

2023

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ACTER TECHNOLOGY INTEGRATION GROUP CO., LTD.



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Introduction



About this Report

Report Background

This report is the first Environmental, Social and Governance Report (ESG Report) issued by ACTER Technology Integration Group Co., Ltd. (hereinafter referred to as "ACTER", "Company" or "We"). Based on the principles of objectivity, standardization, transparency and comprehensiveness, this report discloses in detail the Company's environmental, social and corporate governance practices and performance in 2023.

Time Range

This report is an annual report covering the period from January 1, 2023 to December 31, 2023. In order to enhance the comparability and foresight of the report, some contents are beyond the time range.

Reporting Scope

This report focuses on ACTER Technology Integration Group Co., Ltd., including its subsidiaries. Unless otherwise specified, the scope of this report is consistent with the scope of our annual report.

Compilation Basis

- Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 - Standardized Operation (Revised in December 2023)
- Chinese Academy of Social Sciences Guide to Corporate Social Responsibility Reporting in China (CASS-ESG 5.0)
- Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) (2021 Edition)
- United Nations Sustainable Development Goals (SDGs)

Data Source

The information and data disclosed in this report are derived from Company documents and statistical reports and reviewed by relevant departments. The Company undertakes that there are no false records or misleading statements in this report and it is responsible for the authenticity, accuracy and completeness of the content.

Title Description

In this report, for the convenience of expression and reading, the following terms have the following meanings (unless the context otherwise indicates):

Abbreviation	refers to	Full name
ACTER, Company, or We	refers to	ACTER Technology Integration Group Co., Ltd.
ACTER Limited	refers to	ACTER Engineering Technology (Suzhou) Co., Ltd., the predecessor of the Company
Sheng Huei International	refers to	Sheng Huei International Co., Ltd., a direct controlling shareholder of the Company
ACTER Taiwan	refers to	ACTER Engineering Technology Co., Ltd., an indirect controlling shareholder of the Company
ACTER Shenzhen	refers to	ACTER Engineering Technology (Shenzhen) Co., Ltd.
Shenzhen Dingmao	refers to	Shenzhen Dingmao Trading Co., Ltd.
Sheng Huei Vietnam	refers to	Sheng Huei Engineering Technology Company Limited
Acter Indonesia	refers to	Pt. Acter Technology Indonesia
Acter Malaysia	refers to	Acter Technology Malaysia Sdn. Bhd.
Acter Thailand	refers to	Acter Technology Company Limited
Clean room	refers to	Also known as dust free room, high-end manufacturing industry's closed space to control particles in the air, harmful gases, microorganisms, temperature, relative humidity, spatial airflow distribution, airflow speed and vibration, static electricity, electromagnetic interference, noise, etc., aiming to meet the needs of product production process.

Report Acquisition

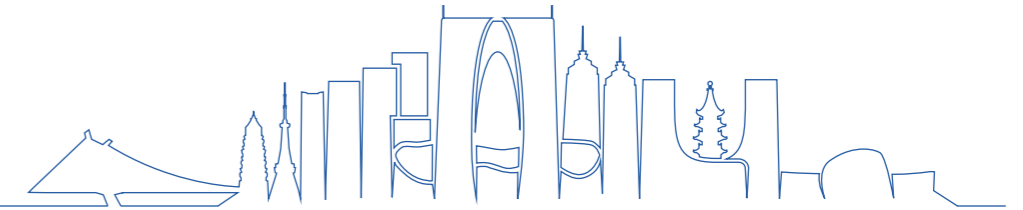
In order to practice the concept of low-carbon environmental protection and sustainable development, this report can be read online or downloaded from the website of the Company (www.acter.com.cn) and the website of Shanghai Stock Exchange (<http://www.sse.com.cn>). If you want to know other information of the Company besides this report, you can refer to the annual financial report or browse the website of the Company.

Feedback

We are very interested in your comments on our social responsibility work or this report. If you have any thoughts or suggestions on this report, please contact us in the following ways. Your valuable advice is highly appreciated.

	Secretary of the Board of Directors	Securities Affairs Representative
Name	Chen Zhihao	Gao Jiejie
Contact address	No. 189 Shilin Road, Xushuguan Economic Development Zone, Suzhou High-tech Zone	No. 189 Shilin Road, Xushuguan Economic Development Zone, Suzhou High-tech Zone
Tel.	0512-85186368	0512-85186368
Fax.	0512-87773169	0512-87773169
E-mail	acter.china@acter.com.cn	603163@acter.com.cn

Address from Chairman of the Board



Dear readers,

ACTER officially landed on the Main Board of Shanghai Stock Exchange on October 13th, 2022. The significance of our successful entry into the Main Board of Shanghai Stock Exchange is not only to gain the recognition and trust of stakeholders, but also that ACTER will have more opportunities and platforms to explore and study new fields after entering a new stage.

ACTER adheres to the concept of "doing things right at the first time, doing things right every time", forging ahead, stepping forward steadily, and preparing for new goals and challenges. Here, on behalf of the Board of Directors, I would like to thank you sincerely for your concern and support for ACTER all the time!

Committed to becoming the shaper of quality space and creating comprehensive value

The year of 2023 is the opening year of comprehensively implementing the spirit of the 20th National Congress, and it is the key year for the implementation of the "14th Five-Year Plan". Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company adheres to high-quality development, drives ACTER to become a leading one-stop professional service provider in the domestic clean room industry with new responsibilities, and devotes itself to becoming a shaper of high-quality space to create comprehensive value of the economy, society and environment.

Consolidating foundation and improving management

Adhering to the diversified and complementary business structure, the Company continuously enhanced the core competitiveness of each business segment and improved the overall business portfolio of the Company on the basis of consolidating the core business advantages. We strove to consolidate the foundation, gradually improved ESG management, and promoted the deep integration of ESG system and business work.

Refining resources and seizing opportunities

Throughout the continuous progress and development of science and technology in the world, semiconductors, as an enabling industry, have brought convenience to human production and life style and improved the happiness index. While, the global semiconductor industry is facing some difficulties and changes, such as the change of international trade environment, the risk of fragmentation of industrial chain, the external pressure of industry and other factors leading to the slowdown of industrial development. To this end, the Company continuously optimizes internal processes, integrates refined and effective resources, and moves forward steadily on the basis of five elements of quality, safety, cost, progress and environment. With the change of business environment at home and abroad, the competition in the domestic market has intensified, and some industries have migrated. With the stable customer relationship, ACTER has laid out ahead of schedule and deepened the Southeast Asian market and achieved good results. In 2023, overseas subsidiaries achieved a year-on-year growth of 54% in operating income and 242% in net profit.

Practice "Carbon Peaking and Carbon Neutrality" for green development

ACTER actively responded to the national "Carbon Peaking and Carbon Neutrality" requirements, adhered to comprehensive transformation, collaborative transformation, innovative transformation and safe transformation; guided by the "Carbon Peaking and Carbon Neutrality" work, it, in a coordinated manner, promoted carbon reduction, pollution reduction, green expansion and growth, and integrated the concept of green development into all aspects of economic and social development, integrating environmental protection into the whole process of the Company's operation, and thus promoting green industry. We are building a green, low-carbon and high-quality development space pattern and promoting the optimization of industrial structure.

People-oriented philosophy for sustainable management

The Company attaches great importance to enterprise management, and is committed to creating a corporate culture that matches the corporate goal of "quality first, leading technology, and perfect service"; advocates the coordinated development of individual employee performance and corporate strategy, and reflects it in the daily operation and management system of the enterprise.

In recent years, the Company has vigorously promoted activities such as "apprenticeship system", "reserve supervisor training", KPI, OKR, "design calculation skills competition", etc., adhering to people-oriented principle and attaching importance to the personal development of employees; at the same time, it has actively established harmonious labor relations, created a diversified fair and just working atmosphere, improved competitive remuneration and benefits, completed employee training system, established medium and long-term incentive mechanism, and empowered employees to grow and develop healthily.

Customer first and attentive service

Based on the principle of consistently serving every customer, the Company optimizes the construction management process, continuously improves the R&D skills, optimizes the local service layout, quickly responds to customer needs, and smoothly realizes the project delivery, laying a foundation for the development of multi-industry and multi-customer goals, thus realizing the five-step development route involving "production", "sales", "people", "development" and "finance". Besides, it actively maintains and stabilizes the business relationship with old customers, and at the same time, also lays a good foundation for the development of new customers.

As the global economy continues to evolve, environmental issues, social responsibility and corporate governance (ESG) have become areas of increasing focus for investors and businesses. ESG investment concept is highly consistent with China's realization of Carbon Peaking and Carbon Neutrality strategy, which not only helps enterprises realize sustainable development, but also helps investors reduce environmental risks and social risks while pursuing financial returns.

Although this is the first ESG report released by ACTER, as far as ESG is concerned, sustainable development, social responsibility, "Carbon Peaking and Carbon Neutrality" based emission reduction are not strange issues to ACTER. With more than 40 years of development history, ACTER has always adhered to the concept of "integrity-oriented, service improvement, scientific management and innovative service", adhered to the management of "cooperation everywhere and winning step by step", integrated ESG management into all aspects of business development, worked hand in hand with various stakeholders to jointly promote sustainable development with economic growth, environmental friendliness, social harmony and create a better future.

Chairman of ACTER Technology Integration Group Co., Ltd.





Exploring the Way of Development

About ACTER

· GRI : 102-2/102-3/102-7

■ Company Profile

ACTER Technology Integration Group Co., Ltd. was established in September 2003 with a registered capital of RMB 100 million. It focuses on providing comprehensive solutions for clean room system integration engineering for advanced manufacturing industries and is a leading one-stop professional service provider in the domestic clean room industry.

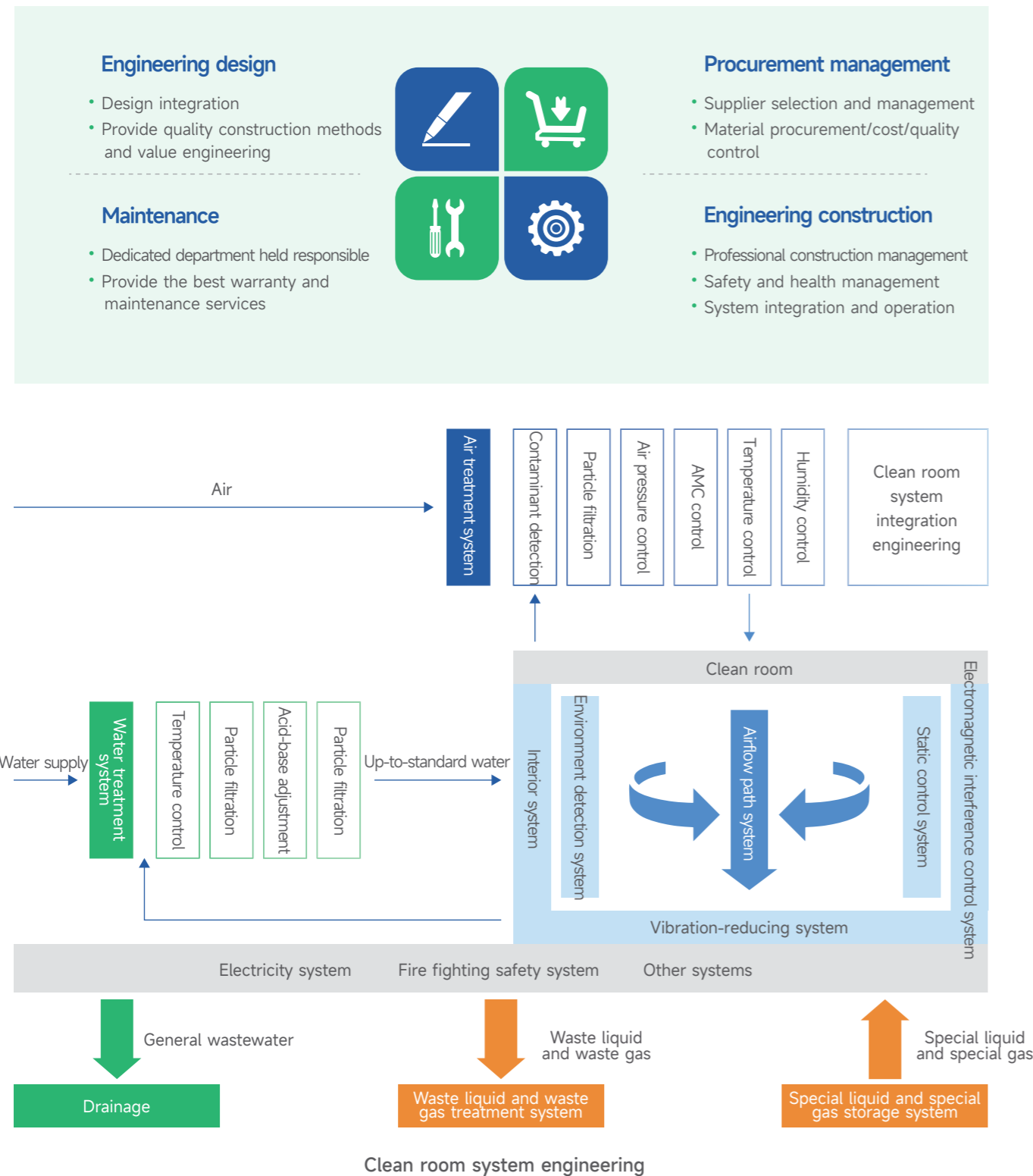
ACTER has been dedicated to serving high-tech factories and supporting environmental construction for over 20 years. During the reporting period, it has been located in development center cities in 6 countries around the world and has established cooperation with over a hundred world-renowned enterprises. As a professional enterprise, ACTER has many experienced senior employees as its assets, with nearly a hundred employees over 10 years. The complete and reasonable staff structure allows for better accumulation and inheritance of project experience, thus accumulating some high-quality customers with long-term relationship building confidence and trust between them, which has been widely recognized and praised by customers.



圣晖系统

Main Business

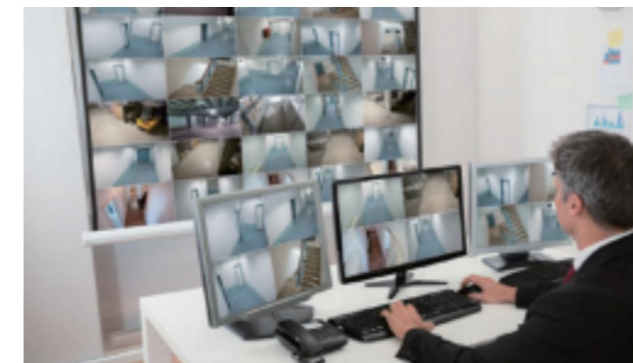
The Company is committed to providing customers with overall solutions for clean room system integration engineering, covering a full range of services from engineering construction planning, design advice, equipment configuration, engineering construction to engineering management and maintenance services, assisting with customers' business development.



Interior Engineering



HVAC Engineering



Monitor Engineering



Fire Fighting Engineering



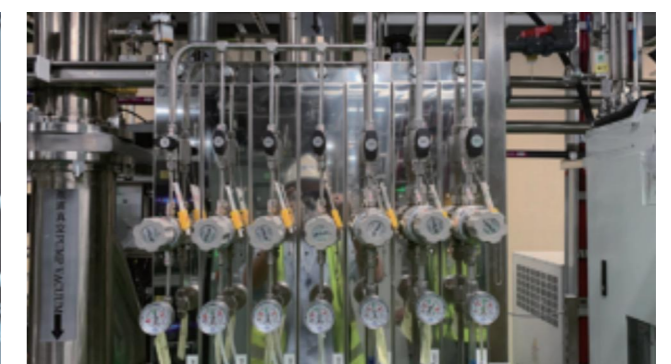
Electricity Engineering



Process Engineering

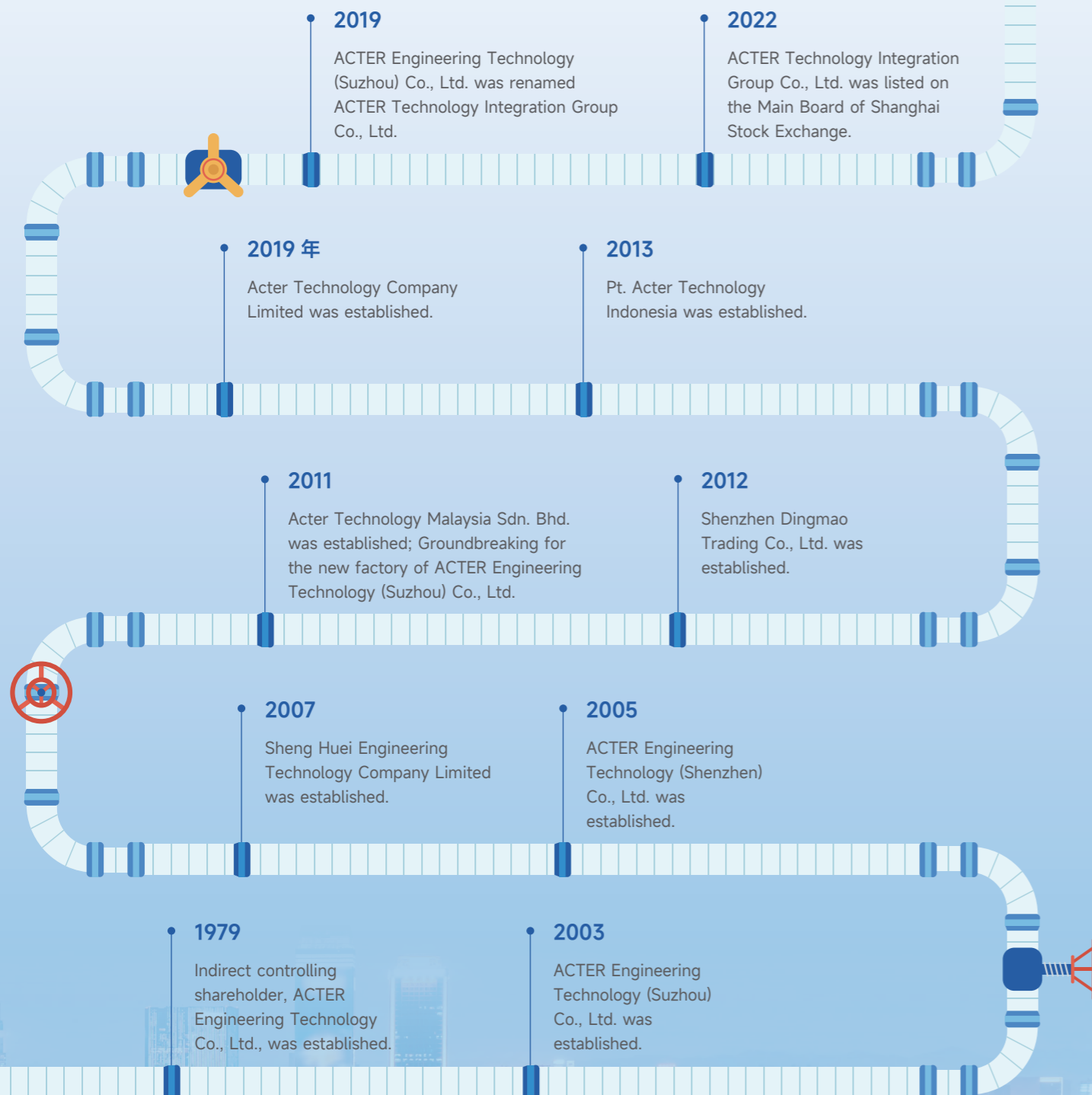


LV Engineering

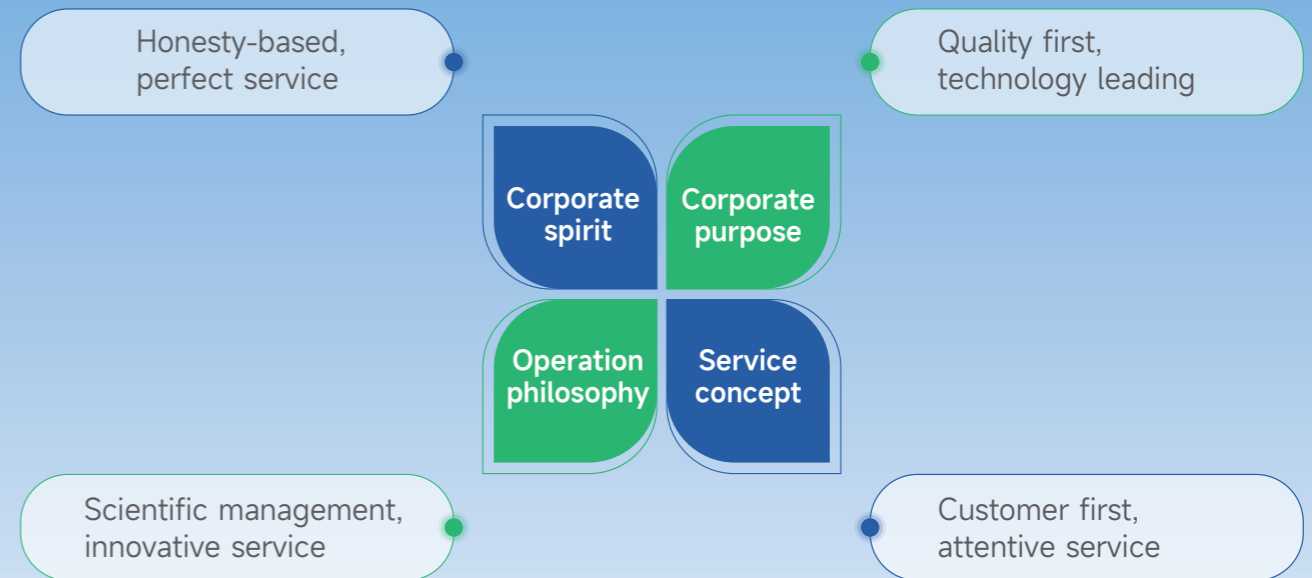


HOOK UP

Development History



Corporate Culture





Honors and Qualifications

Customers' Recognition

With excellent construction technology, customer-oriented service concept of good faith cooperation and rapid and timely local service, ACTER has successfully implemented more than 400 clean room-related projects, including nearly 80 clean room projects of Class 100 and above, which has won a good reputation in the industry. In 2023, the Company obtained a number of honorary certificates from customers such as China Construction xxx Engineering Bureau and H Technology Co., Ltd., such as "Best Supplier", "Best Safety Management Team", "Excellent Safety Supplier", "Excellent Contractor", etc., and its project quality was unanimously recognized by customers.



Social Recognition

January 2023
2022 Annual Enterprise Listing Award
 Suzhou National High-tech Industrial Development Zone Management Committee

February 2023
Listing and Headquarters Economic Award 2023
 Suzhou Xushuguan Economic and Technological Development Zone Management Committee
 Suzhou High-tech Zone Comprehensive Free Trade Zone Management Office

February 2023
Outstanding Contribution Entrepreneur
 Suzhou Xushuguan Economic and Technological Development Zone Management Committee
 Suzhou High-tech Zone Comprehensive Free Trade Zone Management Office

May 2023
Certificate of Donation to Welfare House
 Suzhou Municipal Social Welfare House

July 2023
Credit Rating: AAA (2023.8-2024.8)
 Jiangsu ABE Credit Rating Co., Ltd.

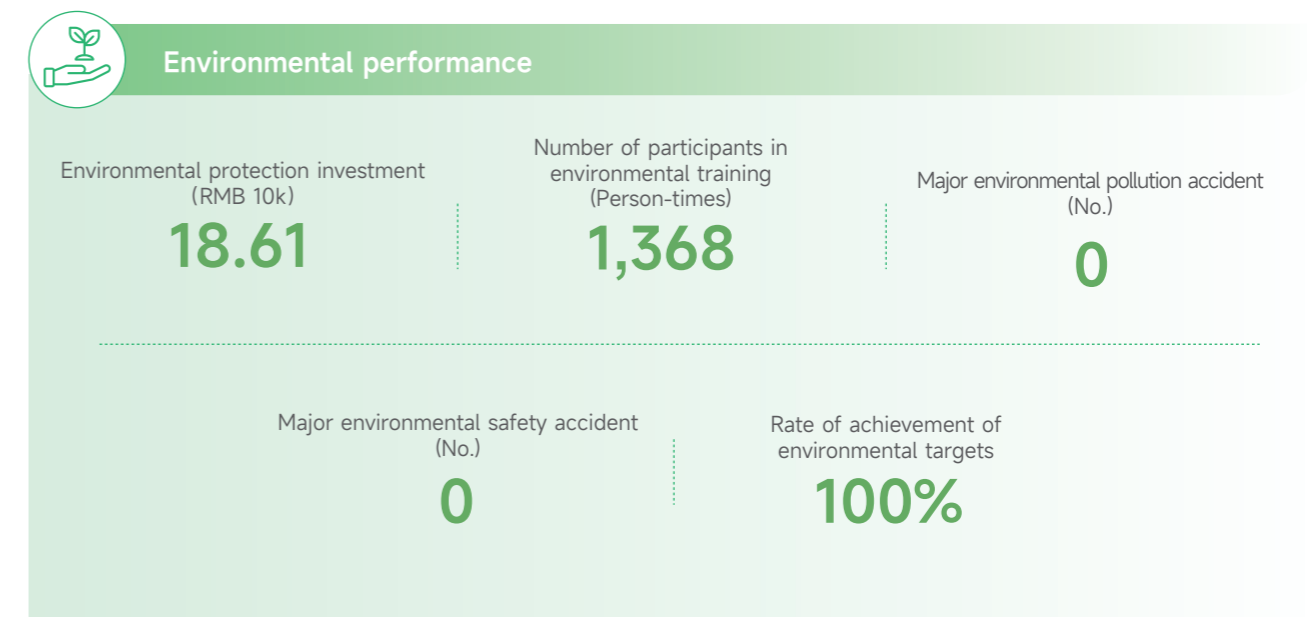
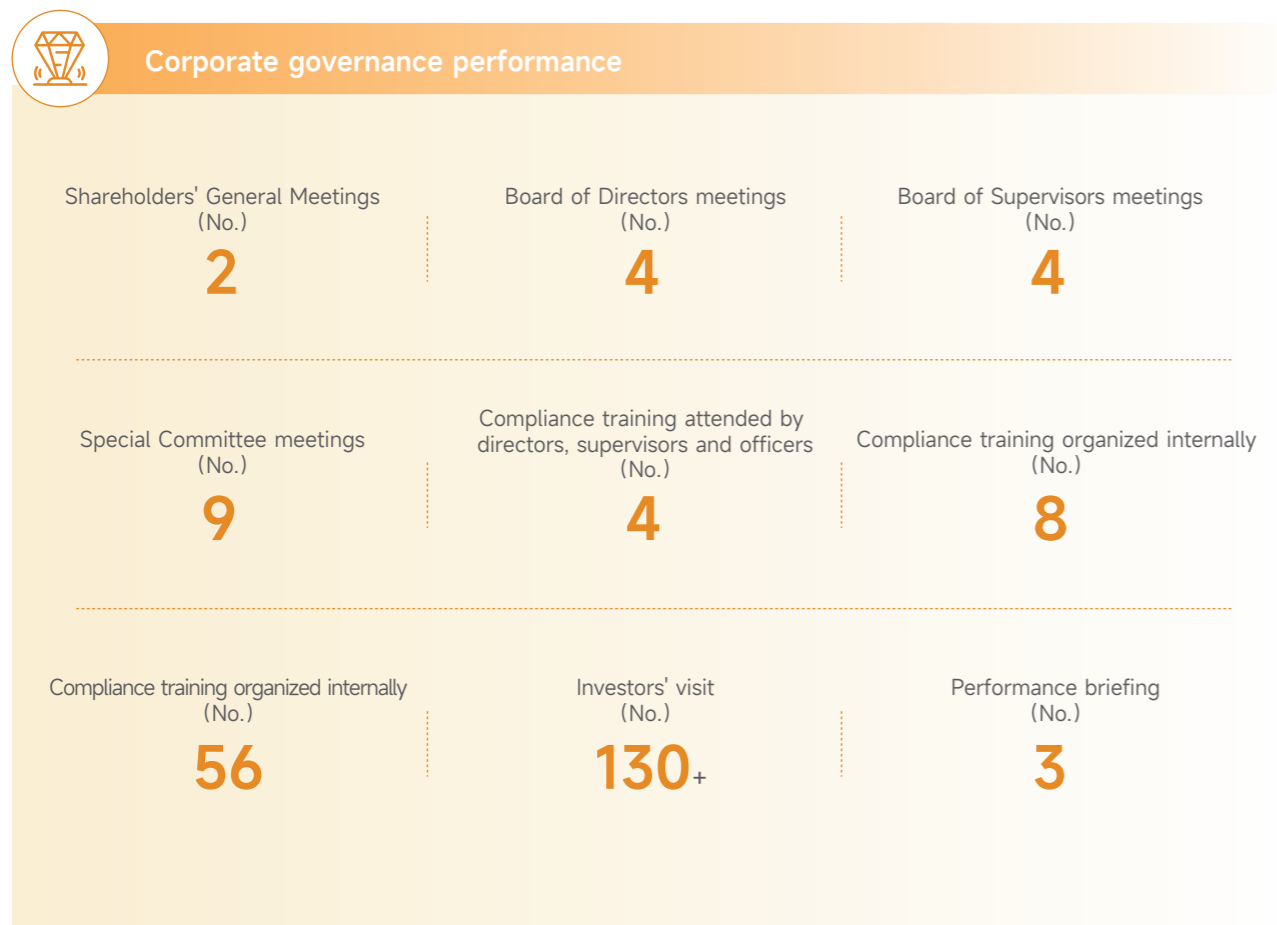
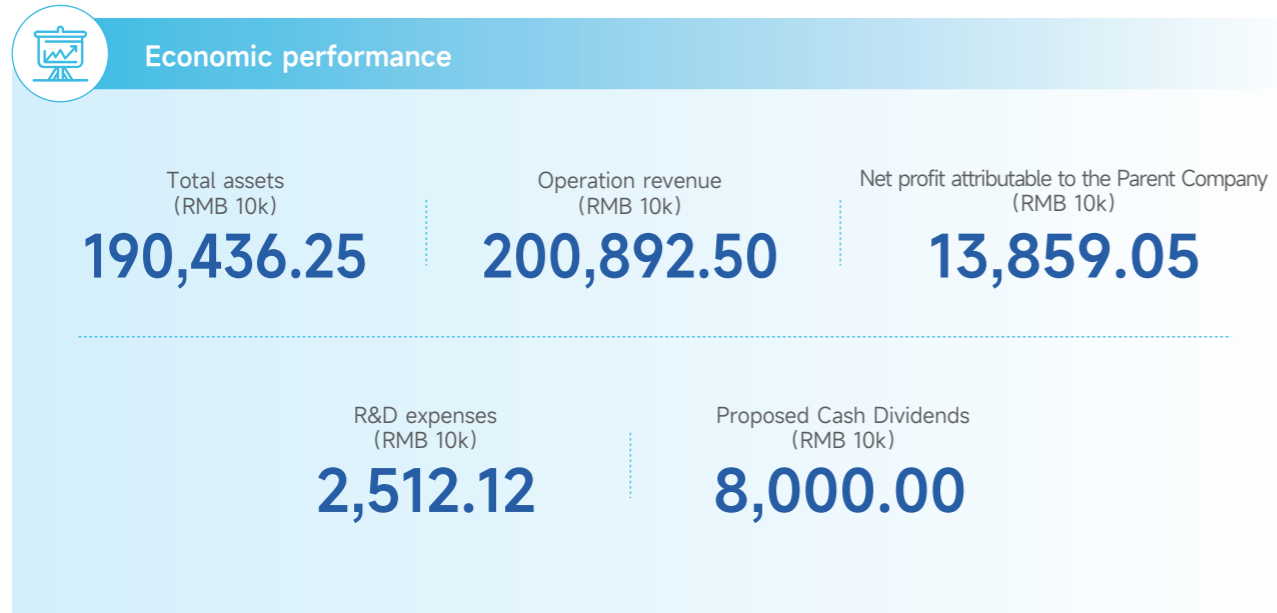
November 2023
High-tech Enterprise Certificate (2023.11.06-2026.11.05)
 Science and Technology Department of Jiangsu Province, Finance Department of Jiangsu Province, Taxation Bureau of Jiangsu Province

December 2023
Certificate of Donation to Gansu Earthquake
 BenQ Foundation
 Suzhou High-tech Zone Taiwan Compatriots Investment Enterprise Association



ACTER Honors and Certificates

Key Performance








Sustainable Development Management

• GRI : 102-40/102-44/102-47



■ Concept of Sustainable Development

ACTER actively fulfills its corporate social responsibility and regards sustainable development as an important cornerstone for the long-term stable development of the enterprise. We combine the expectations of stakeholders and are guided by the United Nations Sustainable Development Goals (SDGs) to further enhance public and stakeholder confidence in the Company's sustainable development and continuously enhance the long-term investment value of the Company.

Management dimensions	Management philosophy	SDGs
G Corporate Governance	The Company insists on building a sound corporate governance system and enhancing the transparency of corporate information disclosure. We maintain good communication with investors and protect investors' rights and interests. We strengthen compliance awareness and improve clean governance. We improve ESG management level and promote sustainable development of the Company.	
E Environmental Protection	With excellent environmental management concept, the Company continuously promotes the deep integration of corporate responsibility and sustainable development, and puts it into practice. The Company closely follows the world science and technology trends, integrates energy conservation, emission reduction and carbon neutralization goals into its core business through the implementation of ESG strategy, and actively responds to the call for global green development with practical actions.	
S Industrial Value	The Company continuously creates value for customers, deeply understands customer needs, provides comprehensive service support, and ensures that customers receive timely and professional help. We continuously optimize service process, improve service efficiency and quality, pay attention to the establishment and maintenance of long-term cooperative relationship with customers, and create greater value for customers. We standardize supply chain management to achieve win-win development.	
S Employee Benefits	The Company adheres to the people-oriented concept, safeguards the legitimate rights and interests of employees, regardless of race and nationality, and provides employees with welfare benefits above average level; we attach great importance to the construction of corporate safety culture, organize and carry out safety activities, enhance the safety awareness of all employees, and create a good safety atmosphere; we cultivate outstanding talents and provide a stage for growth, so as to promote the sustainable development of the enterprise while assisting individual achievements.	
S Social Responsibility	The Company always advocates the concept of caring for society and giving back to society, and is committed to achieving harmonious development between enterprises and society. We continue to pay attention to education, earthquake relief, community care and other fields, demonstrate corporate responsibility in fulfilling social responsibilities, and make "ACTER" contribution to the harmonious development of society.	

■ Stakeholders Communication

The Company attaches great importance to communication with various stakeholders, establishes a regular communication mechanism with stakeholders such as government or regulatory authorities, shareholders and investors, employees, customers, suppliers, public welfare organizations or community organizations, media, etc. in combination with external development trends and its own business operation characteristics, timely understands and responds to the needs and suggestions of all parties, and effectively adopts a series of measures to respond to and meet the demands and expectations of internal and external stakeholders in terms of environment, society and governance.

Stakeholders	Expectations and demands	Response feedback mechanism
Shareholders/investors	Risk control Investor relations management Protection of minority shareholders' rights and interests Transparent financial information disclosure	Shareholders' General Meeting Temporary announcement Compliance disclosure Investors exchange
Employees	Humanistic care Employment system Compensation and benefits Talent cultivation and development Occupational health and safety	Team activities Online communication platform Compensation adjustment mechanism Promoting career development Employees' Congress communication
Suppliers/partners	Cooperation and development Supplier audit "Green" supply chain Business ethics and anti-corruption	Industry-university-research cooperation Supplier training Supplier evaluation
Customers	Customer service Information security protection Ensuring product quality Technology and product innovation	Response mechanism feedback Protecting customer information Customer satisfaction survey Consumer online and offline communication activities
Government/regulatory authorities	Compliance management Paying taxes according to law Party Building Making contribution to economic development Protecting local environment	Information Communication Multi-level cooperation Implementing relevant policies Response mechanism feedback Site inspection/survey
Community/public	Environmental protection Public welfare and charity Volunteer activities	Environmental training Charity donation Volunteer service
Media	Responsible marketing Open and transparent communication	Disseminating health concepts Issuing periodic reports

■ Analysis of Substantial Issues

ACTER actively invites stakeholders to participate in research through online questionnaires to gain insight into their concerns and identify and address the Company's sustainability challenges. Through the establishment of a substantial issue identification mechanism, the analysis and judgment of internal and external stakeholders are integrated to determine the annual important issues, grasp the direction of sustainable development, ensure that social responsibilities are actively fulfilled while pursuing economic benefits, and achieve sustainable development goals.

Links	Specific measures
Topic sorting	According to ESG related policies and regulations, international and domestic ESG standards, the Company paid close attention to ESG evaluation indicators (MSCI-ESG rating, SASB, WIND rating, etc.) of capital market, analyzed ESG issues disclosed in the same industry, and sorted out 24 important issues.
Research and communication	Stakeholder questionnaires were prepared based on the topics and interviews were conducted with relevant departments. Stakeholders included: government and regulatory authorities, industry associations and research institutions, suppliers and partners, investors and shareholders, employees, customers, and non-profit and community organizations. In 2023, the Company received a total of 324 questionnaires.
Assessment of substantial issues	According to the issues affecting the sustainable development of ACTER, the strategy in the operation process and the issues of high concern to key stakeholders, the Company conducted substantive assessment and determined the issues of high importance, medium importance and general importance.
Establishing core issue matrix	According to the questionnaire survey results, combined with the disclosure requirements of regulatory authorities, the Company's sustainable development management practices, industry characteristics, etc., the Company conducted ranking analysis from the two dimensions, i.e., "importance to the sustainable development of the Company" and "importance to the stakeholders" to form a core issue matrix.



- ① Environmental management
- ② Energy management
- ③ Response to climate change
- ④ Material management
- ⑤ Water resources utilization
- ⑥ Pollution and waste
- ⑦ Environmental protection technology
- ⑧ Labor relations management
- ⑨ Employee training and development
- ⑩ Occupational health and safety
- ⑪ Human rights protection
- ⑫ R&D and innovation
- ⑬ Product quality management
- ⑭ Customers' rights protection
- ⑮ Information security and privacy protection
- ⑯ Responsible supply chain management
- ⑰ Social welfare
- ⑱ Protection of shareholders' rights and interests
- ⑲ Governance strategy and organizational structure
- ⑳ Business ethics
- ㉑ Tax governance
- ㉒ Risk management
- ㉓ Quality of information disclosure
- ㉔ ESG governance



01

Efficient Operation,
Solidifying the
Cornerstone
of Governance

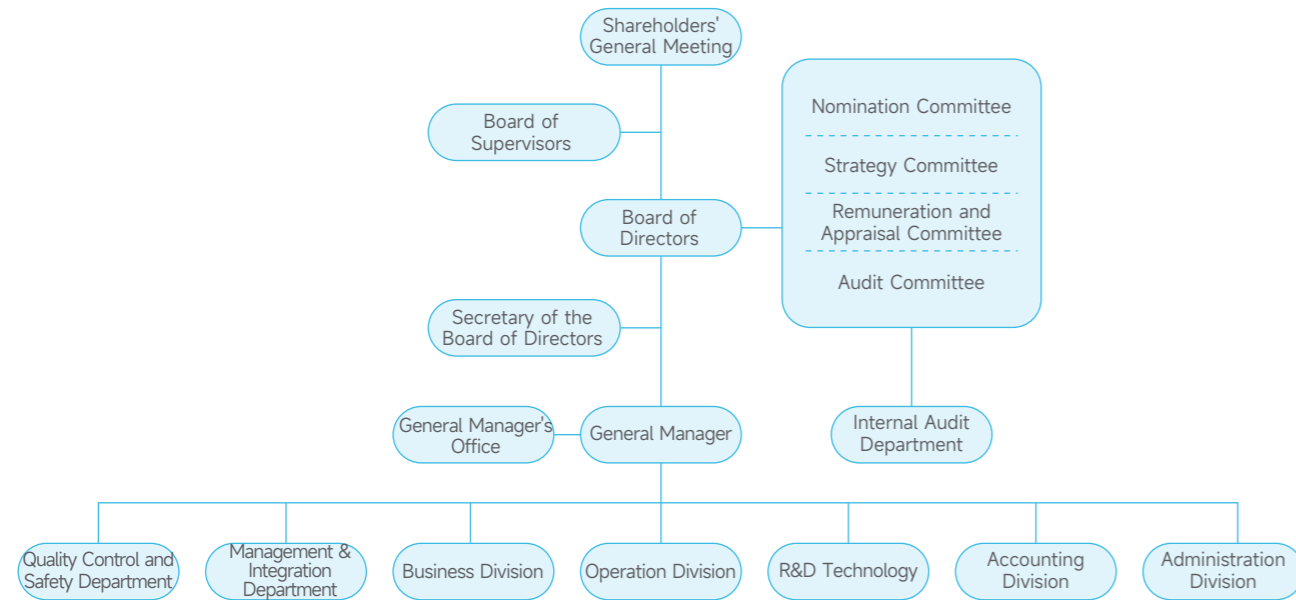
Regulating Corporate Governance

GRI: 102-18/102-22 /102-24



Corporate Governance Overview

ACTER strictly abides by the *Company Law of the People's Republic of China* (hereinafter referred to as the *Company Law*), the *Securities Law of the People's Republic of China* (hereinafter referred to as the *Securities Law*), and the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, the Company has continuously improved its corporate governance structure, established and improved a special corporate governance system, strengthened information disclosure and investor relations management in combination with the actual circumstances of the Company, and established a clear division of powers and responsibilities among the Shareholders' General Meeting, the Board of Directors and the Board of Supervisors, with independent, efficient and transparent decision-making, so as to ensure the Company's standardized operation. During the reporting period, the Company's corporate governance met the requirements of laws, regulations and regulatory documents relating to corporate governance of listed companies.



Operation of the Board of Directors, the Board of Supervision and the Shareholders' General Meeting

Shareholders' General Meeting

The Company strictly complied with the *Articles of Association*, the *Rules of Procedure for the Shareholders' General Meeting* and other relevant provisions, standardized the convening, holding and proceedings of Shareholders' General Meetings, engaged lawyers to issue legal opinions on the legality of shareholders' meetings, ensured the equal status of all shareholders, especially minority shareholders, fully exercised the legitimate rights and interests of shareholders, and ensured shareholders' right to know, participate and vote on major matters of the Company.

Key Performance

During the reporting period, the Company held **2** Shareholders' General Meetings; **15** proposals were considered and approved.

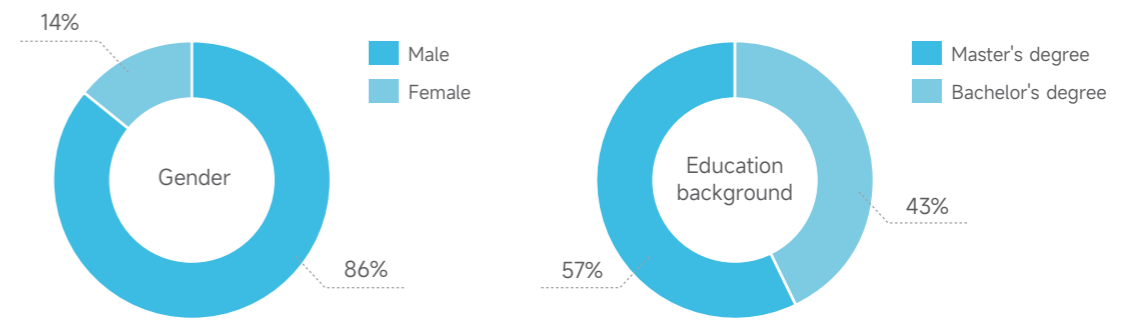
Board of Directors

The Board of Directors of the Company exercises its powers in strict accordance with the *Company Law*, the *Articles of Association* and the *Rules of Procedure for the Board of Directors*, including organizing and implementing resolutions of the Shareholders' General Meeting, deciding on the Company's operation plan and investment plan, formulating the Company's annual financial budget, final accounts plan and profit distribution plan, formulating major acquisition plans and appointing or dismissing the General Manager and other officers of the Company.

The Company attaches importance to the independence and diversity of the Board of Directors and strengthens the supervision function of external directors. The Board of Directors has 7 members, including 3 independent directors and 1 female director. The existing directors have extensive working experience in the fields of finance, law, engineering design, etc., faithfully perform their duties and earnestly implement the resolutions of the Shareholders' General Meeting. During the reporting period, the Board of Directors held 4 meetings and passed 49 resolutions, with an attendance rate of 100%.

Key Performance

During the reporting period, the Board of Directors held **4** meetings, with an attendance rate of **100%**, and passed **49** resolutions of the Board of Directors



ACTER Board Diversity

The Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Strategy Committee are established under the Board of Directors. They study related professional matters and put forward opinions and suggestions. The special committees are in good operation. The meetings and resolutions meet the requirements of relevant systems and can function normally.

Key Performance

During the reporting period, **9** special committee meetings were held, with **44** proposals considered, including:



Board of Supervisors

The Company has formulated the *Rules of Procedure for the Board of Supervisors* to standardize the deliberation and decision-making procedures of the Board of Supervisors and ensure the efficient and orderly operation of the Board of Supervisors. The Board of Supervisors consists of three supervisors, including one Chairman of the Board of Supervisors and one employee representative supervisor, who diligently and dutifully perform their supervisory functions, including effective supervision over the performance of duties by directors and officers and matters related to the legal operation of the Company.

Key Performance

During the reporting period, the Company held **4** meetings of the Board of Supervisors, with an attendance rate of **100%**, and **26** proposals reviewed.

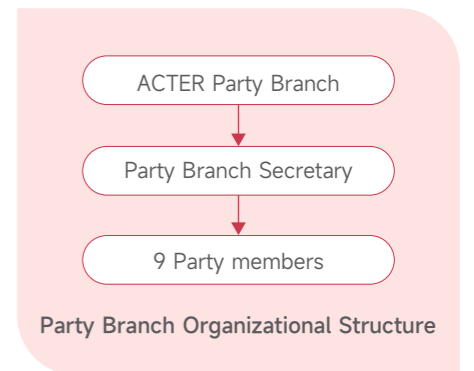
Compensation Management for Directors, Supervisors and Officers

According to relevant laws and regulations and the *Articles of Association*, the Company formulated the remuneration plan for senior officers of the Company in 2023 in combination with the actual conditions such as the current economic environment, the region, industry and scale of the Company, which was reviewed and approved at the sixth meeting of the second session of the Board of Directors held by the Company, fully reflecting the design requirements of combining short-term and long-term incentives and balancing the interests of individuals and teams, fully mobilizing the enthusiasm of responsible persons and safeguarding the interests of shareholders, thus achieving common development between the Company and management.



Intensifying the Party Building

The Company adheres to the leadership of the Party, thoroughly implements the spirit of the 20th National Congress of the Party, formulates the theme education work plan of the Party branch, and completes it on schedule to provide guarantee for the Company to realize high-quality development; formulates the theoretical study plan of the Party branch, adopts the form of "Three Governing Bodies and One Class", and organizes Party members to carry out study through multiple platforms such as Learning Power, Communist Party Members (www.12371.cn), Jiangsu Pioneer, Suzhou Pioneer, Suzhou High-tech Zone Release, Suzhou Smart Party Building, etc. Significant achievements have been made in employee ideological guidance and Party Building work, which has enhanced the overall ideological understanding and cohesion of the Party organization, successfully promoted business innovation, and made new breakthroughs for the Company in market competition. During the reporting period, the Company had 1 Party branch with 9 Party members.



Studying the Spirit of the 20th CPC National Congress

Case

Deep Learning and Careful Understanding, Building a Solid Ideological Foundation

From November to December 2023, the Party branch of the Company organized Party members and activists to study the required bibliography such as *Special Excerpts of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era*, took the original text as the starting point of learning and practice, deeply studied and carefully studied the required bibliography of thematic education, followed up and studied the latest important speeches and articles of General Secretary Xi Jinping in combination with the actual work and responsibilities and tasks, and truly realized the truth power and practical power of scientific theory.

Case

Learning from Example, Setting Benchmark, and Stimulating New Motivation

In November 2023, the Company launched the activity of "Learning from the Examples Around", organized Party members of the Company to learn from the people around them and watch videos of advanced figures. Combined with the actual situation of the Company, we have selected a number of advanced models who are practical and responsible, and set a number of reliable and traceable benchmarks by vigorously publicizing their advanced deeds. This activity not only enhanced the sense of belonging and honor of employees, but also created a strong atmosphere of entrepreneurship, which injected new vitality and motivation into the development of the Company.

Maintenance of Investor Relations <<<<<

Information Disclosure Compliance

The Company strictly abides by laws and regulations such as the *Company Law*, the *Securities Law* and the *Measures for the Administrative Measures for Information Disclosure of Listed Companies*, and formulates systems such as the *Information Disclosure Management System* and the *Internal Report on Major Matters* to disclose information truthfully, accurately, completely, timely and fairly in accordance with the information disclosure procedures. The Company strengthened the management of insiders by implementing measures such as filing of insiders and registration of external information submission, standardized the review process of external information submission, clarified the obligations and responsibilities of relevant personnel to fulfill the confidentiality of undisclosed information, strengthened the Company's awareness of information disclosure, and effectively avoided the occurrence of information disclosure violations. During the reporting period, there were no false records, misleading statements or material omissions in the Company's information.

Key Performance

During the reporting period, the Company disclosed **57** interim announcements and **4** periodic reports.

Investors Exchange

The Company pays attention to maintaining investor relations, continuously carries out investor relations management, actively communicates with investors through various channels such as performance briefing meetings, investor field research, Shanghai Stock Exchange e-interaction platform and investor relations management column on the Company's website, responds to investors' concerns and maintains a good trust relationship between the Company and investors. During the reporting period, the Company held annual performance briefing for 2022, semi-annual performance briefing for 2023 and performance briefing for the third quarter of 2023 to introduce relevant performance of the Company and answer hot issues concerned by investors.

Key Performance

In 2023, the Company held **3** performance briefings, received more than **130** investor visits, made **37** interactions on Shanghai Stock Exchange e-interaction platform, with a response rate of **100%**.

Case

ACTER Investor Performance Briefing

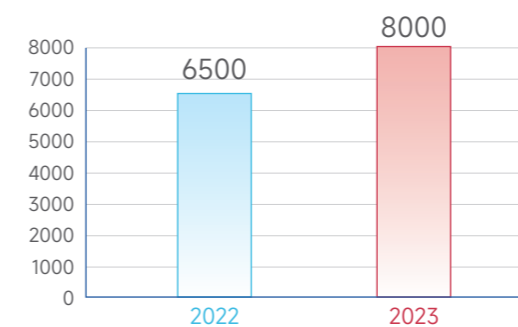
The Company attaches great importance to investor relations management and is committed to establishing a sound communication mechanism with investors, broadening communication channels between the Company and investors and achieving efficient governance. On April 24, 2023, we held a 2022 annual performance briefing, which communicated with investors on the Company's development and performance, market expansion and future planning through live broadcast, online text Q&A, guest on-site exchange and guest voice interaction, reflecting the sincerity of the Company's communication with investors and facilitating investors to understand the Company more comprehensively and deeply.



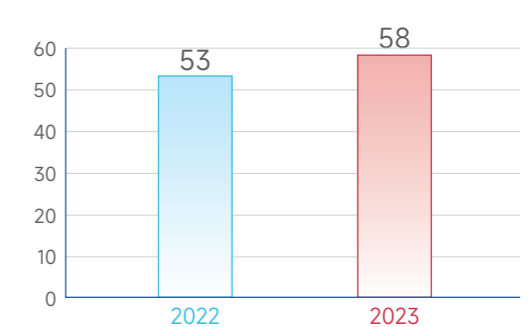
ACTER held a performance briefing

Protection of Shareholders' Rights and Interests

The Company attaches great importance to the reasonable return on investment of investors, strictly implements the cash dividend policy and relevant decision-making procedures for profit distribution as stipulated in the *Articles of Association*, and increases the transparency and operability of profit distribution decisions, so as to facilitate shareholders to supervise the Company's operation and profit distribution. The Company distributed a cash dividend of RMB 8.125 (inclusive of tax) per 10 shares to all shareholders based on the total share capital of 80 million shares and converted 2.5 shares per 10 shares from capital reserves as of the end of 2022. The total dividend payout amount was RMB 65 million (including tax), representing 52.90% of the net profit attributable to ordinary shareholders of the Company in the consolidated statement. The Company plans to distribute a cash dividend of RMB 8 (inclusive of tax) per 10 shares to all shareholders based on a total share capital of 100 million shares as of the end of 2023, with a total dividend distribution of RMB 80 million (inclusive of tax), representing 57.72% of net profit attributable to ordinary shareholders of the Company in the consolidated statement.



Total cash distribution (tax included) (RMB 10K)



Proportion of net profit attributable to shareholders of the listed company in the consolidated statements (%)

Compliance Risk Management

• GRI: 102-11/102-30



Internal Control System Construction

In accordance with the *Basic Standards for Enterprise Internal Control* and other laws and regulations, the Company has formulated the *Internal Control Manual*, established, improved and effectively implemented internal control, evaluated its effectiveness, and truthfully disclosed the internal control evaluation report, reasonably ensured the legal compliance of operation and management, asset safety, authenticity and integrity of financial reports and relevant information, improved operation efficiency and effectiveness, and promoted the realization of development strategies. In 2023, the Internal Audit Department of the Company conducted audit and investigation on the Company's internal R&D, procurement, sales, investment, fund management and other items, and formed 56 internal control audit reports. According to the external environment and its own operation, the Company reviews the compliance of the system every year and improves and revises the internal system. Besides, the Company engages an accounting firm to issue an assurance report on the internal control of the Company every year to ensure the effectiveness of internal control.

Deepening Risk Management

The Company actively carries out comprehensive risk management, formulates risk management strategies around the overall objectives, carries out risk management in all aspects of the Company's operation and management and in all links of the business process, implements risk management measures, cultivates a good risk management culture, and establishes and improves the organizational system, information system and internal control system of risk management. At the Company's weekly supervisor meeting, the supervisors of all departments report the project progress, quality and safety to the General Manager. Every quarter, the General Manager will convene a detailed meeting, and the supervisors at all levels will report the operating achievement in their office, and review the deficiencies of completed projects and share experiences, so as to optimize the management and decision-making of the Company and minimize or avoid risks as much as possible.

Risk management process



Case

Risk Management Training

In order to improve the risk management capability of each department and ensure that the risks of each procedure of the Company are controllable, the Company hired external lecturers to organize risk management training for heads or agents of each department in September 2023, which enhanced risk awareness and mastered the methods of risk identification and risk assessment. After training class, each department independently organizes discussion and formulation of various preventive measures on the risk assessment results, improves the system documents, and also conducts self-examination on the actual operation.

Tax Administration

The Company strictly abides by the *Law of the People's Republic of China on the Administration of Tax Collection*, the *Law of the People's Republic of China on Enterprise Income Tax*, the *Law of the People's Republic of China on Individual Income Tax* and other national laws and regulations, standardizes the financial management process, ensures the accuracy and completeness of accounting adjustment matters, optimizes the tax management system, practically performs various tax payment work, and prevents tax management risks.

Related Party Transactions

In order to standardize the decision-making procedures of related party transactions between the Company and its controlling subsidiaries and related parties of the Company and prevent related party transactions from damaging the interests of the Company and minority shareholders, the Company has formulated the *Related Party Transaction Management System*, standardized the basic principles of related party transactions of the Company, specified the decision-making procedures of related party transactions in detail, strictly implemented the related party avoidance mechanism, and when considering related party transactions, related directors and related shareholders must abstain from voting to ensure the legitimacy, necessity, rationality and fairness of related party transactions and to continuously improve the Company's risk management and control capabilities.



Compliance with Business Ethics

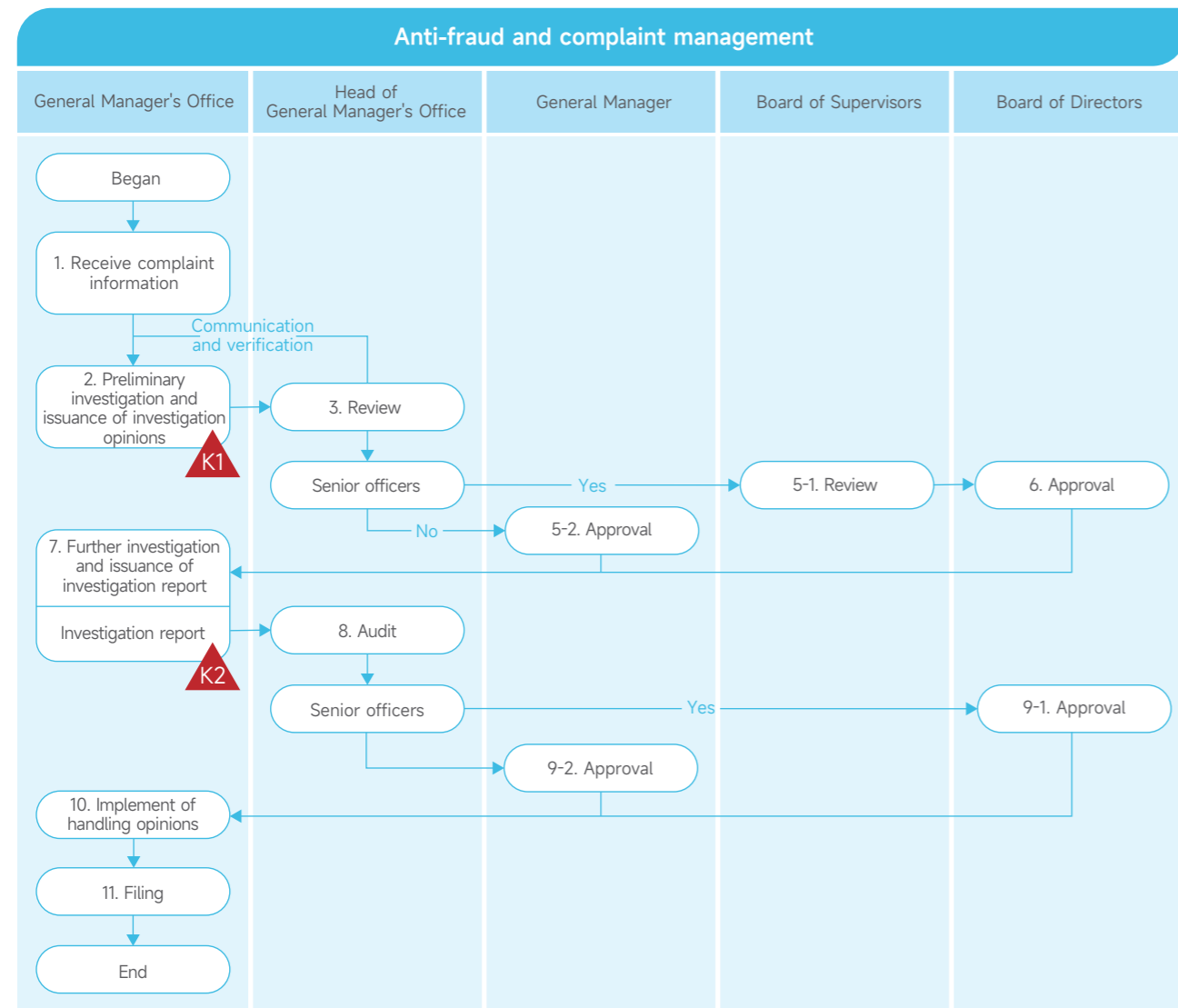
• GRI : 102-16/102-17/205-2



Implement Integrity Construction

The Company attaches great importance to integrity construction and anti-corruption work, strictly abides by relevant laws and regulations, establishes anti-fraud mechanism, prevents fraud, improves self-discipline level and fulfills compliance obligations. The Company's management is responsible for establishing sound and effective anti-fraud procedures and controls, including fraud risk assessment and prevention, as well as self-assessment. The Board of Supervisors provides guidance on anti-fraud practices. As a permanent organization of anti-fraud work, the General Manager's Office is responsible for organizing and implementing cross-departmental anti-fraud tasks. Each department assumes the anti-fraud responsibility within its own department. During the reporting period, there were no major corruption cases in the Company.

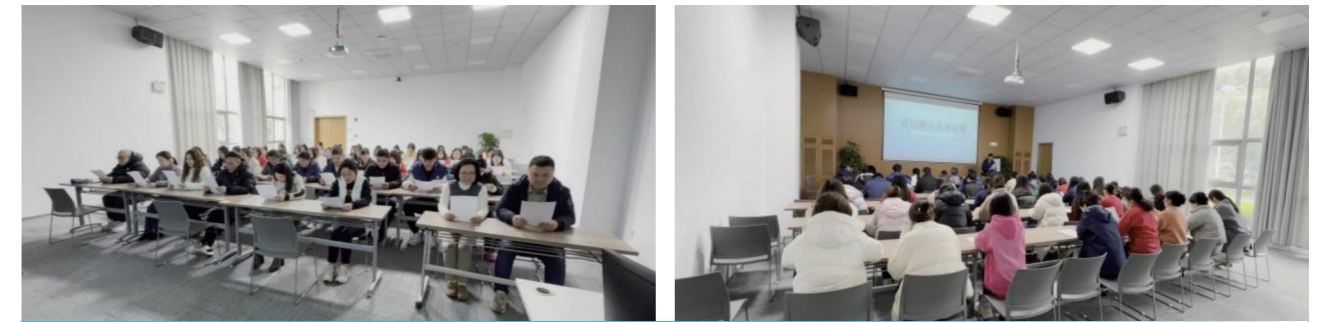
The Company has established an anti-fraud process, clarified the workflow of whistleblowers and supervision departments, encouraged employees and business partners to actively report corruption and rewarded them; kept the information of whistleblowers confidential, and protected whistleblowers to the greatest extent. The General Manager's Office is responsible for managing the reporting telephone number and e-mail address of fraud cases, receiving real-name or anonymous reports from employees and external third parties, arranging personnel to conduct preliminary investigation immediately after receiving reports, verifying the contents of reports and issuing investigation opinions.



Flow Chart of Anti-fraud and Complaint Handling

Strengthening Integrity Education

The Company advocates a corporate culture of integrity and good faith, creates an anti-fraud corporate culture environment, strengthens the construction of clean culture positions through internal management systems, induction education for new employees, signing of the *Integrity Commitment Letter* and other channels and forms, strengthens the dissemination of clean culture, and cultivates employees' awareness of integrity and keeping away from commercial bribery, so as to achieve environmental promotion of integrity.



In December 2023, All employees take an oath of integrity commitment again.

Strengthening Information Security



Information Security Management

Information security is the key to the stable operation of enterprises. The Company attaches great importance to information security, adopts advanced security strategies and strict technical protection measures to ensure the confidentiality, integrity and availability of data, and continuously improves the level of information security management. We actively carry out information security training to enhance employees' awareness of information security, master security skills, and practice them in daily work to jointly safeguard the Company's information security.

The General Manager of the Company is responsible for information security management, determines work responsibilities, guides and supervises information security work, sets up an information security team, and the team leader is held by the General Manager of the Company. Besides, key positions of information system are set up and management is strengthened. Personnel at key positions must strictly abide by confidentiality laws and regulations and relevant information security management regulations.

Our systems enhance security by limiting inactive areas through hardware firewalls. With high availability file server, we will record operation log, implement authority hierarchical management, prevent sensitive data from unauthorized access. To prevent data loss, we have backup storage devices and offsite storage policies. We perform backup and restore drills regularly and standardize backup mechanisms to ensure rapid system recovery in case of failure. These measures together constitute the security and backup system of our system, which provides a strong guarantee for the normal operation of the Company.

Responding to Emergencies

In order to improve the Company's ability to handle network and information security emergencies and ensure system security, data security and stable operation, the Company strengthened network security management, earnestly implemented various security management systems and measures, and actively responded to network information security emergencies in accordance with the *Regulations of the People's Republic of China on Computer Information System Security Protection*, the *Interim Provisions of the People's Republic of China on Computer Information Network and International Internet Management* and other relevant laws and regulations. Emergencies are classified into network security emergencies and information security emergencies, and rated according to the occurrence process, nature and characteristics of the incidents. Once such incidents occur, we will initiate early warning processing and take prompt measures to control developments. After the incident has been properly handled and emergency response has been carried out, the information security team will review and propose corrective and preventive measures to ensure that network and information security are fully guaranteed.

02

Low-carbon Construction to Promote Sustainable Development





Responding to Climate Change

• GRI : 201-2/305-1/305-2/305-3



Greenhouse Gas Management

ACTER takes greenhouse gas emission reduction as an important strategic task, actively undertakes social responsibility for reducing greenhouse gas emissions, and regularly conducts strict verification of direct and indirect greenhouse gas emissions to ensure the accuracy and completeness of data. At the same time, the Company continues to promote technological innovation, continuously reduce carbon emissions in the production process, and contribute to the global response to climate change and protection of the ecological environment. The company's total greenhouse gas emissions were 620.14 tonnes of carbon dioxide equivalent during the reporting period.

categories	2023
Direct GHG emissions (tCO ₂ e)	172.62
Indirect GHG emissions from energy inputs (tCO ₂ e)	161.69
Indirect GHG emissions from transport (tCO ₂ e)	105.07
Indirect greenhouse gas emissions from organisational use of products(tCO ₂ e)	180.76
Total	620.14

Carbon Accounting Management

The Company continuously strengthens carbon emission management and carbon asset management, and has dedicated personnel responsible for these two key tasks. These professionals not only have rich experience in carbon emissions and carbon asset management, but also hold relevant qualifications such as SAQM Certified Carbon Manager Certificate and Carbon Trader Certificate to ensure the company's compliance and efficiency in this field.

Carbon Emissions Training

The Company attaches great importance to the education and training of employees on carbon management knowledge, actively organizes practical training to help employees master the accurate accounting method of greenhouse gas emissions, deeply interpret ISO 14064-1 standard, enhance employees' understanding of international standards for greenhouse gas accounting and reporting, ensure the smooth verification of greenhouse gas emission data of the Company, and provide a solid talent guarantee for the Company to promote green development.

Environment and Energy Management

• GRI :302-4



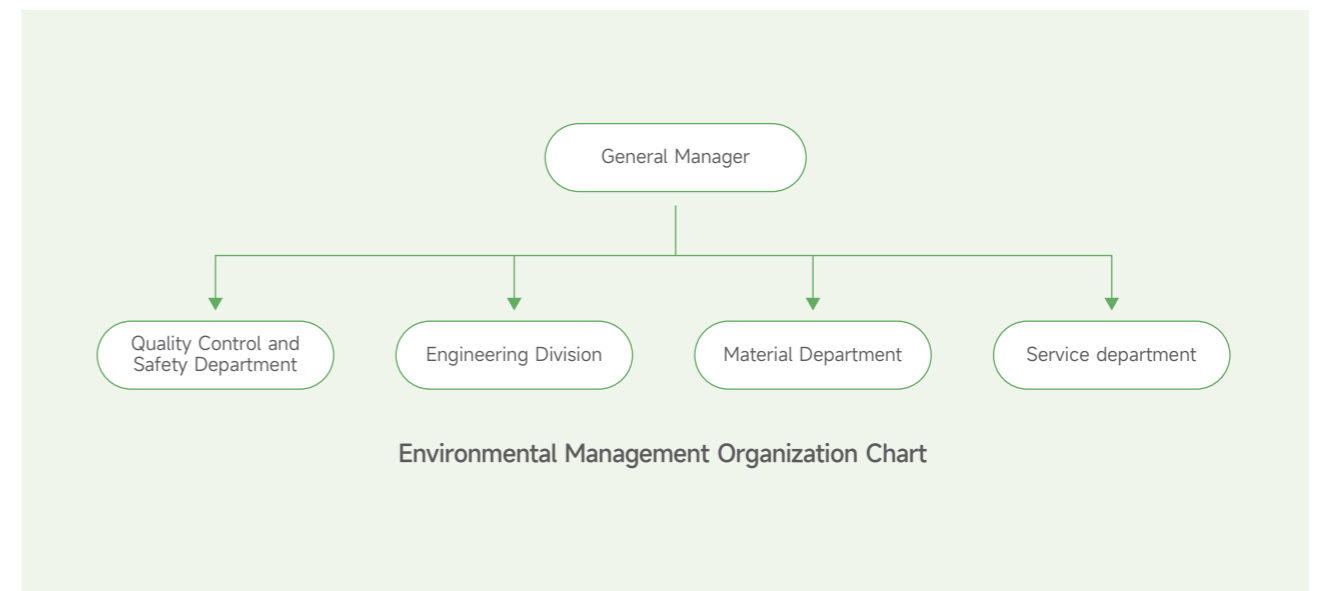
"Green" Management

ACTER strictly abides by the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations, formulates the *Energy Conservation and Consumption Reduction Control Procedure* in combination with the Company's own production and operation characteristics, continuously promotes the construction of environmental management system, integrates environmental management into the daily operation of the enterprise, scientifically and reasonably utilizes energy and resources, and eliminates waste accordingly. During the reporting period, the Company has obtained ISO 14001:2015 environmental management system certification, and no environmental violations occurred.



Environmental management system certification

We have demonstrated firm determination and actions in the field of environmental protection, and established a special environmental protection organization, with the General Manager responsible for coordinating the work related to energy conservation and consumption reduction control, and relevant departments responsible for specific environmental protection work, and continuously improving the environmental management level.



Environmental Management Organization Chart

■ Environmental Protection Investment

ACTER continuously increases investment in environmental protection and is committed to improving environmental protection efficiency in the implementation process of engineering projects by adopting new technologies, process improvements and process optimization. During the reporting period, the Company invested a total of RMB 186,100 in environmental protection.




■ Environmental Risk Management

The Company has formulated the *Management Procedure for Identification and Evaluation of Environmental Factors* to comprehensively identify and evaluate environmental factors that may occur during the service process of the Company, determine important environmental factors, and formulate corresponding management measures. The Company has established Quality Control and Safety Department, which is mainly responsible for the identification and evaluation of environmental factors, filling in the *Environmental Factor Identification/Evaluation Form* in detail and compiling the *List of Important Environmental Factors*, which provides strong support for the Company's decision-making in environmental protection.

The Company has continuously improved its environmental emergency management system, formulated the *Emergency Preparedness and Response Procedure*, which specifies in detail the emergency preparedness and response process of the Company in response to environmental emergencies, and defines the responsibilities and coordination mechanisms of various departments to ensure rapid and effective response in case of emergency. In addition, the Company also pays attention to prevention and risk management, and improves employees' emergency awareness and handling ability through regular drills and training.

■ Environmental Management Objectives

According to environmental protection standards, the Company has set specific environmental management objectives and actively taken corresponding measures to help achieve the objectives. During the reporting period, the Company achieved 100% of its environmental objectives.

Indicators of Environmental Objectives 2023				
S/N	Major environmental factors	Objectives	Indicators	Completion details
1	Noise	Reduction of noise generation and propagation	Noise control at the operation site shall be within the range specified by the state.	 Achieved
2	Dust, and wastes	Control of bulk materials, dust and wastes	90% of bulk materials stacked and transported were covered; 100% of dust was controlled; 90% of waste was disposed of.	 Achieved
3	Fire	Control of fire	0 fire accidents.	 Achieved

■ Water Resources Management

The Company attaches great importance to water resources management, strictly abides by the *Water Law of the People's Republic of China* and other relevant laws and regulations, and continuously improves the utilization efficiency of water resources by strengthening project water management and introducing water-saving technologies and equipment. In order to enhance employees' awareness of water conservation, the company has designed creative publicity slogans and widely publicized them in various office areas and project sites to effectively reduce water consumption and waste.

Standardizing Pollutant Emissions

• GRI: 306-1/306-2/306-4



■ Waste Water and Waste Gas Management

Discharge System

The Company strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and other relevant laws, regulations and documents, formulates the *Control Procedures for Wastewater, Waste Gas, Noise and Waste Residue*, adheres to the principles of reduction, harmlessness and reuse, and reduces the impact on the environment by carrying out full-process control on pollutants generated during operation.

Wastewater Monitoring

In order to ensure the fulfillment of the Company's environmental responsibility, we conducted detailed statistics and analysis on the wastewater discharge generated in the process of living and office, and regularly carried out wastewater monitoring to ensure compliance with wastewater discharge.

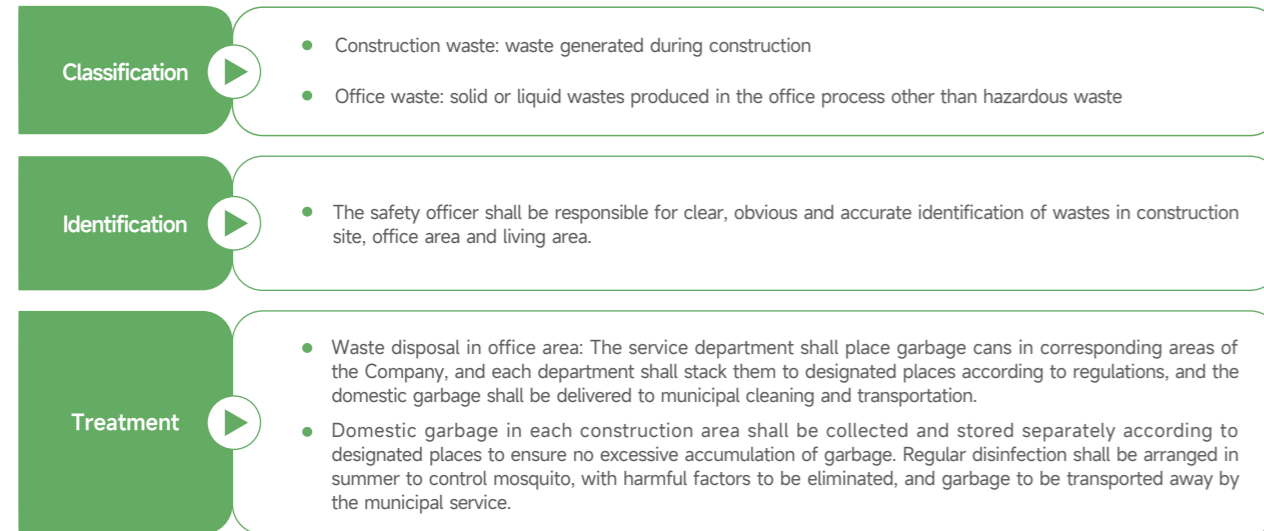
Pollutants Discharge of ACTER Wastewater		
Chemical Oxygen Demand (COD)	Suspended matter	Ammonia nitrogen (NH3-N)
0.078_t	0.014_t	0.0083_t
Total phosphorus	Total nitrogen	PH
0.00022_t	0.016_t	0.0076_t

Wastewater and waste gas discharge procedures	
Discharge type	Procedures
Wastewater	<ul style="list-style-type: none"> During the construction of each project, it is forbidden to dump chemicals and liquids with unknown components into the sewer; construction wastewater flows into the sedimentation tank, and the adjacent urban pipe network is discharged into the sewage pipe network after sedimentation. Domestic sewage in the office area of the Company is discharged into the sewage pipe network of the High-tech Zone of Suzhou City.
Waste gas	<ul style="list-style-type: none"> Oil products conforming to relevant national standards shall be purchased for each project; protective measures shall be taken for hazardous chemicals used in construction, such as covering containers, ventilation of storage rooms, etc., and special personnel shall be assigned to inspect regularly to control and reduce volatilization of hazardous chemicals. The Company's own vehicles are regularly tested for exhaust emissions every year and use unleaded gasoline.

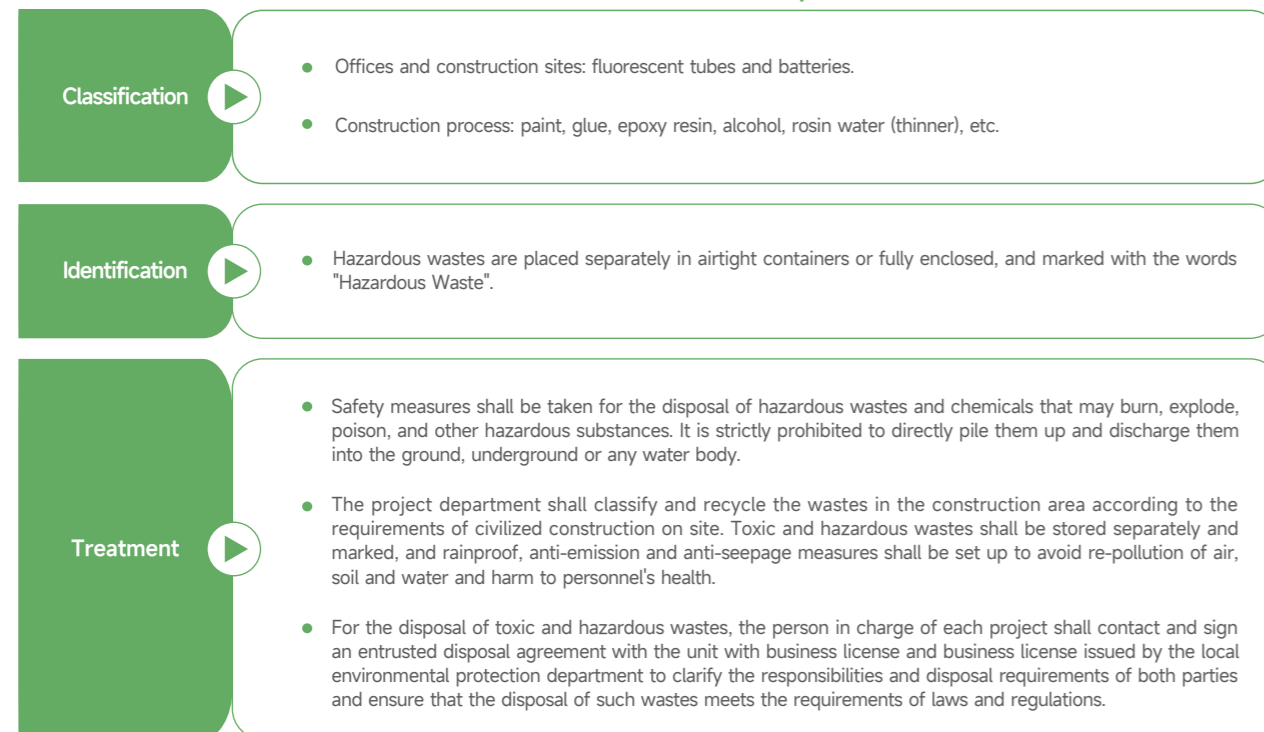
Waste Management

The Company attaches great importance to the management of solid waste, and has established system documents such as *Waste Management Control Procedures* in accordance with the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes* and other relevant laws, regulations and standard documents, specifying the basic requirements for the management process, classification management, treatment management and comprehensive utilization management of solid waste, ensuring the compliance and scientificity of the Company's waste management.

General waste disposal procedures



Hazardous waste treatment procedures



Noise Management

We strictly abide by the *Noise Limits for Construction Site* (GB12523 -1990), formulate a series of measures to ensure that noise during structural construction and decoration construction does not exceed 70dB in daytime, and noise at night is strictly controlled below 55dB, and strive to create a quiet working environment and living space for employees and surrounding residents.



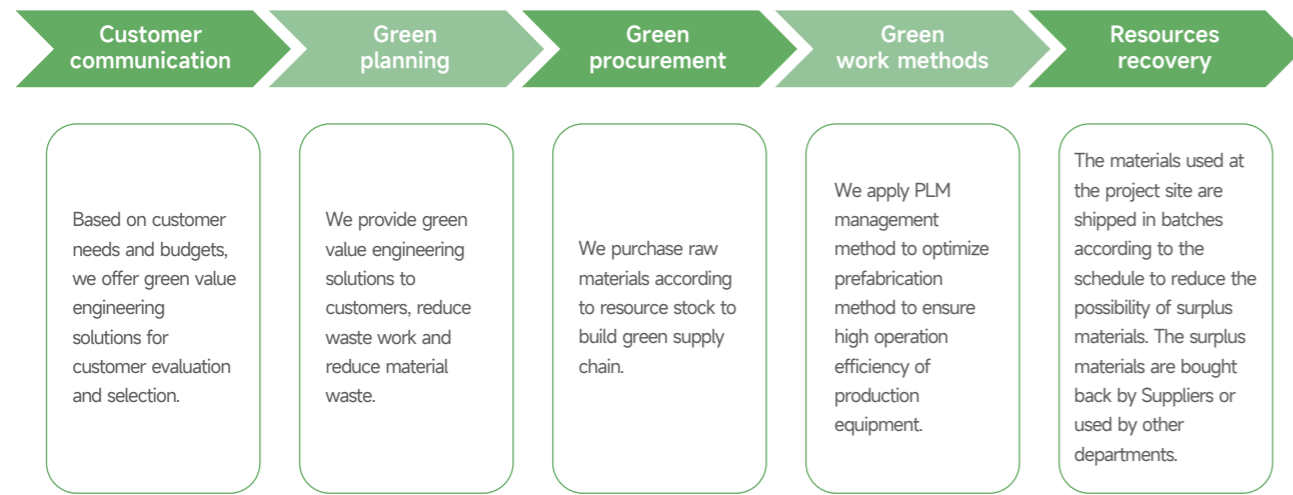
“Green” Operation

· GRI : 304-2/308-1



Green Engineering

Adhering to the core concept of energy conservation and carbon reduction, reducing environmental pollution and reducing resource consumption, the Company continued to fully integrate green procurement and green construction methods, formulated green value engineering proposals, created green projects, effectively protected the ecological environment on which the Company depends for survival and development, and helped to effectively achieve the goals of carbon peak and carbon neutralization. In the procurement process, we give priority to the selection of environmentally friendly materials and green services to promote the sustainable development of the supply chain; in the construction process, we adopt green construction methods to ensure efficient, energy-saving and environmentally friendly construction activities, and inject strong impetus into the sustainable development of the Company.



Green Engineering Management Flow Chart

Intelligent Emission Reduction

Deeply recognizing the importance of intelligence and digitalization in energy conservation and emission reduction, the Company actively monitors, analyzes, optimizes and dispatches energy usage in real time through scientific and technological means, improves energy utilization efficiency and reduces energy costs on the basis of achieving comprehensive control and management of energy, and strives to contribute to environmental protection and emission reduction.

“Green” Culture

The Company deeply practices the concept of low-carbon, energy-saving and green development, organizes and carries out environmental protection training, and strengthens employees' awareness of environmental protection. Environmental protection slogans are posted on construction sites and office areas to remind employees to care more about environmental protection, participate in environmental protection, advocate employees to use less water and electricity, pay attention to garbage classification, and jointly contribute to environmental protection.

Key Performance

In 2023, the Company carried out **19** environmental protection training sessions, involving **1,368** person-times.



Propaganda on electricity saving



Propaganda on water saving



Garbage classification



"Cleaner Production" Slogans Posted on Site

The Company has always been committed to creating a beautiful and pleasant office and factory environment, designing green layout, regularly maintaining the greening of the plant area by professional organizations, ensuring the healthy growth of plants and the overall beauty of the plant, making green plants a beautiful landscape by which, showing our responsibility in promoting environment-friendly development.



ACTER's Green Plant Area

03

Improving Service and Promoting Quality Engineering



R&D and Innovation



Innovative Management Framework

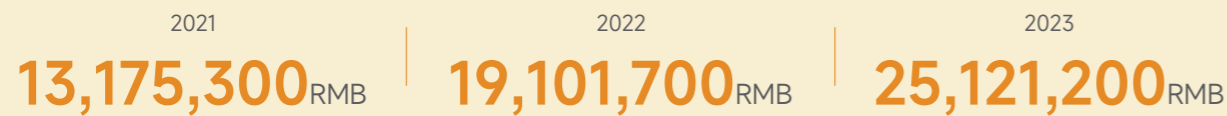
R&D System

ACTER adheres to the development concept of innovation as the most important part, actively carries out theoretical research and practical exploration, formulates the *Research and Development Management System* and the *R&D Fund Management Measures*, strengthens the standardized management of R&D, takes various measures to build an innovative R&D system, continuously deepens the reform of R&D management system, optimizes the allocation of R&D resources, improves R&D efficiency, ensures the orderly and efficient R&D work of the Company, supports business operations through R&D achievements, and leads sustainable development with technological innovation. During the reporting period, the Company has been recognized as a high-tech enterprise.



High-tech Enterprise Certificate

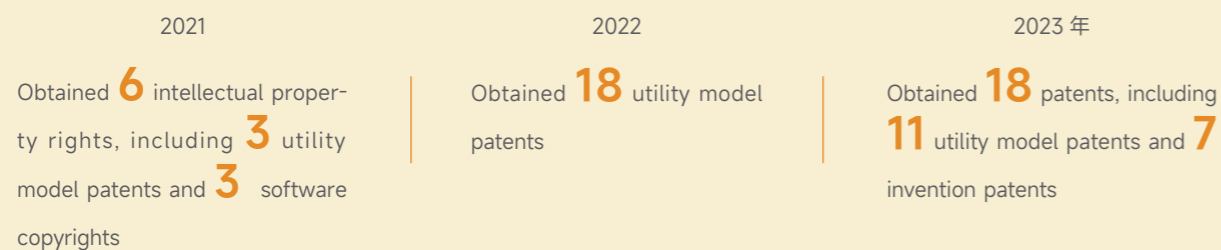
Company's R&D investment in recent three years



R&D Objectives

The Company adheres to the core R&D goal of improving clean room integration technology, construction method and equipment improvement, continuously improves its competitiveness and promotes industrial progress, insists on innovation and continuous progress, and meets the increasing market demand. Our future long-term planning goal is to research technologies such as energy saving and carbon reduction, "Three Wastes" emission, equipment and environmental protection.

Achievement of R&D objectives in recent three years



The Company dedicated to research and development of innovative clean room technology, aiming to make positive contributions to the sustainable development of society and the promotion of green technology through continuous technological breakthroughs and innovative practices.

Cooperative R&D Mechanism

ACTER has always adhered to the concept of open cooperation and creating a better future. It has arranged development center cities in 6 countries and regions around the world, reached cooperation with hundreds of world-renowned enterprises, established long-term and stable cooperation relations with many professional institutions, and jointly promoted scientific and technological innovation and achievement transformation. The Company has deepened the industry-university-research cooperation, and carried out university-enterprise cooperation with Wuhan University of Science and Technology, making full use of university scientific research resources and talent advantages, jointly exploring cutting-edge technologies, developing professional talents, and injecting continuous vitality into the Company's continuous innovation and development.

Innovation Incentive System

ACTER constantly improves the incentive mechanism for scientific and technological innovation, formulates incentive systems such as the *R&D Project Subsidy Management Measures*, standardizes the management of scientific and technological awards, provides a good innovation environment and generous welfare benefits for employees, attracts and retains outstanding talents, and promotes the scientific and technological innovation and sustainable development of the Company.

The Company encourages employees to actively participate in national construction and design examinations, and rewards employees who have obtained certificates and filed with the Company as Grade I Constructor, Grade II Constructor, Registered Safety Engineer, Senior Engineer and Intermediate Engineer.

Driving Digital Development

The Company attaches importance to digital and intelligent development, adheres to the corporate culture of "breakthrough, innovation, integrity, simplicity, green world, sustainability, safety and technology", actively promotes innovative projects, enhances the overall solution ability of high-difficulty factory construction, and moves towards the goal of becoming an international top engineering company. In the special process management system involving automatic control system, water treatment system and secondary distribution system, the Company develops core competence through intelligent management of science and technology, creates competitive advantage, realizes rapid growth of performance revenue, and has won many honors such as excellent Supplier awarded by global high-tech enterprises.

Case

Seminar on Digital Talent Strategy Enabling Semiconductor Industry

ACTER has participated in the seminar on digital talent strategy enabling semiconductor industry, exchanged and shared experiences with industry colleagues, and explored the practice and application of digital talent strategy in semiconductor industry, with a view to leading the industry to a higher stage of development and helping the prosperity and progress of global semiconductor industry.



Seminar on Digital Talent Strategy Enabling Semiconductor Industry

■ Intellectual Property Protection

ACTER always places intellectual property protection in the Company's strategic development, formulates intellectual property protection policies and corresponding training courses, establishes and improves intellectual property protection mechanisms, strengthens internal intellectual property management and external rights protection cooperation, and ensures comprehensive and effective protection of the company's technological achievements.

Key Performance

By the end of 2023, the Company had accumulated **61** items of intellectual property, including **9** invention patents, **52** utility model patents, **3** software copyrights and **15** trademarks.

The Company attaches great importance to the publicity and education of employees' intellectual property protection, organizes employees to carry out intellectual property protection training and carries out corresponding assessment. To ensure the security of our technology and business secrets, we require suppliers, employees, contractors, consultants, customers and technology development partners to sign confidentiality agreements and jointly assume responsibility and obligation to protect our intellectual property rights.



ACTER intellectual property training

Quality Engineering

• GRI: 417-1

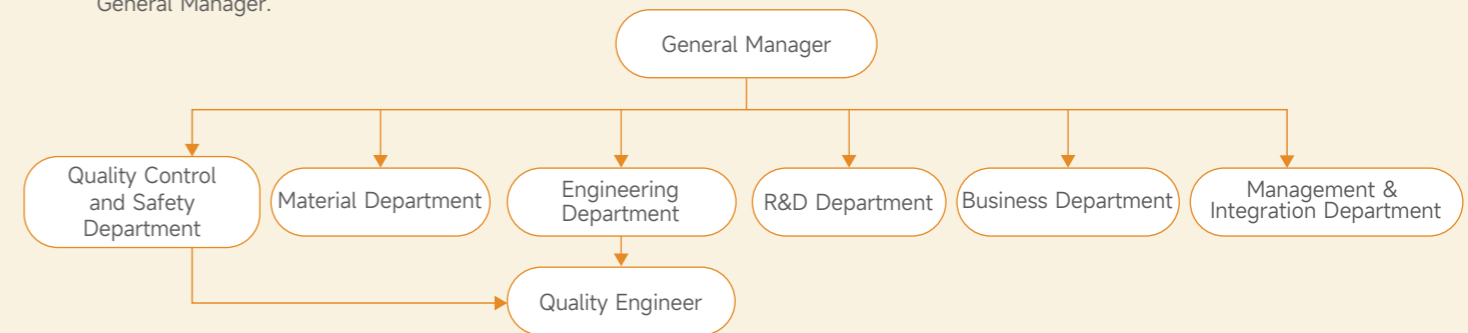


■ Quality Engineering Management

Quality Management System

Adhering to the business philosophy of "quality first, technology leading, customer first and attentive service", the Company has formulated systems such as *Quality Environment Safety Management Manual*, *Bid Winning Startup Operation Control Procedure*, *Project Execution Operation Control Procedure*, *Commissioning Operation Control Procedure*, *Completion Settlement Operation Control Procedure*, *Acceptance Warranty Operation Control Procedure*, etc., to provide customers with full quality assurance during the design, construction and after-sales service stages, thus ensuring that each link has clear operation guidance and quality control standards, and constantly improve the project quality management system.

In order to ensure that the project and service always maintain high standards, the Company has established a perfect organizational structure. Each responsible department is responsible for preparing and updating the quality management system according to the requirements of the certification system, and implementing the quality management work after approval by the General Manager.



Quality Management Organization Chart

Risk Management

In order to effectively deal with project quality risks, the Company has formulated *the Risk Management Control Procedure* and the *Non-conforming Product Control Procedure*, which stipulate that the Quality Control and Safety Department is responsible for organizing each department to identify risk factors and formulate control measures. Each department shall conduct risk assessment according to the identified risks, and formulate corresponding control measures according to the assessment results, so as to ensure that each project can meet the established quality standards and provide safe, reliable and efficient construction products for customers. During the reporting period, the Company carried out 9 project quality risk assessments, and there was no major quality dispute with customers, and there was no punishment by the quality and technical supervision authority due to quality problems.

■ Qualification Certification

The Company insists on implementing the project quality, establishing a three-level quality management system, improving the dual quality control system, strictly controls the project quality from the project quality controlling process and the company's internal control quality controlling process, and ensuring the smooth progress of the construction process and the final project quality by clarifying quality standards, formulating detailed construction schemes, conducting technical disclosure and training, strengthening material and equipment management, implementing process monitoring and inspection, and strengthening communication and coordination, thus winning the trust of customers and achieving long-term development of enterprises. During the reporting period, the Company has obtained ISO 9001 quality system certification to ensure the effective operation of the quality system.

ACTER is in the leading position in the field of high-tech engineering, providing customers with "one-stop" design and construction services with innovative construction methods and technologies, covering electromechanical works, purification, secondary distribution, environment and energy-saving projects. Through continuous deepening of the main business, it has created a high-standard production environment for high-tech enterprises, and has obtained certificates such as construction enterprise qualification certificate, engineering design qualification certificate and special equipment production license.

2023 ACTER Qualification Certification

Qualification certificate of mechanical and electrical engineering construction general contracting Class I



Qualification certificates of electronic and intelligent engineering specialized contracting Class II, fire protection facility engineering specialized contracting Class II, building decoration engineering specialized contracting Class II, building electromechanical installation engineering specialized contracting Class I



Qualification certificates of building engineering construction general contracting Class III, environmental protection engineering specialized contracting Class III, and construction labor service (ungraded)



Qualification certificate of engineering design - building decoration engineering Special Class C

Installation, repair, and alteration of special pressure equipment (industrial pipeline installation GC2)

Filing Certificate for Business Operation of Class II Medical Devices

Business Operation License for Class III Medical Devices



Quality Culture

The Company is committed to building a high-quality and high-level quality team, continuously carrying out systematic training for quality professionals, focusing on the continuous improvement of quality and management level, from quality control and unqualified product definition, process and improvement on site construction site to employee ability enhancement, continuously consolidating quality foundation, deepening quality collaborative governance and shaping excellent quality brand. During the reporting period, the Company held 2 quality return-visit meetings.

Case

Construction Suppliers' Return Visit for Safety and Quality

On April 14, 2023, the Company held a meeting for construction Suppliers' return visit for safety and quality, with the theme of "Building Together, Peace ACTER", summarizing the common quality defects of each project and each Supplier and the correction of such defects, and using the actual photos on the site for detailed explanations on the causes of common problems, improvement measures and how to standardize operations. Through this meeting, all Suppliers can more clearly identify possible problems in the production process, improve the quality awareness and problem solving ability of each Supplier, and thus take effective improvement measures.



Supplier quality return-visit



Safeguarding the Rights and Interests of Customers <<<<<

• GRI: 417-1/418-1

Customer Service Management

ACTER always practices the corporate culture guideline of "Do Right The First Time, And Do Well Every Time", providing each customer with considerate service. The Company has formulated the *Customer Satisfaction and Complaint Handling Procedure* to ensure that every feedback and complaint from customers can be handled in a timely, professional and effective manner, continuously optimize customer experience and actively respond to market needs.

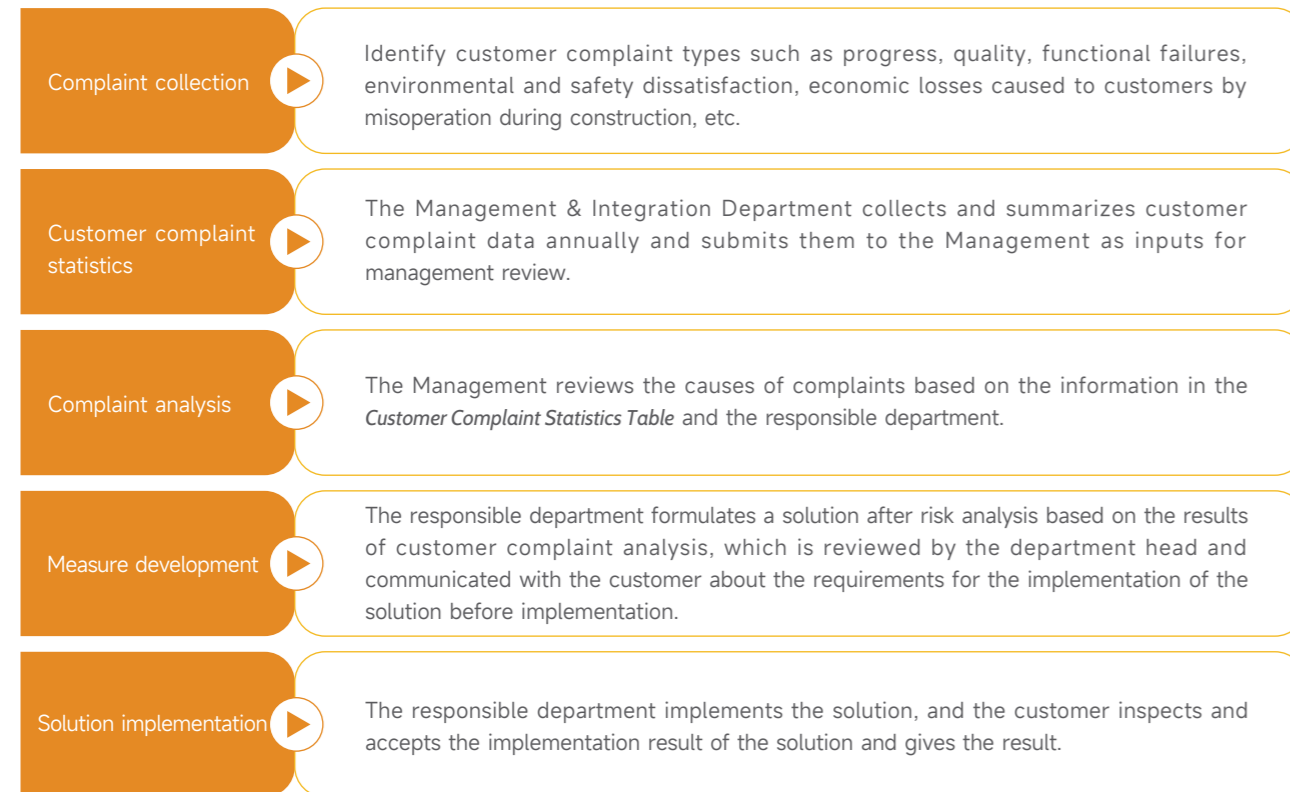
Customer Satisfaction

The Company attaches great importance to customer satisfaction management, listening to customers' voices as a source of power to improve quality and service. We conduct customer satisfaction survey throughout the whole project cycle, from construction preparation to construction process, then to warranty period and beyond, and finally to the Management & Integration Department's collecting and summarizing customer satisfaction data every year to prevent customer dissatisfaction incidents, thus continuously seeking quality assurance and improvement, and achieving customer satisfaction.

Customer Complaint Handling

In order to resolve customer complaints quickly and effectively, the Company has formulated a sound customer complaint handling process, and strictly implemented it in the actual after-sales service process, continuously improving our service quality and protecting customer rights.

Customer Complaint Handling Control Procedure



Customer Privacy Protection

ACTER always regards the protection of customers' information privacy as the top priority of the Company's operation, strictly abides by the *Network Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China* and other relevant laws and regulations, strengthens internal management, and effectively prevents any customer information leakage incident by taking a series of effective measures, including strengthening technical protection, improving internal processes, enhancing privacy protection awareness of employees and suppliers, etc., thus ensuring the security and privacy of customer information.

Strengthening Supply Chain Construction <<<<<

• GRI : 102-9/204-1/308-2/414-1/414-2

Supplier Management

ACTER products are widely used. The upstream raw material suppliers mainly involve making materials, hardware, fire fighting equipment, air conditioning, air purification and filtration equipment, electromechanical equipment, lighting equipment and other materials, covering the mainland of China, Thailand, Vietnam, Malaysia, Indonesia, etc.

Distribution of Suppliers				
Region	2022		2023	
	Number	Proportion	Number	Proportion
The mainland of China	3,796	84.36%	5,364	82.83%
Thailand	191	4.24%	262	4.05%
Vietnam	326	7.25%	513	7.92%
Malaysia	50	1.11%	200	3.09%
Indonesia	137	3.04%	137	2.11%
Total	4,500	100.00%	6,476	100.00%

Case

Sharing Common Goal, Discussing the Future Together

ACTER actively promotes the construction of strategic supplier system, and is committed to building a win-win, co-management and synchronous growth cooperation relationship through close communication with suppliers. In 2023, we successfully held a supplier conference, attracting representatives from more than 110 suppliers to discuss opportunities and challenges under the new situation and share future strategic cooperation goals and development plans.



Supplier Conference

The Company attaches great importance to supply chain management, strictly abides by relevant national laws and regulations, formulates the *Supplier Management and Procurement Process Control Procedure*, and carries out standardized management on supplier admission, review, evaluation and withdrawal, ensuring high quality, timeliness and economy of procurement activities.

Supplier selection

Before adding new suppliers to our system, we will, according to the *New Supplier Evaluation Form*, evaluate the supplier's capital, qualification, certification, company cooperation, construction project and other aspects. Those qualified ones in the initial evaluation are included in the *List of Qualified Suppliers*.

Supplier audit

For the suppliers involved in large and medium-sized projects in the company, the Materials Department will initiate the supplier evaluation process according to the company management policy, and make a supplier evaluation announcement after summarizing the scores at the end of the year.

Supplier rating

According to the *Supplier Evaluation Form*, the supplier's cooperation, construction stage quality and safety performance are evaluated, and the supplier is rated into four grades: A, B, C and D.

Supplier suspension

For unqualified suppliers, they will be suspended. If they want to cooperate with us again, they will be evaluated according to the selection process of new suppliers.

Responsible Procurement from Suppliers

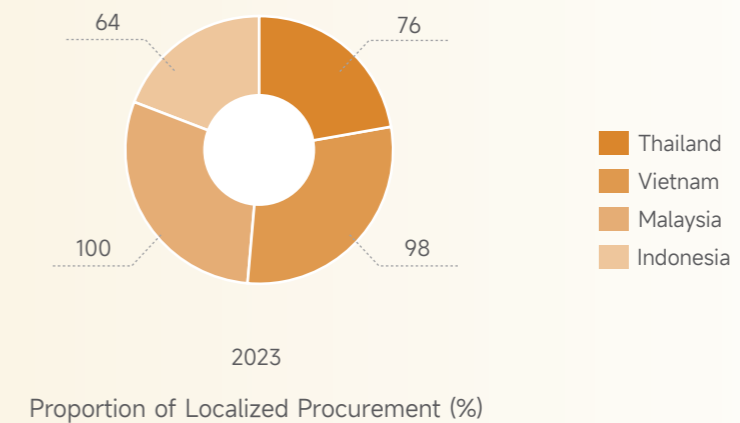
ACTER actively pays attention to the performance of suppliers in terms of environment and safety, and requires all suppliers to sign the *Contractor Safety, Health and Environmental Protection Agreement* to further clarify the requirements of suppliers in terms of safety and environmental protection. The Company adheres to the national and industry green development standards, respects environmental protection procurement standards, consistently selects low-carbon environmental protection materials, and is committed to pollution prevention to ensure that our products and services meet both legal standards and customer expectations for environmental protection and sustainability. We strictly implement the "Sunshine Procurement" and sign the *Supplier Integrity Commitment* with all suppliers, fully expressing the spirit of fair, just and honest cooperation, jointly resisting commercial bribery and unfair competition, and opposing commercial frauds. Besides, we provide integrity complaint mailboxes for suppliers and eliminate black-box operations to ensure the legitimate rights and interests of suppliers.

Key Performance

During the reporting period, the Company had a total of **6,476** suppliers, and **7** suppliers were terminated; the green procurement amount was RMB **135,862,900**, and the signing rate of supplier integrity agreements was **100%**.

Localized Procurement

The Company attaches importance to localized procurement in overseas regions, actively cooperates with local suppliers, continuously improves the safety of supply chain, reduces transportation costs of logistics, reduces possible negative environmental impacts, and finally drives local economic development through the extension of industrial chain and promotes local employment.



04

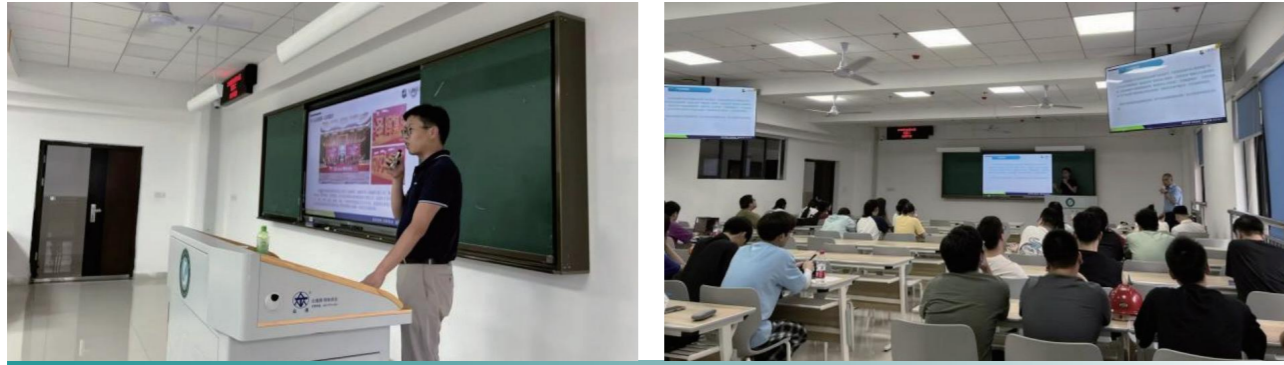
People-oriented, Laying the Cornerstone of Development



Equality and Diversity in Employment <<<<<

• GRI : 102-8/401-1/405-1/406-1/408-1/409-1

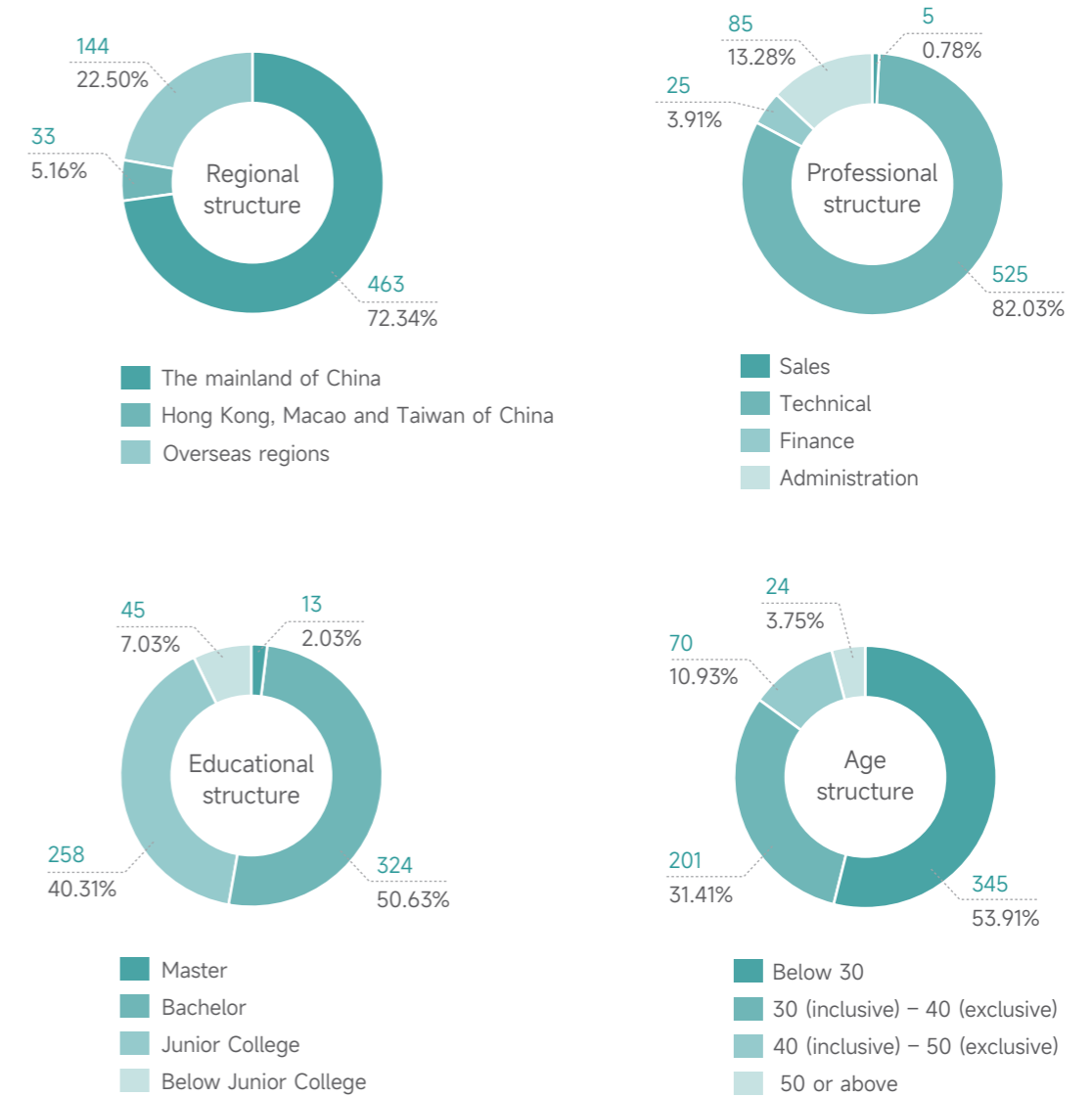
In accordance with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other laws and regulations, international human rights norms and human rights protection policies of the place where the operation is located, ACTER has formulated the *Staff Manual* to advocate ensuring equality and diversity on the basis of compliance employment and opposing employment discrimination. During the employment process, the Company fully respects the nationality, registered residence, ethnic group, political status, gender and religious belief of employees, prohibits illegal employment such as child labor and forced labor, and prohibits violation of the employment policies and regulations. During the reporting period, 191 employees were recruited through social recruitment, internal recommendation, campus recruitment and other channels.



Campus Recruitment

Anti-discrimination	<ul style="list-style-type: none"> Adhering to the principles of fairness, impartiality and openness, there is no distinction between race, religion, gender and age when recruiting.
Prevention of unlawful infringement	<ul style="list-style-type: none"> Zero tolerance for harassment (including sexual harassment), abuse and threats in the workplace and in any external work-related environment.
Prohibition of child labor	<ul style="list-style-type: none"> Age verification throughout the recruitment process. At the initial stage of recruitment, the identity information and age are verified through the recruitment system; personal identification information is required for inspection during the interview; the original personal identification certificate submitted by the employee is reviewed and the copy is archived at the time of entry.
Anti-forced labor	<ul style="list-style-type: none"> Prohibition of forced labor in any form. Prohibition of forced labor related behaviors, e.g., restricting the personal freedom of employees. Employees who need to work overtime shall enjoy overtime compensation according to law.
Equal pay for equal work	<ul style="list-style-type: none"> Compensation is determined according to job responsibilities, without discrimination due to gender, age, etc.
Freedom of association	<ul style="list-style-type: none"> Respect and realize freedom of association and respect employees' right to collective bargaining
Promotion of diversity	<ul style="list-style-type: none"> Diversity of employee composition: provide corresponding job opportunities and the same working conditions for people of different gender, age, education and disabilities. Diversity of recruitment: mainly social recruitment and campus recruitment, through online network recruitment, internal staff recommendation, campus recruitment and other forms.

Staff Structure



Key Performance:

During the reporting period, the Company had **640** employees, including **202** female employees and **11** ethnic minority employees; the labor contract signing rate was **100%**; the employee turnover rate was **14.78%**.

Staff Training and Development

• GRI: 404-1/404-2



Staff Training System

ACTER believes that the talents are the most important asset of the enterprise, and continues to optimize the employee training system and talent echelon construction; through the establishment of clear promotion channels, it provides diversified training methods to help employees improve their comprehensive quality, thus achieving the common growth and development of the Company and employees.

The Company attaches great importance to employee training and development, takes "developing employee potential and promoting independent learning" as the strategic direction of talent development, formulates the *Education and Training Management Measures* to form a hierarchical talent training system, and combines the Company's development and human resources planning, employee career development needs and future development planning. In the fourth quarter of each year, it will conduct a multi-dimensional training demand survey, scientifically prepares training plans, and carries out various training activities. While meeting the lifelong learning needs of employees, we continue to support the long-term growth and development of the Company.

In order to ensure professional development and skill enhancement of employees, the Company has set a standard of no less than 12 training hours per year for all employees, including online and offline, internal and external training. Moreover, we also set up annual compulsory courses for employees, and linked the training assessment results with performance bonus, so as to enhance employees' participation in training and effectively promote the efficiency of training results conversion.

Key Performance

During the reporting period, **56** training sessions were organized, with a total training duration of **10,935** hours and an average training duration of **17** hours; the training coverage rate was **100%**.

Staff Training System

Training Programs	Training Forms
New employee training	A series of training for new employees are carried out immediately after their arrival, such as company introduction, understanding of company welfare system and company culture, engineering management operation, procurement operation, information operation and accounting operation, etc.
General skills training	Seminars such as self-efficacy, time management, listening and communication courses are held from time to time to cultivate employees' optimistic and positive working attitude in addition to professional skills, so as to accumulate energy to start again.
Professional ability training	In order to strengthen staff's working skills and expand practical experience, relevant professional training courses are organized, including design, engineering, industry, finance, office software and other courses. It is hoped that the rich theoretical experience of professional lecturers and practical experience of project managers will enhance the overall professional skills.
Leadership training	EBMA, leadership, project management, reserve supervisor training courses are provided for key trainees, leveraging case studies and practical experience of lecturers to enhance management skills.



Leadership	Professional ability
EMBA	Design courses
Leadership training	Engineering training
Project management training	Industry training
Reserve supervisor training	Finance courses
	Office software
Common skills - Apprenticeship system	
New employee orientation training	

Employee Training Plan

Case

Cross-Departmental Communication Training

In July 2023, the Company organized employees to carry out departmental communication and conflict management training, and more than 50 people participated in the training online and offline. The training helps to improve the communication skills of employees in cross-department cooperation, and further enhances the ability of employees to handle complex situations and resolve conflicts.



Internal Training Courses

Case Reserve Supervisor Training Camp 2023

During the reporting period, ACTER launched the 2023 Reserve Supervisor Training Camp, aiming to select a group of reserve cadres with both ability and political integrity, establish a talent echelon that is compatible with the strategic planning of the enterprise, and further promote the professional growth of reserve personnel.



Training Camp Activities

Team Building of Internal Trainers

The Company carries out the team building of internal trainers. According to the content and direction of professional courses, the Company selects middle-level and above personnel as internal trainers, encourages internal trainers to develop and teach courses by participating in external training and giving class subsidies, which greatly improves the training density of the Company and the relevance of courses to the actual situation of the Company.

Case TTT Skills Training 2023

In order to improve the training skills of existing employees, the Company invites experienced lecturers to systematically train employees in communication skills, communication skills, curriculum design skills and curriculum interaction skills. In this way, we aim to improve the qualifications of our internal trainers, ensuring that each of them is able to meet the training needs of the company and has the ability to design and implement relevant training courses to effectively complete the internal training tasks of the Company.



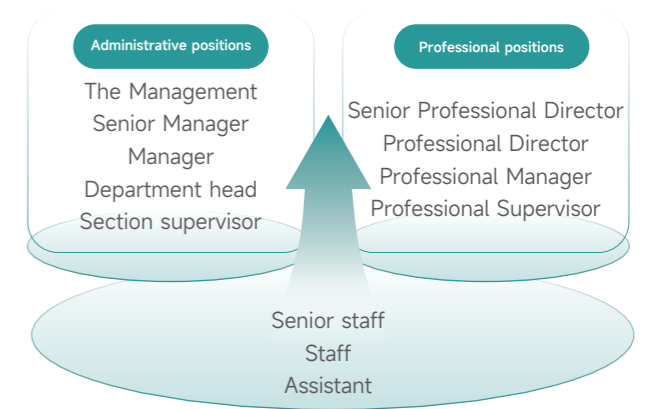
Training of Internal Trainers and Lecturers

Training Platform Construction

In order to better support the operation of the training system and continuously improve the working ability of employees, the Company has built an online learning platform of Magic Academy to provide various training courses to employees of the Company, and fully meet the independent learning needs of employees in different positions. As at the end of the reporting period, the platform has integrated courses including education and training for new employees, professional courses and standard general courses, among which 49% of the coursewares were independently prepared by internal staff, which has become a new position for employees to learn independently and assist their growth.

Building Promotion Channels

With the goal of "establishing a diversified and complete personnel development structure, improving human resources supported measures, and providing employees with a suitable development environment", ACTER has established a talent training system that matches the Company's development goals. According to the strategic planning and business needs, combined with the characteristics of different positions, the Company has formed a Y-shaped two-way development channel of "vertical depth, horizontal width, promotion standard and development space", and accelerated the growth of talents and enterprise development on the basis of giving full play to individual potential and advantages.



ACTER Promotion Channel

The Company has formulated the *Employee Transfer Management Measures*, actively implemented employee career planning and position change support measures, and provided job rotation opportunities for employees who match the positions to some extent. During the reporting period, the Company further optimized the rational allocation of internal resources by rotating the positions of employees in R&D, procurement and engineering departments.

- Job rotation** We encourage job rotation within departments and continuously expand the scope of professional competence of our staff.
- Project assignment** Through project assignment, we provide opportunities for employees in different fields to learn and collaborate.
- Overseas assignment** While expanding our internationalization, we provide overseas assignment opportunities for our employees to broaden their personal horizons and continuously enhance their competitiveness.

In terms of improving the professionalism and job matching degree of talent team, the Company formulated the *Professional Title Subsidy Management Measures* to encourage all employees to participate in various qualification certification trainings and examinations that meet the Company's strategy and job development requirements, provide convenience for employees to participate in relevant certification trainings, and cover the expenses of training and examinations; for professional licenses obtained, the Company provides subsidies on a monthly basis according to different professional titles, so as to support employees to further improve their professional abilities and assist their career development.

Protection of Employee Rights

• GRI :102-8/401-2/401-3/405-1/407-1



Salary System Building

ACTER is committed to the well-being of employees. Following the principle of "giving priority to efficiency and giving consideration to fairness", it has formulated the *Measures for the Management of Employee Payment* and the *Measures for the Management of Employee Assessment*, closely linking the salary level of employees with the post value, performance appraisal and personal value of employees, and gradually standardizing the salary management while ensuring the reasonable growth of employee income.

The Company's Salary system is based on post value, performance-oriented, and based on enterprise benefits, giving reasonable returns to employees' achievements. In terms of compensation system design, the Company follows the principle of "maintaining external competitiveness and maintaining internal fairness", and conducts market salary level surveys every year to ensure the market competitiveness of the Company's compensation and attract and retain outstanding talents. During the reporting period, the minimum salary of the Company's basic employees was much higher than the local minimum wage standard.

Salary structure

- The salary structure of employees consists of five parts: monthly fixed salary, title subsidy, project management allowance, overtime pay and performance bonus, so as to show the fairness and incentive effect of salary.

Performance assessment mechanism

- We conduct assessment twice a year, and formulate personalized assessment plans for different positions.
- Management positions: OKR target management evaluation is conducted according to the achievement of department key performance indicators, project-like work progress and department team building indicators.
- Administrative position: evaluation is conducted according to the achievement of personal annual work plan, the personal learning ability, the personal training hours and the daily work performance of employees.
- Engineering positions: evaluation is conducted according to the achievement rate of KPI indicators such as business capability and project execution results.
- Design positions: evaluation is conducted according to department output value, design scheme bid winning, annual work plan, academic ability and daily work performance.

Guaranteeing Employee Welfare

On the basis of providing a comprehensive and competitive salary system, the Company carries out diversified humanistic care activities and provides diversified employee welfare support. The company has a sound welfare system, strictly implements the social insurance and housing provident fund system stipulated by national laws, pays pension insurance, medical insurance, unemployment insurance, industrial injury insurance and housing provident fund for employees upon entry, and actively constructs harmonious labor relations. In terms of employee welfare, we provide holiday gift certificates, transportation subsidies, communication subsidies, assignment allowances, annual medical examinations and other benefits to employees, and also create convenience for employees in renting, buying houses and settling down.

Employees Welfare System

Insurance benefits	<ul style="list-style-type: none"> • Pension insurance, medical insurance, unemployment insurance, work injury insurance • Housing provident fund
Holiday benefits	<ul style="list-style-type: none"> • Legal holidays • Paid annual leave, paid sick leave, marriage and funeral leave, maternity leave, paternity leave and breastfeeding leave • Nursing leave, parental leave • Women's Day leave (half day)
Entertainment benefits	<ul style="list-style-type: none"> • Employee travel • Employee entertainment
Other benefits	<ul style="list-style-type: none"> • Annual health examination • Three Festival Gifts (Dragon Boat Festival/Mid-Autumn Festival/Spring Festival) • Birthday gifts, wedding gifts • Fuel allowance, telephone allowance, assignment allowance • Subsidies for daily necessities • Interest-free house purchase loan • Household registration settle down • Home return transportation • Project accommodation

Key Performance

During the reporting period, the social insurance coverage rate was **100%**, the average length of paid annual leave was **7** days, and the expenditure for employee welfare was RMB **18,296,700**.

Strengthening Democratic Management

The Company has formulated the *Employee Congress System*, established trade union organizations in accordance with the law, held employee congress regularly, continuously permeated the concept of democratic management into all aspects of daily operation, and further guaranteed employees' democratic rights such as the right to know, the right to participate, the right to management and the right to supervision through the coordinated promotion of organizations, mechanisms and measures. Meanwhile, the Company respects every employee's right to appeal, and we have set up an "Employee Opinion and Appeal Mailbox" on the Company's official website as an e-mail appeal channel to all employees, forming a diversified channel for suggestions and appeals, effectively promoting direct and effective communication between employees and management, the Board of Directors and the Board of Supervisors.

- Organizational guarantee**
 - Establish labor union organization and set up a special committee to work independently according to law.
- Mechanism guarantee**
 - Hold regular meetings of staff representatives. During the reporting period, a total of 1 meeting was held, with the *Labor Union Income and Expenditure in 2022* reviewed and approved.
- Measures guarantee**
 - Adhere to the publicity of factory affairs, and publicize the hot issues concerned by employees in the employee congress, factory affairs billboard (company website, newspapers).
 - HR mailbox is used as a suggestions platform for employees, listening to employees' opinions, and caring for employees' reasonable needs.
 - When labor disputes occur, employees can negotiate with their organizations to resolve them. If negotiation fails or if a settlement agreement is reached and the agreement is not implemented, an application for mediation may be made to the trade union committee.

Key Performance

During the reporting period, the employee satisfaction rate exceeded **88.8%**, and there were no labor disputes and human rights complaints during the year.

Case **Employee Satisfaction Survey**

In 2023, the Company sent satisfaction questionnaires to 479 employees in various departments of the Company by means of sampling survey. The questionnaire investigated employee satisfaction from organizational commitment, education and training, job satisfaction, management system and supervisors, and the overall satisfaction of surveyed employees to the Company exceeded 88.8%.

Occupational Health and Safety

• GRI: 403-1/403-2/403-3/403-4/403-5/403-6/403-7/403-8/403-9/403-10

Safety Production Management

Safety is the cornerstone of family happiness, the source of social harmony, and the guarantee of enterprise development. ACTER strictly implements the occupational health and safety policy of "safety first, prevention foremost, comprehensive treatment", strictly abides by the requirements of laws and regulations such as *Law of the People's Republic of China on Work Safety*, *Fire Protection Law of the People's Republic of China* and *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*. It has formulated the *Quality/Environment/Safety Management Manual* and the *Occupational Disease Prevention and Control Procedure*, established and improved the occupational health and safety management system, and defined the prevention and control objectives of "no harm to the environment, zero safety disaster", implemented the responsibility for safe production, taken various measures for safe production and occupational health, and comprehensively improved the prevention and control, emergency rescue and disaster reduction and relief capabilities. During the reporting period, the Company obtained ISO 45001:2018 Occupational Health and Safety Management Certificate.



Occupational Health and Safety Management Certification

The Company has established an occupational health and safety management organization structure covering all projects. It is responsible for participating in the formulation of safety construction management plan and responsibility system, safety condition inspection before construction, safety education and training of construction operators. It prevents and reduces production safety accidents by establishing effective self-restraint mechanism.

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    graph TD
      GM[General Manager] --> QCS[Quality Control and Safety Department]
      QCS --> SS[Senior staff]
      QCS --> EPS[Environmental protection staff]
  
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Safety Production Organization Chart

Key Performance

During the reporting period, actual expenditure on safety production was RMB **1,429,300**.

Case **A Project in Shanghai Won the Safety Management Award**

On May 5, 2023, a general contractor of a project in Shanghai held a project safety evaluation meeting. With its outstanding performance in project execution and safety management, ACTER won the recognition and trust of the owner, the supervisor and the general contractor, and won the honorary title of "Best Safety Management Supplier 2022-2023".

"Best Safety Management Award" Certificate



Safety Risk Management

Risk Identification and Assessment

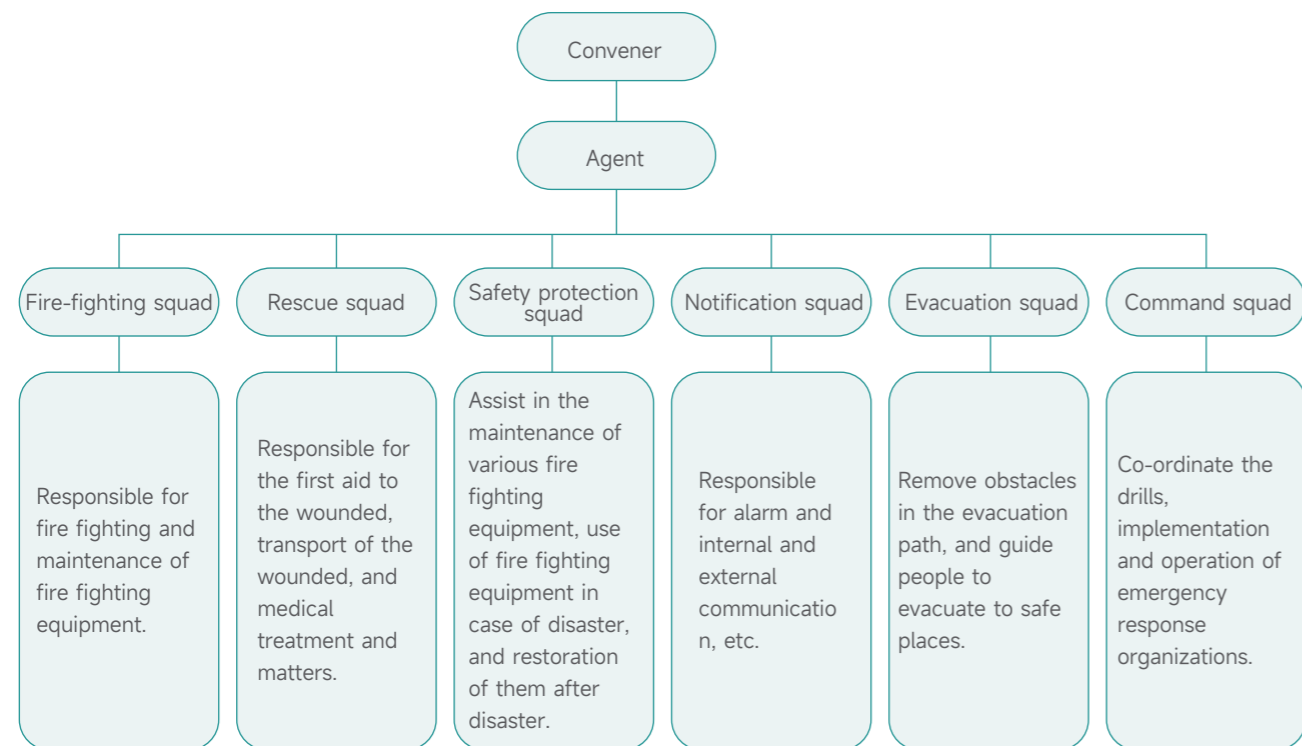
ACTER has established a complete double prevention working mechanism for safety risk rating control and hidden danger investigation and treatment. The Company has formulated the *Safety Management System* and the *Hazard Source Identification, Risk Assessment and Risk Control Procedures* to identify safety risks existing in equipment and facilities, operation environment, personnel behavior and management system in an all-round and full-process manner every year, clarify the hidden danger investigation frequency, investigation contents and investigation methods of each department, classify, sort out and evaluate the identified safety risks, register major hazard sources, strengthen dynamic management and rectify them in time. During the reporting period, there were no safety accidents.

Process Supervision

The Company actively improved the supervision mechanism, and further played the dual role of guidance and inspection by supervising and inspecting the risk factors in the key safety protection areas of the subcontracting project (the height difference area of the passage side, the ceiling full-paving area, the steel structure pipe gallery area and the floor edge area), urging the responsible persons to rectify the hidden dangers and close the problems.

Safety Emergency Management

ACTER continuously optimizes the emergency management system, formulating the *Emergency Management Plan* and *Emergency Preparedness and Response Procedure*, and carrying out emergency plan drills on schedule to deal with various emergencies that may occur in production, environmental protection, occupational health and other aspects. In response to occupational health and safety risk incidents, we have set up an emergency response team, thus establishing a corresponding control measure system, with emergency response plans duly prepared. During the reporting period, a total of 14 drills on various types of emergency plans were carried out.



Emergency Response Team

Case

ACTER Fire Emergency Drill to Build a Safety Defense Line

In order to improve the employees' awareness and ability to escape from the fire scene and enhance the organization and coordination ability of various departments under emergency situations, the Company organized and held a fire drill with the theme saying "everyone stresses safety and everyone knows emergency response" on June 16 in accordance with the emergency plan management system. Through fire theory knowledge training, fire safety oath making, smoke shelter escape, fire fighting drills and other measures, the fire escape ability and mutual cooperation ability of employees were further improved, so as to protect the sustainable and healthy development of the Company.



Group Photo of All Participants



Carrying Out Training



Making an Oath before Drill



Smoke Shelter Drill



Use of Fire Extinguishers



Use of Fire Hose

A Project in Shenzhen - "The Month of Safety Production" Activities

In order to effectively implement "The Month of Safety Production" activities, do a good job in the special safety management work on the construction site, focus on popularizing safety knowledge, and continuously strengthen the emergency response capability of accidents, a project of ACTER in Shenzhen, with the theme of "everyone stresses safety and everyone knows emergency response", formulated a detailed activity plan, conducted a number of drills including the use of fire extinguishers, fire escape, the use of safety belts and emergency response methods such as bandaging of the wounded; and through the publicity of safety knowledge, it further promoted the safe and civilized management of the construction site and ensured the smooth progress of safety production.



Posters and "The Month of Safety Production" banners



CPR Teaching



Simulated Fall Rescue and Transportation



Safety Manuals



Fire Escape Drill

Safety Management of Stakeholders

ACTER highly values the safety management of stakeholders. We have formulated safety management systems involving stakeholders such as the *Code for Contractor Construction Personnel*, and require stakeholders to strictly follow the same. Our attention focuses on the contractors' construction operations, requiring them to strictly implements relevant systems and improve the construction operation management and control from all aspects, e.g., self-inspection, safety education and training, safety management during operation process, defect improvement tracking, etc., so as to ensure the safe and orderly construction operations.

In addition, the Company continuously carries out safety training for relevant parties by means of admission safety notification and on-site training, so as to improve the safety skills and awareness of management personnel and safety personnel of relevant parties as well as their awareness and understanding of the Company's safety standards.



Safety and Quality Training for Construction Suppliers



■ Safety Culture Building

In terms of safety training, the Company actively builds a safety production culture for all employees, prepares safety education training materials and safety production publicity materials, implements safety training plans by carrying out safety training, safety production monthly series activities, safety production inspection and strengthening emergency drills, strengthens safety awareness and safety execution of all employees, promotes safety production and enhances employees' safety responsibility awareness. The Company requires that each construction personnel shall receive safety training before entering the site. Only those who pass the examination can enter the site. Those who fail to pass the examination shall participate in the training examination again. Those who fail to pass the examination for many times shall not enter the site, so as to effectively prevent and contain the occurrence of safety accidents.



Daily Toolbox Meeting



Closing Meeting Safety Propaganda



Weekly Project Safety Meeting



General Contractor Daily Safety Inspection



Safety Education for Freshmen



Management Personnel Training

■ Occupational Disease Prevention

ACTER has always adhered to the occupational disease prevention and control policy of "prevention first, and prevention and control combined", formulated the *Occupational Disease Prevention and Control Procedure*, and attached great importance to the occupational health and safety of employees. For the existing occupational hazard factors, the Company strictly implements the requirements that occupational health protection facilities should be designed, constructed and put into use simultaneously with the main project, and gradually adopts technical transformation and equipped with protective facilities to the workplaces that cause occupational hazards, effectively protecting the physical and mental health of workers and the safe operation of enterprises. In addition, the Company organizes relevant personnel to carry out occupational health examination every year, and there was no suspected or confirmed occupational disease case during the reporting period.

Ensure safety	Conduct construction safety, environmental and health analysis and review before project commencement.
Raise awareness	Pay attention to the education of employees' personal occupational health protection awareness, and carry out education and training regularly.
Implement protection	It is required to wear labor protection articles when working on duty, and do not wear protective articles with overdue or invalid functions.
Organize inspection	Regular inspection of personal protective equipment worn by employees on duty.

Occupational Disease Prevention Measures

Key Performance

During the reporting period, RMB **119,000** was invested in safety education and training for relevant parties, about **678** safety production training sessions were organized, with **14,356** participants, the duration of safety education and training were **15,013.7** hours, with a safety education coverage rate of **100%**.

Humanistic Care



■ Helping Employees with Affection

7. ACTER continues to build bridges of hope with love and does not allow any employee to become an "island". The Company continues to provide care and help to employees in need, continuously improves the assistance and rescue mechanism, and is committed to creating a harmonious and warm working atmosphere. For employees or employees' families suffering from sudden major diseases, the Company actively carries out assistance and donation to help employees relieve their urgent needs, so that employees can receive care from the company in a timely manner.

Case

ACTER Family Joins Hands to Help Employees Overcome Difficulties

During the reporting period, the Company launched a support mechanism for employees whose parents suffered from major diseases and carried out fund-raising activities, fully demonstrating the solidarity and mutual assistance spirit of the ACTER family. We firmly believe that these warm and powerful activities will further strengthen the cohesion and centripetal force of the team and jointly lead the Company to a better future.



Launching Fundraising and Relief Efforts

■ Protecting Employees with Love

In order to protect the relevant rights and interests of female employees, the *Company strictly abides by the Law of the People's Republic of China on the Protection of Rights and Interests of Women and the Special Provisions on Labor Protection for Female Employees*, specifying that female employees are entitled to various women-dedicated holidays and leaves such as prenatal check-up leave, maternity leave and breastfeeding leave. Female employees taking women-dedicated holidays, prenatal check-up leave, maternity leave and breastfeeding leave are paid in advance according to the salary standard, and special activities for female employees are organized on Women's Day on March 8 to show respect to their contribution.

The Company is committed to creating a diverse and inclusive workplace environment that provides fair and equitable employment opportunities and promotion environments for women. We attach importance to the representation of female employees at all levels. During the reporting period, female employees accounted for 37%, female technicians accounted for 19.43%, and female management staff accounted for 17.54%.

Case Artful Flower Arrangement to Welcome the "March 8" International Women's Day

In March 2023, in order to celebrate the arrival of the "March 8" International Women's Day, enrich the amateur cultural life of employees, and further enhance the happiness and sense of belonging of employees, ACTER organized female employees of the Company to carry out flower-arranging activities, and hired teachers to explain and teach related flower arranging skills.



Flower Arranging Activities

Key Performance

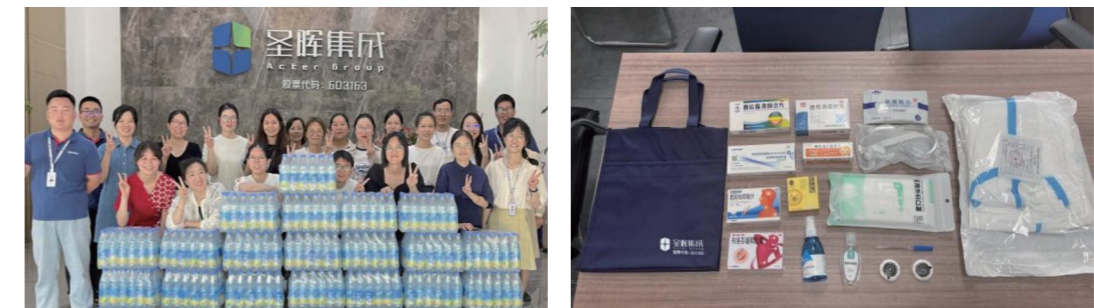
During the reporting period, **11** employees enjoyed maternity leave, **42** employees enjoyed parental leave, and the return rate of people taking parental leave was **100%**.

■ Caring for Employees with Love

ACTER attaches great importance to caring for employees and is committed to creating a healthy and dynamic corporate atmosphere. Through organizing cultural and sports activities, team building, employee travel, company year-end banquet and other activities, it actively promotes the benign interaction between employees and enterprises, creates a comfortable working and living environment, enhances employees' sense of belonging and happiness, and promotes the common growth of employees.

Case Distribution of Sunstroke Prevention Drinks and Medicines

During the reporting period, in order to repay the employees on the construction site for their efforts in the hot summer days, the Company launched the activity of "sending cool drinks in the hot summer days" to continuously improve the working conditions and ensure the health of employees by distributing cooling drinks and medicines.



Distribution of Cooling Drinks and Medicines

Case Smell Wormwood with Love, Taste "Rice Dumplings" with Joy

In order to carry forward the national spirit and inherit the traditional Chinese culture, ACTER organized two "making rice dumplings" activities on May 24 and June 7 respectively, so that employees felt the joy of the festival and taste the happiness of life.



Dragon Boat Festival Activities

Case Organizing Staff Travel

In 2023, the Company carefully planned and launched a number of tourist routes such as Qinghai-Gansu Ring Road, Chengdu Jiuzhaigou and Shanxi Datong Wutai Mountain, aiming to provide employees with an opportunity to relax themselves. We encouraged employees to have the travel with their families, immersing themselves in the magnificent scenery of nature and experiencing a different way of life, so that they can have a sufficient rest.



Staff Travel

Case 2023 Year-end Dinner

On December 16, 2023, ACTER Suzhou Headquarters held a splendid year-end party with the theme of "ACTER Working Together, for a Brilliant Future". All the staff gathered to immerse themselves in various cultural performances and exciting lottery activities. These activities not only created a festive atmosphere, but also fully demonstrated the enthusiasm and vitality of ACTER employees and witnessed the unity and strength of ACTER family.



Year-end Dinner

Case Staff Activities



05

**Stay True to The
Mission, and Always
Practice Corporate
Responsibility**



Public Welfare Activities

GRI: 413-1

ACTER always insists on sharing development achievements with society, actively invests in public welfare charity, calls on employees of the company to join the volunteer team, invests resources in many public welfare charity fields such as earthquake relief, education and assistance to vulnerable groups, continuously practices social responsibility, and shapes a responsible corporate image.

Case

The 2nd "ACTER Scholarship" Award Ceremony was Successfully Held

In order to encourage all students to achieve more, gain more and put what they learn in practice, ACTER Group held the second "ACTER Scholarship" Award Ceremony at Wuhan University of Science and Technology. During the reporting period, a total of 20 students won the scholarship.



A Photo of ACTER and the Award-winning Students



Donation Certificate Issued

Case

ACTER Aided People in Gansu Earthquake

Great strength was gathered by mutual help, corporate responsibility was demonstrated by overcoming difficulties together. On December 18, 2023, a magnitude 6.2 earthquake occurred in Linxia Prefecture, Gansu Province. After the earthquake, the Company actively responded to the call, adhering to the sense of social responsibility and mission, and moved quickly to donate RMB 20,000 to help the affected people in difficulties.

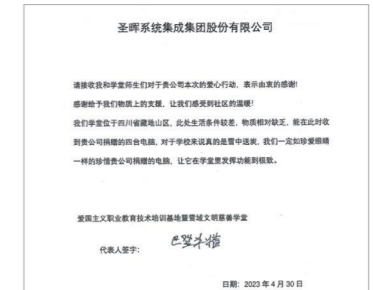


Donation Certificate

Case

Making Contribution to the Development of Education

In order to effectively improve the current situation of lack of modern teaching equipment in Tibetan Area mountainous schools and improve the overall teaching quality of schools, the Company donated computers to Xueyu Wenming Charity School on April 30, 2023, helping the school to teach more students and contributing to the revitalization of rural education.



A Letter of Thanks from the Tibetan Area Mountains

ACTER encourages employees to fulfill their social responsibilities, cultivates employees' awareness of social responsibility by organizing employees to participate in voluntary activities, and contributes to social welfare undertakings while building a harmonious corporate atmosphere.

Case

Transmitting Warmth and Offering Love - ACTER Walking into Children's Welfare House

On May 10, 2023, ACTER volunteers went to Suzhou Municipal Social Welfare House. They sent stickers, coloring boards, puzzles and other toys to children in the welfare institute, and accompanied them to make handicrafts, making them feel the warmth and care of society.



Volunteers' Visit to the Children's Welfare Home

Key Performance

During the reporting period, the Company invested RMB **316,000** in public welfare

Note: The statistical scope of the amount of public welfare investment was based on the time when the Company actually obtained the donation certificate.



Overseas Performance

• GRI : 413-1

Relying on the national "The Belt and Road" strategy, ACTER accelerated the internationalization of enterprises, actively participated in overseas project construction, provided more employment opportunities for local residents, and pushed local social and economic development. The Company continues to provide high-quality clean room solutions for global semiconductor, precision manufacturing and other industries with high-quality engineering services, helping overseas customers realize intelligent factories and intelligent manufacturing.

In 2023, we maintained our advantages in overseas markets:

Project management and talent advantage

We have an excellent management team, many years of industry experience, long-term service to world-renowned enterprises in the industry, and have a deep understanding and cognition of the development of clean room engineering industry.

Geographical advantage

We made our business layout in Southeast Asia, setting up subsidiaries in Vietnam, Indonesia, Thailand and other countries, and relying on rich experience in factory building to provide good localization services for overseas customers.



A project in Nam Shan, Vietnam



A project in Thailand New Plant

While expanding our international business and enhancing our internationalization level, the Company continues to pay attention to the well-being of overseas employees and carries out diversified employee activities to create a warm and harmonious working and living environment for overseas employees and enhance their sense of belonging.



Overseas Subsidiaries' Team Building Activities



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Feedback Form

Thank you for reading the *ACTER Technology Integration Group Co., Ltd. Environmental, Social and Governance (ESG) Report 2023*. In order to improve our work in environmental, social and governance, further enhance our ability and level of sustainable development, and strengthen communication with all sectors of society, we sincerely hope that you could give your valuable comments and suggestions on the report.

Your information

Name: _____ Tel: _____
 Employer: _____ E-mail: _____

Choice question (tick the appropriate place/)

- Your overall assessment of ACTER ESG Report 2023:
 Good Fair To be improved No comment
- How do you think ACTER do in terms of customer service?
 Good Fair To be improved No comment
- How do you think ACTER do in terms of technological innovation?
 Good Fair To be improved No comment
- How do you think ACTER do in terms of industry development?
 Good Fair To be improved No comment
- How do you think ACTER do in terms of workforce building?
 Good Fair To be improved No comment
- How do you think ACTER do in terms of volunteer work and public welfare?
 Good Fair To be improved No comment
- How do you think ACTER do in terms of environmental protection?
 Good Fair To be improved No comment
- Do you have any other comments on the ESG work of ACTER?