

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

The Actions We Took

Corresponding to

11.6

11.4

the UN's SDGs

NT\$600000

amount

Cumulatively donated

3,798 people

Cumulative number of people reached

2.5

1.7

 Launched the "Planting Seeds of Reading – The New Common Good" plan, where elementary schools in rural areas were donated a year's supply of monthly magazines.

© Enrich Resources in Remote Areas to Ensure Everyone's Right to Education – The "Planting the Seeds of Reading - Give Children a Big Future" Social Welfare Project

The disparities in resources between urban and rural areas have become a global concern. Acter has long been committed to addressing these gaps by ensuring children in remote regions receive equitable access to resources. Since 2021, we have partnered with the Global Views Commonwealth's Future Parenting learning platform. Through an annual donation of NT\$200,000, we provide 11 elementary schools in Changhua with monthly magazines ("Future Children" and "Future Youth"). This initiative aims to cultivate good reading habits and a positive atmosphere among children from an early age, thereby enhancing their learning competitiveness.

Our company also tracks the usage and reading status of these two magazines in schools through questionnaires for teachers, and the survey results are used as a reference for our future participation in social welfare projects. Acter will continue to pay attention to and respond to the UN's SDGs while expanding our international vision.

5.5.2 Acter's Engagement with Associations and External Initiatives

Acter plays a significant role in the air-conditioning engineering industry. We aim to leverage our influence in the industry to collaboratively respond to international geopolitical changes and industry transitions with other enterprises. We have joined various non-profit organizations, including industry associations, to promote the exchange and development of the industry. Our key focus areas include corporate sustainability, technical innovation, and supply chain management. In 2023, Acter became a member of 10 external associations, contributing a total of NT\$144,627 to support the development and operations of these organizations.



Annexes

6.1 About this Report6.2 GRI Standards Index

6.3 SASB Comparison Table6.4 Third-Party Verification

6.1 About This Report

• GRI: 2-3 and 2-5

Acter adhered to the GRI Standards for reporting from January 2023 to December 31, 2023. This report marks Acter's 11th publication on corporate sustainable development disclosure. Acter has consistently upheld the principles of transparency and sustainable progress to communicate the overview of our economic, environmental, and governance sustainability developments to stakeholders in 2023 through this report.

• Reporting Period: From January 1, 2023 to December 31, 2023.	Current version release date: August 2024.
Frequency of sustainability reporting: Annually	• Next version release date: Scheduled for August 2025.

To align with our environmental protection and paperless policies, this report is published electronically on our corporate website.

6.1.1 The Boundary and Scope of This Report

The scope of this report includes Acter's headquarters and selected subsidiaries of the Group, each of which is clearly identified. Any data adjustments or estimations are also detailed within this report. For comprehensive information about our Company's organization and financial data, please visit the 'Investment' section on our corporate website.

6.1.2 Policy Drafting and External Assurance

The Company has prepared this report according to the "Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports" for TPEx listed companies and structured it according to the Global Reporting Initiatives (GRI) standards or framework. The international standards and guidelines to which we have referred are as follows:

- GRI Standards
- TCFD Standards (Task Force on Climate-related Financial Disclosures, also known as TCFD).
- SASB (Sustainability Accounting Standards Board, also known as SASB; the SASB Standards are formulated by the SASB) Engineering and Construction Services Standards

6.1.3 Assurance of Report Content

- This report has been verified by the third-party BSI Taiwan in May 2024, confirming sustainability information at AA1000 AS v3 Type 1 Moderate Assurance Level. The third-party assurance statement is included in the annexes of this report.
- Financial data in this report is based on the financial statements audited by KPMG's CPA. Greenhouse gas emissions and reduction data are in accordance with ISO 14064-1:2018 standards and verified by DNV Taiwan.

6.1.4 Report Writing and Quality Management Process

The content of this report is based on data collected by all departments and confirmed by department heads before submission to the Corporate Sustainability Office. The report is compiled into a sustainability report by the Executive Secretary, reviewed layer by layer by department heads, and ultimately approved by the Chairman.



Feedback

If you have any issues or suggestions regarding Acter's 2023 Sustainability Report or Acter's sustainable development and ESGrelated matters, please feel free to contact us. Our contact information is as follows:

Corporate Sustainability Office

Telephone: +886-4-2261-5288 Ext. 304 Fax: +886-4-2261-5277 E-mail: esg@acter.com.tw Corporate Sustainability Zone: https://www.acter.com.tw/csr



6.2 GRI Standards Index

Statement of use	Acter Co., Ltd. has prepared this report based on the GRI guidelines. The information disclosure period for this report is the fiscal year 2023 (January 1, 2023 to December 31, 2023)
GRI1 used	GRI 1: Foundation 2021
Applicable GRI industry standards	None

GRI 2: General Disclosures					
GRI Indicators	Standard No.	Tile of Disclosure	Corresponding chapter/ Descriptions	Page	
	2-1	Organizational details	About Acter	P05	
	2-2	Entities included in the organization's sustainability reporting	About Acter	P05	
its reporting practices	2-3	Reporting period, frequency and contact point	6.1 About this Report	P84	
	2-4	Restatements of information	No significant change	-	
	2-5	External assurance	6.1 About this Report, 6.4 Third-Party Verification	P84, P91	
	2-6	Activities, value chain and other business relationships	About Acter, 3.4 Supply Chain Management	P05, P47	
Activities and workers	2-7	Employees	5.1 LOHAS at Acter	P63	
	2-8	Workers who are not employees	5.1 LOHAS at Acter, 5.4 Occupational Health and Safety	P63, P74	
	2-9	Governance structure and composition	2.1 Corporate Governance	P22	
	2-10	Nomination and selection of the highest governance body	2.1 Corporate Governance	P22	
	2-11	Chair of the highest governance body	2.1 Corporate Governance	P22	
Covernance	2-12	Role of the highest governance body in overseeing the management of impacts	1.1 Sustainable Development Organizations and Strategies, 2.1 Corporate Governance, 4.1 Climate Change Management	P08, P22, P53	
Governance	2-13	Delegation of responsibility for managing impacts	1.1 Sustainable Development Organizations and Strategies, 2.3 Risk Management	P08, P26	
	2-14	Role of the highest governance body in sustainability reporting	1.1 Sustainable Development Organizations and Strategies, About this Report	P08	
	2-15	Conflicts of interest	2.1 Corporate Governance	P22	
-	2-16	Communication of critical concerns	1.1 Sustainable Development Organizations and Strategies, About this Report	P08	

GRI 2: General Disclosures					
GRI Indicators	Standard No.	Tile of Disclosure	Corresponding chapter/ Descriptions	Page	
	2-17	Collective knowledge of the highest governance body	2.1 Corporate Governance	P22	
	2-18	Evaluation of the performance of the highest governance body	2.1 Corporate Governance	P22	
Governance	2-19	Remuneration policies	2.1 Corporate Governance	P22	
	2-20	Process to determine remuneration	2.1 Corporate Governance, 5.1 LOHAS at Acter	P22, P63	
	2-21	Annual total compensation ratio	5.1 LOHAS at Acter	P63	
-	2-22	Statement on sustainable development strategy	1.1 Sustainable Development Organizations and Strategies, 1.2 Analysis of Stakeholders and Material Issues	P08, P12	
	2-23	Policy commitments	2.2 Business Integrity, 3.4 Supply Chain Management, 5.3 Human Rights Management	P25, P47, P72	
Strategy policies and	2-24	Embedding policy commitments	1.1 Sustainable Development Organizations and Strategies, 2.2 Business Integrity, 2.3 Risk Management, 3.4 Supply Chain Management, 5.2 Talent Development, 5.3 Human Rights Management	P08, P25, P26, P47, P68, P72	
practices	2-25	Processes to remediate negative impacts	2.2 Business Integrity, 2.3 Risk Management, 5.3 Human Rights Management, 5.4 Occupational Health and Safety	P25, P26, P72, P74	
	2-26	Mechanisms for seeking advice and raising concerns	2.2 Business Integrity, 2.3 Risk Management, 5.3 Human Rights Management	P25, P26, P72	
	2-27	Compliance with laws and regulations	2.2 Business Integrity, 4.2 Energy and Environmental Management, 5.3 Human Rights Management	P25, P59, P72	
	2-28	Membership associations	5.5 Social Engagement	P78	
Stakeholder	2-29	Approach to stakeholder engagement	1.2 Stakeholders and Materiality Analysis	P12	
engagement	2-30	Collective bargaining agreements	5.1 LOHAS at Acter	P63	

GRI 2: General Disclosures					
GRI Indicators	Standard No.	Tile of Disclosure	Corresponding chapter/ Descriptions	Page	
Disclosures on material topics	3-1	Process to determine material topics	1.2 Stakeholders and Materiality Analysis	P12	
	3-2	List of material topics	1.2 Stakeholders and Materiality Analysis	P12	
	3-3	Management of material topics	1.2 Stakeholders and Materiality Analysis	P12	

GRI 200: Economic Series				
GRI Indicators	Standard No.	Tile of Disclosure	Corresponding chapter/ Descriptions	Page
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	2.4 Operating Performance	P30
	201-3	Defined benefit plan obligations and other retirement plans	5.1 LOHAS at Acter	P63
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.1 LOHAS at Acter	P63
	202-2	Proportion of senior management hired from the local community	5.1 LOHAS at Acter	P63
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	5.5 Social Engagement	P78
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	3.4 Supply Chain Management	P47
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	2.2 Business Integrity	P25

GRI 300: Environmental Series				
GRI Indicators	Standard No.	Tile of Disclosure Corresponding chapter/ Descriptions		Page
GRI 302: Energy 2016	302-1	Energy consumption within the organization	4.1 Climate Change Management, 4.2 Energy and Environmental Management	P53, P59
	302-3	Energy intensity	4.1 Climate Change Management, 4.2 Energy and Environmental Management	P53, P59
	302-5	Reductions in energy requirements of products and services	3.2 Green Engineering Management	P35
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.1 Climate Change Management	P53
	305-2	Energy indirect (Scope 2) GHG emissions	4.1 Climate Change Management	P53
	305-3	Other indirect (Scope 3) GHG emissions	4.1 Climate Change Management	P53
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	3.4 Supply Chain Management	P47
	308-2	Negative environmental impacts in the supply chain and actions taken	3.4 Supply Chain Management	P47

GRI 400: Social Series					
GRI Indicators	Standard No.	Tile of Disclosure Corresponding chapter/ Descriptions		Page	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	5.1 LOHAS at Acter	P63	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.1 LOHAS at Acter	P63	
	401-3	Parental leave	5.1 LOHAS at Acter	P63	
GRI 402: Labor/ Management Relations 2016	402-1	12-1 Minimum notice periods regarding operational changes 5.3 Human Rights Management		P72	
	403-1	Occupational health and safety management system	5.4 Occupational Health and Safety	P74	
	403-2	Hazard identification, risk assessment, and incident investigation	5.4 Occupational Health and Safety	P74	
	403-3	Occupational health services	5.4 Occupational Health and Safety	P74	
GRI 403	403-4	Worker participation, consultation, and communication on occupational health and safety	5.4 Occupational Health and Safety	P74	
Occupational Health and	403-5	Worker training on occupational health and safety	5.4 Occupational Health and Safety	P74	
Safety 2018	403-6	Promotion of worker health	5.4 Occupational Health and Safety	P74	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4 Occupational Health and Safety	P74	
	403-9	Work-related injuries	5.4 Occupational Health and Safety	P74	
	403-10	Work-related ill health	5.4 Occupational Health and Safety	P74	
	404-1	Average hours of training per year per employee	5.2 Talent Development	P68	
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	5.1 LOHAS at Acter	P63	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.1 LOHAS at Acter	P63	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	5.1 LOHAS at Acter	P63	
	405-2	Ratio of basic salary and remuneration of women to men	5.1 LOHAS at Acter	P63	
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	5.3 Human Rights Management	P72	

GRI 400: Social Series				
GRI Indicators	Standard No.	Tile of Disclosure	Corresponding chapter/ Descriptions	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor 5.3 Human Rights Management		P72
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	3.4 Supply Chain Management	P47
	414-2	Negative social impacts in the supply chain and actions taken	3.4 Supply Chain Management, 5.3 Human Rights Management	P47, P72
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	y breaches of customer 2.3 Risk Management P26	

Specific to Acter					
GRI Indicators	Tile of Disclosure Corresponding chapter/ Descriptions		Page		
Innovative Technology Services	Evaluation of R&D investment and output efficiency	3.1 Innovation and R&D	P33		
Customer Services and Management	Customer satisfaction survey	3.3 Customer Services and Management	P45		

6.3 SASB Comparison Table

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

SASB Topics	Code	Measurement	Metric	Corresponding chapter/ Descriptions
Environmental Impacts of Project Development	IF-EN-160a.1	Absolute number	Number of incidents of non-compliance with environmental permits, standards, and regulations	No such incident in 2023
	IF-EN-160a.2	None	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	3.1 Innovation and R&D, 3.2 Green Engineering Management
Structural Integrity & Safety	IF-EN-250a.1	Amount	Amount of defect- and safety-related rework costs	No such incident in 2023
	IF-EN-250a.2	Amount	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	No such incident in 2023
Workforce Health & Safety	IF-EN-320a.1	Rate	(1) Total recordable incident rate (TRIP) and fatality rate for direct employees(2) Total TRIP and fatality rate for contract employees	5.4 Occupational Health and Safety
Lifecycle Impacts of Buildings & Infrastructure	IF-EN-410a.1	Absolute number	(1) Number of commissioned projects certified to a third-party multi-attribute sustainability standard and(2) Number of active projects seeking such certification	None
	IF-EN-410a.2	None	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	3.1 Innovation and R&D, 3.2 Green Engineering Management
Climate Impacts of Business Mix	IF-EN-410b.1	Amount	Amount of backlog for (1) hydrocarbon related projects and (2) renewable energy projects	None
Business Ethics	IF-EN-510a.2	Amount	Total amount of monetary losses as a result of legal proceedings associated with charges of bribery or corruption and anticompetitive practices	No such incident in 2023
	F-EN-510a.3	None	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes	2.2 Business Integrity
Activity Metrics	IF-EN-000.A	Absolute number	Number of active projects	Important outcomes and sustainable performance in 2023
	IF-EN-000.B	Absolute number	Number of commissioned projects	Important outcomes and sustainable performance in 2023
	IF-EN-000.C	Amount	Total backlog	Important outcomes and sustainable performance in 2023



6.4 Third-Party Verification

• GRI : 2-5

