



NOVA TECHNOLOGY CORP.

Put Green Engineering into Practice

2023

Sustainability Report of  
Nova Technology Corp.

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## Message from the Chairman

As a professional system designer, equipment planner and process integrator, Novatech is committed to the mission of being the “best helper in the industrial process”. In the face of the ever-changing industrial climate, we continue to move forward in the pursuit of innovation and change, research market trends, and focus on each customer’s needs, to create environmentally friendly products and service technologies. We will not relax in our efforts to shape a happy workplace and pursue sustainable development, taking on the tasks and responsibilities that are within our reach.

During the year, we continued to base ourselves in Taiwan through our R&D strength, flexible business model, and excellent risk control and contingency capabilities. At the same time, we are also looking at the whole of Asia and laying out a networked supply chain. We have adopted a diversified regional order-taking model, vertically integrated business resources, continuously optimized our overall order structure, refined our raw material procurement costs, and strengthened our control over management expenses, with the aim of expanding our overall operating scale and maintaining good operating profitability. While pursuing operational performance and value creation, we are also committed to a balanced approach to sustainable development.

With the global consensus of zero net emissions by 2050, it is important to invest in sustainable transformation. In recent years, there has been a clear trend of regionalization in the global semiconductor industry. We are optimistic about the sustainable transformation of the global industry, and are expanding our green and sustainable integration services at the same time. In our industry, we have advanced our R&D technologies and product innovations, and we are keeping pace with trends in our specialized areas. Through design excellence and collaboration with our suppliers, we are building a green supply chain to leverage our core values and support global issues. Together, we will face the challenges, adjust our positioning, and work towards sustainable action in Taiwan to promote shared values in the community.

Nova Technology Corp. Chairma




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# Message from the President

Novatech upholds the values of "Service, Integrity, Professionalism, and Win-Win" to provide excellent, accurate, and prompt services to meet customers' needs. In 2023, the external environment impacted the global economy as a whole, creating a number of shocks and challenges. We endeavored to create more value for our stakeholders by generating revenue of NT\$9.14 billion and net profit after tax of NT\$1.154 billion, an increase of 20.7% over 2022. The record revenue and profit for the year is a testament to our professionalism and services, which are well recognized by our clients.

## Strengthening Governance and Risk Management

In order to strengthen corporate governance and focus on human rights issues, we will establish a risk management team in 2023, which will be responsible for corporate risk factor identification, risk control, risk planning and measurement, to ensure that human rights are well protected. At the same time, we have also strengthened our information security risk management and set up a dedicated information security organization to continuously enhance sustainable governance and business resilience.

In 2023, Novatech, for the fourth consecutive year, ranked among the top 5% of listed companies with market capitalization of NT\$5-10 billion, in the Corporate Governance Assessment. Novatech has also been awarded the "World CSR Corporate Citizenship Award", the "TCSA Taiwan Corporate Sustainability Reporting Award", the "1111 Happy Enterprise Gold Award", the "Outstanding Enterprise with Publicly Available Occupational Health and Safety Indicators" by the

Ministry of Labor's (MOL) Sustainability Report, and the "Health Promotion Mark" by the Ministry of Health and Welfare. All of these awards demonstrate the company's efforts and competitiveness.

## Environmental Protection and Net-Zero Carbon Emission

In the face of climate issues, we follow the framework of "Task Force on Climate-related Financial Disclosures" (TCFD) to formulate key climate strategies, management policies, and short, medium, and longterm targets. We conduct annual inventories of GHG emissions and 14064-1 third-party verification, and strengthen our sustainability through systematic verification. In 2023, our greenhouse gas emissions will be 3.07% lower than the base year (2021), and our energy intensity will be 13.17% lower than the previous year (2022). With the active participation of all employees, we are striving for overall value enhancement and are systematically moving towards our goal and vision of net-zero carbon emissions by 2030 and 2050.

## Friendly Workplace and Positive Power

Emphasizing employee learning and development, Novatech plans a wide range of education and training programs and transforms the requirements of the process into employees' own abilities, to enhance the effectiveness of individual learning and develop multiple abilities. We focus on work-life balance. Therefore, we have established a diversified employee feedback pipeline and provide a safe, healthy, and

friendly working environment for all employees through health check-ups, health counselling, medical care, various sports promotion, and life seminars.

In 2023, Novatech will engage in social participation in four major areas, namely, "Education", "Environmental Awareness", "Art and Culture", and "Silver Hair Care", and provide internships to strengthen the technical skills and practical experience of young talents, as well as to promote the integration of industry and academia. Novatech also encourages its employees to serve as corporate volunteers, participate in public welfare and care for the underprivileged in order to give back to the local community, thus achieving a sustainable and positive cycle of development for the industry, schools and the community.

## Together and Towards the Future

All employees are expected to continue to improve in their roles, grasp opportunities, and create company value through active innovation. In the management of the industrial value chain, we uphold the spirit of shared prosperity with our partners by listening to customer needs, making breakthroughs, continuously investing in research and development, deploying forward-looking technologies, and cooperating with customers and suppliers in a value-oriented manner. In addition to driving economic growth, we also actively contribute to society and the environment to create a win-win situation, share prosperity, and plan for a sustainable future together.

NOVA TECHNOLOGY CORP. President



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## Summary of the Report

Nova Technology Corp. (hereinafter referred to as Novatech) was founded in 1997 and has been in business for 26 years. Believing that industrial processes are the key to the development of high-tech industries, Novatech is committed to its mission of being the “best partner in industrial processes” for high-tech, and is striving to be an indispensable partner to its customers in the high-tech industry. In addition, Novatech recognizes the importance of corporate responsibility, good governance, and good corporate citizenship, and is committed to the sustainable development of the planet. To fulfil the spirit of continuous improvement, Novatech has issued its own CSR report since 2016, and renamed the CSR report as the Sustainability Report (hereinafter referred to as Sustainability Report or This Report) in 2021. Every year, Novatech regularly publishes and imports the report assurance to enhance the quality and reliability of the report, and to make the disclosure of information more adequate and transparent.

As a professional in system design, equipment planning, and process integration, Novatech focuses on the needs of each customer and creates environmentally friendly products and service technologies. We are committed to providing every employee with a happy and stable environment, and we take on tasks and responsibilities that are within our capabilities. We hope that we can show our commitment, actions, and achievements of Novatech in sustainability issues through this report. This report focuses on Novatech’s operations in Taiwan, and does not include all of the subsidiaries in the consolidated financial statements, but partially covers the special operations of the subsidiaries in order to present the Group’s business philosophy and objectives. During the reporting period, there was no significant change in the Company’s organizational scale, structure, ownership, or supply chain.

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## Time Scope and Issuance Cycle of the Report

This Report is the 8th CSR report issued by Novatech. The data and contents disclosed are mainly for fiscal year 2023 (January 1 to December 31, 2023), and some performance data will be traced back to the previous year. Some of the performance data will be from 2022 and 2021 to show trends and changes.

Announcement Time of the Previous Report: June 2023  
 Announcement Time of the Current Report: July 2024  
 Announcement Time of the Next Report: July 2025



## Preparation Standards of the Report

This report has been prepared in accordance with GRI Universal Standards 2021 by Global Reporting Initiative (GRI), Climate- related Financial Disclosures by the Task Force on Climate-related Financial Disclosures (TCFD), and Standards for the Electrical and Engineering Services Sector by the Sustainability Accounting Standards Board (SASB). An index table of disclosures under GRI and SASB standards is attached at the end of the report for readers' reference. Relevant statistics and information in this Report are derived from Novatech's own surveys and statistics from the daily operations and management of each department, and are used as the basis for calculations in accordance with local regulations, international common metrics, industry standards, or industry practices.

## Assurance of the Report

PwC Taiwan was engaged to perform independent limited assurance (limited assurance) on certain indicators and text in this report in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information". Please refer to Annex I for the assurance report.

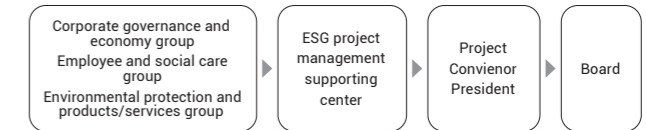
## Management Method of the Report

### Internal Management

The Board of Directors confirms the disclosure of information related to sustainable development, and the Sustainability Promotion Group confirms the report content.

Procedures of Internally Assured Reports:

1. Data Collection and Disclosure
2. Data Compilation and Initial Assurance
3. Data Confirmation
4. Report to the Board of Directors for approval



### Internal Audit

1. Financial data- KPMG Public Accountants
2. Assurance target and project standard performance – PwC
3. ISO 14064-1:2018 Greenhouse Gas Inventory - DNV GL

### Opinion Feedback

If you have any questions or opinions regarding the Report, please feel free to contact us.  
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# Nova Achievements

## Our Pride

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## Governance

- For the first time, we have introduced sustainable value chain management, and through six major capital investments, we have driven our internal sustainable management mechanism to maximize corporate operating profit and shareholder value, and at the same time, create economic, environmental, and social benefits.
- Achieved 94% of the sustainability target by 2023
- Ranked among the top 5% of companies in the Corporate Governance Assessment for four consecutive years (6th to 9th terms)
- The number of independent directors exceeds half of the Board members, reaching 57%.
- 100% attendance rate of members of functional committees in 2023
- Consolidated revenue in 2023 will be NT\$9.14 billion, an increase of approximately 6.4% over 2022 and the highest in the last three years. Net income after tax for 2023 was 1.154 billion, a 20.7% increase over 2022 and the highest in the last three years.
- The rate of directors and senior management signing the "Declaration of Compliance with the Management Policy of Integrity" is 100%; The signing rate of the "Declaration of No Violation of the Principle of Integrity" by division-level executives and above reached 100%.
- In 2023, Novatech established a dedicated information security organization, which was convened by the General Manager, to strengthen information security management.
- In 2023, no corruption incidents were reported or occurred for the entire year

## Environment and Products

- 3 management standards (ISO 14001, 9001, 14064-1) were introduced in 2023.
- In 2023, greenhouse gas emissions are down 3.07% from the base year (2021).
- In 2023, energy intensity was reduced by 13.17% compared to last year (2022).
- In 2023, Zhubei headquarter office 100% used energy-saving air-conditioners with Grade 1 labels.
- Following the Task Force on Climate-related Financial Disclosures (TCFD) framework, six key climate risks and opportunities were identified. Quantitative financial analyses were conducted for "Total / Carbon Tax / Carbon Fee Control, and Carbon Emission Reporting Obligation." Also, "Changes in Rainfall (Water) Patterns and Longterm Extreme Changes in Climate Patterns" were analyzed. Strategies and management targets were formulated for the key climate issues
- Novatech declared a code of practice for office energy saving and carbon reduction. This year, Novatech promoted six major energy saving measures including a paperless ERP system, lighting energy saving, air-conditioning energy saving, computer and business machine energy saving, computer shutdown energy saving, and light switch off during break time. The amount of paper printed in the office was reduced by 7% compared to 2022.
- In 2023, Novatech and its subsidiaries acquired 21 patented technologies, the most in the last three years.
- In 2023, Novatech assisted customers to replace the lighting system in the machine with DC fluorescent (5W) energy-

saving lamps. This saves approximately 5,500 W of energy over the course of the year and reduces greenhouse gas emissions from the machine.

- By 2023, the establishment of an automated acid exchange system for customers not only reduced the risk to manual labor, but also reduced the use of plastic drums and transport, which resulted in a total reduction of 101.17 ton CO<sub>2</sub>e per year for customers.
- In 2023, the average customer satisfaction score was 93.80%, an increase of 1.94% over the previous year. We have also received a number of positive feedbacks from our customers in the form of honors, including:
  - We were honored with 2023 Micron EHS Awards (Q1~Q4) as one of the Top Contractors
  - We were honored with a Safety & Health Family Trophy as an Out-standing Vendor for ASE Technology Holding Co., Ltd. In 2023.
  - We were honored with the Outstanding Contractor Award as we were selected by(Xiamen) United Semi as Contractor of the Year.
- In 2023, Novatech organized a 16-hour sustainable supply chain awareness campaign with 15 participants.
- In 2023, Novatech's share of local sourcing from Taiwan-based manufacturers was 98.09%, an increase of 8.06% from last year.
- In 2023, up to 80% of the top 60 suppliers have signed the Third Party Pledge, an increase of 12% over last year.

# Highlights

## Society



- In 2023, Novatech was honored with the "1111 Happy Company Gold Award" as the most desired company by office workers.
- In 2023, Novatech was recognized by the Ministry of Labor as a **Top Performer under the Public Occupational Health and Safety Index in the Sustainability Report**.
- In 2023, Novatech continued to receive the top **"Workplace Health Promotion Mark"** from the Ministry of Health and Welfare, and was recognized for adherence to the pledge of **"Healthy Corporate Citizenship"** by **Commonhealth Magazine** in 2023.
- In 2023, the proportion of **female executives** as a percentage of all executives was **31.25%**, an increase of **3.18%** from 2022.
- In 2023, Novatech's average employee payroll costs increased by approximately **9.55%** compared to 2022. On average, full-time employees in non-supervisory roles saw a **4.16%** increase in salary and a **6.93%** increase in median salary compared to 2022.
- In 2023, total employee benefit expenses increased by **10.16%** compared to 2022. Average employee benefit costs increased **21.14%** from 2022.
- In 2023, the response rate to the employee satisfaction survey reached **95.83%**, and the overall satisfaction rate reached **80%** (the sum of the ratio of strongly agree and agree).
- Novatech developed a **human rights due diligence process** to assess risk issues and **mitigation and compensation measures** for each of the Company's stakeholders in 2023.
- In 2023, the company invested **2.09 times** more than in 2022 in employee education and training. In 2023, the total number of trainees increased by **34%** over 2022.
- In 2023, Novatech launched its first-ever **Healthy Pedal Challenge**, with an investment of approximately **NT\$250,000**, to motivate employees to develop regular exercise habits. Accumulated walking time **reached 4,712 hours**.
- As of December 31, 2023, the cumulative number of disaster-free working hours was **2,923,372 hours**.
- In 2023, the rate of health check-ups reached **90.26%**, up **14.84%** from 2022.
- In 2023, the number of training hours per capita for HSE courses reached **16.41 hours**, an increase of **5.28 hours** from 2022.
- In 2023, Novatech joined with employees, suppliers, affiliates, and customers to implement a social engagement program. Novatech invested a total of **NT\$1.49 million**, with a total of **91 corporate** volunteers and **369.5 hours** of activities.
- In 2023, Novatech assisted in the development of education in remote villages by sponsoring **NT\$300,000** for the training of the archery team in a remote village school in Hsinchu County.
- In 2023, **with its background in the engineering industry**, Novatech partnered with its affiliates to spend **77 hours** replacing the lighting in the archery fields of various schools in Hsinchu County. In total, **94** LED fixtures were replaced, saving approximately **9,881 kWh** of electricity per year.
- Novatech has visited the professors of optoelectronic engineering departments in the counties and cities where it operates, and has hired **graduates from local schools**, which account for **7% of the company's workforce**.
- Novatech supports the "Rebirth Anthem" charity sale, volunteering a total of **382 hours** from 2019 to 2023.
- Novatech partnered with the Hsinchu County Hakka Mixed Choir to launch environmental education activities in schools and communities, with **302 participants**.
- In 2023, Novatech subsidised employees' Hakka language course fees and certification bonuses, totalling **NT\$45,741**.
- Novatech donated 2,520 children's magazines to 9 schools for three consecutive years, benefiting over **75,600** children.
- In 2023, Novatech donated **NT\$100,000** to social welfare for the elderly and the critically ill.

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# Introduction to Novatech

Founded in June 1997, Nova Technology Corp. has taken the mission of becoming the "best helper in the production process" for the high-tech industry, focusing on the technical services and professional division of labour in the high-tech industrial process. Novatech utilises an experienced design team and a competitive engineering team to engage in upfront communication and design, overall environmental planning, and construction and maintenance of high quality equipment and engineering services. Each team takes advantage of the vertical division of labour and integration to expand the company's services from the design of water, gas and chemical systems to the manufacture, distribution and sale of equipment, as well as process equipment and piping planning, design, construction, installation and testing, with the aim of providing customers with the most complete one-stop customised services.

Novatech aims to become an expert in the integration of water, gas, and chemical systems in high-tech industries, and is committed to becoming a respected benchmark in the industry by upholding the values of 'Service, Integrity, Professionalism, and Win-Win'. The company's services have been extended to domestic and foreign well-known semiconductor factories, photovoltaic factories, solar energy factories, biotechnology pharmaceutical factories, chemical industry manufacturers, and gradually based in Taiwan, China, Singapore and other places of the international manufacturers to expand the service base. In the early stage of establishment, Novatech had technical cooperation with Sumitomo Chemical Engineering Corp. (SCEC). In 2002, Novatech established a wholly owned subsidiary, Winmax Control Technology Co. Ltd. in Shanghai, China, and set up a clean room in the Shanghai Waigaoqiao Free Trade Zone as a production and processing base in order to continuously strengthen our supply chain management and customer service quality.

In 2009, Novatech formed a strategic alliance with Acter Group Corporation Limited and became a member of the Acter Group in order to enhance its operational performance and competitive advantage. Acter Group specialises in technology engineering and is renowned for its expertise in the fields of clean room, E&M, air conditioning, constant temperature and humidity technology, biotechnology, medical, environmental, maintenance and turnkey solutions. To stay ahead of the curve, Acter Group is constantly learning new things, gaining experience, innovating and improving processes and technologies. Novatech leverages Acter Group Corporation Limited's expertise in E&M, air-conditioning, and clean room engineering to provide comprehensive professional services through strategic operations and process management.

In view of the comprehensive business development, Novatech established Winmega Technology Corp. in 2014 to provide the semiconductor, optoelectronics, package testing and other related industries with the necessary equipment, materials and instruments, as well as professional agency and sales services. Since 2015, in order to comply with the company's future development plan, Novatech has continued to deepen its R&D expertise and recruit potential talents.



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Novatech recruited talents to expand its business scope and locations, and established Winmax Technology Corporation (Suzhou) (which will be renamed as Winmax Technology Co. Ltd. (Suzhou) in January 2023) in Jiangsu, China. In addition to expanding into the China market, Novatech is also targeting the Southeast Asian market with the establishment of NOVATECH Engineering & Construction PTE., LTD. in Singapore to provide a comprehensive product and service strategy for the region. In 2021, Novatech acquired Rayzher Industrial Co., Ltd., an engineering services provider, to deepen the company's gas equipment and engineering services to meet customer orders in the semiconductor and photovoltaic industries and to create operational growth momentum.

### Basic Information Sheet

#### Novatech Corp. (Stock code: 6613)

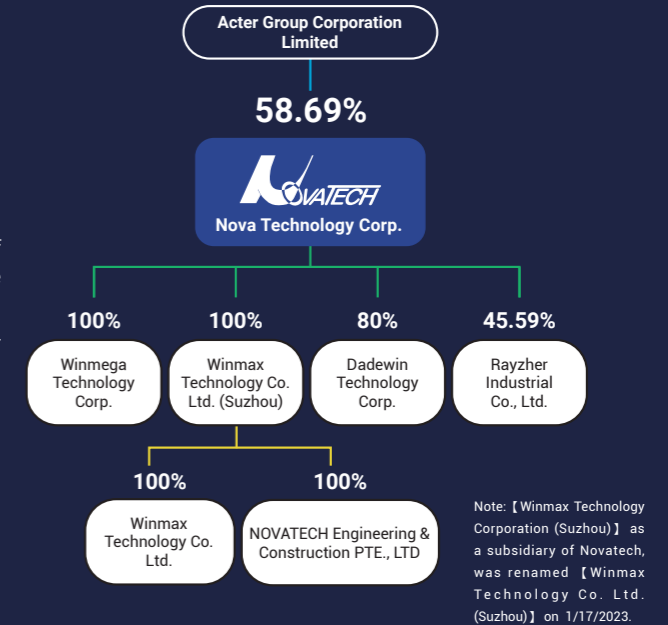
Date of Establish-ment	13 June, 1997
Capital Amount	NT\$500,000,000 (12/31/2023)
Number of Employees	875 People (12/31/2023)
Address of Head-quarters	10F., No.76, Sec. 2, Jiafong S. Rd., Jhubei City, Hsinchu . County 302, Taiwan (R.O.C.)
Service Content	<ol style="list-style-type: none"> <li>1. Water, gas, chemical, supply system integration services for processing</li> <li>2. Waste regeneration and reuse and energy-saving and environmental protection system services</li> <li>3. Water resource development and recycling integration services</li> <li>4. Turnkey plant equipment and system integration engineering services</li> </ol>
Operation Locations	Taiwan, China, Singapore
Service Markets	Taiwan, China, Singapore



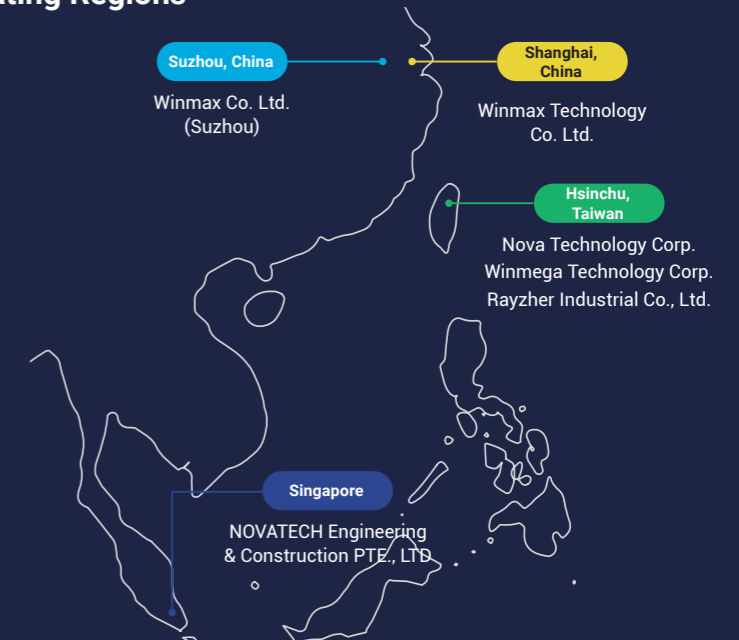
### Organizational Chart of Affiliates

The latest organizational chart of the Group is as shown in the figure on the right hand side.

(For more information, please refer to Novatech's 2023 Annual Report.)



### Novatech's Operating Regions



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Shareholders' Structure

2024/03/23; Unit: person, share, %

Shareholding Structure/No. of Shareholders	Governmental Agency	Financial Institution	Other Institutional Investors	Foreign Institution and Foreigner		Total
				Individual	Total	
Number of Persons	0	2	62	6,735	100	6,899
No. of shares held	0	400,000	45,479,427	23,642,192	4,981,669	74,503,288
Shareholding (%)	0	0.54%	61.04%	31.73%	6.69%	100%

Major Product



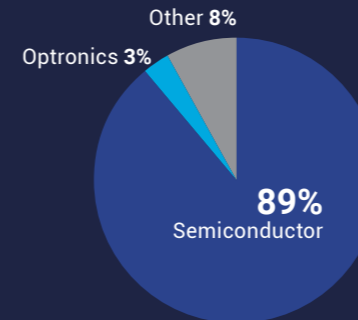
- High Purity Chemical Dispense System
- Bulk Gas and Special Gas Dispense System
- Wet Process Equipment
- Waste Chemical Recovery System
- Thin-film Oil and Gas Recovery Equipment and System

Percentage of Business Items

2023/12/31; Units: NT\$ thousands; %

Item	Operating Income	Percentage of Operations
Sales of processing supply system equipment for the hi-tech industry	5,685,253	62.20%
Integration engineering of processing supply system of the hi-tech industry	3,164,933	34.63%
Other	289,808	3.17%
<b>Total</b>	<b>9,139,994</b>	<b>100%</b>

Percentage of Industry Category to Operating Income



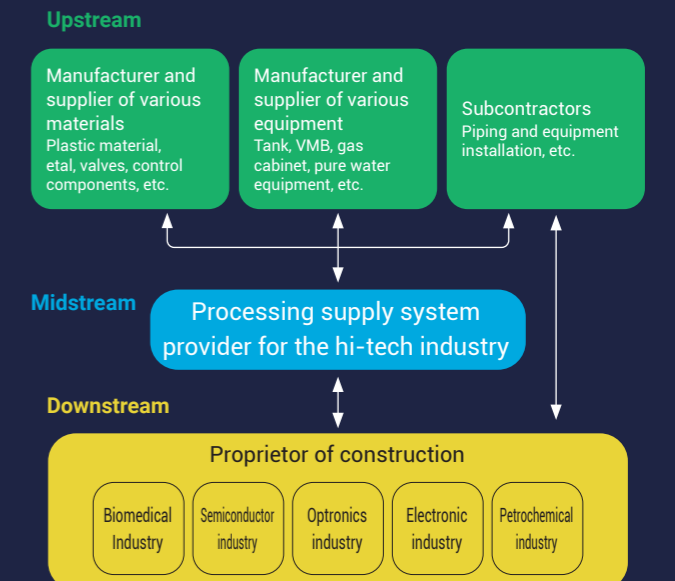
Quantity and Amount of Work

Unit: Number of Cases / NT\$ Thousand

Area Name	No. of Works in Progress (as of end December 2023)	No. of Completed Works (Throughout 2023)	Amount of Works in Progress (as of end December 2023)
Taiwan	127	187	2,030,114
China	9	10	981,908
Others (Asia)	1	-	490,005
<b>Total</b>	<b>137</b>	<b>197</b>	<b>3,502,027</b>

Introduction to the Supply Chain

Novatech is the supplier for the sales, design, and engineering of processing supply systems for the hi-tech industry. Its position within the supply chain is somewhere between the proprietor of construction and engineering material, equipment, and engineering subcontractors. It provides processing supply system equipment and engineering services for customers, and its relations with the upstream, midstream, and downstream is as shown in the following figure:



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1997

June

Nova Technology Corp. was officially established. At the time of its founding, the company focused on the business of chemical supply systems and CMP grinding fluid supply systems, with a paid-in capital of NT\$5 million.

2001

February

Cash capital increase: NT\$3.5 million. Capital increase from surplus: NT\$7.5 million. Paid-in capital increased to NT\$16 million.

2002

December

Capitalisation from surplus: NT\$24 million. Paid-in capital increased to NT\$40 million.

November

As a professional company integrating design, manufacturing, sales and service, Nova Technology Corp. established a wholly owned subsidiary, Winmax Control Technology Co. Ltd. (Shanghai), in Shanghai, China, and set up a production and processing base, including a clean room, in the Shanghai Waigaoqiao Free Trade Zone.

2008

February

Co-operated with Nippon Refine to develop a waste solvent recovery and recycling system.

2009

March

Novatech formed a strategic alliance with Acter Group Corporation Limited (Stock Code: 5536) and is a 100% wholly-owned subsidiary of Acter Group.

2014

August

In response to the company's future growth, Novatech spun off its agency and sales divisions into a new company, Winmega Technology Corp. which is a 100% wholly owned subsidiary of Novatech. Winmega Technology Corp. is a 100% owned subsidiary of Pengyi. The company is mainly engaged in the distribution and wholesale of electronic devices and equipment, with a paid-in capital of NT\$15 million.

2016

February

Novatech's wholly owned subsidiary, Winmax Technology Corporation (Suzhou), was established in Suzhou, Mainland China, with the main business covering the design, manufacture, sale and service of cylinder cabinets and equipment. The actual capital contribution was NT\$32.2 million (US\$1 million).

July

Established a wholly-owned subsidiary in Singapore Established a wholly-owned subsidiary "NOVATECH ENGINEERING & CONSTRUCTION PTE. LTD.," which primarily engages in contracting for automated supply systems for the semiconductor industry; the actual capital contribution was NT\$1 million.

October

Initial Public Offering approved by Taipei Exchange (Stock Code: 6613).



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## 2017

December

Capital increase: NT\$43 million; the paid-up capital increased to NT\$339.3 million.

Taipei Exchange (TPEX) approved Novatech's listing on the Taiwan Stock Exchange.

Published the first CSR Report of the Company



## 2018

Published the 2nd CSR Report of the Company

Ranking for the Corporate Governance Evaluation was between the top 6%~20% among listed companies

Received the 1. Outstanding Enterprise Award and the 2. First Prize for Enterprises for the 15th National Brand Yushan Award

## 2019

Published the Novatech 2030 Sustainability Statement to respond to the global sustainable development goals (SDGs).

Ranked in the top 5% of listed companies for the Corporate Governance Evaluation

Received the 100 fastest growing companies medal from Commonwealth



## 2021

Ranked in the top 5% of listed companies for the 7th Corporate Governance Evaluation.

Received the Little Giant Award at 2021 CSR Excellence in Corporate Social Responsibility Award

Received 2021 - Silver Award in the 14th TCSA Corporate Sustainability Report

Novatech's strategic partnership creates operational growth, helping it take 51% stake in Rayzher Industrial Co., Ltd.

## 2020

Ranked in the top 5% of listed companies for the 6th Corporate Governance Evaluation.

Received the Little Giant Award at 2020 CSR Excellence in Corporate Social Responsibility Award



## 2022

Ranked top 5% of enterprises in the 8th Corporate Governance Evaluation

Ranked top 5% of enterprises in the 8th Corporate Governance Evaluation (for companies worth (\$5bn - NT\$10bn)

2022 - Bronze Award in the 15th TCSA Corporate Sustainability Report (Service Industry Category 1)

2022 Commonwealth Sustainability Award - 15th place in the category of "Strong Company".

2022 Sustainability Report - Public Occupational Health and Safety Indicators - Proactive Assessment Program- Top Performing Companies (OTC Electronic Services)

In August 2022, the nominal value of the shares will be changed from NT\$10 to NT\$5, and the new shares will be traded on the OTC and the old shares will cease to be traded on the OTC.



## 2023

【Winmax Technology Corporation (Suzhou)】 as a subsidiary of Novatech was renamed as 【Winmax Technology Co. Ltd. (Suzhou)】

A new company, Dadewin Technology Corp. was established and became an 80% owned subsidiary of Novatech. The company focuses on engineering graphic design and has a paid-in capital of NT\$5 million.

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# 1

## Sustainable Development: Coexistence and Co-Prosperity

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**94%**

Achievement of 94% for the 2023 Sustainable  
Development Targets <sup>Note</sup>

Note: Achievement rate: 2023 targets achieved / 2023  
sustainability targets.

### Sustainability Value Chain

For the first time, we have introduced sustainable value chain management, and through six major capital investments, we have driven our internal sustainable management mechanism to maximise corporate operating profit and shareholder value, and at the same time, create economic, environmental and social benefits.

## 1-1 Vision for Sustainable Development


In recent years, sustainable innovation and climate-friendly technologies have become prominent. The government has adopted three strategies to assist the high-tech industry in developing sustainable businesses, including: revising regulations and policies on circular economy, leading industries to develop low-carbon and innovative circular products and technologies, and linking industry ecosystems and innovative business models across domains.

As an important member of the high-tech industrial process, Novatech provides R&D and integration services for water, gas, and chemical technologies in plant systems, and strives to be the best help for the industrial process. At the same time, Novatech also works with employees, suppliers, and industry partners to support the global sustainability goals and focus on the 5Ps: People, Planet, Prosperity, Governance, Partnership. Novatech not only provides customers with a wide range of quality products and services that respond to the trend of green sustainability, but also implements the company's concepts of sustainable governance and risk management to create a healthy, safe and friendly workplace environment, and to create a green operation that saves energy and reduces waste. In addition, Novatech actively participates in social welfare activities to gradually realise the goals of sustainable products, a sustainable environment and a sustainable society, and to achieve the ideal vision of shared prosperity with all stakeholders.

### Novatech's Sustainability Statement and Longterm Strategy

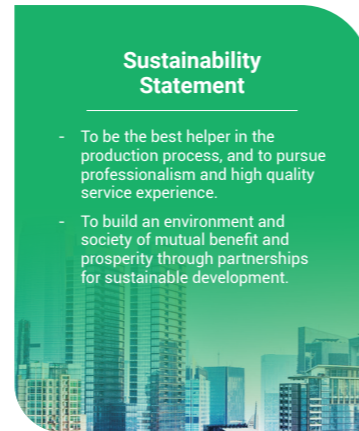
**Vision**

- Become a respected benchmark company in the industry



**Sustainability Statement**

- To be the best helper in the production process, and to pursue professionalism and high quality service experience.
- To build an environment and society of mutual benefit and prosperity through partnerships for sustainable development.



**2030 Sustainable Development Goals**

- Sustained profitability and economic development
- Continuous enhancement and improvement of corporate governance
- Research & Development and Innovation for Competitive Advantage
- Nurturing Talent and Building a Sustainable DNA
- Aligning with the Global Sustainable Development Goals SDGs



## Sustainable Development Direction and Longterm Strategy

To achieve the goal of sustainable development and fulfil its corporate social responsibility, Novatech has set out its ESG direction and longterm strategy to clearly define its development direction and goals to achieve its corporate commitment to sustainable development. In addition, to actively link with the United Nations' Sustainable Development Goals (SDGs), Novatech has also incorporated SDGs into the core of its business operations, identifying impactful and critical development opportunities from the industry value chain and its own business core competencies, and thus formulating a sustainable development blueprint and strategy for "technological innovation, customer safety, and a sustainable planet". Novatech partners with its stakeholders to implement ESG in all aspects, and sets short, medium, and long term goals to actively promote and review the implementation of the goals on a yearly basis. In that way, Novatech can maximize the impact of its sustainability strategy, so all stakeholders can work together for the common good, and make core contributions to the realization of the goal of sustainable development.

### Sustainable Development Blueprint and Strategy



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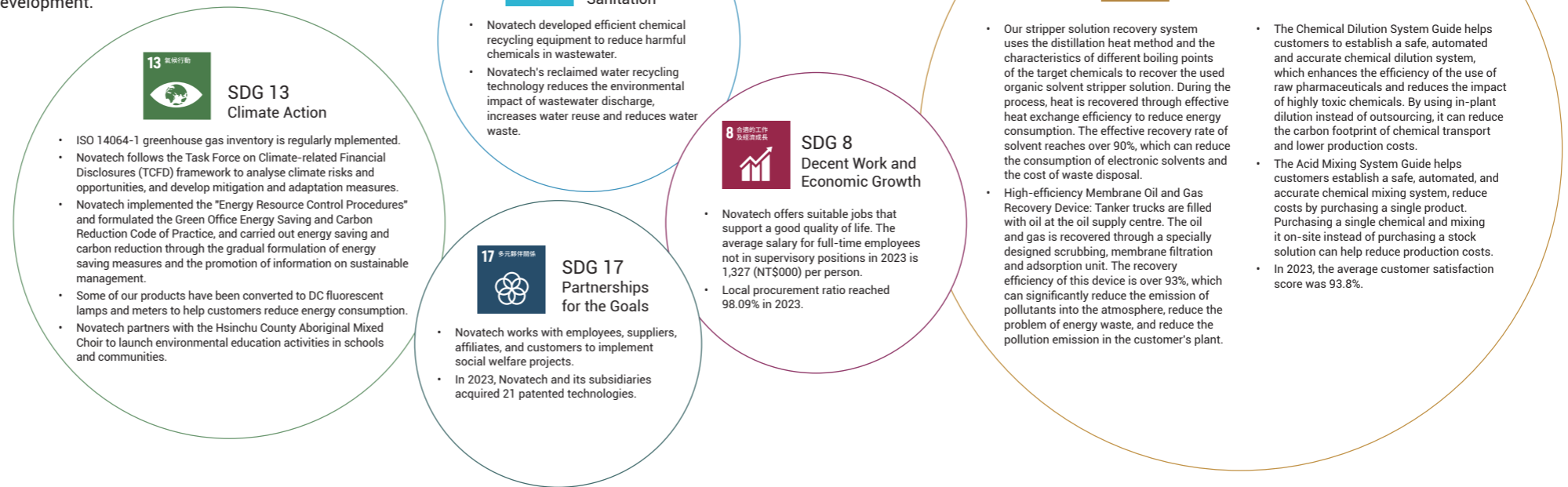
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Respond to UN SDGs

The United Nations Sustainable Development Goals (SDGs) cover five principles and 17 related indicators that guide the collective efforts of businesses and citizens around the world to meet today's major environmental, social and economic challenges. As a global citizen, Novatech has responded to the United Nations' Sustainable Development Goals (SDGs) by defining nine goals that are highly relevant to the company. Novatech is taking concrete actions to optimise its corporate structure and enhance its core competencies in the context of globalisation, which will serve as a driving force for the company's sustainable development.

SUSTAINABLE DEVELOPMENT GOALS



## 1-2 Sustainable Development Goals

### [ Economy and Corporate Governance ]

Corresponding Major Themes or Topics	Medium to Long Term Goals and Targets (~2025)	Targets in 2023	Performance in 2023	Achievement Rate
Ethics and Integrity in Management	Integrity and Ethics and Anti-ruption courses were introduced into the E-learning course system. Achievement rate of education and training reached 100%.	Achievement rate of 100% for education and training on integrity and ethics and anti-corruption related programmes.	Achievement rate of 100% for education and training on integrity and ethics and anti-corruption related programmes.	✔ Achieved
Sustainable Governance and Risk Management	Top 5% of OTC companies in Corporate Governance Assessment	Ranked in the Top 5% of OTC companies in Corporate Governance Assessment	Ranked in the top 5% of all listed companies in the 9th Corporate Governance Assessment.	✔ Achieved
	Semi-annually review the effectiveness and methods of communication with stakeholders.	Semi-annually review the effectiveness and methods of communication with stakeholders.	In Q3 2023, Novatech reported to the Board of Directors on internal and external communications through Q3 2023.	✔ Achieved
Compliance	Regularly execute an external evaluation for the Board performance	Novatech conducts periodic (every three years) external evaluations of Board performance.	Board performance was evaluated in 2023.	✔ Achieved
	Novatech remains free of significant penalties and has reduced the number of non-compliance incidents to less than 3 per year.	Free of significant punishment	No significant punishment	✔ Achieved
	No environmental audit ticket	No environmental audit ticket	No environmental audit ticket	✔ Achieved

### [ Environment and Products ]

Corresponding Major Themes or Topics	Medium to Long Term Goals and Targets (~2025)	Targets in 2023	Performance in 2023	Achievement Rate
Customer Health and Safety	Factory Inspection (Pressure Test 100%)	Factory Inspection (Pressure Test 100%)	150 pieces of equipment were pressure tested at the factory and the testing rate reached 100%.	✔ Achieved
	Factory Inspection (Safety Valve Test 100%)	Factory Inspection (Safety Valve Test 100%)	150 equipment safety valves were tested and the test rate reached 100%.	✔ Achieved
	Organic solvent machine CO <sub>2</sub> Sensor test rate 100%	Organic solvent machine CO <sub>2</sub> Sensor test rate 100%	Organic solvent machine CO <sub>2</sub> sensor test for 39 sets, test rate 100%.	✔ Achieved

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Corresponding Major Themes or Topics	Medium to Long Term Goals and Targets (~2025)	Targets in 2023	Performance in 2023	Achievement Rate
Customer Health and Safety	EMO emergency stop function test rate 100%	EMO emergency stop function test rate 100%	Equipment EMO emergency stop function test for 135 units, test rate 100%.	✔ Achieved
Customers relationship management	Customer satisfaction over 85%. Committed to providing high quality products and services. Customer complaint cases ≤ 5	Customer satisfaction rate reached 85%.	Customer satisfaction rate reached 93.80%.	✔ Achieved
Energy Management	Green Office organized at least 13 publicity activities on energy saving and carbon reduction.	Green Office organized at least 10 publicity activities on energy saving and carbon reduction in a year.	Green Office organized 13 promotional activities on energy saving and carbon reduction.	✔ Achieved
Climate Change and Greenhouse Gas Management	Annual electricity usage is reduced by 1% of the previous year's usage.	Electricity usage decreased by 1% compared to the previous year.	In 2023, electricity usage was reduced by 3.6% compared to the previous year.	✔ Achieved
Supply Chain Sustainability	No. of on-site audits by suppliers reached 9 in total from 2023 to 2025.	No. of supplier on-site audits reaches 5.	5 times	✔ Achieved
	The improvement rate of deficiencies found during audits for suppliers reaching 100% 3 or more key suppliers or potential risk suppliers visited. 100% achievement rate. (Added in 2024)	The improvement rate of deficiencies found during audits for suppliers reaching 100%	The improvement rate reached 100%	✔ Achieved
	100% signing rate of key suppliers' declaration on the prohibition of use of conflict minerals and social responsibility commitment. 100% signing rate of key raw material suppliers' code of conduct. * Key suppliers are the top 10 suppliers and the top 10 raw material suppliers among the top 60 suppliers in terms of transaction value.	The percentage of suppliers signing a third-party commitment reaches 100%.	80%	○ Fall short of the target
Sustainable Products and Technology Innovation	Received 26 awards for outstanding vendors in accumulation.	Received 9 awards for outstanding vendors in accumulation.	Received a total of 6 awards in 2023. Received 22 awards from 2020 to 2023.	✔ Achieved
	Initiated 14 cases of workflow optimisation from 2024 to 2025.	Initiated 9 cases of engineering optimisation.	Initiated 13 cases of engineering optimisation.	✔ Achieved
Sustainable Products and Technology Innovation	Completed 3 cases of business development.	Started 2 new industry-specific projects.	3 Successful Cases	✔ Achieved
	The rate of obtaining equipment-related certificates (including patents) is kept at 100% (a total of 22 cases).	The rate of obtaining equipment-related certificates (including patents) is kept at 100% (a total of 20 cases).	Patent validity maintenance: 23 cases. Achievement rate: 100%	✔ Achieved

## [ Society ]

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Corresponding Major Themes or Topics	Medium to Long Term Goals and Targets (~2025)	Targets in 2023	Performance in 2023	Achievement Rate
Training and education	Satisfaction rate of over 90% for annual internal staff training programmes	Employee satisfaction rate of internal training courses reached 80%.	Satisfaction rate of internal training: 93.67%.	✔ Achieved
	Newly recruited supervisors are required to obtain occupational safety and health management certificates. Those who have already obtained the licence are required to return for training in accordance with the law in order to strengthen their awareness of occupational safety.	Newly recruited supervisors are required to obtain certificates related to occupational safety and health management. Those who have already obtained their licences are required to return for training in accordance with the law.	Professional skills and HSE related courses - 16.41 hours per person	✔ Achieved
	Design Department - completed 90% of training hours for individuals	Design Department - completed 85% of training hours	Total training hours: 671 hours The achievement rate: 244%	✔ Achieved
	Instrumentation & Electrical Department - 90% completion rate of training hours for individuals	Instrumentation & Electrical Department - 90% completion rate of training hours	Total training hours: 934.5 hours The achievement rate: 235%	✔ Achieved
	Engineering Department - 85% of training hours completed	The achievement rates of trained hours for Engineering Department 1 and 2 were 85% and 90% respectively.	Achievement rate: 100%	✔ Achieved
	Satisfaction rate of over 90% for annual internal staff training programmes	The satisfaction rate for staff training programmes reached 80% and above by 2023.	The satisfaction rate for staff training programmes reached 90% and above by 2023.	✔ Achieved
	The relevant staff obtained a cumulative total of 30 duty certificates between 2020 and 2025.	From 2020 to 2023, the relevant staff obtained a cumulative total of 10 duty-related licences.	As at 2023, the total number of relevant certificates obtained by officers is 36 (including retraining).	✔ Achieved
	Each person holds an average of 2 engineering-related licences and work supervisor's licences.	Each person holds an average of 1 engineering-related licence and work supervisor's licence.	Average number of licences held per person is more than 1	✔ Achieved
Occupational Safety and Health	Maintained zero major accidents	Zero significant occupational safety event	Zero significant occupational safety event	✔ Achieved
		Proof of 2.5 million disaster-free working hours	2,923,372 disaster-free working hours by end-2023	✔ Achieved
	Clinician Rounds - 4 times per year (2 hours each time) On-site counselling service by clinical nurse - 4 times per month (2 hours each time)	Clinician rounds - 4 times per year (2 hours each time) Clinical Nurse Practitioner Consultation - 4 times per month (2 hours each time)	Ongoing implementation: Clinician Rounds - 4 times per year (2 hours each time) Clinical Nurse Practitioner Consultation - 4 times per month (2 hours each time)	✔ Achieved
Employee and Labour Relations	Over 85% satisfaction rate of caring for new recruits throughout the year	Over 82% satisfaction rate of caring for new recruits throughout the year	90% satisfaction towards care for new recruits	✔ Achieved
Local community	Goal: 20 industry-academia co-op internships from 2020 to 2025	15 industry-academia co-op cases in accumulation	10 industry-academia co-op internships in accumulation	○ Fall short of the target

## 1-3 Sustainable Promotion Unit

While Novatech continues to pursue excellence in corporate development, it also implements its own corporate social responsibility. Novatech's management is concerned with economic, social and environmental ecology, corporate governance, and other issues related to the company's sustainable development, and in accordance with the "Code of Practice for Sustainable Development of Listed Companies" has formulated the "Code of Practice for Sustainable Development" and set up a sustainability promotion team, which is responsible for proposing and implementing policies or systems for sustainable development.

To improve the management of sustainability issues, the General Manager's Office is the dedicated (part-time) unit for promoting sustainability issues, and is responsible for proposing and implementing sustainability policies or systems and reporting to the Board of Directors on a regular basis. In addition to regularly monitoring the business progress of each group based on the reports of the Sustainability Promotion Group, the Board of Directors is also tasked with formulating a vision and mission for corporate sustainability. The Board of Directors may make a statement on corporate sustainability policy and ensure the disclosure of information related to sustainability, taking into account the company's operational performance and the implementation of social, environmental, and corporate governance sustainability issues. In addition, in compliance with the requirements of the authorities, Novatech also reports the progress of greenhouse gas inventory and verification to the Board of Directors quarterly.

The Sustainability Promotion Team consists of the General Manager's Office, the Support Centre, the Management Department, the Logistics Department, the Industrial Safety Department, and the Technology and Environment Department. It is divided into the Corporate Governance and Economics Group, the Employee and Social Care Group, and the Sustainable Environment and Products and Services Group. Under the Sustainable Environment and Products and Services Group, the Greenhouse Gas Inventory Group and the Risk Management Group have been established. The "Risk Management Team" was established in 2022 to conduct a comprehensive assessment of the likelihood and impact of various risks associated with daily business activities and management processes, and other tasks include risk identification, measurement, monitoring, reporting and treatment.

### Responsibilities of the Sustainable Promotion Unit

#### 1. Policy and Direction Formulation

Department meetings are convened to put forward proposals and issues and to review the appropriateness of corporate sustainability policies or systems. In addition, regular management meetings are held to formulate sustainability policies, systems, or related management systems for approval by the Board of Directors. Senior executives can reflect on the questions or suggestions of their internal colleagues regarding the Company's sustainability strategy.

#### 2. Sustainability Performance Implementation

Promote the sustainable development and performance inspection

#### 3. Communication

Regularly report to the Board regarding the promotion progress and status of sustainable development each year

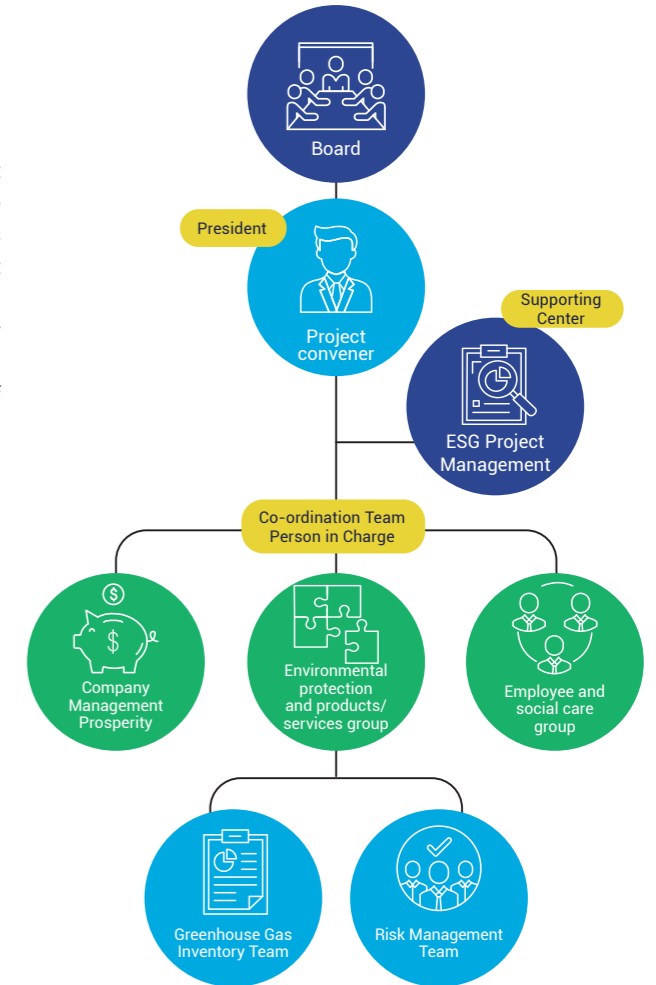
#### 4. Disclosure

Disclose the execution status of sustainable development on the Company's website

#### 5. Education and Training

Regularly organize sustainable development educational courses for management and employees

### Sustainable Promotion Unit Organizational Chart



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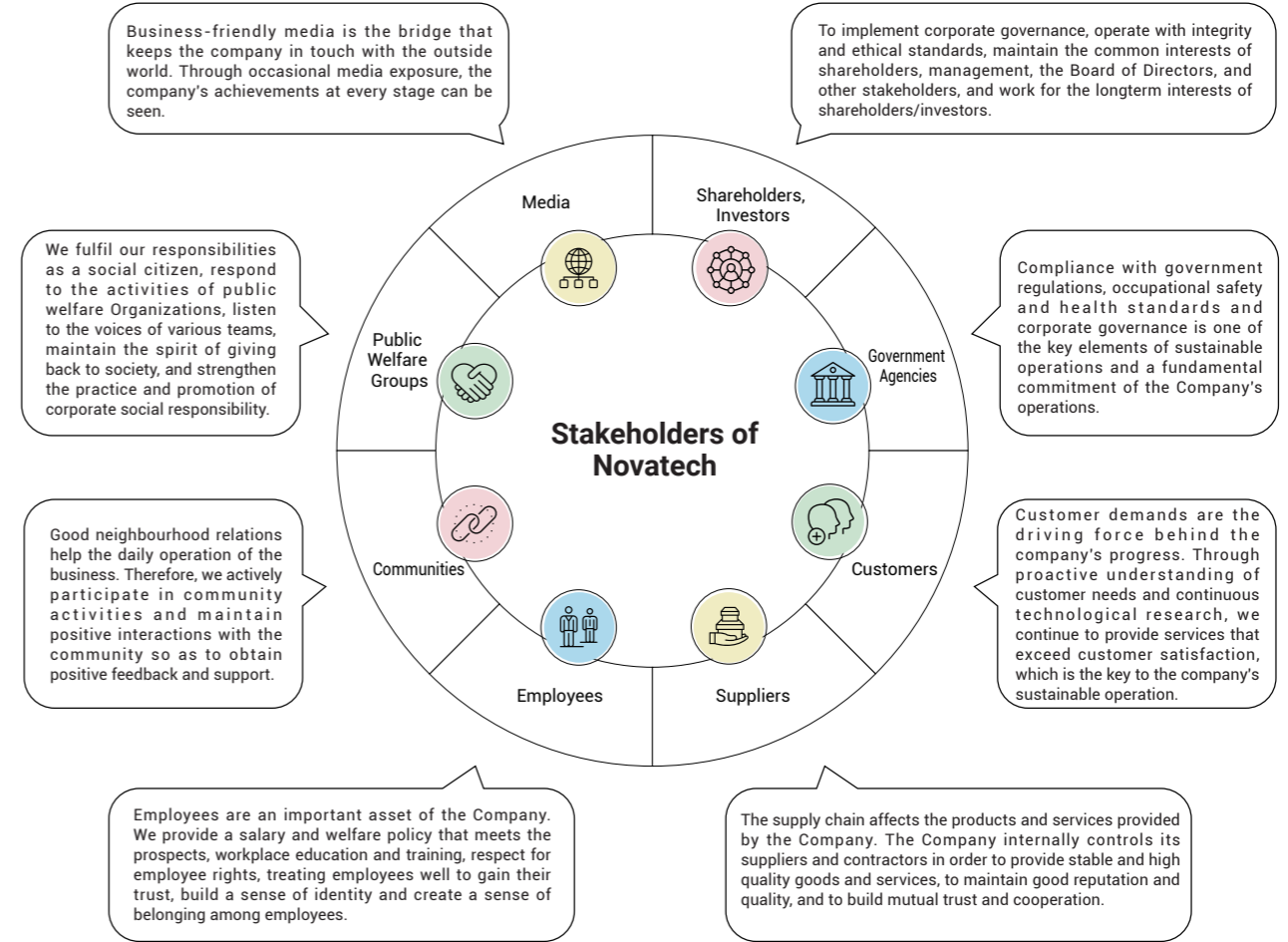
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## 1-4 Identification of Sustainability Topics

### Stakeholder Negotiation and Major Themes or Topics

Through the Sustainable Promotion Unit, this company defines the stakeholders who influence or are influenced by us in three dimensions: economic, environmental and social, in accordance with the GRI Standards "Principles for Defining the Content of Reports". This Company also refers to the five principles under the AA1000 Stakeholder engagements standard (AA1000 SES): Dependency, Responsibility, Tension, Influence and Diverse perspective, and takes into account the actual operation of the company, to identify eight stakeholders related to Novatech, including employees, shareholders, investors, government agencies, customers, suppliers, neighbours, public welfare Organizations and the media.



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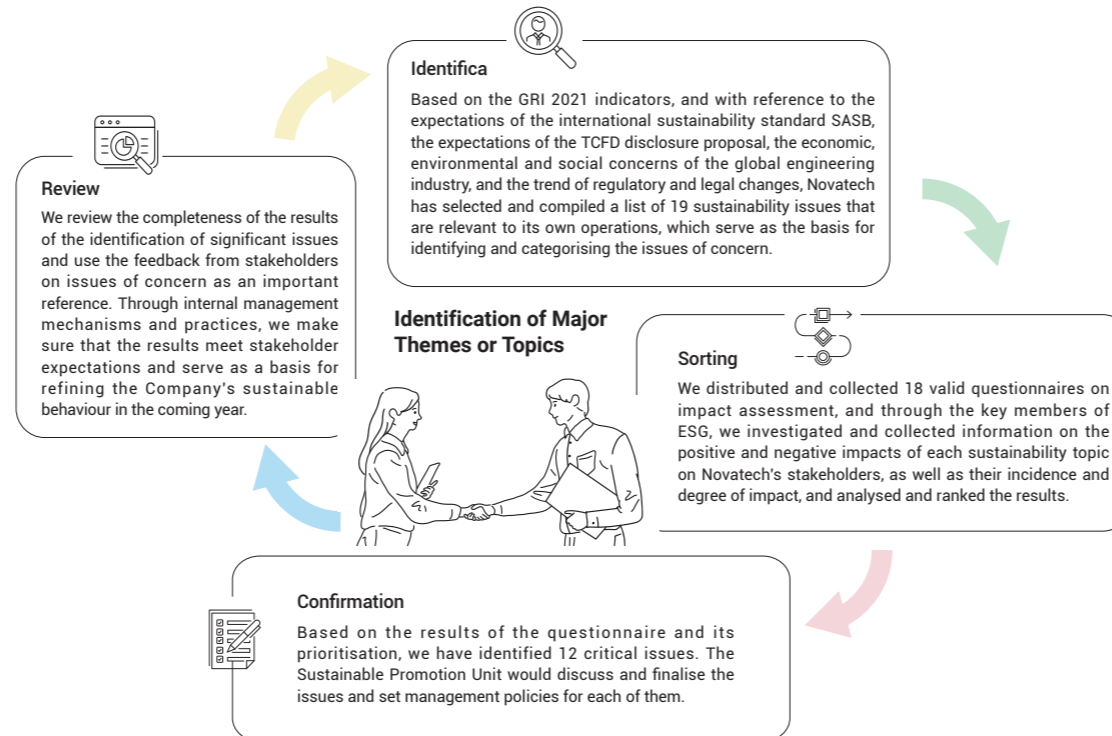
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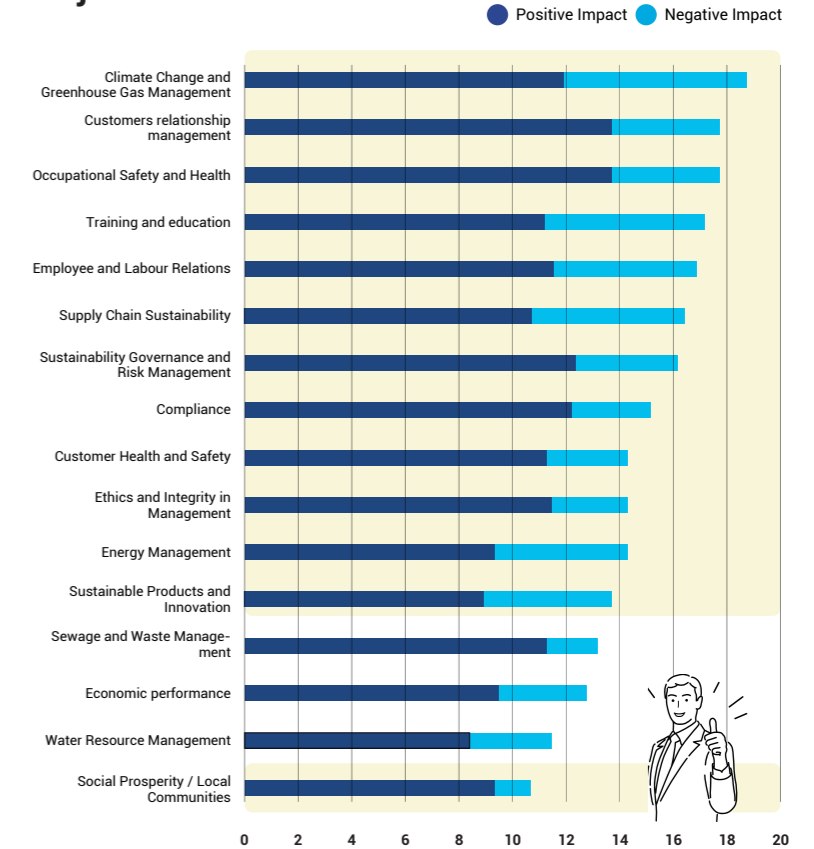
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## Identification of Major Themes or Topics

In order to build the company's sustainability DNA, strengthen the company's CSR and competitiveness, and to understand the level of stakeholders' concern for sustainability issues, Novatech follows the content of the GRI General Principles 2021 and the guidelines of AA1000 SES, and through the following four steps (identification, ranking, implementation, and communication), identifies the sustainability issues that stakeholders are highly concerned about, analyses the positive and negative impacts that they may have, and analyses the probability of impacts and the degree of impacts through surveys, in order to identify the company's major sustainability themes. In 2022, Novatech collected and screened 19 key sustainability topics to determine the level of economic, environmental, and social concerns of the domestic engineering industry, and distributed questionnaires for analysis, ranking, and consolidation. In 2023, the results of this survey will be continued, and Novatech will compare the key sustainability topics with the industry trends and issues of interest to its benchmarking peers in 2023, and examine the development of company issues. Taking into account the development of the company's issues, Novatech identified 13 key sustainability themes (one new theme from last year) that are used as the basis for the compilation and disclosure of this Sustainability Report. The screening process for 2022 is described below:



## Major Issues of the Year



**Note:** In 2023, Novatech added Social Prosperity/Local Communities as a Sustainability Grand Theme after comparing industry trends and issues of concern to benchmarking peers, and considering the company's plans for operations and growth.

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## Major Themes or Topics and Borders of Internal and External Impacts

For 2023, Novatech has identified a total of 13 major themes across the three dimensions of governance, society and the environment. Novatech discloses and tracks the sustainability performance of each theme according to the level of stakeholder interest and impact. In addition, this year, Novatech has taken the initiative to refer to the Sustainability Accounting Standards Board (SASB) standards for the electrical and engineering services industry to disclose the performance of sustainability issues of concern to Novatech's industry stakeholders in order to improve our sustainability governance.



Aspect	Major Themes or Topics	GRI Issue	GRI Index	Corresponding Chapter	Intra-organization		Extra-organization					
					Novatech	Shareholders and investors	Customers	Suppliers	Communities	Government Agencies	Public Welfare Groups	Media
Prosperity	Sustainability Governance and Risk Management	Strategy and analysis	2-9 ~ 2-13	Chapter 2 p.29	✓	✓	✓	✓	✓			✓
	Ethics and Integrity in Management	Governance/ethical management	205	Chapter 2 p.39	✓	✓	✓	✓				✓
	Compliance	Compliance	2-27	Chapter 2 p.42	✓				✓	✓	✓	✓
Product	Supply Chain Sustainability	Evaluation of suppliers' impacts on the environment, labor, human rights, and Social Impact Assessment, Procurement Practices	204 308 414	Chapter 3 p.57	✓		✓	✓				✓
	Customers relationship management	Customer Privacy	418	Chapter 2 p.61	✓		✓					
	Customer Health and Safety	Customer health and safety, marketing and labeling	416 417	Chapter 3 p.64	✓		✓					
Environment	Energy Management	Energy Management	302	Chapter 4 p.77	✓				✓	✓		✓
	Climate Change and Greenhouse Gas Management	Climate Change and Greenhouse Gas Management	305	Chapter 4 p.69	✓					✓		✓
	Sustainable Products and Innovation	Customized Themes		Chapter 3 p.51	✓		✓					
Society	Occupational health and safety	Occupational health and safety	403	Chapter 5 p.101	✓							✓
	Training and education	Training and education	404	Chapter 5 p.96	✓							✓
	Employee and Labour Relations	Employee and Labour Relations	401 402	Chapter 5 p.86	✓					✓		
	Social Prosperity / Local Communities*	Customized Themes		Chapter 6 p.111	✓		✓	✓	✓		✓	

Note: Major themes or topics added in 2023

## 1-5 Stakeholder communication

Novatech has established transparent and diversified communication channels to communicate with stakeholders in our daily operations. We value the valuable opinions of our stakeholders. In response to stakeholder discussions, the President would report on the implementation of these recommendations to the Board of Directors and immediately adjust the company's policies to respond to the expectations of our stakeholders and to further strengthen our relationship with them.

Issues of concern by stakeholders and the content, channels, and frequency regarding our communications with stakeholders are described in the following table:



Stakeholders	The Importance to Novatech	Method and frequency of Communication	Significant Issue of Concern	Response Practice	Communication Effectiveness in 2023	Corresponding Chapter
Employees	Employees are the foundation of our company's continued excellence. Therefore, the company adopts the principles of meritocracy and employment of the right person for the right job, and enables employees to give full play to their abilities under a reasonable and fair personnel system and a sound internal Organization.	<ul style="list-style-type: none"> <li>Quarterly labour meetings, management meetings and occupational safety and health committees.</li> <li>Coordinate the dissemination of important information through monthly meetings, employee suggestion boxes, and the Employee Welfare Committee.</li> <li>Supervisors care about the career development of employees through performance interviews and provide necessary assistance.</li> <li>Monthly Report-Ministry of Labor-Occupational Disaster Statistics Online Reporting System</li> </ul>	<ul style="list-style-type: none"> <li>Employee and Labour Relations</li> <li>Training and Education</li> <li>Occupational Safety and Health</li> <li>Physical and mental health promotion</li> </ul>	<ul style="list-style-type: none"> <li>Diversified recruitment channels and newcomer care</li> <li>Conducting annual training programmes for personnel development and tracking the development of training programmes</li> <li>Promoting a Healthy Workplace and Setting Workplace Safety Targets</li> <li>Workplace health promotion</li> <li>Monthly Report - Ministry of Labor - Occupational Disaster Statistics Online Reporting System</li> </ul>	<ul style="list-style-type: none"> <li>Four labor-management meetings</li> <li>Four meetings for business executives</li> <li>Four Occupational Safety and Health Committee meetings</li> <li>HSE training: 16.41 hours/person by 2023</li> <li>Healthcare professionals were present to provide various physical and mental health services. The number of people who attended the counselling sessions was 84.</li> <li>No workplace injuries in 2023</li> <li>Organized two walking events in 2023 with 231 participants.</li> <li>Disaster-free working hours reached 2,923,372 hours by 2023.12.31.</li> </ul>	Chapter 5 Friendly Workplace: Happy Enterprise
Shareholders Investors	Shareholders/investors are important investors who support Novatech's steady growth. Enhancing the timeliness and transparency of information disclosure can effectively protect the interests of investors and shareholders.	<ul style="list-style-type: none"> <li>Annual shareholders' meeting</li> <li>Corporate Presentation Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Ethics and Integrity in Management</li> <li>Sustainability Governance and Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>Disclose Public Information</li> <li>Set up a contact window for investors and shareholders on the company's website.</li> <li>Communicate and explain dis-closed financial and operational information to shareholders/investors through communication channels.</li> </ul>	<ul style="list-style-type: none"> <li>Operating profit increased by 30.70%.</li> <li>Held 1 shareholders' meeting</li> <li>Held 4 Corporate Presentation Meetings</li> <li>Report to shareholders/investors on the status of operations through the Market Observation Post System (MOP).</li> <li>Top 5% in the 9th Corporate Governance Assessment</li> </ul>	Chapter 2 Sustainability Governance: Integrity and Transparency

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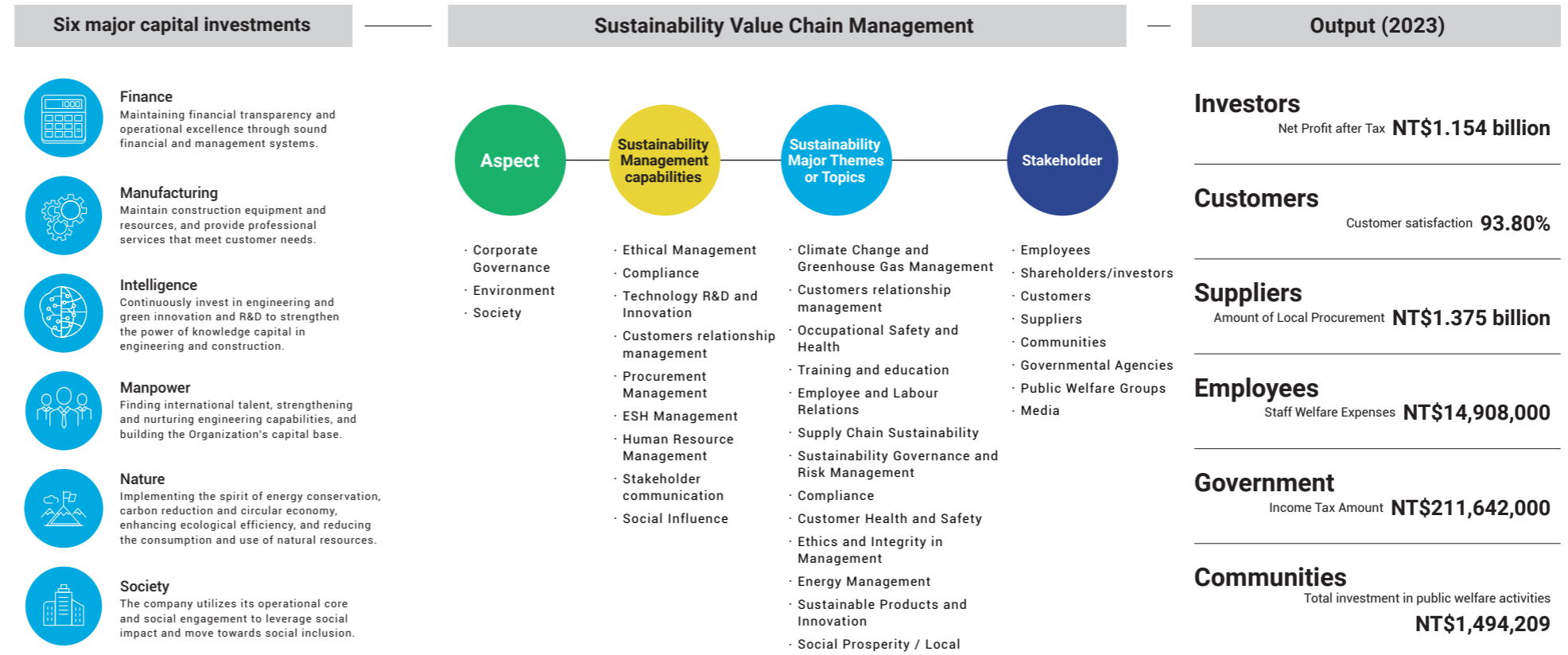
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Stakeholders	The Importance to Novatech	Method and frequency of Communication	Significant Issue of Concern	Response Practice	Communication Effectiveness in 2023	Corresponding Chapter
Communities	Novatech is committed to community welfare and hopes to give back to society by participating in public welfare activities to build a better future.	<ul style="list-style-type: none"> <li>- Organizing community health talks</li> <li>- Public Welfare Activities</li> </ul>	<ul style="list-style-type: none"> <li>- Social Participation</li> <li>- Energy Management</li> </ul>	<ul style="list-style-type: none"> <li>- Caring for the Disadvantaged and Promoting Social Harmony</li> <li>- Supporting public welfare activities and material donations</li> <li>- Paying attention to labour, HSE and other related laws and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>- No violation of environmental protection laws and regulations in 2023.</li> <li>- In response to the National Innovation and Entrepreneurship Association (NIEA)'s charitable activities, the company has pledged to donate the monthly magazine "Future Magazine for Kids" at an amount of NT\$200,000, totalling 2,520 copies for three consecutive years.</li> <li>- Organized two local community and campus events to promote environmental sustainability. Total number of participants: 302</li> <li>- Sponsored Rebirth Anthem Charity Sale held by Taiwan Catholic Hsinchu Diocese's "Service Center for Youths at Risk" in 2023</li> </ul>	<ul style="list-style-type: none"> <li>Chapter 4 Environmental Sustainability - Eco-Friendliness</li> <li>Chapter 6 Social Engagement- Cross-Domain Harmony</li> </ul>
Suppliers Contractors	We hope that through mutual support with suppliers/ contractors and focus on quality, we can work together for sustainable management and stable support.	<ul style="list-style-type: none"> <li>- Supplier visits / factory visits for evaluation</li> <li>- Contractor Safety and Discipline Pledge</li> </ul>	<ul style="list-style-type: none"> <li>- Supply Chain Sustainability</li> <li>- Occupational Safety and Health</li> </ul>	<ul style="list-style-type: none"> <li>- Convened daily toolbox meetings</li> <li>- Organized vendor meetings</li> <li>- Conducted supplier visits and environmental assessments.</li> <li>- Procurement is carried out in accordance with the Government Procurement Act.</li> </ul>	<ul style="list-style-type: none"> <li>- Evaluation of 60 suppliers in 2023.</li> </ul>	<ul style="list-style-type: none"> <li>Chapter 3 Establish Sustainability: Green Engineering</li> <li>Chapter 5 Friendly Workplace: Happy Enterprise</li> </ul>
Customers	Our customers' trust in our products and services is the foundation of our stable operation. Novatech's longterm relationship with our customers is based on "on-time delivery, top quality, and customer satisfaction".	<ul style="list-style-type: none"> <li>- Setting up Quality Targets</li> <li>- Annual customer satisfaction surveys.</li> <li>- Customer Complaint Handling Procedures</li> </ul>	<ul style="list-style-type: none"> <li>- Ethics and Integrity in Management</li> <li>- Occupational Safety and Health</li> <li>- Sustainable Products and Innovation</li> <li>- Customer Health and Safety</li> <li>- Customer Relationship Management</li> </ul>	<ul style="list-style-type: none"> <li>- Company's official website is equipped with a dedicated mailbox for contact persons.</li> <li>- Conduct customer satisfaction surveys for customers with annual commitments of NT\$5 million and above. Respond and record feedback and implement improvements.</li> </ul>	<ul style="list-style-type: none"> <li>- 2023 Sustainability Report - Public Occupational Health and Safety Indicators - Proactive Assessment Program - Top Performing Companies (OTC Electronic Services)</li> <li>- Average customer satisfaction score in 2023 was 93.80%.</li> </ul>	<ul style="list-style-type: none"> <li>Chapter 2 Sustainability Governance: Integrity and Transparency</li> <li>Chapter 3 Establish Sustainability: Green Engineering</li> <li>Chapter 5 Friendly Workplace: Happy Enterprise</li> </ul>
Media	Media reviews and reports play an important role in Novatech's continuous improvement and growth.	<ul style="list-style-type: none"> <li>- Press Releases</li> <li>- Major News Releases</li> </ul>	<ul style="list-style-type: none"> <li>- Information disclosure</li> <li>- Ethics and Integrity</li> <li>- Compliance</li> </ul>	<ul style="list-style-type: none"> <li>- Press conference to collect and respond to media enquiries</li> <li>- Set up a mailbox for reporting violations of ethical management.</li> </ul>	<ul style="list-style-type: none"> <li>- Issued 32 press releases in English and Chinese</li> <li>- Organized 3 corporate presentations, 1 results announcement and 1 shareholders' meeting</li> <li>- 2023 Commonwealth Sustainability Award - 10th place in the category of "Strong Company".</li> <li>- 2023 Bronze Award in the 16th TCSA Corporate Sustainability Report (Service Industry Category 1)</li> <li>- No cases of violation of economic, environmental, and social laws and regulations in 2023.</li> </ul>	<ul style="list-style-type: none"> <li>Chapter 2 Sustainability Governance: Integrity and Transparency</li> </ul>

# 1-6 Sustainability Value Chain Management

Novatech drives sustainable management within the Organization by investing in the six capitals (Financial, Manufacturing, Intellectual, Human, Natural and Social). This not only creates profitability and shareholder value, but also creates economic, environmental and social benefits. In addition to promoting sustainable management internally, the Organization also makes good use of its sustainable management capabilities in corporate ethics, procurement management, human resources management, engineering innovation, customer relationship management, ESH management and Stakeholder communication, to actively promote sustainable management mechanisms, and to assess and manage the value created by the company's overall value chain for its stakeholders. We expect to maximise the output benefits and jointly enhance the sustainable value of the enterprise.



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# 2

## Sustainable Governance: Integrity and Transparency

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2-2 Ethics and Integrity in Management

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### 100% Attendance Rate

100% attendance rate of members of functional committees in 2023

### Won more than half of the independent board seats

The number of independent directors exceeds half of the Board members, achieving 57%.

### No negative incidents

No corruption incidents were heard of or occurred in the whole year of 2023.

### 100% Signing Rate

The rate of directors and senior management signing the "Declaration of Compliance with the Management Policy of Integrity" is 100%; The signing rate of the "Declaration of No Violation of the Principle of Integrity" by division-level executives and above reaches 100%.

### Top 5% for 4 consecutive years

Ranked among the top 5% of companies in the Corporate Governance Assessment for four consecutive years (6th to 9th terms)

### Consolidated revenue and after-tax profit are the highest in the past three years.

Consolidated revenue in 2023 will be NT\$9,140 million, an increase of approximately 6.4% from 2022, the highest in the last three years. Net income after tax in 2023 was 1,154 million, an increase of 20.7% from 2022, also the highest in the last three years.

### A dedicated information security Organization was set up.

In 2023, Novatech established a dedicated information security Organization, which was convened by the General Manager, to strengthen information security management.

## 2-1 Sustainable Governance and Risk Management

Corporate governance is the core foundation of sustainable business operations. In addition to responding to the increasing expectations of authorities and stakeholders in recent years, it is also fundamental to ensuring the company's stable operation. Through comprehensive regulations and corporate systems, we continuously optimize our corporate governance practices. Our efforts have been recognized by the relevant authority, the Taiwan Stock Exchange. In the 9th Corporate Governance Evaluation, among 734 TPEX listed companies, we stood out, ranking in the top 5% for the fourth consecutive year, and demonstrating outstanding overall performance in four major areas, of "Protecting Shareholders' Rights and Equal Treatment of Shareholders", "Strengthening Board Structure and Operation", "Enhancing Information Transparency", and "Promoting Sustainable Development".



### Sustainable Governance and Risk Management Management Approach

#### Significance and Value to the Company

The concept of sustainable management is the key to the development of a sustainable enterprise and the enhancement of its resilience. The Company enhances its risk control mechanism in its corporate governance practices, strengthens its effectiveness in dealing with the evolving environment, and controls uncontrollable factors such as its stakeholders and governmental laws and regulations in order to ensure sound operations and sustainable development.

#### Actual and Potential, Negative and Positive Impacts

##### + Positive:

- A sound governance structure ensures effective management operations and allocation of resources to promote sustainable business operations and increase the trust of stakeholders.
- The Company evaluates and plans for possible risks in advance to reduce the risk of corporate operations, minimize possible losses, and avoid disruptions in corporate operations.

##### - Negative :

- A chaotic governance structure may lead to internal communication barriers or uneven allocation of resources, which may affect the operational efficiency of the business and impede the achievement of its intended objectives.
- The Company is prepared for possible risks that may not be foreseen in advance. The occurrence of a risk event may result in financial and goodwill losses or loss of business opportunities, which may lead to operational disruptions.

#### Action Plans

- Functional committees/boards of directors are convened regularly to discuss major issues of the Company, and a system is in place to avoid conflicts of interest of directors.
- Regularly conduct performance evaluation of directors and executives, and review the policy, system, standard and structure of salary and compensation.
- The Company monitors capital adequacy based on the size of its business, credit risk, market risk and operational risk, and future operating trends.
- The Company has established a mechanism to measure and monitor liquidity risk.
- The Company allocates various assets and establishes risk management for each of its businesses, taking into account its overall exposure to risk, its own capital and its liabilities.

#### Management Strategies

- The Board of Directors is responsible for overseeing the Company's operating strategies, developing strong management leadership and protecting the interests of investors. The Board of Directors, the Audit Committee and the Risk Management Team implement risk management policies, measure and evaluate risks from different sources, and effectively supervise, prevent or control each risk.

**Policies/Commitment** Novatech Sustainability Declaration, Corporate Governance Best Practice Principles, Risk Management Policy

**Grievance Mechanisms** Whistleblower mailbox on the company's internal website.

#### Audit Committee contact window

✉ Audit\_Committee@novatech.com.tw 📞 03-6676868

Communication Methods: E-mail, Telephone, Interview

\* This major theme or topic has not generated activities or business relationships that could have a negative impact this year.

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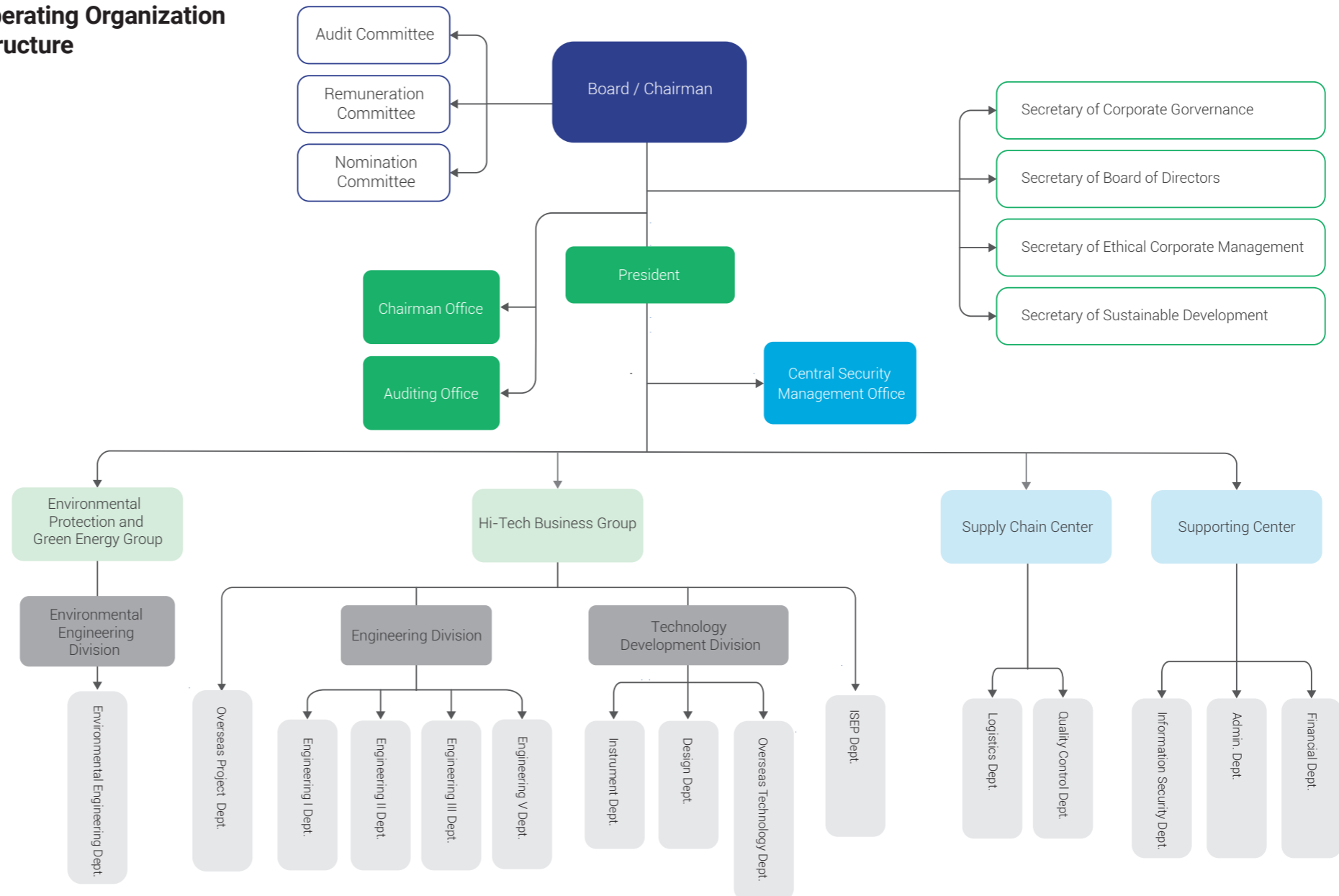
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## Operating Organization Structure



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## Board

The Board of Directors is the highest decision-making and governance body of the Company and is responsible for overseeing the overall operational responsibilities and the results of management's policy implementation. The Board of Directors adopts a candidate nomination system in accordance with the "Articles of Incorporation" and the "Procedures for Election of Directors" and elects 7 directors for a term of three years.

Novatech has 4 independent directors, accounting for approximately 57% of all directors. In order to achieve women's participation in decision-making and to maintain a non-sexist working environment, and to realise SDG5's goal of empowering all women, the current number of women directors is 2, and the target is for more than one-third of the board to be women directors.

The Board of Directors meets regularly each year to discuss major issues of the Company. The Code of Conduct for Directors' Meetings also sets out the matters that should be reported to the Board of Directors and the system designed to avoid conflicts of interest of the Directors. Novatech's directors are highly disciplined, avoiding discussions and voting on issues that conflict with their own interests, and do not exercise their voting rights as proxies for other directors, in order to protect the rights and interests of interested parties. The Board attendance rate for 2023 is 98.21%. In addition, Novatech has an Audit Committee, a Remuneration Committee and a Nominating Committee to enhance the implementation of corporate governance.



### Nominating Committee

The Committee is responsible for setting standards for the diversity of background and independence requirements of Board members, and identifying, reviewing and nominating candidates for election as Directors accordingly. In addition, the Committee is also responsible for the performance evaluation of the Board and the directors' training program, etc., in order to improve the functioning of the Board of Directors of the Company and to strengthen its management mechanism.

Chairman: Yang, Sheng-Yung  
 Average Attendance Rate in 2023: **100%**



### Audit Committee

The Committee is responsible for overseeing the effective implementation of the Company's internal controls. In addition, the Committee is responsible for managing the Company's significant financial and business actions, matters related to directors' personal interests, the appointment or removal of CPAs and their independence and performance, the fair presentation of the financial statements, and the control of the risk management system.

Chairman: Chiu, Hui-Yin  
 Average Attendance Rate in 2023: **100%**



### Remuneration Committee

The Committee acts in a professional and objective manner to evaluate the Company's policies, systems, standards and structures for the compensation of directors and executives and makes recommendations to the Board of Directors for their decision-making. Depending on their individual performance, the executives remuneration will be discussed and reviewed by the Remuneration Committee before being submitted to the Board of Directors for final confirmation.

Chairman: Chi, Chih-Yi  
 Average Attendance Rate in 2023: **100%**

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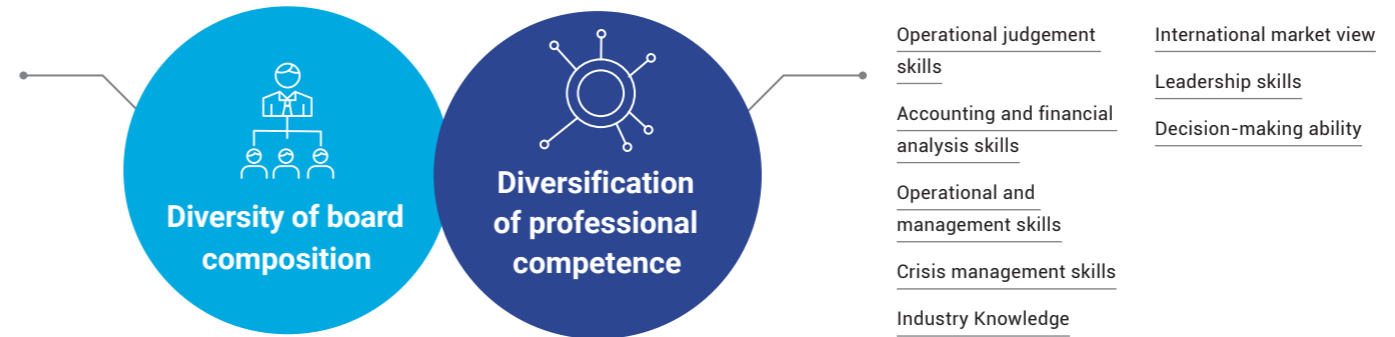
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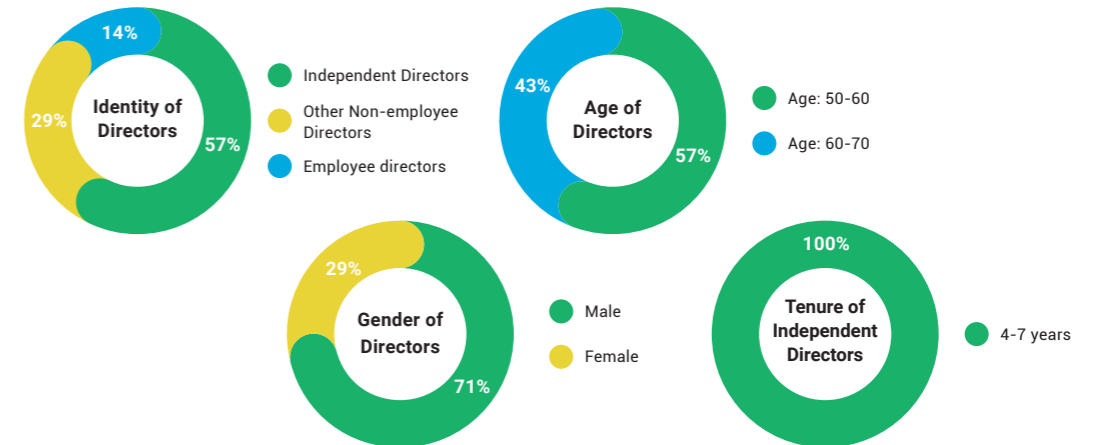
## Board Diversity

In accordance with the Corporate Governance Best Practice Principles, Board members should consider the diversity and formulate appropriate policies for their own operations, business models and development needs, including but not limited to: basic conditions and values and professional knowledge and skills. At the same time, the Board members should generally possess the eight competencies of knowledge, skills and qualities necessary to perform their duties in order to achieve the objectives of corporate governance.

1. Basic qualifications and values: gender, age, nationality and culture, etc. The proportion of female directors should be one-third of the total number of directors.
2. Professional knowledge and skills: professional background (e.g. legal, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.



In accordance with the above principles, the 7 members of the 10th term of the Board of Directors of the Company are: Chairman LIANG, CHIN-LI, Director MA, WEI, and Director WU, BI-HUI, who have experience in operating companies in different industries, and are experienced in leadership, business management and possess knowledge of different industries, decision-making ability and international market outlook; Director LI, CHENG with relevant experience in legal affairs; Directors CHI, CHIH-YI and YANG, SHENG-YUNG with expertise in financial services; Director CHIU, HUI-YIN, a certified public accountant. Each of these Directors and Independent Directors possesses a full range of qualifications and experience, which enables the Board of Directors of the Company to continue to perform the functions of operational decision-making, leadership and supervision.



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## Continuing Education for Board Members

The Company consistently arranges for board members to participate in continuing education programs, aimed at enhancing their professional knowledge and managerial skills. These programs cover three main aspects: economic governance, environmental, and social, including corporate governance, sustainable corporate transformation, disclosure of sustainable financial information, and climate change. In 2023, all continuing directors would have 6 hours or more of training, which was 100% in line with the requirements for directors' and supervisors' training hours. For details, please refer to page 77 of the Company's 2023 Annual Report. [📄](#)

## Board of Directors Performance Evaluation

To implement corporate governance and continuously strengthen the operational efficiency of the Board of Directors and functional committees, Novatech has established the "Rules for Performance Evaluation of Board of Directors", which regulates the cycle, scope, method, procedure, and standard of performance evaluation for the Board of Directors and functional committees. The results of the evaluation will be used as a reference for the selection or nomination of directors. In addition to "legal compliance", "corporate governance," and "risk control", the performance evaluation of the Board of Directors also includes sustainability indicators, such as "corporate sustainability", to ensure that the Board of Directors and the functional committees are able to fulfil their duties in the areas of corporate governance, management and operations, and corporate sustainability practices. The internal performance evaluation for the board of directors for 2023 was conducted at the beginning of 2024, with an internal score exceeding 90, indicating that the Board's operations are performing well.

In addition to internal self-assessment, we commission an external professional and independent Organization to evaluate the performance of our Board of Directors every three years. In 2023, the Taiwan Institute of Ethical Business (TIEB) was appointed to conduct an on-site evaluation of the Board's effectiveness. The TIEB provides guidance to help the Board perform its functions adequately and provides a professional and objective review report. The results of the evaluation are published on the Company's website. [🔗](#)

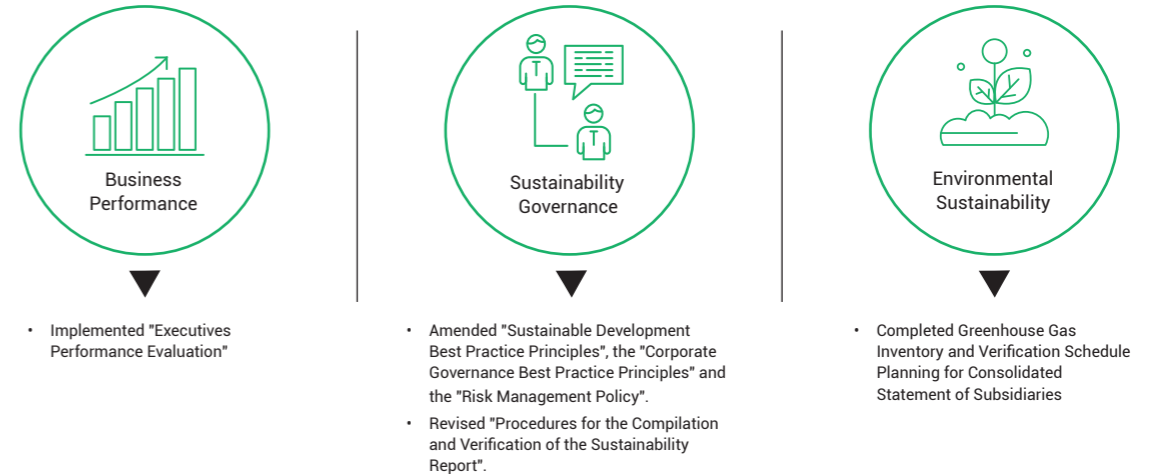


Company website

## Communication Mechanism for Major Events on Sustainability

The Sustainable Promotion Unit established by Novatech regularly reports to the Board of Directors on the progress of sustainable development every year. The mission of the Board of Directors includes setting a vision for the sustainable development of the company. In addition to keeping track of the Sustainable Promotion Unit's reports and regularly monitoring the progress of the various groups, Novatech is also required to take into account the company's operational performance and the implementation of sustainability issues such as social, environmental and corporate governance, as well as to make statements and recommendations on corporate sustainability policies. At least once a year, the company reviews the effectiveness and channels of communication with stakeholders. In November 2023, Novatech reported to the Board of Directors on the status of stakeholder communications as of the third quarter of 2023.

During 2023, the Board of Directors completed discussions or rulings on the following motions related to sustainability issues:



## Management Team

Novatech's management team consists of a general manager and various departmental managers. In accordance with the management philosophy of "building a high-tech industry ecosystem for customers and supply chain partners", the Board of Directors resolves major matters in accordance with the principles of sustainable management, integrity and risk assessment authorisation to ensure the rights and interests of employees and shareholders. For details on the educational and professional backgrounds of the management team, please refer to page 19 of Novatech's 2023 annual report [📄](#) or on the Market Observation Post System. [🔗](#)



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## Risk Management

Risk is one of the key aspects of the company's operation and growth. In order to control and reduce operational risks, support the Company's operational growth and achieve sustainable operation, Novatech has formulated the "Risk Management Policy" as the highest guiding principle of risk management and as the basis for its implementation, which specifies the policies, objectives, scope, organizational structure, authority and responsibility of each unit, the risk management mechanism and the implementation process of risk management.

The Board of Directors and the Audit Committee are the highest risk management units of Novatech. The General Manager is in charge of the promotion and operation of the risk management program. Under the General Manager, there are various departments responsible for promoting the management of various risks faced by each business, and submitting reports to the Audit Committee and the Board of Directors on a regular basis. All employees are also responsible for identifying and reporting risks. Any significant risk event that may affect the Company's operations should be reported immediately to the respective supervisor and the risk team. The supervisor and the risk team will evaluate procedures to mitigate the risk and impact.

## Organizational Structure for Risk Management

### Board

Approve the Company's risk management policy and structure.  
 Review risk management reports, strategies and proposed improvement plans.

### Risk Management Group

Risk factor identification and risk control.  
 Risk management system planning and design, measurement and construction.

### Audit Committee

Regularly reviews the effectiveness of risk management procedures.  
 Supervises the overall implementation of risk management.

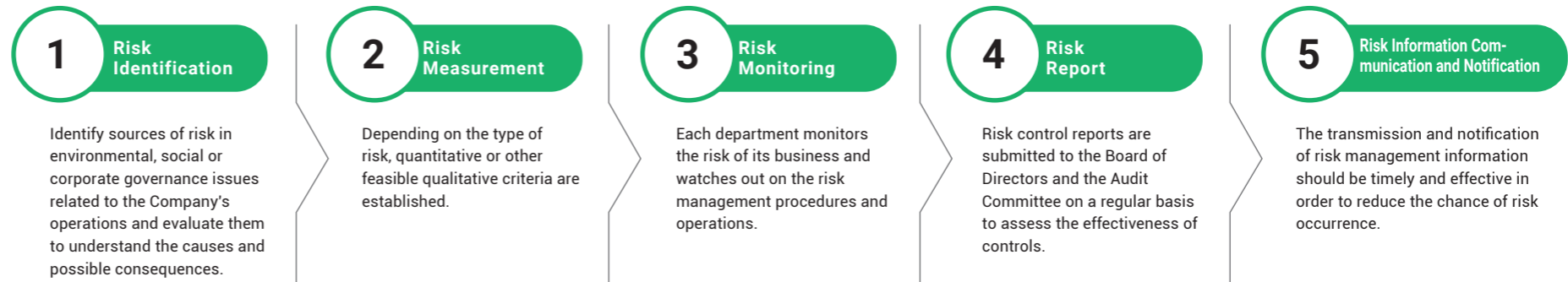
### Auditing Office

### Auditing Office

Regularly review and provide recommendations for improvement



## Risk Management Procedures



## Major Risks and Countermeasures

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#### Source of Risk

#### Description on Source of Risk

#### Countermeasure

#### Market Risks

Due to the rapid increase in inflation caused by the regional war and economic impact, the delivery of raw materials is unstable and the price rises, which will affect the company's equipment delivery time and profitability.

- ▶ Inquire and negotiate with major suppliers on delivery schedules and prices of raw materials during the bidding stage, place orders as soon as possible after obtaining the orders, and continuously track the progress of delivery schedules.
- ▶ Actively search for other qualified suppliers to increase the sources of raw material supply.
- ▶ Evaluate the demand and inventory level of long lead-time materials for future projects to reduce the risk of price increases and unstable delivery schedules.



#### Safety and Health Risks

Occupational safety issues or occupational disasters are caused by hazards in the working environments and constructions.

- ▶ Mandatory on-site audits and third party training. If a supplier fails to pass the evaluation, he/she will not be appointed again.
- ▶ Enhance HSE education and training.



#### Financial Risks

When the profit and loss of the company is affected by changes in interest rates and foreign exchange rates.

- ▶ Adopt strict control, credit risk and financial crisis prediction models to reduce risk.
- ▶ Regularly assess market conditions and bank interest rates, make plans on the required currency in advance, and communicate with the bank to obtain the optimal interest rate at any time.



#### Information Security Risks

Prevent cybersecurity risks such as network attacks, computer viruses, and phishing emails.

- ▶ Enhance network firewall defences, check security protection mechanisms and strengthen data endpoint protection software. Cooperate with external information security vendors to conduct information security health checks.
- ▶ Domain authentication, mail server upgrades, and introduction of advanced email defence mechanisms.
- ▶ Conduct company-wide social engineering training and exercises.



#### Human Resource Risks

Manage human resources risks and avoid loss of key personnel.

- ▶ Continuously assess talent, expand engineering management, research and development, software development, and other specialized areas, actively cultivate potential employees, enhance education and training, and strengthen promotion channels.
- ▶ Actively train potential employees to become PMs.



#### Climate Change Risks

See "4-2 Climate Change and Greenhouse Gas Management" for more information on the risks and opportunities associated with climate change and regulatory changes.

- ▶ We have made climate change and greenhouse gas management a major theme of our company, and we have conducted a complete risk-opportunity identification and constructed a procedure for identifying the risks and opportunities of climate change in our company, as described in "4-2 Climate Change and Greenhouse Gas Management".
- ▶ Introduce ISO 14064-1 greenhouse gas inventory and obtain verification.
- ▶ Introduce TCFD to understand the risks and opportunities of climate change.

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## Internal Audit

Novatech has established an internal control system in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies". Each of the Company's operating units is subject to internal auditing by the Audit Office of the Board of Directors. The Audit Office is headed by an Internal Audit Supervisor and is staffed with appropriate and suitable auditors based on the Company's size, business conditions, management needs, and other relevant laws and regulations. The auditors prepare an annual audit plan based on the results of the risk assessment, which is approved by the Board of Directors for review. Auditors record audit reports on internal control deficiencies and irregularities, and report to the Audit Committee and the Board of Directors on a regular basis on the status of audit execution and the results of quarterly improvement of deficiencies.

In 2023, audit operations consisted of on-site audits or written reviews on each of Novatech's operating units and Winmax Technology Corp Suzhou Winmax Technology Corp, Winmega Technology Corp., Novatech Engineering & Construction Pte Ltd, Rayzher Industrial Co., Ltd. Etc. In addition, we conduct self-assessment of relevant internal control systems and review of operational risk indicators. In 2023, a total of 80 audit reports were submitted and 56 recommendations were made for improvement of deficiencies. There was no major breach of integrity management risk.



## Fixed Internal Audit Procedures



1

Plan

Prepare an annual audit plan based on legal requirements and risk assessment results.



2

Audit

Perform routine audits or project audits in accordance with the annual plan, and submit audit reports with work papers and relevant information on the deficiencies and irregularities identified.



3

Report and  
Tracking

- Audit results are reported to the Independent Directors on a monthly basis, and weaknesses and irregularities are tracked quarterly until improvement is made.
- The head auditor communicates with the independent directors on a regular basis.
- The head auditor attends the meetings of the Audit Committee and the Board of Directors for reporting purposes.



4

Declaration

The results of Control Self-Assessment of each unit and subsidiary are reviewed and summarised to serve as the basis for the Board of Directors to assess the effectiveness of the overall internal control system and to produce Internal Control System Statements.

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## Business Performance

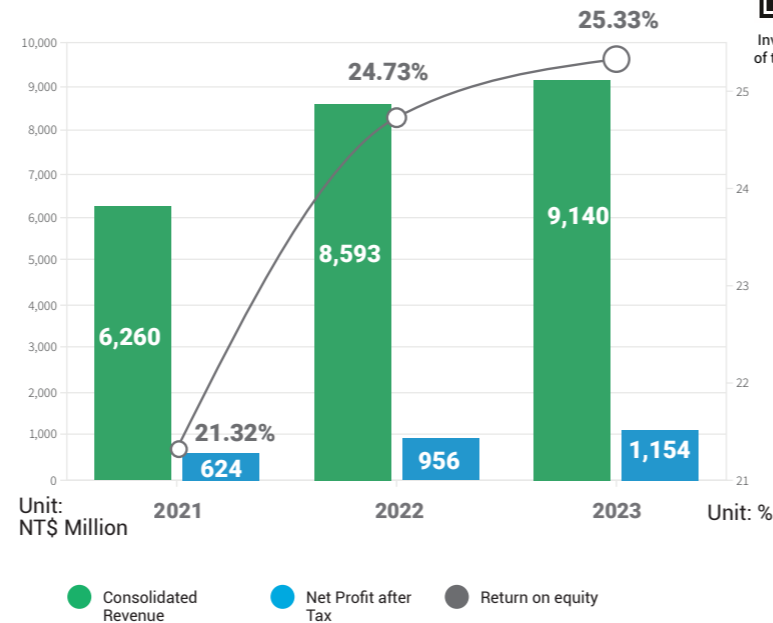
Novatech is accountable to its stakeholders through good operating performance, which serves as the basis for sustainable business operations and enables the company to invest more resources in optimising corporate governance, enhancing environmental protection and promoting social participation in the future. In view of this, Novatech has formulated relevant systems and held annual management review meetings to review and improve the company's operations and financial performance, as well as to implement various management tracking indicators.

## Performance

Benefiting from the robust development of the semiconductor industry and aggressive plant expansion, Novatech's consolidated operating revenue for 2023 reached NT\$9,140 million, representing a growth of approximately 6.4% compared to 2022 and the highest in the last three years. On the profit side, Novatech's net income after tax in 2023 was NT\$1,154 million, an increase of 20.7% from 2022 and the highest in the last three years. The economic value generated and distributed by the Organization in 2023 is shown below. For more information on operating performance, please refer to the investor section of the Company's website.



Investor Section  
of the Company's  
website



	2021	2022	2023
Consolidated Revenue	6,260	8,593	9,140
Operating costs	4,871	6,671	6,815
Operating Net Income	845	1,183	1,477
Net income after tax	624	956	1,154
Employee Compensation and Benefits	723	987	1,154
Current account with the government	223	331	415
Return on assets	9.97%	10.14%	10.89%
Return on Equity	21.32%	24.73%	25.33%
Net Profit Margin	9.97%	11.12%	12.62%
Earnings per share <sup>Note 1</sup>	8.37	11.74	14.95
Income before tax as a percentage of paid-in capital <sup>Note 2</sup>	32.46%	43.74%	39.91%
Cash dividend payout ratio	6 (71.68%)	8.5 (72.4%)	10.43(69.77%)

Unit: Million NTD

Note 1: This Company completed the change of stock par value to NT\$5 per share in August 2022, which was retrospectively adjusted for the purpose of calculating earnings per share. Earnings per share

Note 2: The nominal value of this Company's shares is not NT\$10.00 per share. The calculation of the ratio of paid-in capital is based on the ratio of equity attributable to owners of the parent company in the balance sheet.

Note 3: Cash dividends are denominated in New Taiwan dollars.

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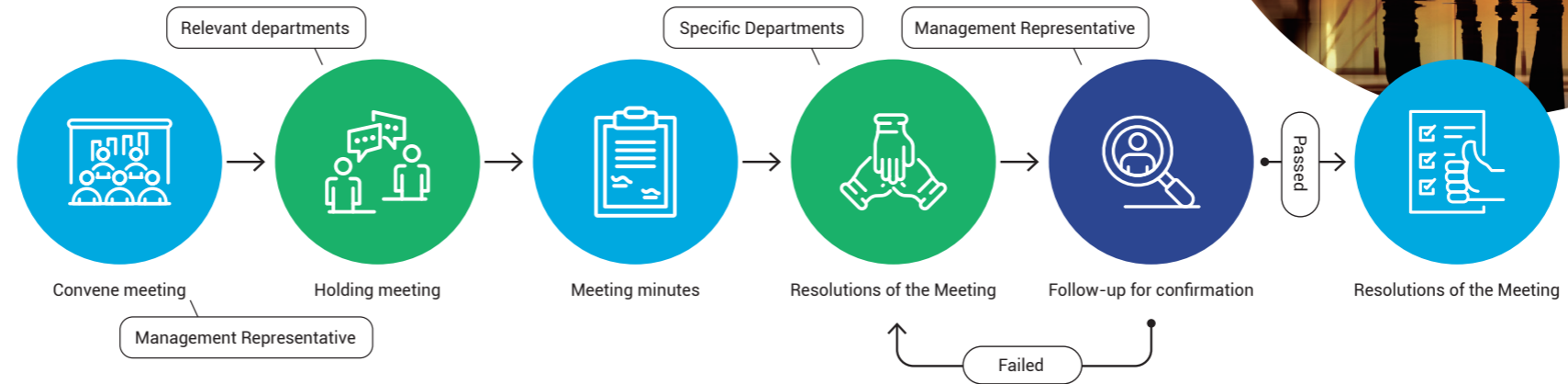
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## Management Review Meeting

Novatech has established the "Management Review Procedure" to regulate and track the achievement of management system objectives and to provide preventive and improvement alerts during the operation of the company. To ensure the continued relevance, accuracy and timeliness of the management system, management review meetings will be held periodically to review and improve the company's operations and achievement of performance indicators. The scope of the meeting covers the company's management system and procedures and the incorporation of risk management measures. Senior executives lead the top managers of each unit to conduct business reviews. In addition to assigning the responsible units to make improvements in accordance with the resolutions of the meeting, the General Manager and the assigned personnel will receive formal written or real-time email reports for the purpose of executing the business, which aims to ensure that the resolutions will receive immediate and effective suggestions for improvement and the resources required to achieve the company's performance targets successfully.



## Process of Management Review Meeting



## 2-2 Ethics and Integrity in Management

To create a sustainable business environment, Novatech adopts the principle of "Integrity" as its management principle to safeguard the company's ethical values and reputation, and to guide its internal staff to behave in accordance with ethical standards. For important internal behaviors, Novatech has formulated relevant regulations and a communication mechanism for its employees to follow, in order to implement the company's business philosophy of "Service, Integrity, Professionalism, and Win-Win".



### Ethics and Integrity in Management Management Approach

#### Significance and Value to the Company

Novatech follows various codes of conduct and ethical standards to establish a corporate culture of integrity and good business practices in a responsible manner, to implement the business philosophy of honesty and simplicity, and to put into practice the foundation of the company's sustainable operation.

#### Actual and Potential, Negative and Positive Impacts

##### + Positive:

To avoid the occurrence of corruption in the company and to enhance the corporate reputation, the company provides education and training on ethics, and compliance, communication, and training on anti-corruption policies and procedures in accordance with the Ethical Corporate Management Best Practice Principles, to ensure that the company's employees are able to comply with business ethics and the expectations of society.

##### - Negative :

The Company has not established an integrity management system. If any negative incident occurs, it will cause damage to the corporate image and even expose the Company to litigation, which in turn will lead to market failure and substantial investor losses.

#### Action Plans

- Promotes relevant regulations and policies through all-employee meeting and introduces an online course system, adding courses on integrity management and Ethical Conduct Principles to the required list of employee training.
- Provide information on prevention of insider trading and related laws and regulations to directors and executives at least once a year; Regularly emphasize that trading in company stock during closed periods before financial report releases is strictly prohibited.
- The Company requires directors and executives to issue a statement of compliance with the Integrity Management Policy and shall require employees to comply with the integrity management policy as a condition of employment.
- The Company has established a mechanism for evaluating the risk of dishonest behaviour and a reporting system.
- During the bidding process for construction projects, we collaborate with clients using methods such as online bidding, open tendering, and selective bidding. We adhere to principles of transparency, fairness, and honesty, participating in bidding activities in accordance with the law, regulations, and bidding requirements. We sign commitments related to ethical business operations in our bid documents and firmly oppose any form of bribery and unfair competitive practices, upholding a commitment to legal and ethical business conduct.

#### Policies/Commitment

- Code of Business Ethics
- Principles of Ethical Behaviors
- Procedures and Behavioral Guidelines for Ethical Management
- Code of Practice on Corporate Governance

#### Management Strategies

- "Integrity" is the Company's operating principle. In order to safeguard the Company's ethical values and reputation, and to guide its internal staff to behave in an ethical manner, the Company has formulated important internal codes of conduct, relevant regulations and communication mechanisms for its staff to follow.

#### Grievance Mechanisms

Internal Whistleblower System

#### Stakeholders / Contact Channels

Integrity Operations Contact: General Manager's Office, Audit Office  
Communication Methods: E-mail, Telephone, interview

Audit@novatech.com.tw  
03-6676868

• This major theme or topic has not generated activities or business relationships that could have a negative impact this year.

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## Integrity Management Policy

In order to establish a corporate culture of honesty and integrity in business operations and for the sound development of the Company, the Board of Directors of Novatech has adopted and formulated the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct" and "Ethical Conduct Principles" with the objective of implementing the business philosophy of honesty and simplicity through the adoption of policies to regulate the sense of ethics and responsibility of the Company's employees in the conduct of business operations. All employees of the Company are expected to conduct their business activities with high ethical and moral standards and ensure that the Company effectively complies with domestic and foreign regulations such as the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and Codes of Ethical Conduct for TWSE/TPEX Listed Companies, United Nations Universal Declaration of Human Rights, Global Covenants, International Labour Organization Conventions, etc.

This Company is committed to upholding the common values of business conduct, promoting corporate governance with high ethical standards, requiring all employees and suppliers to comply with the law, the Code of Integrity, protecting intellectual property rights, and preventing improper transfers of benefits to the detriment of the interests of the Company, its customers and suppliers. Our integrity management is mainly reflected in the following four behaviours:



Ethical Corporate Management Best Practice Principles



Ethical Conduct Principles



Procedures for Ethical Management and Guidelines for Conduct

### Accurate Communication in Transactions

In the process of engaging in business conduct, the Company's personnel shall explain the Company's integrity management policy to the trading partners, incorporate compliance with the Company's integrity management policy into the terms of the contract, and explicitly refuse to directly or indirectly provide, promise, request or accept any form or name of improper benefits.



### Fair Competition

This Company obtains business in good faith and in a lawful manner, providing quality products and services in compliance with all applicable antitrust and competition laws. This Company does not use unfair or deceptive practices and prohibits any form of bribery to gain an advantage in business.



## The Four Directions of Integrity in Business

### Selection of Business Partners

Novatech establishes supplier management systems and protocols and selects suppliers who share common values to work with in order to build strategic partnerships that create sustainability and win-win situations. Novatech conducts business with all parties in compliance with the law and ensures that our extended supply chain does not include infringement of human rights, harm to the environment, unethical sourcing of materials, or engaging in illegal practices.



### Staff Education and Training

The responsible units within the company should organize an internal propaganda annually, arranging for the chairman, general manager, or executives to communicate the importance of integrity to the directors, employees and appointees. In addition, new employees should be required to read the Company's Integrity Policy and related information and sign a consent form as a sign of responsibility.



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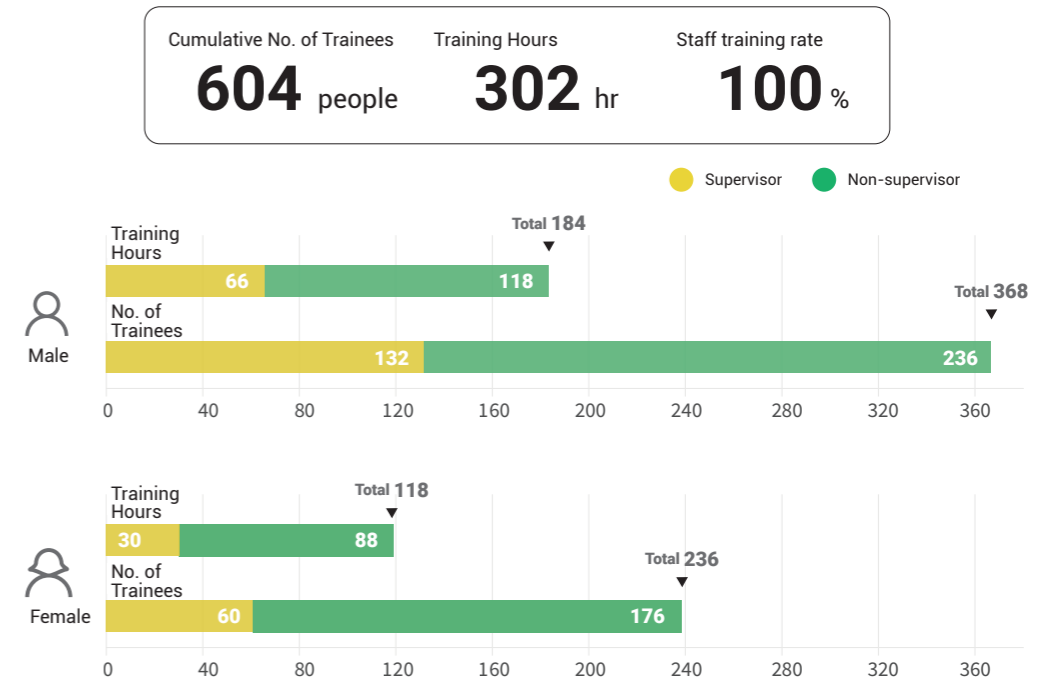
## Integrity in Business Practices

In order to ensure that the Company's philosophy of integrity management is implemented, the Company adopts a multi-pronged approach in four major areas, including organization and responsibility, internal control, education training and evaluation, and supplier commitment:

<p><b>Organization and Responsibility</b></p>	<ul style="list-style-type: none"> <li>The Company requires its directors and executives issue a statement of compliance with the integrity management policy, and requires its employees to comply with the integrity management policy in their terms of employment. The signing rate of the aforementioned declaration is 100%.</li> <li>Supervisors at the division level and above are required to sign a "Statement of No Violation of Ethical Principles", and the signing rate is 100%.</li> <li>For the purpose of integrity management, the Company has established a dedicated unit and appropriate personnel under the Board of Directors to formulate, supervise and implement integrity management policies and preventive programmes, and to report to the Board of Directors on a regular basis (at least once a year).</li> </ul>
<p><b>Internal Controls and Due Diligence</b></p>	<ul style="list-style-type: none"> <li>The Company has established a mechanism for evaluating the risk of dishonest acts and regularly analyses and evaluates business activities within the scope of business that pose a higher risk of dishonest acts.</li> <li>The internal audit unit shall, based on the results of the risk assessment of dishonesty, prepare an audit plan that includes the targets, scope, items, and frequency of audits, etc. Based on this plan, the internal audit unit shall conduct regular audits of the compliance with the prevention plan and the preceding system, and prepare an audit report to be submitted to the board of directors, and it may also appoint a certified public accountant to carry out the audits.</li> </ul>
<p><b>Education Training and Evaluation</b></p>	<ul style="list-style-type: none"> <li>Regular education and training is provided to directors, managers, employees, appointees, and those under substantive control.</li> <li>Integrity management policy and employee performance review, as well as human resources policy, are integrated to establish a clear and effective system of rewards and penalties.</li> </ul>
<p><b>Supplier Commitment</b></p>	<ul style="list-style-type: none"> <li>Novatech's qualified suppliers are required to sign Novatech's "Agreement of Subcontractor Commitment". The Pledge explicitly prohibits Novatech's qualified third party from making improper gifts, invitations, entertainment, or giving bribes, kickbacks, commissions, or other improper benefits to this Company's employees in connection with its business dealings for the purpose of effecting the transaction. Please refer to "3-2 Sustainable Supply Chain Management and Responsible Purchasing" for the performance of the third party commitment.</li> </ul>

## Integrity Management Education and Training

The General Manager has personally promoted integrity management at the Board of Directors' meetings and at all-employee meetings, demonstrating the Company's determination to implement integrity management. The percentage of employees and governance unit members who have been educated on the policies and procedures related to integrity management is 100%. Relevant documents are posted on the Company's internal system for immediate viewing and reading by employees. The Company has also organized a number of campaigns on ethical management to explain appropriate behaviours and practices, and has included courses on ethical management in the mandatory curriculum for employees, in order to achieve the goal of promoting the participation of all employees in ethical management. In 2023, a total of four online training sessions were conducted on the handling of material internal information and prevention of insider trading, the Code of Conduct for Business Ethics, the Guidelines for Business Ethics and Conduct, and the Code of Ethical Conduct. A total of 604 trainees were trained, and the total number of training hours was 302 hours, with a training rate of 100%.



## 2-3 Compliance with Laws and Regulations

Novatech complies with the laws and regulations of the competent authorities and establishes a mechanism for reviewing the company's laws and regulations on a regular basis, so that amendments to the company's laws and regulations can be in line with the latest trends in international laws and regulations, and that there will not be any significant impact on the company's operations as a result of failing to respond to changes in laws and regulations in a timely manner. This promotes the growth of the Company's operations while fulfilling its commitment to environmental and social protection. In accordance with the regulations of Taipei Exchange's procedures for the verification and public handling of material information of companies whose securities are listed on the Taiwan Stock Exchange, with respect to the definition of material penalty for this Company, the following is the definition of material information: events that have caused significant damage or impact to the Company, or have been ordered by the relevant authorities to stop work, suspend business, cease operation, revoke or rescind pollution-related permits, or have resulted in fines of NT\$1,000,000 or more in a single event. In 2023, there were no major fines and penalties affecting the Company's operation and no violation of social and economic laws and regulations.



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### Compliance Management Approach

#### Significance and Value to the Company

Novatech is committed to ensuring that its directors and managers conduct their business in accordance with government regulations by establishing a code of conduct for the company's business operations.

#### Actual and Potential, Negative and Positive Impacts

##### + Positive:

Novatech complies with domestic and international laws and regulations to maintain a positive corporate image, stabilise market order, and protect the natural environment and the rights of stakeholders.

##### - Negative :

In the event of a violation of the law, we may be subject to fines and penalties. In severe cases, this may result in the inability to conduct sales in the region, which may damage the corporate image and affect the operation of the company.

#### Management Strategies

- The Company has established a mechanism for periodic review of laws and regulations and other requirements to prevent the Company from engaging in non-compliant behaviour and to ensure compliance with the requirements of new laws and regulations.

#### Policies/Commitment

Principles of Ethical Behaviors

#### Action Plans

- The Company regularly reviews violations of laws and regulations. If there is any violation, it will be reported to the Board of Directors or shareholders' meeting and disciplinary actions will be taken.
- The Company has established a reporting system, which includes procedures for reporting and a mechanism for protecting and incentivising whistle-blowers.
- Employees who violate the integrity management system shall be punished in accordance with the "Employee Reward and Punishment System".

#### Grievance Mechanisms

Violations conducted by employees of different levels will have different corresponding report channels.

\* This major theme or topic has not generated activities or business relationships that could have a negative impact this year.

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## Mechanisms and Channels for Reporting Violations of Laws and Regulations and Anti-corruption Activities

In addition to the formal legal regulations and review mechanism, Novatech also encourages employees to take the initiative to report illegal or unethical behaviours. This Company has set up a "Reporting System", which covers violations of company policies, any behaviour that damages the company's rights and interests or threatens to do so, such as fraud, misappropriation of company assets, and receipt of improper benefits, etc. The Company has also set up a protection mechanism for whistleblowers. At the same time, this Company has set up a protection mechanism and an incentive mechanism for the whistleblower, which promises to protect the whistleblower from dismissal, demotion, reduction of salary, prejudice to the whistleblower's rights and interests under law, contract or custom or other unfavourable punishment because of the whistleblower's report case. Under the incentive mechanism, the unit in charge will discuss the size of the substantiated case and immediately grant a reward of NT\$6,000 or more to the informant without separate credit or public announcement, in order to protect the informant and encourage colleagues to be courageous in making reports. The Company will punish those who violate integrity management in accordance with the relevant regulations. In order to maintain objectivity and fairness, if the person being punished disagrees with the unit's decision and can prove it, the Company also provides a channel for the complainant to submit the relevant information to the appropriate personnel, the board of directors, or the shareholders' meeting for discussion and final resolution.

This Company has set up an open mailbox for reporting violations of integrity management and an internal employee suggestion box for employees to put forward suggestions related to integrity management. Adequate internal and external communication channels are in place to ensure that internal and external stakeholders are able to effectively provide advice and make complaints. In 2023, Novatech did not receive any reports of bribery, corruption or anti-competitive behaviour, and therefore there were no legal proceedings and loss expenses incurred.

Subject	Reporting Mechanism	Reporting Channel	Receiving Unit
Internal and external stakeholders	Reporting mailbox for violations of integrity management	Audit@novatech.com.tw 03-6676868	General Manager Audit Office
Employees	Employee Suggestion Box	Employee_opinion@novatech.com.tw	President

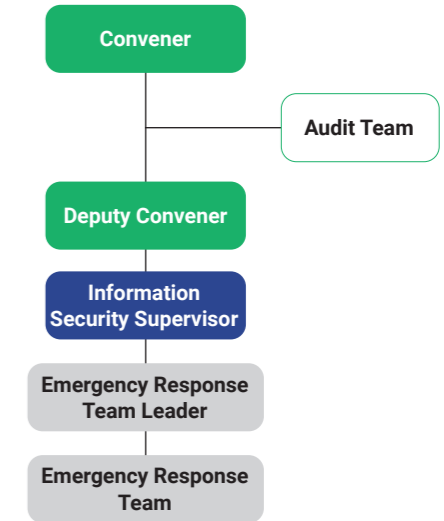


## 2-4 Information Security Management

### Information Security Authority and Information Security Policy

To strengthen information security management measures and comply with the requirements of the FSC's "Guidelines for the Establishment of an Internal Control System for Public Companies", Novatech set up an information security organization in 2023, with the General Manager as the convener and the Support Center Associate as the vice-convener, to be responsible for the convening and supervising of the information security organization. The Head of the Information Security Management Department is responsible for information security management. There is also an Emergency Response Team to respond to information security related incidents, and an Audit Team for organizational supervision and auditing. Novatech's information security department, the Information Security Management Department, has an information security supervisor and information security specialists. They are responsible for planning and formulating "Information Security Policy" and "Information Security Management Methods", implementing and promoting management methods with reference to ISO 27001 and CNS 27001 information security management system standards, implementing and tracking reviews, and making immediate and regular improvements to ensure that the policy and management methods are implemented. The results of the implementation are regularly reported to the company's senior management meeting to reduce operational risks.

To protect the confidentiality, integrity, usability, and legality of the Company's information, and to prevent misuse, leakage, modification, destruction, and disappearance of information and information assets due to human negligence, intentional damage, or natural disasters, which may affect Novatech's operations and result in damage to the Company's rights and interests, the Information Security Department conducts information security inspections on a regular basis, and submits the inspection reports to the supervisors in charge of the inspection for review. In addition, the Information Security Management Department will report, track, and review the improvement status of the findings and issues raised in the inspections, in order to confirm that the relevant internal and external personnel and units have followed the Company's information security policies and information security management methods.



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### Key Initiatives in Information Security Management

Novatech implements information security related key measures on a daily basis to ensure that information security management is thoroughly implemented in all aspects of information management. The following are our key information security management measures:



**Enhance employee awareness of information security**

Novatech provides information security education to employees from time to time to assist them in responding to information security threats and preventing them from falling into the trap of information security threats.

**Reduce network attacks and virus threats**

Novatech establishes network firewalls and multi-level defence and detection systems, and installs anti-virus software on terminal computers for unified monitoring and protection to reduce network threat intrusion and fully grasp the status of information security.

**Ensure uninterrupted information services**

For critical operational services and data, Novatech operates local and off-site backup and recovery drills through cloud backup and disaster recovery solutions. In the event of an unavoidable information service outage that results in the destruction or interruption of the main operating system or database, Novatech conducts multiple recovery drills to ensure that the expected information system recovery time is met.

**Protect confidential business documents**

Novatech adopts file encryption to manage customer confidentiality agreements, personal information protection, and business core confidential documents to implement security management regulations, protect the company's competitive edge, and prevent easy access to documents.

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## Customer Information Management Process



## Information Security Checkups

To understand the company's weaknesses in information security and prevent information security incidents, Novatech has commissioned a third party to perform information security health checks. Please refer to the table below for the items and results of the health check in 2023:

Health Check Items	Test results	Risk Description	Measures
Network Malicious Activities	No abnormalities		
Client PC Malicious Activities			
User-Side Computer Updates	17 computers were detected to be not fully updated, all updates were completed within one month. →	Information Security Vulnerabilities Caused by Computers Using Older Software Versions	Set up an update server to provide continuous update service to each computer.
Server host malware or file detection	No abnormalities		
Server host updates	Detected 3 server hosts not fully updated. Migrated 1 server to the cloud and the other 2 to the core database of the information system. Upgrade plan has been planned with the dedicated system vendor and is expected to be completed in 2024. →	Information security vulnerability caused by the use of legacy software on the server	1. Set up an update service host to provide update service for each computer on an ongoing basis 2. Update the core database of the information system. The upgrade program has been planned with the dedicated system vendor and is expected to be completed in 2024.
Firewall Connection Settings	Detected 95 firewall rules that can be optimised and all optimisations have been completed in January 2024 →	Firewall rules are not set up in the most stringent way, resulting in information security vulnerabilities.	Adjust the firewall rules to the most stringent level and repeatedly test to verify that they do not affect the information services.

We have made improvements to the above health checks and analysed the causes of the anomalies to further implement preventive measures in order to reduce the chance of information security incidents from the source.

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## Information Security Drills and Trainings

Novatech promotes information security awareness to employees from time to time through information security drills and educational training. We assist employees in responding to threatening information security information to prevent them from falling into information security threats and traps.

### Information Security Drills in 2023

Exercise Items	Number of Exercises in the Year	Exercise Items
Social Engineering Drills	1 time	The proportion of officers being phished is 10.5%.
<b>Improvement Measures for High-Risk Personnel</b>		
Arranged an online course on information security awareness and required every staff member to complete the course to achieve the goal of having information security awareness.		

Exercise Items	Number of Exercises in the Year	Exercise Items
No. of drills on critical IT service continuity	1 time	No abnormalities

Course Hours  
**30 minutes**

No. of participants  
**172**

**Education and training on information security in 2023**

Training Courses  
**Education and training on information security awareness**

Training Objectives  
**Implementation of information security awareness among employees**

Training subject  
**All employees**

## Information Security Audits

Novatech has been implementing internal audits on information security for the purpose of continuous improvement. The results of the internal audits on information security for the last two years (2023 & 2022) are shown in the table below.



**2022 Internal Security Audit**

**Audit result**

There is no relevant operation procedure for computer scrapping. There is no supporting evidence for the details of computer scrapping approved by the supervisor of the Information Department.

**Improvement Measures**

Add a new "data destruction operation record form" and add a new reporting procedure in the information management system.

**2023 Internal Security Audit**

**Audit Result**

According to the "Computerised Information System Operation", when entering the computer room, it is necessary to fill in the computer room entry and exit record form. After the approval of the head of the information department, the information staff will accompany you to enter the room. It is recommended that the form be modified to include a field for the supervisor's approval and the signature of the accompanying person.

**Improvement Measures for Deficiencies**

Modify the "Computer Room Entry and Exit Record Form" to include a column for supervisor's approval and the signature of the accompanying personnel.

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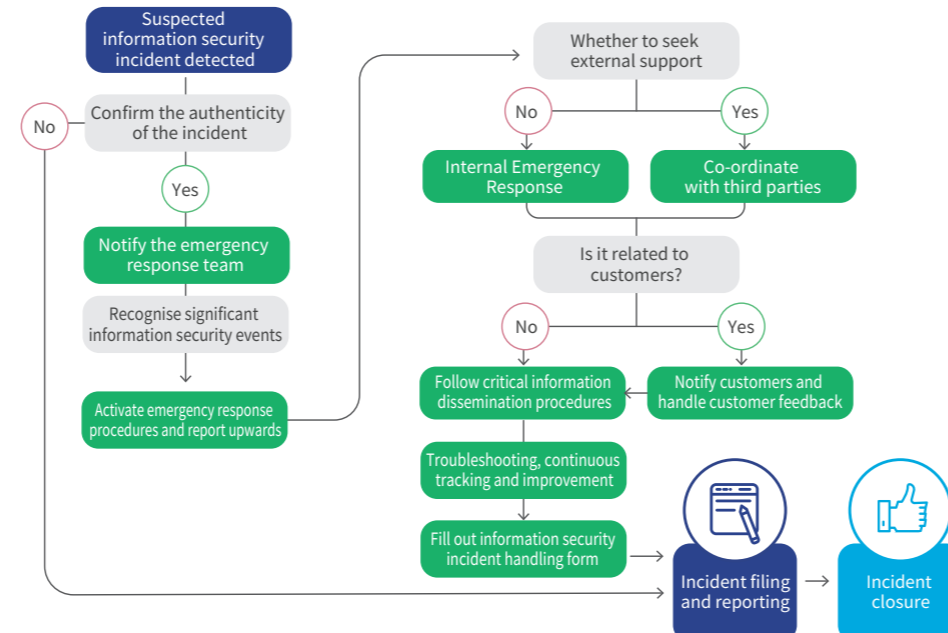
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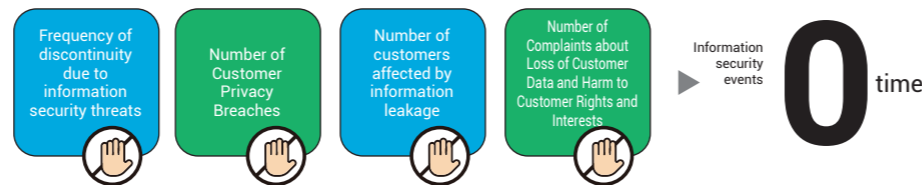
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## Information Security Incident Handling

In the event of an information security incident, Novatech will activate the following information security incident handling process, where the Emergency Response Team will assist in executing the emergency response to the information security incident.



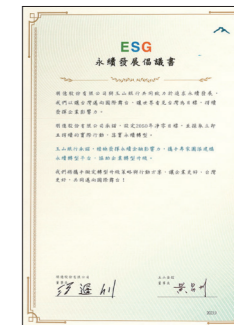
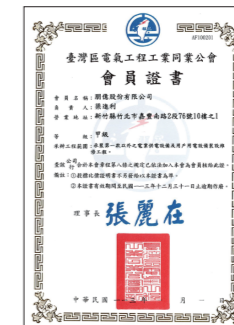
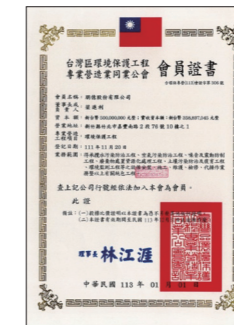
With strict information security measures in place, Novatech has no information security related incidents in 2023.



## 2-5 Association Participation

In addition to focusing on its own business, Novatech also actively participates in trade associations in order to expand its social impact with its peers. In 2023, Novatech has continued to participate in the Taiwan Environmental Engineering Association. With the help of the association's technical service centre, environmental and legal professionals and lawyers, Novatech has been able to strengthen its environmental expertise and improve the quality of life in the environment. In addition, Novatech also participates in the Taiwan Electrical Contractors Association and Taiwan High-Tech Facility Association. Through the participation of these associations, Novatech is able to maintain the exchange of technology, future outlook, and business opportunities between Novatech and the related industries so as to provide better products and services to the society.

In view of the fact that climate change has become a core concern for global sustainability and requires corporate advocacy and participation, by joining the ESG Sustainability Initiative initiated by E. Sun Bank from 2022, Novatech has committed itself to taking action on climate change, controlling greenhouse gas emissions and conserving energy, and working with like-minded partners upstream and downstream along the value chain towards the goal of net-zero emissions by 2050.



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# 3 Constructing Sustainability Value: Green Engineering

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## Recognized by a number of customers

Awarded 2023 Micron Technology Outstanding EHS Award and EHS Management Contractor of the Year  
 Awarded the 2023 A.S.E. Holding Limited Safety & Health Family Trophy  
 Awarded 2023 Contractor of the Year - Outstanding Contractor Award for (Xiamen) United Semi

## Proportion of local sourcing in Taiwan 98.09 %

In 2023, Novatech's local sourcing rate from Taiwanese manufacturers (Note) reached 98.09%, an increase of 8.06% from last year.

## Reduces 101.17 tonnes of CO<sub>2</sub>e

In 2023, Novatech established an automated acid change system for its customers, which not only reduces the risk of manual acid change, but also reduces the use of chemical drums and transportation, and reduces the customer's CO<sub>2</sub>e emissions by 101.17 tonnes per year.

## 21 patented technologies

In 2023, Novatech and its subsidiaries obtained a total of 21 patents, the most in the past three years.

## 16 Hour Sustainable Supply Chain Campaign

In 2023, Novatech organized a 16-hour sustainable supply chain awareness campaign with 15 people.

## Customer satisfaction: 93.8%

The average customer satisfaction score for 2023 is 93.80%, an increase of 1.94% over last year.

## 80% of Suppliers Signed Commitments

By 2023, 80% of the top 60 suppliers signed third party pledges, an increase of 12% over last year.

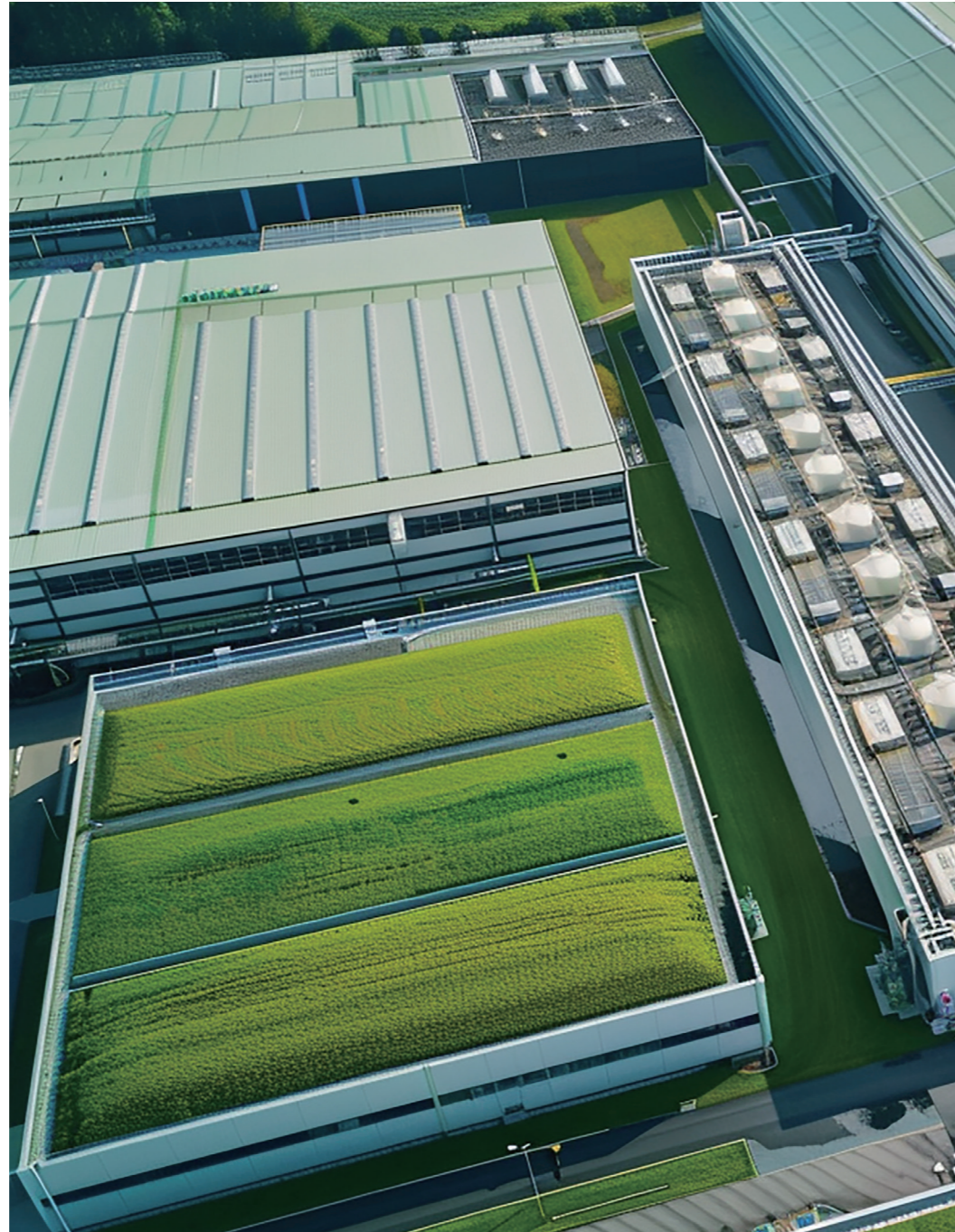
## Saves about 5,500 W

In 2023, Novatech assisted customers in replacing their lighting systems with DC fluorescent (5W) energy-saving lamps, which saved about 5,500 W of energy and reduce greenhouse gas emissions from the machine.

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## 3-1 Sustainability Engineering and Services

In recent years, the global industry has been facing rapid changes in the external environment, and climate change and environmental pollution have increased dramatically, resulting in an increasing shortage of resources and seriously threatening the sustainable survival of the planet. Novatech actively deploys green projects, invests in the development of technology for a circular economy, and includes product innovation as one of our major themes. In 2023, Novatech actively cooperated with external Organizations to enhance the recycling of waste liquid and waste gas, and the efficiency was improved compared to 2022.

Novatech's representative projects include: high-efficiency thin-film oil and gas recycling equipment, aluminium etchant recycling technology, chemical waste recycling equipment, as well as high-cleanliness chemical supply and packaging systems, all of which provide customers with high-quality environmental pollution prevention technology and reduce the impact of customers' operations on the environment.

Novatech adheres to the concept of sustainable management, and continues to use innovative methods and rich practical experience to develop innovative products that meet environmental safety and high quality, and to provide customers with energy-saving, carbon reduction, resource recycling engineering services, as well as contributing to the sustainable development of the enterprise. In the future, Novatech will continue to refine and cultivate its engineering technology in the field of circular economy, and we hope to become the best assistant for our customers to move towards high-efficiency, non-toxicity, and zero-waste processes through purer and more environmentally friendly engineering technology.

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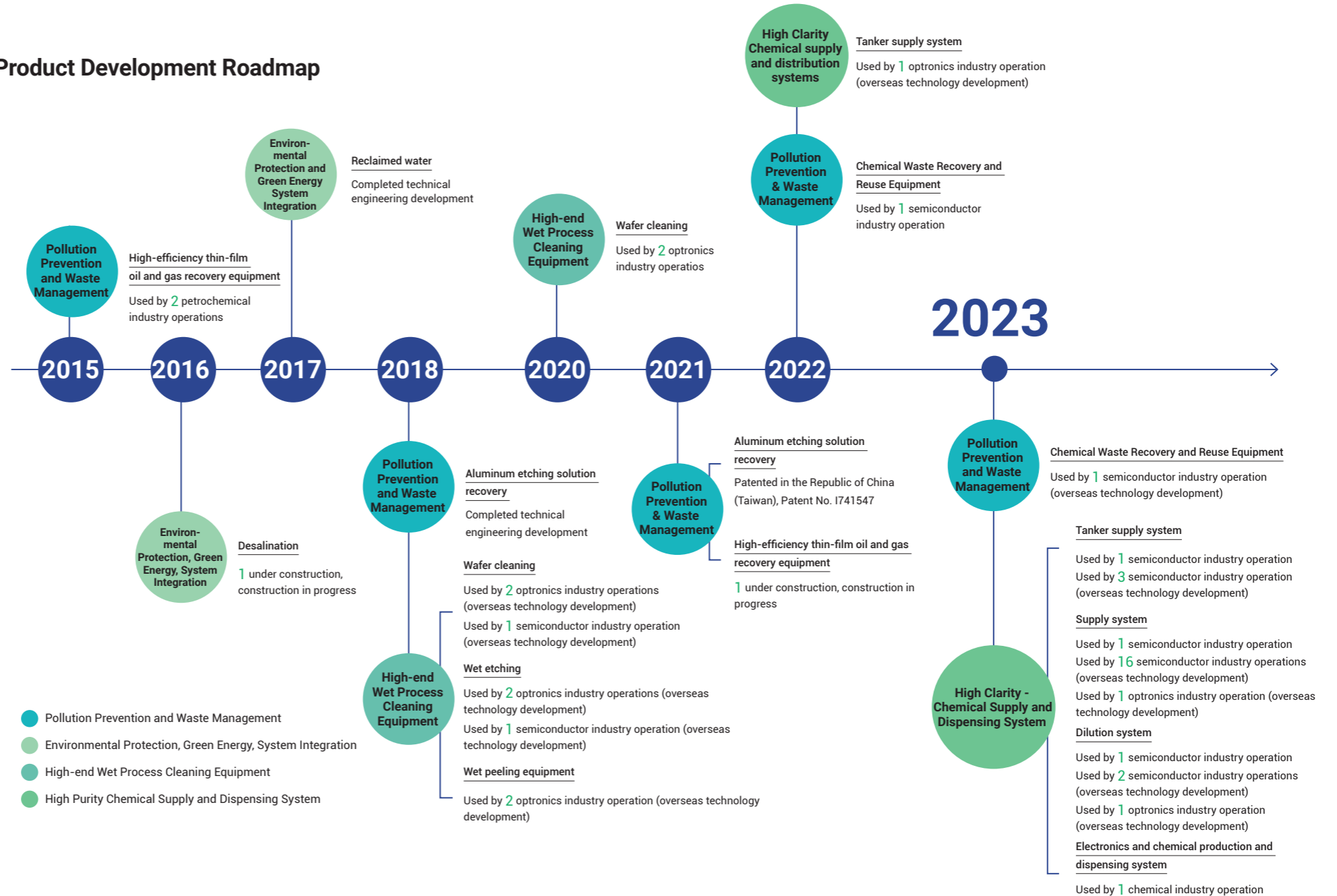
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Product Development Roadmap



- Pollution Prevention and Waste Management
- Environmental Protection, Green Energy, System Integration
- High-end Wet Process Cleaning Equipment
- High Purity Chemical Supply and Dispensing System

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Sustainable Products and Innovation 

Significance and Value to the Company

Based on its social corporate responsibility, Novatech develops environmentally friendly recycling and reuse commodities and services through continuous improvement in research and development, providing customers with energy-saving, carbon-reducing and resource-recycling engineering services, and thus opening up new markets.

Actual and Potential, Negative and Positive Impacts

**+** **Positive:** Novatech's sustainable products and services include green product design, waste gas treatment, etc., aiming to meet the trend of environmental protection and energy saving to satisfy customers' needs and reduce the impact on the environment.

**-** **Negative:** Novatech's failure to meet product environmental and energy conservation requirements and market trends impacted customer orders.

Management Strategies

- Novatech has set up a green energy project department to provide product design and services to meet emerging needs.
- Novatech established new project procedures and practices to address market changes and needs.

Policies/Commitment

Engineering Management Process and Procedures for Handling Customer Complaints.




Action Plans

- R&D Resources works with developers on forward-looking technology product development to maintain momentum.
- R&D Resources works with developers on process optimisation projects.




Customer satisfaction survey and project meeting

Company Website: <https://www.novatech.com.tw>



1.Stakeholders / Contact Channels

 Mr. Kuo Li-Yi  [Evan\\_Kuo@novatech.com.tw](mailto:Evan_Kuo@novatech.com.tw)  03-6676868 ext 2312  
 Means of Communication: E-mail, Regular Meetings, and Customer Satisfaction Surveys

2.Business Contact Window / Gas Supply System

 Mr. Huang  [jerry\\_huang@novatech.com.tw](mailto:jerry_huang@novatech.com.tw)  03-6676868 ext.1201

3.EPC Production Turnkey Services

 Mr. Huang  [andy\\_huang@novatech.com.tw](mailto:andy_huang@novatech.com.tw)  03-6676868 ext.2302

Grievance Mechanisms

\* This major theme or topic has not generated activities or business relationships that could have a negative impact this year.

Eco-friendly Products/Services



| Process Efficiency and Quality Optimisation |

Extend the system and product stability and service life or improve productivity in the plant.

Water Resource Management Products

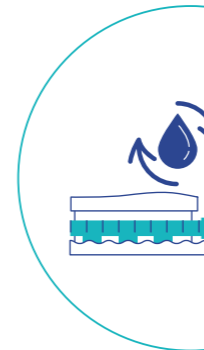
- Desalination
- Pure water system design

Energy Products and Services

- Energy Saving in Electronic Machines
- Process Energy and Water Conservation

Others

- Gas Mixing System
- High Purity Chemical Supply and Dispensing System
- High-end Wet Process Cleaning Equipment
- Wet peeling equipment



| Pollution Prevention and Recycling of Waste Materials |

Novatech worked with customers to maximise the use of waste resources and enhance their ability to properly treat waste and wastewater.

Water Resource Management Products

- Zero wastewater discharge
- Wastewater treatment

Pollution Prevention and Waste Management

- Low-temperature sludge drying
- High-efficiency denitrification system



| High-Value Energy/Resource Recycling |

Novatech provides high value raw material recycling and reuse systems for customer processes, reducing customer costs and protecting the environment.

Water Resource Management Products

- Drainage / Reclaimed Water System

Energy Products and Services

- Energy Saving in Electronic Machines
- Process Energy and Water Conservation

Pollution Prevention and Waste Management

- Aluminium Etchant Recycling Technology
- High Efficiency Thin Film Oil and Gas Recovery Device
- Chemical waste liquid recycling equipment

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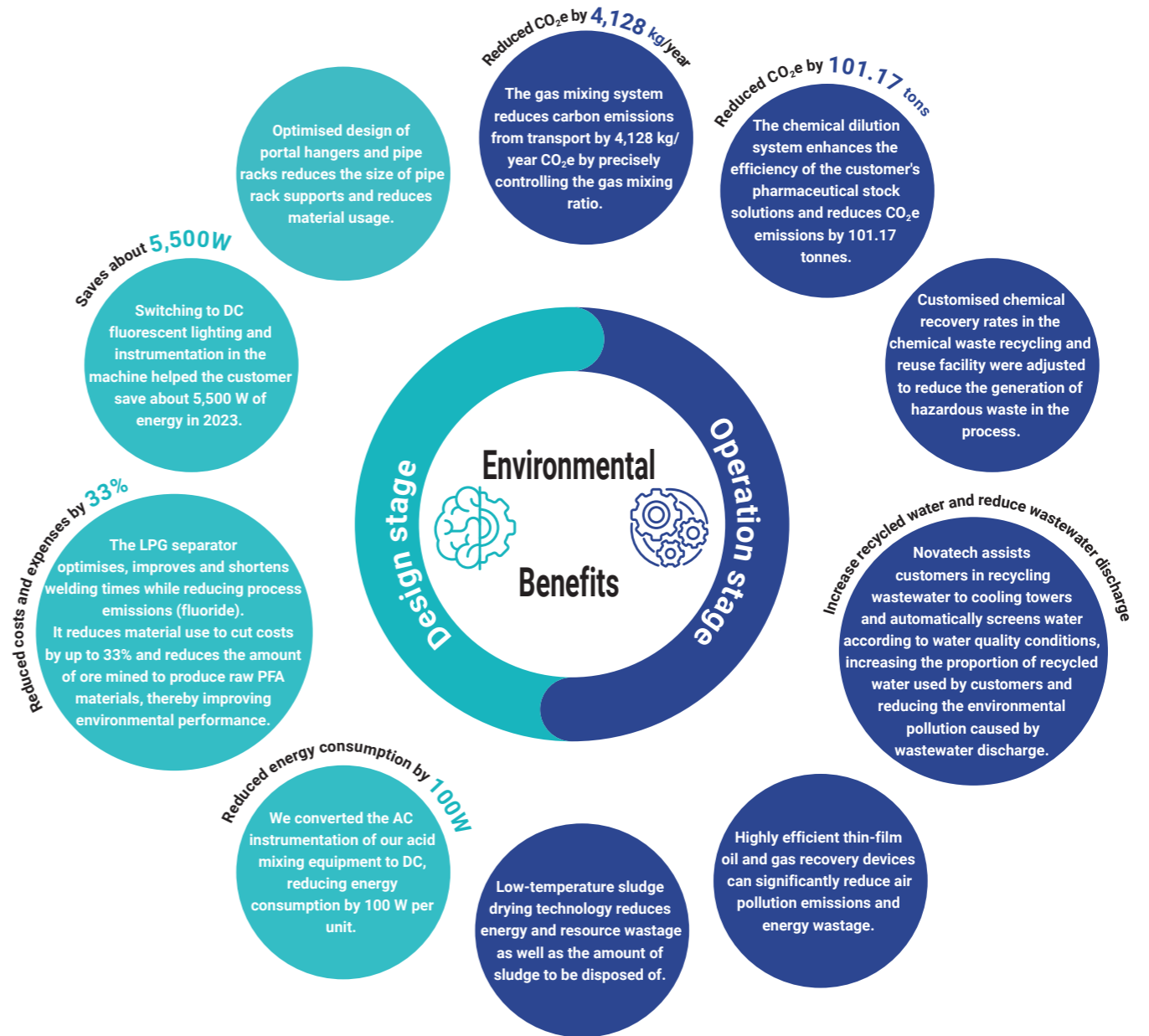
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Novatech is constantly thinking about the balance between economic development and environmental protection. Novatech is committed to the spirit of continuous research and development and innovation in order to continuously improve the efficiency of energy saving and waste reduction. While providing the safest and highest quality engineering services to our clients, Novatech also fulfils our mission of mitigating environmental impacts by meeting our clients' requirements and designing systems with specifications that are above the industry average in order to enhance resource efficiency during the use phase of the system. We believe that the green business cluster is the trend of the future. Therefore, backed by our practical experience, we are applying innovative methods to provide our customers with high-tech process supply systems in different industry sectors that are moving towards the circular economy. We specialise in the semiconductor industry and will move into the cosmetics industry in 2023. In the future, we expect to expand into other industries as well.

In order to enhance the efficiency of energy saving and waste reduction, Novatech has studied the details of each system optimisation, divided the system into design and operation phases, and considered the environmental benefits that can be enhanced in different phases of different systems, and endeavoured to make the system as perfect as possible.

Novatech's non-energy engineering technologies and systems involved in climate change mitigation include: gas mixing systems, chemical dilution systems, bleed water combined with reclaimed water systems, chemical waste recycling equipment, aluminium etchant recycling technology, etc. In 2023, the total amount of the above construction in progress will be NT\$3,502 million.



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## Process Efficiency and Quality Optimisation

Improving resource efficiency and process optimisation has always been a core focus for us. Novatech's goal is to provide our customers with highly accurate and stable process systems that improve the energy and resource efficiency of their factories and the life of their process systems. In 2023, we have optimised many of our designs to improve performance. For example, we converted the lighting in our machines to energy-efficient fluorescent lamps, which are expected to reduce power consumption by 75 percent. Through years of engineering expertise, Novatech continues to design processes that optimise efficiency and quality for our customers.



### | Gas Mixing System |

Novatech is a gas mixing system that precisely controls the mixing ratio of gas to provide high quality gas that meets the needs of the manufacturing process. It can replace the mixing cylinders used in technology factories, reducing the cost per unit of gas for the customer and the carbon emissions from the transport of gas cylinders. Based on our past experience, our gas mixing system can reduce the carbon emission from transport to 4,128 kg/year CO<sub>2</sub>e, and save about NT\$2.5 million in speciality gas production cost for our customers.

### | DC Daylighting and Instrumentation |

Conventional floor standing machines use AC fluorescent lamps (15W), which are more energy consuming. In order to help customers save energy and reduce carbon emissions, Novatech has changed the lighting system in the machine to use DC fluorescent lamps (5W), which not only reduces power consumption, but also increases the lifespan of the machine. In addition, the Acid Mixer also converted the original design of the AC instrumentation to DC without changing the functionality of the machine, reducing the energy consumption by 100W per machine. In 2023, Novatech helped the customer save approximately 5,500 W of energy. Novatech is working with customers to reduce greenhouse gas emissions from their machines and reduce their waste production.



### | Optimised Design of Door Hanger and Pipe Racking |

Novatech's professional technicians calculate and optimise the load capacity of portal hangers for the areas with the largest number of pipes on site in the customer's factory according to the pipe construction guidelines. The goal is to reduce the size of the pipe supports and the use of materials without compromising functionality and safety. Fast material delivery not only shortens the construction time, but also optimises the use of space in the customer's factory and saves costs.



### | Liquid Gas Separator Optimisation |

Gases and liquids have different densities, so when a liquid and a gas flow together, the liquid will have a downward velocity due to gravity, while the gas will still flow in the original direction. In other words, liquid and gas have a tendency to separate from each other in the gravity field. The design of this product utilises gravity settling to separate the gas from the liquid, making the process application more stable at the customer end. The LPG separator has been optimised to increase the supply performance of the system for different operating pressures to increase the flow rate by 4%~10% and to reduce the welding time of the fabricator, as well as to reduce the process emissions (fluoride) and the material usage in the process. In addition to reducing costs by up to 33%, it also reduces the amount of ore mined for the production of PFA raw materials, which is environmentally friendly.

### | Chemical Dilution Systems |

Novatech assists customers in establishing safe, automated, and accurate chemical dilution systems to improve the efficiency of their chemical stock solutions and reduce the impact of highly toxic chemicals. For example, processes in the semiconductor industry require the use of highly hazardous chemicals such as developers, hydrofluoric acid, and tetramethylammonium hydroxide. In 2023, we assisted a semiconductor customer to set up a chemical dilution system for P6 HF, which can automatically dilute up to 168,000 litres of chemicals for the customer in one year. In addition to reducing the risk of manpower for acid changeover, it also reduces the use of chemical drums and transport for the customer. In total, 101.17 tonnes of CO<sub>2</sub>e emissions were saved for the customer annually.



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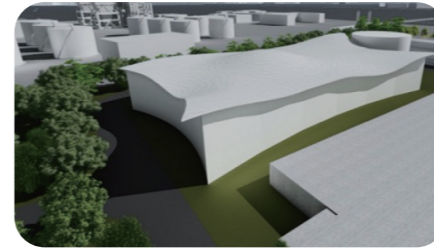
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## Pollution Prevention and Waste Recycling

Pollution prevention, recycling and reuse of waste materials are issues of great concern in recent years. ova Tech aims to achieve circular economy in high-tech processes by utilising its own technologies to reuse waste for its customers and to enhance their ability to properly treat waste and wastewater. Our representative technologies are effluent/reclaimed water systems, high-efficiency thin-film oil and gas recovery devices, low-temperature sludge drying technology and high-efficiency denitrification treatment systems.

### | Drainage / Reclaimed Water System |

Recycling and reuse of wastewater has been a trend in the industry in recent years. In Taiwan, the proportion of dry periods is extremely high, therefore, it is often necessary to deploy agricultural water and reduce the pressure of water supply for people's livelihood in order to maintain the stability of industrial water supply during dry periods. In view of this, and in line with Taiwan's government policy, Novatech actively participates in government water projects and tenders to carry out the treatment and application of reclaimed water in projects, recycling wastewater from wastewater treatment plants and applying the reclaimed water to industrial water use, providing a stable and reliable source of water to the industrial areas and science parks with large water consumption, in order to reduce the amount of mains water used and achieve zero discharge.



According to the recent project results, we have assisted customers to recycle the discharged water to the cooling water tower, and introduced an automatic monitoring system into the system to automatically screen the water according to the water quality conditions. This not only increases the proportion of reclaimed water used by the customer, but also reduces the environmental impact of discharging wastewater.



### | Low-Temperature Sludge Drying |

Conventional sludge drying requires high temperature and high pressure, which consumes a lot of energy and resources. We utilise a special low temperature and low pressure drying method, and the moisture content of the sludge can be set freely according to requirements (e.g. the moisture content can be reduced from 85% to 30%). The daily waste sludge can be treated in a short period of time (10~22 hours), which not only reduces the waste of energy resources, but also reduces the amount of outsourced sludge treatment.

### | Water Reclamation Technologies |

In Taiwan, in recent years, water restrictions and water shortages often occur during the summer months. The semiconductor process requires a large amount of water. In view of the water shortage or drought that may occur in Taiwan due to climate change, Novatech is trying to develop the water recycling technology to treat the high concentration of wastewater from the pure water system to increase the amount of reused water and reduce the waste of water resources.

Novatech's Water Recycling Technology recycles and reuses the high concentration of wastewater after use to reduce water waste and increase the Supplier Recovery Rate. Through multiple stages of water treatment, a large amount of water is recycled to achieve the goal of zero discharge.

Water recycling technology reduces the environmental impact of wastewater discharge and improves water quality to minimise the impact on the environment, allowing time for the water body to regenerate itself and achieve sustainable goals. Novatech's products are designed to help customers meet the water recovery rates and water quality requirements set by government regulations. Recycled water can be used in low-stage cleaning or in cooling and watering systems.



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## High-value Energy/Resource Recycling

High-tech factories have many high-value pharmaceuticals, which can cause significant harm to people and the environment if they are accidentally leaked into the environment. Novatech provides recycling and reuse systems for high-value raw materials in customers' processes through its products and technologies, which reduces customers' costs and fulfils its environmental responsibility. Our representative technologies include: chemical waste recycling and reuse equipment, aluminium etchant recycling technology, and high-efficiency thin-film oil and gas recovery equipment.

### | Chemical Waste Liquid Recycling Equipment |

The high-tech industry and the manufacturing industry use a considerable number of chemical materials in the production process, leaving a large quantity of waste chemicals after production. We have introduced overseas waste liquid recycling technology, which uses special recycling equipment to recycle high unit-price waste liquids into raw materials that can be reused in the original manufacturing process, thus effectively utilising resources and avoiding wastage. Relevant achievements include: assisting customers in the recovery of stripping solutions, process cleaning solvents and tetramethylamine in wastewater. We recycle chemicals by distillation and the different boiling points of the target chemicals. Highly efficient heat exchange is also used in the process to efficiently recover heat and reduce energy consumption. This technology can be customised to adjust the recovery rate of chemicals in the process, and the maximum solvent recovery rate can reach over 90%.

In the manufacturing process of panel factories, the photoresist diluent waste liquid is difficult to be recycled due to its complex solvent and photoresist components. Outsourcing the process is costly and the recycling technology has limited performance. In 2023, Novatech cooperated with the Industrial Technology Research Institute (ITRI) for the second time to add a new SRS recycling system for a well-known photovoltaic panel supplier, which makes use of the distillation heat method and the characteristics of different boiling points of the subject chemicals to recover the used organic solvent stripping solution for the supplier to recycle and reuse directly in the factory. This not only reduces production costs, but also achieves waste reduction and reduces transport risks. At the same time, the effective heat exchange efficiency in this process also recovers heat energy and reduces energy consumption.



The design capacity of the recycling system constructed by both parties is 1,200L/hr, with a recycling rate of over 90%, which simplifies the traditional purification unit and saves energy, overcomes the clogging problem of photoresist, and purifies the solvent to achieve the benefit of carbon reduction, and the total project amount reaches NT\$27 million.



### Focus

### | High-efficiency Thin Film Oil and Gas Recovery Unit | Achieve recycling and improve the air quality in the factory for customers.

Novatech has been working with a leading German equipment manufacturer to develop laminated membrane oil and gas recovery technology, which is designed to increase oil and gas recovery and recycling and significantly reduce air pollutant emissions. The technology separates tank oil from clean air, converts the oil and gas into a liquid that can be recycled into the tank, and purifies the clean air for discharge in a combined system of compression, absorption and selective gas permeation membranes. The system recycles any oil and gas that may escape from the tanks, reduces the proportion of oil and gas that escapes into the atmosphere, and reduces the concentration of VOCs emitted from the tanks with recovery efficiencies of up to 95%. Novatech has been working with an equipment supplier to assist the Ciaotou Oil Supply Centre to complete the installation of a recovery system, which is currently in operation. We are currently preparing to apply the same technology to the petroleum brain storage tanks at the CPC Linyuan plant to recycle the oil and gas that may escape from the tanks and reduce the proportion of oil and gas that escapes into the atmosphere. This technology can reduce the concentration of VOC emissions to less than 300 PPM and has a recovery efficiency of up to 95%, which can significantly reduce air pollution emissions and energy wastage.

Novatech is actively cooperating with overseas manufacturers in technology development and providing pollution prevention equipment and related technologies to domestic enterprises, assisting customers to add environmental protection and recycling economy equipment, and working with customers to achieve sustainable development and transformation of operations. Novatech will continue to improve and mature its technology in the future.



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Patents

Novatech actively invests in the research and development of innovative products. We are constantly enhancing our R&D capabilities and technical strengths, introducing advanced technologies from overseas manufacturers, and collaborating in the R&D of innovative products in order to respond to market needs and to maintain our technological leadership in the field of industrial process expertise. Our achievements are reflected in the number of patents we continue to file and obtain each year. In 2023, Novatech, Rayzher Industrial Co., Ltd. and its China subsidiaries, Winmax Technology Co. Ltd. (Shanghai) and Winmax Technology Co. Ltd. (Suzhou), obtained 18 utility model patents and 3 software copyrights. In total, 21 patents were granted. Novatech has received a number of recognitions from the government and its partners. This is a testament to the fact that Novatech and its subsidiaries on both sides of the Taiwan Strait have the industry-leading R&D and competitive capabilities to quickly design and manufacture customised equipment to meet the needs of a wide range of customers, resulting in a large number of orders from the high-tech industry on both sides of the Taiwan Strait over the years.

No. of Patents obtained in 2023

- Flow Control Switches
- Gas cabinets
- Inspection systems and inspection devices
- Filtering devices and methods thereof
- Filtering device

No. of Patents obtained

5

Winmax Technology Co. Ltd. (Suzhou)

Rayzher Industrial Co., Ltd.

Winmax Technology Co. Ltd. (Shanghai)

No. of Patents obtained

12

- A fully automatic wet process equipment with simultaneous operation of four blossom blues in a single batch.
- Anti-foam and high stability refractometer
- A new type of fully automatic electronic chemical filling line system.
- ITO Oxalic Acid Powder Dust Collector

No. of Patents obtained

4

Novatech's certificates



- 2023 passed the certification of "Specialized and New" SMEs in Shanghai and Jiangsu Province.
- Invited to become a chemical supplier in compliance with the national standard (GB 50781-2012) of the People's Republic of China in 2023. Technical Specification of System Engineering for Reference
- Subsidiary "Winmax Technology Co. Ltd. (Suzhou)" was recognised as a National High-Tech Enterprise in China in 2023.
- Recognised as a "Small and Medium-sized Enterprise in Science and Technology" in 2023.

## 3-2 Sustainable Supply Chain Management and Responsible Purchasing

For more than 20 years, Novatech has been accumulating engineering experience in process supply systems, and is determined to become "the best process helper in the high-tech industry". From the professional technology development experience and the most competitive engineering team, Novatech actively selects the third party with good quality and maintains a good partnership with them to establish a strong supply chain team, which enables Novatech to keep abreast of the changes in the prices of raw materials and outsourced projects, and to effectively control the progress, cost and construction quality of each project. This enables Novatech to effectively control the progress, cost and construction quality of each project, and to provide customers with the highest quality engineering services and competitive engineering quotations.

In addition, we have established a comprehensive supplier assessment and responsible purchasing mechanism as the basis for selecting the best third party. We regularly assess third party on the basis of four major items: work progress control, construction quality, construction cooperation and work safety performance, which is the basis for third party's quality assessment and replacement of suppliers. We also promote and communicate human rights, social and environmental issues from time to time to strengthen suppliers' awareness of sustainability. In 2023, Novatech organized a total of 16 hours of sustainability supplier awareness activities with 15 participants to maintain our sustainability competitiveness.

At the same time, working together with suppliers, Novatech fully promotes the Green Supply Chain concept and reviews suppliers' equipment for energy-saving or high-efficiency models. Novatech has increased the frequency of working with suppliers so that they are willing to participate in the green supply chain on their own. In the future, Novatech will collect data or performance data from suppliers on their energy-efficient equipment to accelerate their progress.

### Supply Chain Sustainability Management Approach

#### Significance and Value to the Company

Sustainability doesn't apply only to Novatech itself. Novatech can also collaborate with quality upstream and downstream partners to expand the overall efficiency of the supply chain, improve the damage caused by its products and services to the natural environment and animal ecology, and work together to achieve economically, environmentally, and socially sustainable operations and management.

#### Actual and Potential, Negative and Positive Impacts

##### + Positive:

To implement sustainable supply chain management, in addition to securing the supply of raw materials, Novatech can also enhance its reputation by demonstrating its positive external influence through improving the overall sustainable performance of the supply chain and complying with international regulations.

##### - Negative :

ESG issues in the supply chain may result in external environmental breaches or human rights infringements, which may cause negative perceptions of the company among customers, investors, and the general public, leading to loss of revenue and even affecting the stability of the entire supply chain.

#### Management Strategies

- Novatech regularly assesses on-site construction suppliers on four major aspects: progress control / construction quality / co-ordination and safety performance, as a reference for future cooperation.
- We regularly promote and communicate human rights, social, and environmental issues where allowed by law, and focus on sustainable development with our partners to achieve a win-win situation.

#### Policies/Commitment

- Supplier Control Procedures
- Procurement Control Procedures
- Principles of Ethical Behaviors
- Code of Business Ethics

#### Action Plans

- We continue to focus on energy and environmental issues and promote ISO 14064-1 Organizational greenhouse gas inventories in our energy and environmental policies.
- We set and implement energy and environmental goals and objectives, and implement energy and environmental policies.
- We continue to conserve energy, improve environmental pollution, and reduce waste generation.
- To establish the concept of attaching importance to energy/resources and to implement education on energy conservation and carbon reduction.
- Compliance with laws and regulations on environment protection and energy conservation




#### Responsibilities

Logistics Department, Engineering Department, Project Department

#### Grievance Mechanisms

#### GStakeholders / Contact Channels

Company Website: <https://www.novatech.com.tw>

 TU, WEN-TZU  Vickie\_Tu@novatech.com.tw  03-6676868

Means of Communication: E-mail, Tel, and Meetings

\* This major theme or topic has not generated activities or business relationships that could have a negative impact this year.

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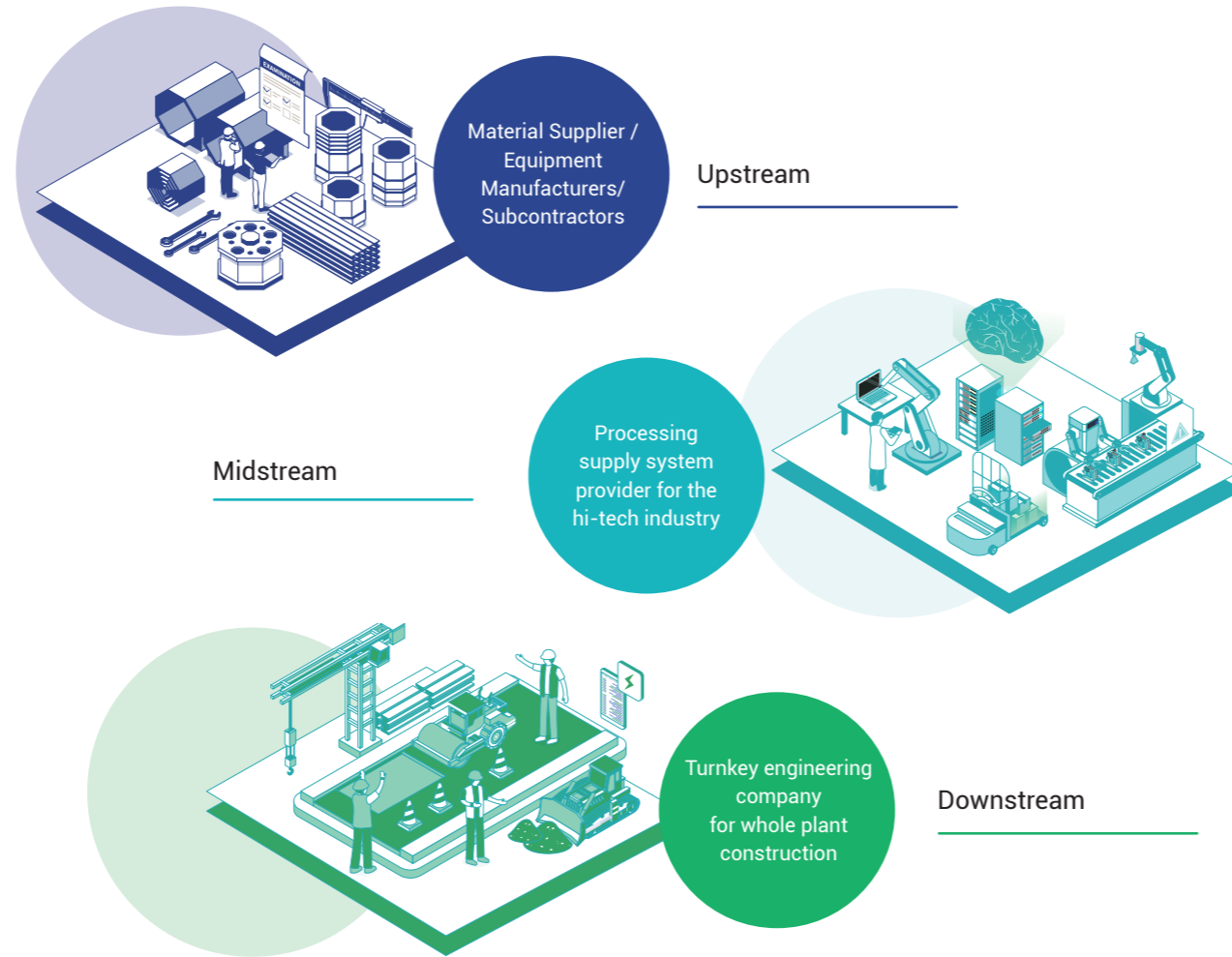
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## Association between Upstream, Midstream and Downstream of the High-tech Processing Supply System



## Type and Number of Suppliers in 2023

Novatech's suppliers can be divided into three main categories: material manufacturing, equipment manufacturing, and subcontracting suppliers. We firmly believe that enterprises need to co-exist, co-prosperity and mutual growth with suppliers, so we have always regarded suppliers as strategic partners. Novatech's main production and operation base is in Taiwan. In order to promote the clustering of local industries and enhance regional economic development, we have selected local suppliers for cooperation as far as possible, except for some bulk chemicals whose technology is in the hands of overseas suppliers and cannot be sourced locally. In 2023, there were 324 suppliers with transaction records.

Category of Suppliers	Characteristics of Suppliers	No. of Suppliers
Material Suppliers	Plasticizing materials, metals, valves, control components, etc.	<b>74</b>
Equipment Manufacturers	Tanks, VMBs, gas cabinets, water purification equipment, etc.	<b>19</b>
Subcontractors	Piping, equipment installation, power, control software writing, etc.	<b>231</b>

Note: If the same supplier crosses categories, each category will be calculated separately for the purpose of internal management. There will be no special attribution to main categories and exclusion of sub-categories.

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## Supplier Management Policy

Novatech regards suppliers as important partners and an indispensable part of the supply chain team. Novatech is committed to maintaining longterm relationships with domestic and international suppliers to build a stable and sustainable supply chain.

Based on the Principles of Ethical Behaviors and Integrity, Novatech prohibits suppliers from engaging in any act of bribery, acceptance of bribes, offering or accepting unreasonable gifts, hospitality, or other improper benefits, or infringing on trade secrets, trademarks, patents, copyrights, and other intellectual property rights. Neither the Company nor the suppliers accept the use of metals from conflict mines.

In addition to ensuring the quality, price and delivery of suppliers' products, this Company also urges suppliers to implement corporate social responsibility in line with the spirit of the United Nations Sustainable Development Goals. We uphold the principles of fairness and openness in our cooperation with third party, and do a good job of risk management and business continuity plan. We firmly believe that only by providing excellent quality, reasonable price and proper service can we establish a longterm cooperative partnership between the two parties and achieve sustainable development.

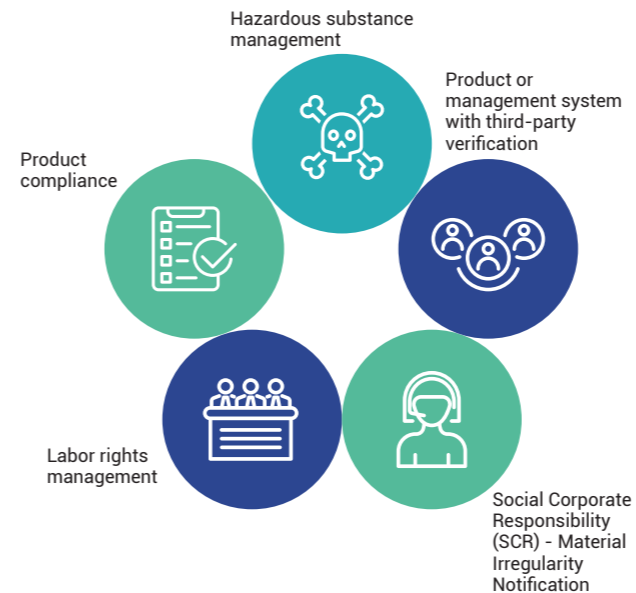
When confirming a partnership with a supplier, Novatech will sign a "third party commitment" with the supplier, which covers the terms of corporate social responsibility and related requirements, including compliance with local ordinances and international safety and environmental regulations, prevention of contact with or mixing of hazardous and controlled substances during manufacturing and transportation, avoidance of child labour, and prohibition of any form of labour discrimination.

By 2023, we will have signed the "Collaborative Supplier Pledge" with 48 suppliers. The signing rate of the top 10 Taiwanese suppliers in terms of transaction value is 100%, and the signing rate of the top 60 suppliers in terms of transaction value is 80%. For new suppliers, in addition to collecting the basic information of the supplier, we also ask the supplier to fill out a "Supplier Evaluation Form", which includes the product brand, project performance, and waste removal capability.

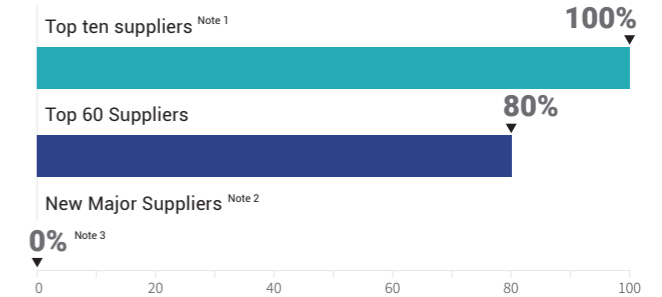
Waste disposal, operating environment, construction quality, fire safety equipment with regular inspection and automatic inspection equipment are all criteria for selection and are included in the supplier's assessment. Novatech has also labelled the terms and conditions of the order as follows: Novatech will terminate the contract in the event of any violation of the relevant laws and regulations.

## Supplier Sustainability Management

Novatech manages the sustainable development of suppliers in five major directions:



## Percentage of Suppliers Signing the Supplier Commitment in 2023



Note 1: Top 10 Taiwan-based suppliers in terms of transaction value in 2023.

Note 2: New suppliers with transaction value accounting for more than 10% of total annual transaction value in 2023

Note 3: No new major suppliers in 2023

### Supplier Evaluation:

All suppliers are required to go through a supplier assessment process and be approved and comply with the Supplier Code of Conduct.

### Supplier Audit

- Purchasing and safety personnel will visit the equipment assembly plant from time to time to evaluate the business management / manufacturing technology / equipment measurement / quality capability and HSE management.
- The project manager will evaluate the on-site construction contractors on four items of work progress control / construction quality / cooperation and work safety performance on a monthly basis.

### Supplier Training:

We hold daily toolbox meetings at the construction site before suppliers enter the site to promote HSE policies and construction specifications.

### Supplier Communication and Recognition:

Every year, we invite outstanding suppliers who have demonstrated outstanding performance and contribution to the company's year-end party, and convey our company's philosophy and goals of sustainability.

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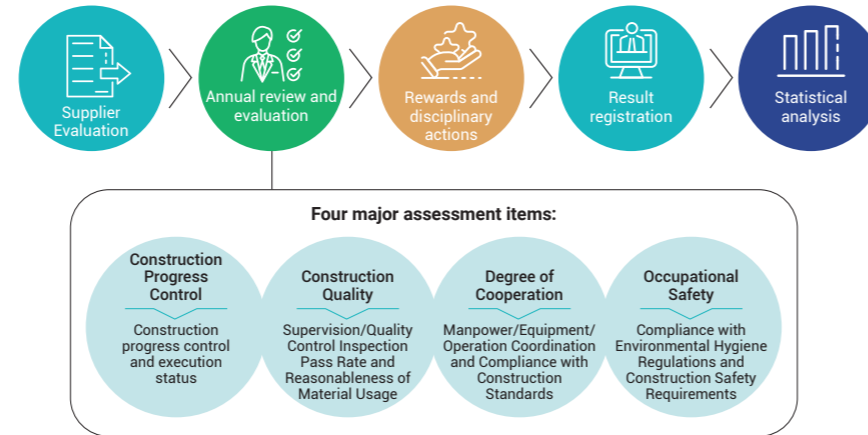
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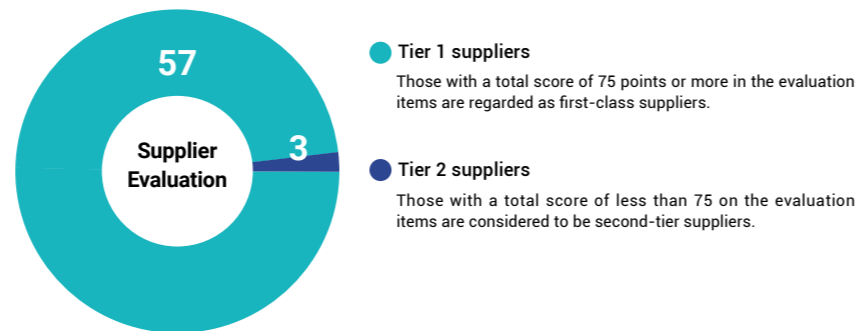
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### Supplier Evaluation Process



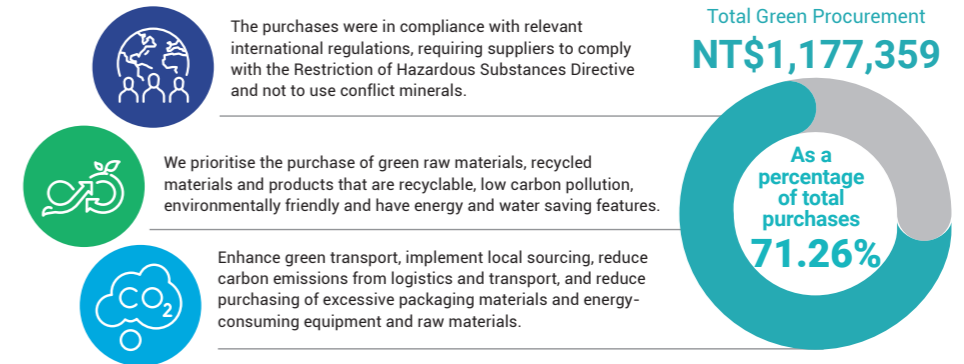
### Supplier Evaluation Results in 2023

The total number of subcontractors is 231, and only those in the top 60 deals were evaluated.



### Green Purchasing and Environmental Protection Expenditure

To promote environmental sustainability, Novatech has implemented green procurement principles and endeavoured to reduce the impact of its operations on the environment. The total amount of green procurement in 2023 will be NT\$1,177,359, accounting for 71.26% of the total procurement, which includes the replacement of variable frequency air-conditioners with environmental labels, environmentally friendly light tubes, energy-saving fans, green office supplies (e.g. recycled paper), etc.



### Packaging & Transportation

To implement the policy of energy saving and carbon reduction, and to reduce environmental hazards caused by excessive packaging or long-distance transport, Novatech adopts the principle of green transport and follows the following four points in its operation.

- 1 Consolidation of export containers:** In principle, equipment and materials used in Novatech's factories are accounted for until the entire container is full before exporting, in order to reduce the number of export transports and thus reduce the environmental pollution caused by gasoline emissions from vehicles.
- 2 Equipment and material shipping arrangement:** Regarding the equipment and material shipment of the factory, in principle, the domestic transport will be arranged in accordance with the equipment packaging dimensions of a reasonable vehicle model for shipment. When exporting equipment, we will make a reasonable packing list according to the size of the equipment package.
- 3 Transportation arrangements for imported materials:** When importing materials, factories will, in principle, use car pooling to reduce costs. If the goods are larger in size or quantity, then we will consider specialised trucking.
- 4 Supplier must reduce product packaging:** We will add a note in the order terms and conditions to say "In order to implement the policy of energy saving and carbon reduction, please use reusable and environmentally friendly packaging materials as much as possible when shipping out products to help reduce energy consumption, and thus achieve the goal of sustainable recycling of resources".

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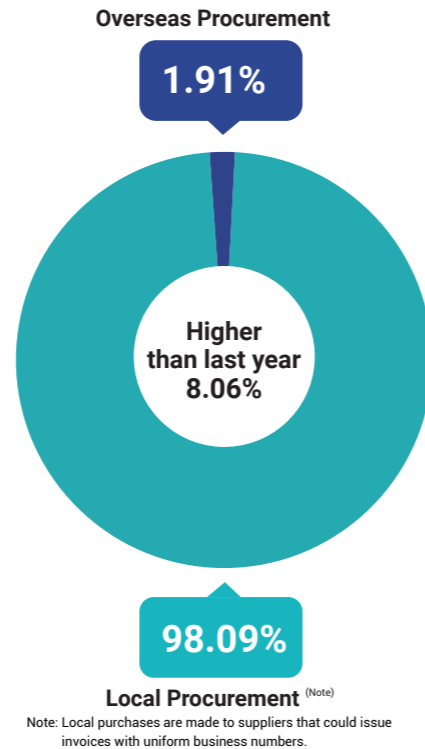
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### Local Procurement

Suppliers and contractors are important business partners of Novatech. Through good communication, close cooperation and proper management supervision, this Company is able to work together with its suppliers towards sustainable operation. This Company believes that a responsible company should promote local economic activities. Therefore, in order to assist the local development and exploitation of the local economy, this Company selects its partners for projects by giving priority to suppliers of local materials and appointing local contractors to carry out the planning of the projects. In 2023, Novatech's proportion of local sourcing from suppliers in Taiwan will be 98.09%. Due to the shortage of raw materials abroad and the significant increase in transport costs, Novatech is actively communicating with its customers to promote local sourcing. As a result, the percentage of local sourcing increased by 8.06% compared to 90.03% last year.



## 3-3 Customer Relationship Management

Novatech firmly believes that putting ourselves in our customers' shoes, providing them with the best quality and technical services, and building brand loyalty is the foundation of a sustainable business. We attach great importance to customer experience and feedback. Therefore, we have formulated the "Customer Satisfaction Survey Management Procedure" to continuously improve our professional R&D and product services, as well as to continuously optimise our service processes. In the customer satisfaction survey, we will summarise and differentiate our service performance from various service aspects, and regularly survey and analyse customers' valuable suggestions, and incorporate them into our planning, marketing and customer service improvement, in order to enhance customer satisfaction with our products and services. In addition, we are committed to customer privacy management, so that the information provided by customers can be kept confidential and managed, to avoid the leakage of business information that could damage the interests of customers.

### Customers relationship management Management Approach

#### Significance and Value to the Company

Novatech will effectively manage customer and product service processes to become a trusted provider of quality and product technology.

#### Actual and Potential, Negative and Positive Impacts

**+** **Positive:** Novatech is committed to building positive, trusting relationships with customers, effectively solving problems for customers, increasing brand loyalty and trust in the company, leading to stable business opportunities and enhancing the company's reputation.

**-** **Negative:** Poor customer relations may lead to negative customer experience and failure to utilise the product, resulting in loss of orders and even affecting the external evaluation of the company, which in turn may hinder the company's longterm development.

#### Action Plans/Resources System

- Pyramid construction quality management aims to implement construction control to achieve customer satisfaction.
- Customer complaint handling and reporting, and annual customer satisfaction survey.

#### Management Strategies

- Implementing three levels of quality control to stabilise quality and improve efficiency through professional and responsible management.
- We establish a cross-functional service team to provide immediate and complete services.
- We strictly adhere to the content of customer contracts and confidentiality commitments.

#### Policies/Commitment

Customer Complaint Handling Procedures

#### Stakeholders / Contact Channels

#### Grievance Mechanisms

Company Website: <https://www.novatech.com.tw>

👤 KUO, LI-YI

✉ Evan\_Kuo@novatech.com.tw

📞 03-6676868

Means of Communication: E-mail, Regular Meetings, and Customer Satisfaction Surveys, Project Meetings

\* This major theme or topic has not generated activities or business relationships that could have a negative impact this year.

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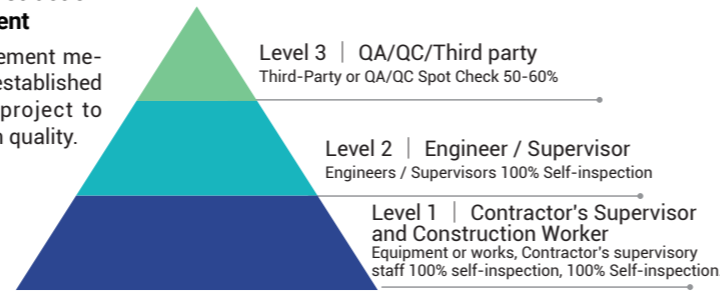
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## Pyramid-style Construction Quality Management

Novatech strictly controls the construction quality, adopting a strict three-level quality control policy, externally requiring "contracted suppliers" to carry out quality control, and internally implementing "engineering department" quality control supervision and self-inspection. The company's "quality control team" carries out the final inspection and gate-keeping of quality, guarding every aspect of the project, and assisting the contracted suppliers to improve their standards with a systematic process. We are not only the gatekeeper for the quality of the project, but also look forward to working with our suppliers to make progress and growth together, in pursuit of a win-win situation.

### Pyramid-style Construction Quality Management

A three-tier management mechanism has been established for each regional project to control construction quality.



## Customer Satisfaction

Novatech designs customer satisfaction survey questionnaires from six aspects: quality, delivery/project progress, safety, technology, service and after-sales service, and uses a five-point scale to design questionnaires (very good 100/good 80/average 60/poor 40/very poor 20) to quantify customers' performance on the products and services provided by Novatech, and the results will be fed back to the relevant departments for improvement of shortcomings, refinement of customer service processes and optimisation of product and service quality. The results will also be fed back to the customers to show that the company values their opinions and to strengthen the customer relationship. In 2023, the average customer satisfaction score is 93.80%. Overall, customers have a positive perception of the products and services provided by Novatech.

## Non-compliance Deduction Mechanism and Three-Level Inspection

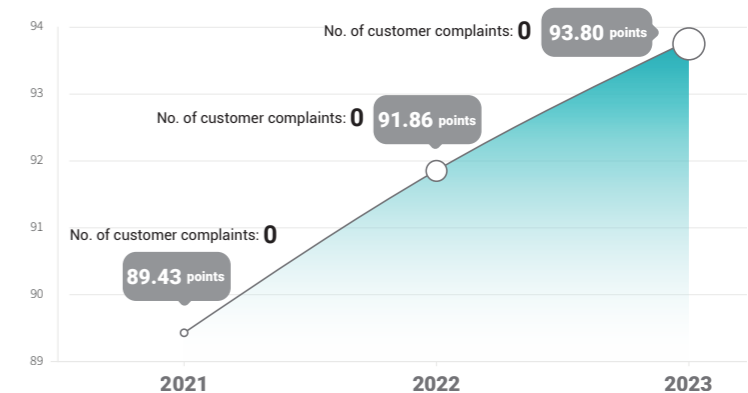
Novatech implemented a point deduction mechanism for non-compliance in 2023, whereby the number of points that can be deducted for each supplier would be listed according to the category of defects defined in the procedure (small defects: 1 point deduction, medium defects: 2 points deduction, and major defects: 3 points deduction). And the defect rate would be counted quarterly for comparison year by year in the future, so as to reduce the defect rate and enhance the quality of the yield rate.

### 2023 Equipment KPI Statistics

Supplier	Machine Quantity	VMB Quantity	Total Quantity	No. of Sampling	Non-compliance Deduction	Deficiency rate	Ranking of Good Suppliers
A supplier	6	14	804	563	0	0.00%	1
B supplier	3	98	3678	2575	14	0.54%	4
C supplier	20	296	11656	8159	17	0.21%	3
D supplier	10	59	2624	1837	3	0.16%	2
E supplier	12	3	708	496	3	0.61%	5

Note 1: Among the check items for Non-compliance Deduction, 50 items are in the machine checklist and 36 items are in the VMB checklist.  
Note 2: Each item of equipment inspection has a corresponding number of deductible points. If there is a deficiency item in the third level of inspection, a deduction of that item would be recorded.  
Note 3: The total number of points to be deducted is calculated quarterly. The number of points to be deducted in a year is equal to the total number of points to be deducted in each quarter.

### Customer Satisfaction Survey 2021-2023



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## Nova Achievements in 2023

Novatech's professional and quality services have been awarded and recognised by our partners time and again. In 2023, we were awarded the United Semi Xiamen Contractor of the Year - Good Contractor Award. In addition, our Environmental Health and Safety (EHS) management department was again awarded the Micron EHS Award (Q1 ~ Q4) for we were the best contractor, and we were recognised as an excellent supplier by Advanced Semiconductor Engineering Inc.(ASE). All these proved Novatech's excellent quality in engineering technology, project control capability, and environmental safety and health management. In the future, Novatech will continue to improve itself and strive for excellence in order to provide customers with higher quality and diversified services.

### Micron Technology Inc.

2023 Micron Outstanding EHS Award (Q1 ~ Q4)  
2023 Outstanding EHS Management Contractor of the Year



### Advanced Semiconductor Engineering Inc. (ASE)

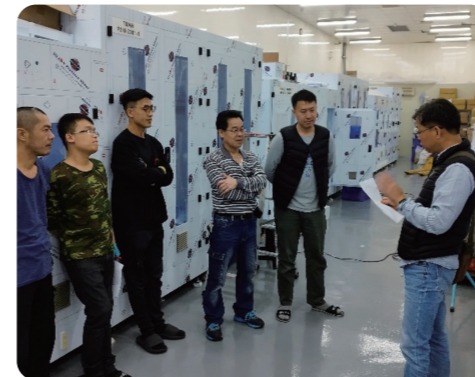
2023 Health & Safety Family Trophy 1 pc.



## Customer Complaint Handling Mechanisms

To ensure that customers' criticisms and instructions are effectively responded to and improved, we have formulated the "Customer Complaint Handling Procedure", which regulates the management of customer complaints from the pre-order stage to the construction stage / post-completion and acceptance, and provides a window for reflecting customers' opinions on the company's official website. Through the efforts of all staff, we had no customer complaints in 2023.

Each unit collects problems and suggestions from customers and registers them in the "Customer Complaint Register". In response to a complaint, the supervisor of each unit assigns the relevant personnel to visit the customer by phone or in person to gain a better understanding of the problem. If the questions are simple and can be answered immediately, the personnel will note it in the form. If the complaint is serious, a "Corrective and Preventive Action Form" will be created to handle the complaint.

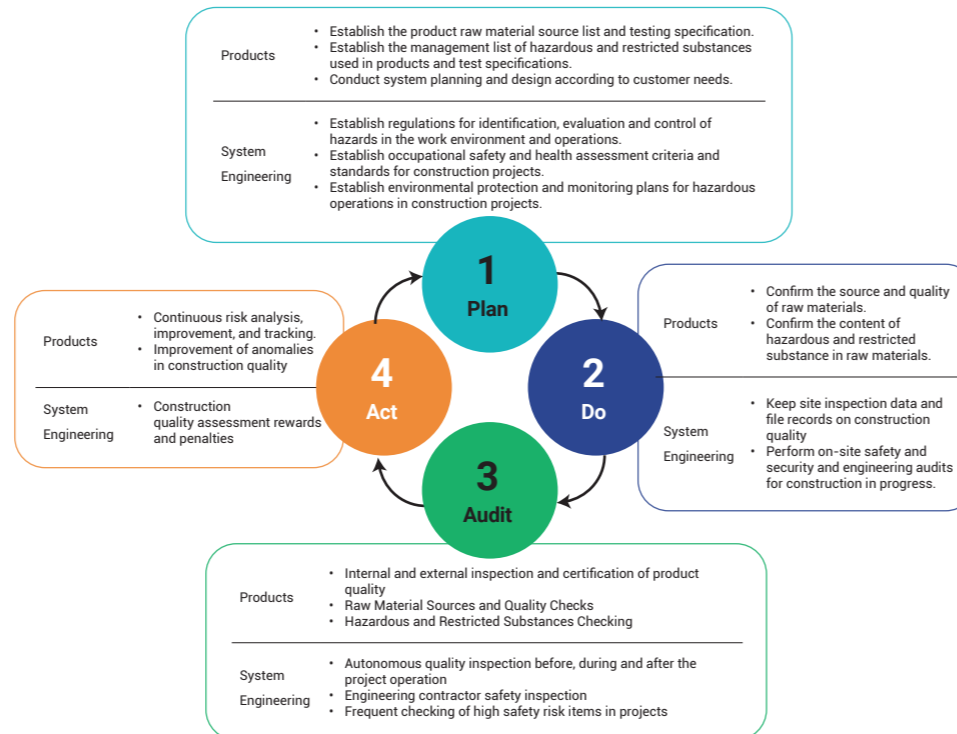


## 3-4 Customer Health and Safety

### Customer Health and Safety

Novatech provides process supply system equipment for high-tech industries. Our professional team is able to design products that meet customer requirements and comply with international and national safety regulations, in response to customized conditions proposed by customers. In accordance with the Enforcement Rules of the Occupational Safety and Health Act, Article 12, Paragraph 7 (Article 7, Paragraph 1 of the Act), the Company's products have passed the ITRI TS Type Verification for Explosion Protected Equipment, 2023 TS Type Verification for Explosion Protected Equipment. In 2023, 4 products passed the TS Type Verification for Explosion Protected Equipment and complied with the National Standard Certification (CNS). In addition to certified product designs, engineering related hazardous materials are designed and installed in accordance with the Fire Services Act's Public Hazardous Materials and Flammable High Pressure Gas Installation Standards and Safety Management Practices, with the aim of ensuring the health and safety of our customers.

In addition to actively researching and developing technologies related to customer safety, Novatech has also established internal quality and safety management processes, which are briefly described below:



## Customer Health and Safety Management Approach

### Significance and Value to the Company

We value customer privacy, customer feedback and health and safety, and incorporate customer needs into our product design. Our products and operations comply with international standards and the safety regulations of the regions in which we sell. We avoid the risk of possible safety hazards and implement product safety measures and management. This is conducive to the company's reputation and operational development.

### Actual and Potential, Negative and Positive Impacts

**⊕ Positive:** Novatech provides customers with products that comply with national regulations, which not only ensures the safety of users, but also increases customers' trust in the company.

**⊖ Negative :** Such incidents may affect the health and safety of customers, result in loss of business, damage to goodwill, affect consumer confidence in the Company's products and brands, and may even result in litigation with consumers and fines.

### Management Strategies

- Novatech ensures that our products have complete safety under normal use conditions. In addition, Novatech has completed its own in-house testing in accordance with safety regulations to avoid risks and ensure the safety and effectiveness of its products.
- Maintain market competitiveness and satisfy customers, improve quality management techniques, improve management and optimise operation processes.
- Maintain the confidentiality, integrity and availability of important information, ensure compliance with customer contracts, and protect the security of customer information.

### Policies/Commitment

- Construction quality management procedures
- Calibration control procedures for gauging equipment
- Management procedures for storage and use of chemicals

### Action

- Set safety values according to different operating environments and implement safety adjustment tests for monitored products.
- Ensure that equipment and machinery are free of leakage risk before leaving the factory. Comprehensive pressure holding tests are carried out.

Customer satisfaction survey and project meeting Company Website: <https://www.novatech.com.tw>

### 1. Stakeholders / Contact Channels

**👤** KUO, LI-YI **✉** Evan\_Kuo@novatech.com.tw **☎** 03-6676868 ext 2312  
Means of Communication: E-mail, Regular Meetings, and Customer Satisfaction Surveys

### Grievance Mechanisms

### 2. Business Contact Window / Gas Supply System

**👤** Mr. Huang **✉** jerry\_huang@novatech.com.tw **☎** 03-6676868 ext.1201

### 3. EPC Production Turnkey Services

**👤** Mr. Huang **✉** andy\_huang@novatech.com.tw **☎** 03-6676868 ext.2302

\* This major theme or topic has not generated activities or business relationships that could have a negative impact this year.

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### Explosion protected equipment

Compliance with Laws and Standards

Article 7 of the "Occupational Safety and Health Act" and Article 12 of the "Enforcement Rules of the Occupational Safety and Health Act"

Article 8 of the "Occupational Safety and Health Act"

National Standards: CNS3376-14 (IEC60079-14), CNS3376-17 (IEC60079-17), CNS3376-2 (IEC60079-2), CNS3376-0 (IEC3376-0), etc.



### Tank installations

Compliance with Laws and Standards

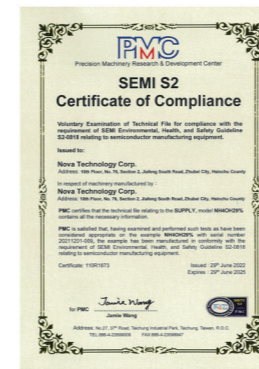
"Fire Services Act" - Public Hazardous Substances & Flammable Pressurized Gases Establishment Standards & Safety Control Regulations



	TS Type Verification for Explosion Protected Equipment	SEMI Certification
2021	9	0
2022	32	60
2023	4	0

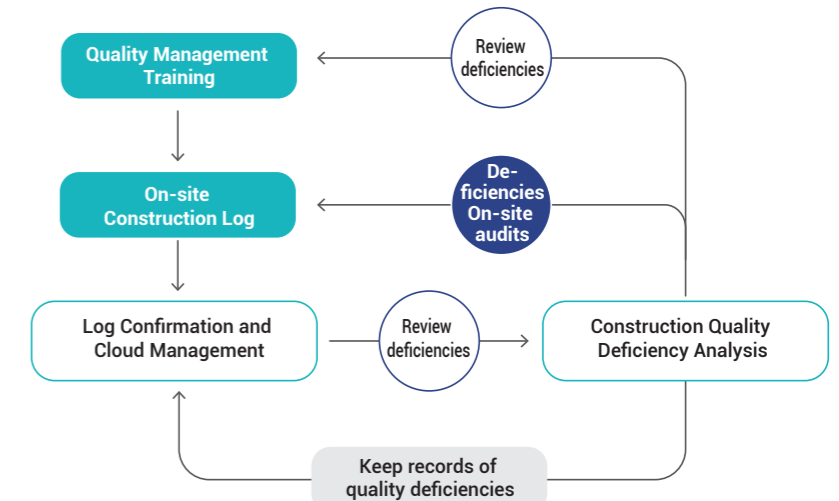
Note: In 2021, there were no orders due to COVID-19, therefore no application for SEMI certification. In 2022, due to the customer's new plant construction, orders increased significantly, which in turn led to an increase in the number of certifications.

Note: In 2022, all 60 SEMI certificates were SEMI S2 certificates (Safety, Health and Environment Standard for Semiconductor Manufacturing Equipment).



## Construction Quality Maintenance and Assurance

To maintain and guarantee construction quality, Novatech has set up a standardized internal quality checking and management mechanism. In addition, Novatech manages construction quality in all areas through interdepartmental cooperation between the Quality Control Department, the Engineering Department, and the Supervisory Unit. The management details are as follows: Quality management education and training prior to project execution, project management records during the construction period, construction site audit records and defect tracking, analysis and review of construction quality deficiencies in each area, and cloud management of related records and documents, are all the important key indicators for testing whether the Company has implemented construction quality maintenance and assurance. In 2023, Novatech's products and services were not subject to any health and safety penalties.



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# 4 Promoting a Sustainable Environment: Eco-Friendliness

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4-3 Energy Management

4-4 Water and Waste Management

**Greenhouse gas emissions down 3.07% from base year**

Energy intensity in 2023 is 13.17%, lower than last year (2022).

**Energy intensity down 13.07% from the base year.**

Energy intensity in 2023 is 13.17%, lower than last year (2022).

**100% Energy-Saving Grade 1 Air-Conditioner**

Achieved 100% energy-saving Grade 1 labelled air-conditioning usage rate in Zhubei Head Office by 2023.

**Introduced 3 management standards**

Introduced 3 management standards (ISO 14001, 9001, 14064-1) in 2023.

**Identified 6 critical climate risks and opportunities**

Following the Task Force on Climate-related Financial Disclosures (TCFD) framework, we identified six key climate risks and opportunities and conducted quantitative financial analyses on "Total / Carbon Tax / Carbon Levy Control and Carbon Emissions Reporting Obligation" and "Changes in Rainfall (Water Patterns and Longterm Extreme Changes in Climate Patterns)" to formulate strategies and management targets for key climate issues.

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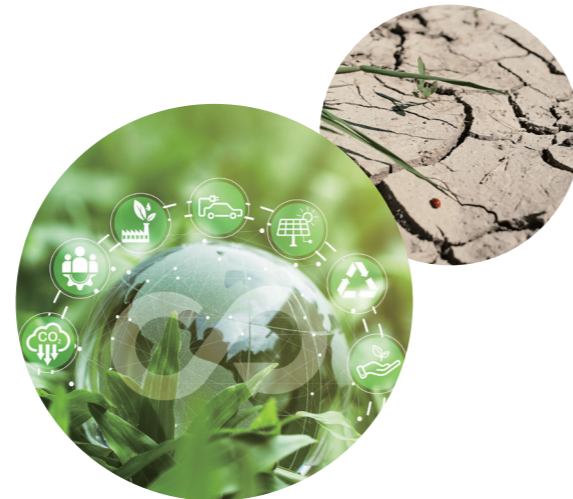
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# 4-1 Environment Sustainability Management

Climate change continues to be at the centre of global consensus as its impacts on the environment and society are becoming more pronounced. The frequent occurrence of extreme weather and natural disasters poses even more serious challenges to human life and development. According to the World Economic Forum (WEF) Global Risks 2024 report, approximately 66% of respondents ranked extreme climate as their top risk for 2024, signalling the urgency for businesses to take immediate action to address these impacts. Novatech has developed and implemented a sustainable environmental management program. We are committed to minimising the negative impacts that our operations may have on the environment, while at the same time addressing the climate risks that may occur in the future. We look forward to not only protecting the environment, but also safeguarding the sustainability of our business in the face of possible future climate change and environmental challenges.



## Environmental Management

Novatech deeply understands that establishing a sound environmental management system is the cornerstone of achieving the goal of sustainable development. Novatech has not only actively introduced international standards, such as ISO 14001:2015 Environmental Management System and ISO 9001:2015 Quality Management System, but has also passed third-party certification to ensure that its environmental management practices are in line with the international standards, thereby continuously strengthening the foundation of sustainable environmental management at the operation and product levels. At the same time, Novatech also followed the global trend of scientific carbon management and introduced ISO 14064-1:2018 Greenhouse Gas Inventory in 2021, in anticipation of continuously enhancing its carbon reduction capability through a scientific approach.

In addition to strengthening its internal management system, Novatech also extends the concept of sustainability to the entire value chain and works with its partners to achieve sustainable development. Novatech not only provides high-quality eco-friendly solutions in hardware, but also continues to share the latest knowledge on environment, safety, hygiene and health with suppliers at the service level, further demonstrating Novatech's commitment to environmental sustainability.

Comply with EHS regulations and customer requirements	Comply with legal requirements related to environmental protection, energy-saving, and carbon dioxide reduction, GHG reduction, waste recycling, and waste reduction, occupational safety and health, and requirements under environmental safety rules and regulations of customers and plants.
Train all staff to improve awareness of quality and environmental safety.	Enhance employees' concept of environmental protection and earth-friendly knowledge
Implement continuous monitoring, prevention, and improvement mechanisms.	Implement environmental identification and management procedures, set up waste disposal procedures, energy/resource control procedures, and management procedures for hazard identification and risk assessment. Continuously monitor and improve waste reduction, carbon reduction, and energy conservation to enhance the performance of environmental and occupational safety and health management.
Maintaining the environment, safety and health of customer's employees	Enhance knowledge of environment, safety and hygiene, and health among employees and third parties.
Planning possible solutions for greenhouse gas reduction	Set a base year to plan carbon reduction and sustainability actions year by year, implement the concept of life cycle in environmental protection, and build a corporate culture based on the concepts of plastic reduction and reuse.



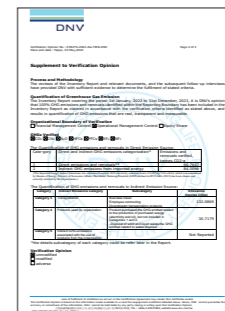
ISO 14001 Environmental management systems Expiry of the certificate: 28 June, 2024



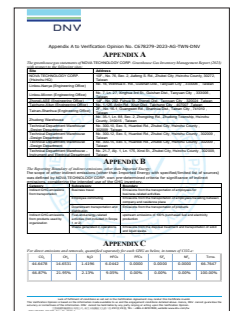
ISO 9001 Quality management system Expiry of the certificate: 28 June, 2024



ISO 14064-1 Greenhouse Gas Verification Statement Date of Certificate Inspection: 21 March, 2024



2023 Carbon Inventory Statement by Nova Technology Corp.



2023 Carbon Inventory Statement by Nova Technology Corp.

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## Environmental Declaration and Management

Novatech is committed to responding to environmental issues and participating in external environmental initiatives. In 2023, Novatech has not only participated in the symbolic "One Hour Earth Day Lights Off" campaign, but also implemented a series of internal energy saving and carbon reduction initiatives, including "Office Energy Saving", "Low Carbon Vegetable Day", "Green Office Furniture Purchasing Policy" and "Office Space Greening Program". These actions demonstrate our determination to put green concepts into practice in our daily operations.

To ensure that these energy saving and carbon reduction activities are effectively integrated into the company's culture and implemented in daily work, Novatech has formulated an "Office Energy Saving and Carbon Reduction Code of Practice". The Code of Conduct covers a wide range of areas, including energy and water conservation, office waste reduction, resource recycling and segregation, and integrated environmental management, etc. It also focuses on staff education and raising environmental awareness.

In addition, Novatech has set medium and longterm environmental management goals for 2030, demonstrating its commitment to reducing the environmental impact of its operations and its unwavering determination to transform itself into a sustainable company. Through these efforts, Novatech hopes to establish a sound environmental management system within the Organization and contribute to the environmental sustainability of the whole society.

### Environmental Objectives

Compared to Base Year (2021)	2024	2025	2030
Energy Use 1.7 (GJ/ping or 3.305785 m2)	Reduced by 3%	Reduced by 4%	Reduced by 9%
Greenhouse Gas Emissions 324.60 (tonCO <sub>2</sub> e)	Reduced by 1%	Reduced by 1.5%	Reduced by 4%
Water consumption 7.5070 m <sup>3</sup> /person	Lowered to 7 m <sup>3</sup> /person	Lowered to 6.5 m <sup>3</sup> /person	Lowered to 6 m <sup>3</sup> /person

\* Note 1: In 2023, GHG emissions will be 314.0791 metric tonnes of CO<sub>2</sub>e, a decrease of 3.07% from the base year.

## Advocacy, Participation and Action on the Supply Chain Environment 2023

1

Sustainability Initiative by E.Sun Bank

【玉山ESG永續倡議行動夥伴 回函】

誠摯地邀請您成為玉山ESG永續倡議行動夥伴

玉山已攜手專家顧問打造永續轉型平台

讓我們一同倡議、承諾落實永續轉型

如貴公司願意成為倡議夥伴，敬請回覆下表

公司名稱：朋億股份有限公司

Together with E.Sun Bank and more than 150 Organizations, we are expanding our sustainability impact and giving back to all our stakeholders.

We make sustainable deposits, which will be used for credit and investment projects that are green and ESG sustainable.

2

Micron Technology Inc. ESG Initiative



We have been actively involved in the owner's ESG activities and assisted in the environmental clean-up of the New Taipei Municipal Special Education School.

3

Turn off the lights for one hour on Earth Day



All Novatech staff participated in an hour-long power saving program at home and were reminded of the importance of energy saving and carbon reduction.

## 4-2 Climate Change and Greenhouse Gas Management



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### Climate Change and Greenhouse Gas Management Management Approach

#### Significance and Value to the Company

Novatech must face climate change and regulatory changes, and the associated risks and opportunities will also affect business operations. Governments use policy tools that work in tandem with business operations to create synergies. Local laws and regulations have been amended to benefit businesses, green product and service development, and operational management. Against the backdrop of an emerging culture of corporate social responsibility (CSR), it is important for companies to strengthen their internal adaptations and to prevent and respond to the impacts of climate change.

#### Actual and Potential, Negative and Positive Impacts

##### + Positive:

Enterprises should be aware of the factors affecting their operations due to climate change, such as floods, droughts, increased customer demand for sustainable products, and increases in raw material costs, etc., and respond to these factors in advance so as to ensure that their operations are not interrupted. By investing in related businesses, companies are able to increase their revenues and enhance their reputation and value. Under the global trend of emission reduction and net-zero, companies actively demonstrating their commitment to and achievement of emission reduction can effectively increase corporate reputation, contribute to the global control of greenhouse effect mitigation, and reduce additional costs under the implementation of carbon regulations.

##### - Negative :

Failure to manage climate change may result in damage to operating sites, delays in the supply of raw materials and delivery schedules, delays in the construction schedules of building contractors, and delays in revenues and interest costs. Failure to effectively control greenhouse gas emissions will contribute to the global warming predicament and may result in additional costs, expenses, or lost business opportunities as a result of concerns from authorities, investors, and business partners in various countries.

#### Action Plans/Resources System

- The Secretary and Support Centre for Sustainable Development is responsible for conducting training courses on climate change risk assessment.
- Regular greenhouse gas emissions statistics and internal and external verification.
- Produce annual greenhouse gas inventory report

#### Policies/Commitment

- Continuously focus on energy and environmental issues and promote ISO 14064-1 Organizational greenhouse gas inventories in energy and environmental policies.
- Set and enforce energy and environmental goals and objectives and implement energy and environmental policies.
- Continuously save energy and improve environmental pollution and reduce waste generation.
- Establish the concept of attaching importance to energy/ resources and implement education on energy conservation and carbon reduction.
- Compliance with laws and regulations on environment protection and energy conservation

#### Management Strategies

Novatech has made reference to TCFD's climate-related financial disclosure recommendations to establish a process for identifying the company's climate change risks and opportunities, reviewing the key management points of the issue, formulating relevant management strategies and measures, and gradually establishing a systematic and scientific management mechanism to respond to the United Nations Sustainable Development Goal SDG 13 Climate Change Initiative.

#### Grievance Mechanisms

#### Stakeholders / Contact Channels

Company Website: <https://www.novatech.com.tw>

General Manager's Office, Audit Office    Audit@novatech.com.tw    03-6676868

Means of Communication: E-mail, Tel, and Meetings

• This major theme or topic has not generated activities or business relationships that could have a negative impact this year.

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## Climate Risks and Opportunities Management

In the face of the intensifying climate crisis and the international trend towards stronger environmental regulation, Novatech has responded proactively, particularly in its efforts to comply with the Climate Related Financial Disclosures (TCFD) framework. Novatech has not only analysed the risks and opportunities of climate change under the TCFD framework in 2022, but is also working to deepen its understanding and application of TCFD for future implementation into the International Financial Reporting Standards IFRS S1 and S2.

The introduction of IFRS S1 and S2 signals the international community's emphasis on transparency in climate-related financial information. These two standards integrate TCFD's core disclosure principles of governance, strategy, risk management, indicators and goals, with the aim of ensuring that Organizations not only incorporate sustainability and climate thinking into their senior management, but also integrate relevant risks and opportunities into their business strategies and establish appropriate risk management processes to track relevant key indicators and goals.

Taiwan's Financial Supervisory Commission (FSC) has announced that in the future, listed and over-the-counter companies will be required to comply with the IFRS continuous disclosure requirements. Novatech is actively responding to this trend and preparing for the implementation of IFRS S1 and S2. Through continuous efforts, Novatech expects to find opportunities amidst the challenges of climate change, and with solid strategic planning and risk management, the company will ensure steady growth while contributing to the sustainable development of the society. These actions not only demonstrate Novatech's commitment to a forward-looking approach to climate change, but also its overall commitment to operational and social responsibility.

### I. Governance

Within the Organizational structure of Novatech, the Board of Directors serves as the highest level of oversight for climate change governance, ensuring that Novatech's strategy and actions on the major challenge of climate change are rigorously monitored and effectively promoted. The Board of Directors is responsible for overseeing the controls developed by the Sustainable Promotion Unit to ensure that Novatech's operations and development strategies are aligned with its sustainability objectives.

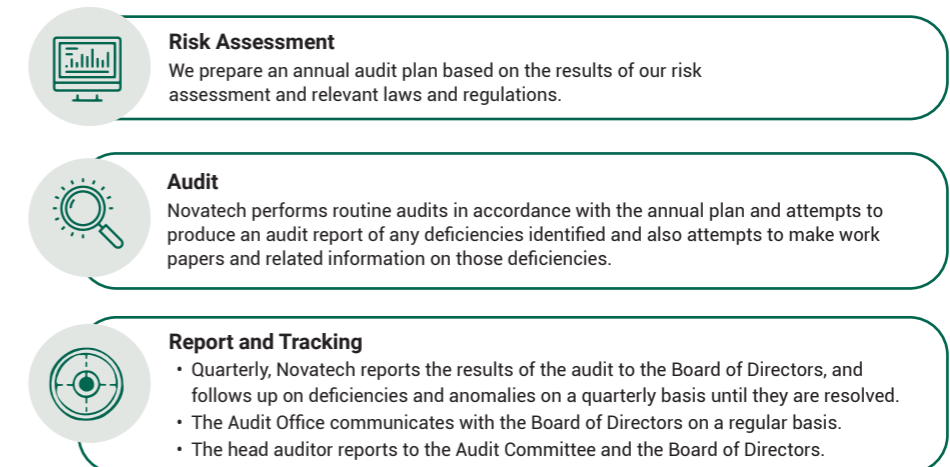
The Sustainable Promotion Unit plays a central role in Novatech's Organizational structure, bringing together various coordinating groups to identify risks and opportunities associated with climate change. This process involves a detailed analysis of key climate risks and opportunities that could affect the company's operations, financial performance and reputation, and the development of corresponding strategies and management objectives. Through this process, Novatech is able to effectively integrate climate change considerations into our business decisions and longterm development plans.

After the identification of climate risks and opportunities and the development of strategic objectives, the Sustainable Promotion Unit will report the results to the Board of Directors. This step ensures that all climate-related management measures and objectives are reviewed and monitored by the Board of Directors, thereby strengthening the Organization's ability to respond to climate change issues. Through a rigorous Organizational structure and processes, Novatech is able to ensure not only sustainable growth, but also social and environmental responsibility in the face of the challenges of global climate change.

## Novatech's Climate Governance Organization Chart



## Novatech's Climate Governance and Internal Audit Flowchart



## II. Strategies and Risk Management

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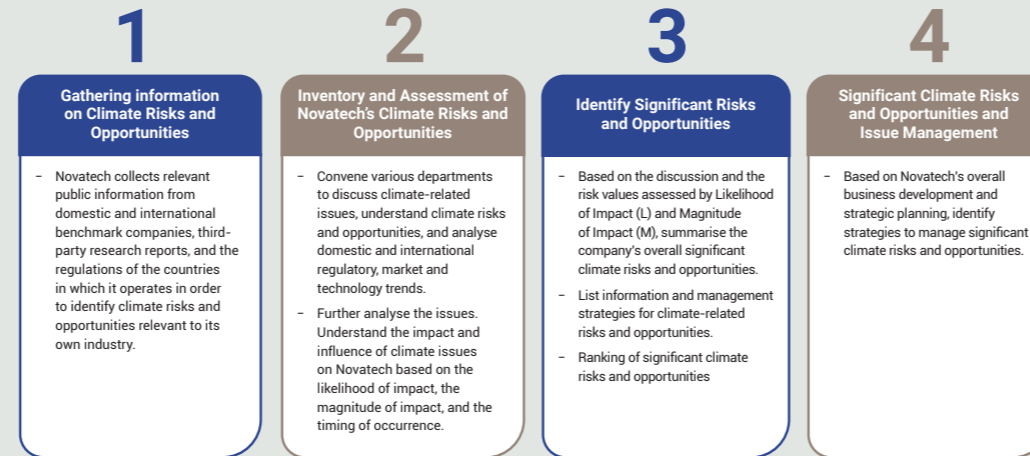
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### 1. Novatech's process for assessing key climate risks and opportunities

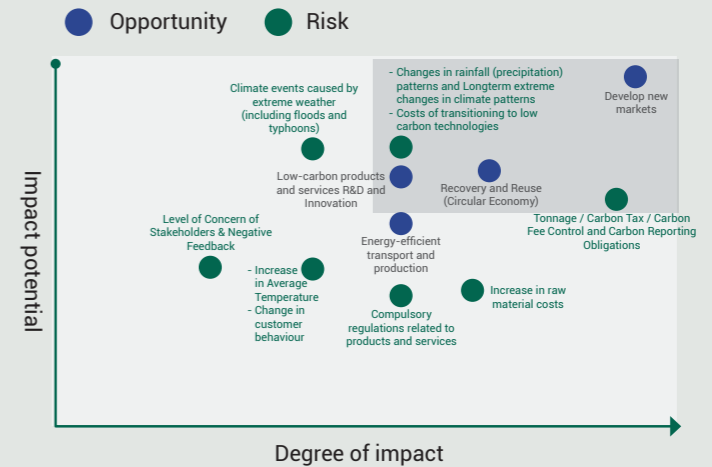


### 3. Scenario analysis and financial quantification of key climate risks and opportunities.

Novatech further analysed the results of the significance identification and developed scenario assumptions for each climate risk and opportunity based on insights from department heads, market trends, international trends, and external research reports. Further, Novatech examined the potential impacts of climate risks and opportunities on the company under different scenarios, and proposed strategies to address them by reviewing its own resources and future business development.

Of the six key climate risks and opportunities, Novatech further modelled and quantified two, namely "Aggregate / Carbon Taxes / Carbon Pricing Controls and Carbon Reporting Obligations" and "Changes in Rainfall (Precipitation) Patterns and Longterm Extreme Changes in Climate Patterns". The analysis scenarios used are described below.

### 2. Climate Risk and Opportunity Matrix and Significance Identification Results



For the "Total / Carbon Tax / Carbon Fee Control and Carbon Reporting Obligation" issue, Novatech used the Nationally Determined Contribution (NDC) and 1.5C Scenarios (Network for Greening the financial system, NGFS) to simulate the potential carbon fee / tax costs. On the topic of "Changes in Rainfall Patterns and Longterm Extreme Changes in Climate Patterns", Novatech simulated the number of projects that could be affected during extreme rainfall based on imagery published by the National Centre for Disaster Prevention and Rescue Technology (NCDR), including the Below 2C and RCP 8.5 scenarios.

## Responding to and Managing Critical Climate Risks and Opportunities at Novatech

Climate Risks and Opportunities			Risk / Opportunity Description	Impact Period	Impact Value Chain Scope
Climate Risks	Transformation Risks	Tonnage / Carbon Tax / Carbon Fee Control and Carbon Reporting Obligations	The Taiwan government has set a net-zero goal, and governments around the world are developing regulations to address greenhouse gas emissions. Although international and domestic regulations have not yet had a significant direct impact on Novatech, it is still a matter of ongoing concern. In addition, the FSC's "Roadmap for the Sustainable Development of Listed Companies" requires companies with less than NT\$5 billion to complete the greenhouse gas inventory, verification and reporting operations of their group parent and consolidated subsidiaries, which would increase the cost of compliance operations.	Medium Term (3-10 years)	Self-operations
	Physical Risks	Changes in rainfall (water) patterns and extreme longterm changes in climate patterns	Prolonged heavy rainfall or drought would affect the difficulty in Novatech's construction work and delay it, and may also reduce the service life of the system, further increasing operating costs.	Short-term (0-3 years)	Self-operations
	Transformation Risks	Low Carbon Technology Transition Costs	The transition to a low carbon economy has resulted in a different product positioning for customers, which in turn has required Novatech to invest more in R&D for new and alternative technologies.	Medium Term (3-10 years)	Self-operations
Climate Opportunities	Markets	Develop new markets	With the global trend of sustainability and the high emphasis on circular economy, more potential customers are focusing on resource (e.g. water, chemicals) recycling systems, creating new business opportunities.	Medium Term (3-10 years)	Downstream Customers
	Resource Efficiency	Recovery and Reuse (Circular Economy)	Circular economy and waste reuse are gradually replacing linear economy, Novatech is actively deploying green projects and investing in the development of technology for circular economy, which creates new business opportunities for new products and can bring new revenue for Novatech.	Medium Term (3-10 years)	Downstream Customers
	Innovative Products & Services	R&D and Innovation in low carbon products and services	Novatech continues to optimise its resource recovery and recycling facilities to reduce environmental damage and enhance its market competitiveness. When customers are subject to greenhouse gas or environmental regulations, the Company can offer more energy-efficient and resource-efficient technologies to enhance Novatech's revenue from low-carbon products.	Medium Term (3-10 years)	Downstream Customers

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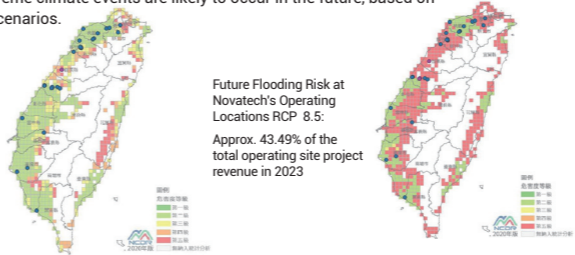
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Climate Risks and Opportunities	Assessment of Climate-related Financial Impacts (Note)	Response Strategy
Climate Risks	<p><b>Tonnage / Carbon Tax / Carbon Fee Control and Carbon Reporting Obligations</b></p> <p>Novatech analysed the financial impact on Novatech of a potential carbon fee up to 2025 based on the NDC National Custom Contribution, 1.5°C reduction pathway. The results show that. The financial impact of the carbon fee on Novatech is approximately 0.004% of total revenue under the NDC National Custom Contribution through 2025. The financial impact of Novatech's carbon fee is approximately 0.04% of total revenue through 2025 under the 1.5°C reduction pathway.</p>	<ul style="list-style-type: none"> <li>Set greenhouse gas emission reduction targets and reduce operational greenhouse gas emissions.</li> <li>Reduce GHG emissions by 1% in 2023 compared to the previous year.</li> <li>Set the schedule for all greenhouse gas inventories of Novatech (including its subsidiaries).</li> </ul>
	<p><b>Changes in rainfall (water) patterns and extreme longterm changes in climate patterns</b></p> <p>Risk of Flooding during the Base Period at Novatech's Operating Locations below 2°C: Approx. 0% of the total operating site project revenue in 2023</p> <p>Future Flooding Risk at Novatech's Operating Locations RCP 8.5: Approx. 43.49% of the total operating site project revenue in 2023</p> 	<ul style="list-style-type: none"> <li>Set greenhouse gas emission reduction targets and reduce operational greenhouse gas emissions.</li> <li>Reduce GHG emissions by 1% in 2023 compared to the previous year.</li> <li>Set the schedule for all greenhouse gas inventories of Novatech (including its subsidiaries).</li> </ul>
	<p><b>Low Carbon Technology Transition Costs</b></p> <p>In response to the Net Zero issue, customers may require suppliers to provide low carbon products and services. If current products do not meet the Net Zero requirements, this risk could have the following financial impact on Novatech. The financial impact of the carbon fee on Novatech would be approximately 0.004% of total revenues under the NDC national contribution to 2025.</p> <ul style="list-style-type: none"> <li>Increase in manpower to develop low carbon technologies, which will increase labour costs.</li> <li>Cost of obtaining EP labelling or certification for customised products</li> <li>Costs of training personnel to use new technologies to develop related products</li> </ul>	<ul style="list-style-type: none"> <li>Develop sustainable materials, improve energy efficiency, and use or design energy-saving and climate-friendly equipment.</li> <li>Adhering to the principles of green product development, controlling costs, and ensuring revenue and profitability.</li> <li>Seek low carbon emission suppliers and local sourcing.</li> <li>Replace with energy efficient equipment.</li> <li>Enhance behavioural management of energy use.</li> </ul>
Climate Opportunities	<p><b>Develop new markets</b></p> <p>Novatech's products, such as the Stripper Recovery System, not only help customers to recycle chemicals in their plants, but also allow them to recoup their capital costs in 2-3 years and reduce environmental pollution in their operations. Currently, Novatech products are exported to China and Singapore. We expect Novatech's pollution prevention and waste management and high-cleanliness chemical supply and distribution systems to increase its market share in these two emerging markets in the future.</p>	<ul style="list-style-type: none"> <li>Expand New Energy Business.</li> <li>Enhance Competitiveness through Differentiation.</li> <li>Promote and implement green engineering services and ensure high quality of engineering services.</li> <li>Seek longterm cooperative suppliers (quantity-based pricing).</li> <li>To meet the demand for related products, the Company has also signed memoranda of cooperation with local suppliers to stabilise the supply chain, keep operating costs within a certain range and reduce procurement risks.</li> </ul>
	<p><b>Recovery and Reuse (Circular Economy)</b></p> <ul style="list-style-type: none"> <li>Reduce waste disposal expenses due to the promotion of internal circular economy</li> <li>Contribute to revenue from water recycling business opportunities</li> <li>Increase sales of circular economy related products and services for</li> <li>Waste Stripper Recovery System is expected to increase revenue by approximately NT\$50-100 million.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to create opportunities in the water recycling economy.</li> <li>Expand sales of recycling economy related products and technologies.</li> <li>Establish partnership with ITRI or other investing companies to strengthen cooperation.</li> <li>Continue to develop green engineering technologies and implement carbon reduction initiatives to enhance market competitiveness.</li> </ul>
	<p><b>R&amp;D and Innovation in low carbon products and services</b></p> <ul style="list-style-type: none"> <li>Low-carbon products (e.g. Novatech's chemical supply and service systems) can help customers precisely allocate target chemicals and reduce carbon emissions from chemical transportation, which are expected to contribute to revenue on a sustainable basis.</li> <li>Develop new customers and generate revenue for Novatech through low-carbon products and services (e.g., chemical supply systems) that drive sales of Novatech's other products (e.g., pollution prevention and waste management systems, advanced wet process cleaning equipment, and water recycling systems).</li> </ul>	<ul style="list-style-type: none"> <li>Encourage employee innovation and continue to train employees to learn new knowledge.</li> <li>Develop new skills through industry-government-academia cooperation and facilitate the progress of green engineering technologies.</li> <li>Collaborate with external parties (ITRI) to develop new technologies for products.</li> <li>Shorter design time and grasp more accurate purchase quantities.</li> <li>Improve knowledge of recycled material suppliers.</li> <li>Encourage R&amp;D patents and provide incentives.</li> </ul>

Note: The results of climate-related financial impact analyses may vary depending on the scope of the assessment, contextual assumptions, scope and availability of data, and other factors. Please carefully evaluate the applicability of the quoted data.

### III. Indicators and Goals

Novatech expects its own operations and customers to successfully transform in the face of climate change, so as to implement sustainable development and corporate social responsibility. In order to review climate risks and opportunities on a regular basis, Novatech has established indicators and goals to enable the Sustainable Promotion Unit to review the effectiveness of control measures and to track achievement on an annual basis for the Board of Directors to monitor.

Climate Risks and Opportunities	Short-term (2025)	Medium-term (2040)	Longterm (2050)	
Climate Risks	Tonnage / Carbon Tax / Carbon Fee Control and Carbon Reporting Obligations	<ul style="list-style-type: none"> <li>At least 12 times of energy saving and carbon reduction promotion in Green Office in a year.</li> <li>Increased the use of electronic forms by 10% over the previous year, reducing electricity usage and CO<sub>2</sub> emissions.</li> <li>Enhanced energy conservation and carbon reduction efforts.</li> <li>Use of renewable energy.</li> <li>Complete inventory of carbon emissions at all subsidiaries and operating sites</li> </ul>	<ul style="list-style-type: none"> <li>Increased renewable energy use in head office by 40% compared to the base year.</li> <li>Promoted low carbon transport policy - 20% reduction in use of fuel vehicles compared to base year.</li> <li>Adjusted on a rolling basis according to operating conditions</li> </ul>	<p><b>By 2050 Achieve net-zero emissions as a management goal.</b></p> 
	Changes in rainfall (water) patterns and extreme longterm changes in climate patterns	<ul style="list-style-type: none"> <li>Flooding Potential Analysis for Engineering Sites.</li> <li>Take out catastrophe insurance for works sites with high risk of flooding.</li> </ul>	<ul style="list-style-type: none"> <li>100% insured for comprehensive insurance (covering flooding, typhoon, etc.)</li> <li>Use renewable energy in the construction of solar power facilities.</li> <li>Realise domestic production and localisation of key raw materials.</li> </ul>	
	Low Carbon Technology Transition Costs	<ul style="list-style-type: none"> <li>Investment in R&amp;D</li> <li>Industry-government-academia cooperation in technology development to reduce risks</li> </ul>	<ul style="list-style-type: none"> <li>Maintain and timely adjust the disaster related operation management mechanism, and regularly rehearse the recovery plan.</li> <li>Maintain raw material supply capacity and stability, ensure supply chain transportation and cost balance.</li> </ul>	
Climate Opportunities	Develop new markets	<ul style="list-style-type: none"> <li>Actively expanding into new markets and increasing the share of new markets in total revenue</li> <li>Increase the number of new industrial cases by one per year</li> </ul>	<ul style="list-style-type: none"> <li>Continuously increase the proportion of recycled process water, diversify water sources, and increase the proportion of recycled water used.</li> <li>Continuously develop and expand the Company's low-carbon emission technologies and provide low-carbon products in line with the market trend, in order to promote revenue growth</li> </ul>	
	Recovery and Reuse (Circular Economy)	<ul style="list-style-type: none"> <li>Increase the quantity of recycling-related technology and equipment developed</li> <li>Enhance the efficiency of recycling-related technologies and equipment.</li> </ul>	<ul style="list-style-type: none"> <li>Actively participate in industry-academia cooperation programmes to sustain the optimisation of the circular economy.</li> <li>Develop or invest in carbon reduction technologies.</li> </ul>	
	R&D and innovation of low carbon products and services	<ul style="list-style-type: none"> <li>Expand low-carbon related products and services</li> <li>Increase the number of related patent applications</li> </ul>	<ul style="list-style-type: none"> <li>Continuously develop alternative raw material sources in response.</li> <li>Advance planning for new raw material resources.</li> </ul>	

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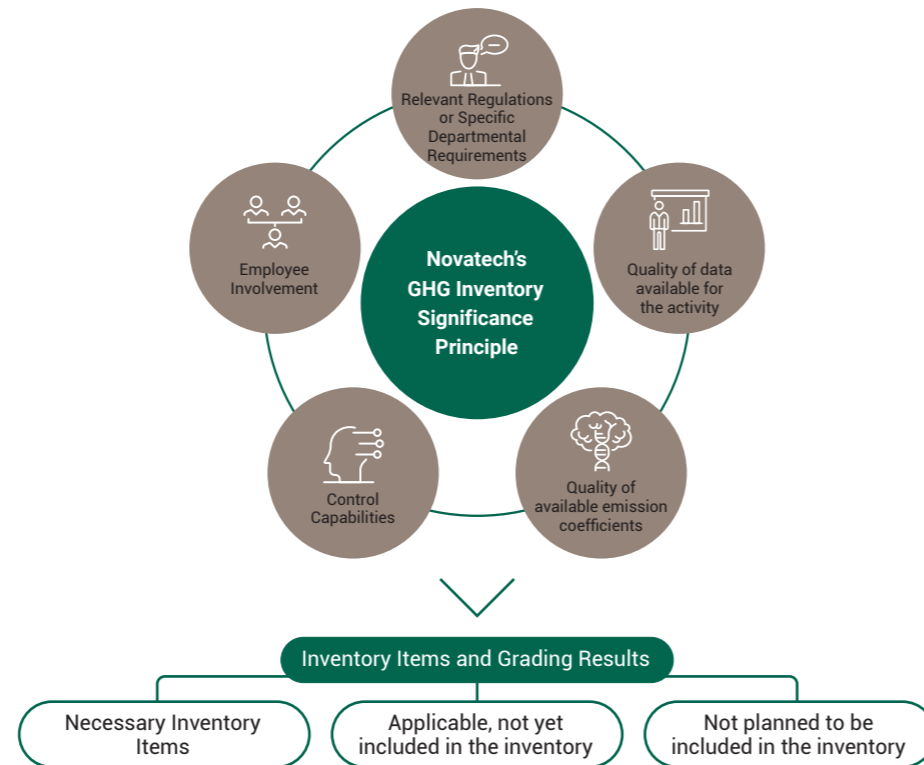
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## Greenhouse Gas Inventory

As the issue of climate change grows, Nova Technology Corp. needs to be proactive in addressing the issue in order to minimize its impact on itself and the environment. Although not classified as a GHG regulated entity, Novatech conducts its own GHG inventories so that it understands its responsibilities and risks in relation to climate change issues. In accordance with ISO 14064-1 GHG Inventory Guidelines, Nova Technology Corp. conducted a GHG inventory consolidation using the operational control rights methodology and assessed significance based on the principle of significance. The results showed that Category 2 (Scope 2), Category 3 (Scope 3), and Category 4 (Scope 3) are significant indirect GHG emissions. Direct GHG emissions (Category 1) were 66.7647 tons of CO<sub>2</sub>e (21.26%). Category 2 (Scope 2) emitted 84.5096 tons of CO<sub>2</sub>e (26.91%). Category 3 (Scope 3) emitted 132.0869 tons of CO<sub>2</sub>e (42.06%). Category 4 (Scope 3) emitted 30.7179 tons of CO<sub>2</sub>e (9.78%). The total emission level was 314.0791 tons of CO<sub>2</sub>e.



## Greenhouse Gas Inventory and Analysis at Novatech

As the issue of climate change grows, Nova Technology Corp. needs to be proactive in addressing the issue in order to minimise its impact on itself and the environment. Although not classified as a GHG regulated entity, Novatech conducts its own GHG inventories so that it understands its responsibilities and risks in relation to climate change issues. In accordance with ISO 14064-1 GHG Inventory Guidelines, Nova Technology Corp. conducted a GHG inventory consolidation using the operational control rights methodology and assessed significance based on the principle of significance. The results showed that Category 2 (Scope 2), Category 3 (Scope 3), and Category 4 (Scope 3) are significant indirect GHG emissions. Direct GHG emissions (Category 1) were 66.7647 tonnes of CO<sub>2</sub>e (21.26%). Category 2 (Scope 2) emitted 84.5096 tonnes of CO<sub>2</sub>e (26.91%). Category 3 (Scope 3) emitted 132.0869 tonnes of CO<sub>2</sub>e (42.06%). Category 4 (Scope 3) emitted 30.7179 tonnes of CO<sub>2</sub>e (9.78%). The total emission level was 314.0791 tonnes of CO<sub>2</sub>e.

Greenhouse Gas Emission Source (Scope)	Description of Inventory Items	Assessment Items and Classification Results
Category 1 (Direct GHG emissions)	Covering fuel for public vehicles, fugitive refrigerant for office equipment, fire extinguishers, septic tanks and other equipment.	21 points - Essential Inventory Items
Category 2 (Indirect GHG emissions from purchased energy)	Covering purchased electricity	21 points - Essential Inventory Items
Category 3 (Indirect GHG emissions from transport)	Covering business travel and employee commuting, downstream transport and distribution	21 points - Essential Inventory Items
Category 4 (Indirect GHG emissions from use of products by the Organization)	Greenhouse gas emissions from fuels used in the production process, Upstream emissions from purchased electricity, Transmission and Distribution (T&D) losses, Emissions from electricity generated by the Company and sold to end-users.	14 points - Essential Inventory Items
Category 5 (Indirect GHG emissions from use of the Organization's relevant products)		14 points - applicable, not yet included in the inventory
Category 6 (Indirect greenhouse gas emissions from other sources)		Nil, not yet included in the inventory

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Emission Source	Unit	2021	2022	2023
Direct Greenhouse Gas Emissions (Scope 1)	ton CO <sub>2</sub> e	66.65	70.08	66.7647
Indirect Greenhouse Gas Emissions (Scope 2)	ton CO <sub>2</sub> e	95.94	90.18	84.5096
Total greenhouse gas emissions (Scope 1 + Scope 2)	ton CO <sub>2</sub> e	162.59	160.23	151.2743
Greenhouse Gas Emission Intensity (Scope 1 + Scope 2)	ton CO <sub>2</sub> e/person	1.03	0.94	0.9396
Other Indirect Greenhouse Gas Emissions <sup>Note 3</sup>	ton CO <sub>2</sub> e	162.00	160.60	162.8048

Note 1: In 2021, ISO 14064:2018 was introduced to conduct greenhouse gas inventories. While 2021 was set as the base year for the inventories, external verification was passed from 2021 to 2023.

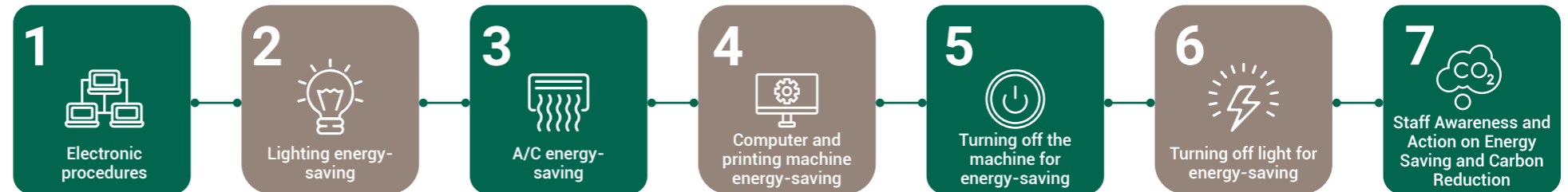
Note 2: The grid emission factor is based on the "2022 Electricity Emission Factor" published by the Bureau of Energy of Taiwan's Ministry of Economic Affairs. The actual calculation is based on the annual coefficient of electricity emission. Since the coefficient of electricity emission for 2023 has not yet been announced, the coefficient of the previous year (0.495 kg CO<sub>2</sub>e/degree) was used for calculation.

Note 3: In 2023, other indirect GHG emissions cover emissions from Category 3 (indirect GHG emissions from upstream transport), Category 4 (indirect GHG emissions from Organizational use of products).

Note 4: Novatech's GHG emissions intensity is based on Scope 1 and Scope 2 GHG emissions as the numerator and the average number of employees in each year as the denominator.



Energy-saving and Carbon Dioxide Reduction Operating Procedures for Offices of Novatech



## Energy Saving and Carbon Reduction Awareness and Action in 2023

### Action



Novatech continues to promote e-documentation, which not only enhances administrative efficiency, but also reduces the amount of paper used in the office.

By 2023, all staff underwent 16 sessions of e-documentation propaganda, and the amount of paper printed in the office will be reduced by 7% compared to 2022.



In response to COVID-19, Novatech has adopted online meetings, telephone communication or home office to contact customers, replacing physical visits and reducing greenhouse gas emissions caused by official visits.

In 2023, the annual fuel consumption of official vehicles was reduced by 67.77 litres compared with the previous year, and 0.068 tonnes of CO<sub>2</sub>e was reduced.



By 2023, office air-conditioners will be replaced by energy-saving air-conditioners with environmental protection and energy-saving labels to reduce office electricity consumption.

Office air-conditioning has been completely replaced by 2023, reducing office electricity consumption by 9.94%.



By 2023, we will have established the concept of environmental sustainability for our colleagues, and will have conducted more than 12 publicity campaigns on energy conservation and carbon reduction in the Green Office.

In order to create a new corporate culture of carbon reduction and energy saving, we continue to promote carbon reduction measures in the office on a regular basis and implement monthly promotions. In 2023, we will conduct 12 publicity programmes on energy saving and carbon reduction in Green Office, and continue to deepen our corporate environmental protection activities.

## 4-3 Energy Management

### Energy Management Management Approach

#### Significance and Value to the Company

The proliferation of climate change issues has led to an increasing number of domestic and international regulations and requirements. Enterprises need to set up mechanisms for timely adaptation and response. Energy-saving innovations in products and services, sophisticated design, and low-carbon supply chain are the key to the company's sustainable development. Preventing the impacts and crises caused by climate change is a top priority.

#### Actual and Potential, Negative and Positive Impacts

##### + Positive:

Effective energy management and energy conservation can reduce corporate operating costs, generate carbon reduction effects, and lower the risk of power shortages at the point of operation.

##### - Negative :

High-energy-consuming enterprises are unable to meet the expectations of investors and the public for energy conservation and carbon reduction, which may result in a negative corporate image in the long term and make it more difficult to obtain funding. Failure to implement energy saving programmes will result in increased electricity consumption and higher tariff costs, as well as a negative impact on the environment.

#### Action Plans/Resources System

- Establish a legal and effective environmental management system to facilitate various environmental protection and safe production activities.
- Implement electronic processes to reduce electricity usage and CO<sub>2</sub> emissions.
- Implement monitoring to reduce electricity usage and conduct regular carbon inventories.
- Promote energy saving and carbon reduction through the Green Office.

#### Policies/Commitment

- Enhance energy efficiency and effectiveness by setting green procurement targets for office equipment and supplies.
- Regularly audit and review the quality and effectiveness of environmental management, and review and make changes.
- Continuously carry out energy conservation and carbon reduction, and promote energy management to achieve carbon reduction targets.

#### Management Strategies

- Comply with all energy and carbon management laws and regulations, and aim for zero non-compliance.
- Identify climate change risks and respond to them with information disclosure.
- Set short, medium, and longterm energy-saving and carbon reduction targets, and formulate practical practices and promote reduction.

#### Grievance Mechanisms

#### Stakeholders / Contact Channels

Company Website: <https://www.novatech.com.tw>

General Manager's Office, Audit Office | [Audit@novatech.com.tw](mailto:Audit@novatech.com.tw) | 03-6676868

Means of Communication: E-mail, Telephone, and Face-to-Face Interview

\* This major theme or topic has not generated activities or business relationships that could have a negative impact this year.

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## Energy Use Performance

Novatech is committed to practising energy saving, protecting the earth and treasuring resources, and integrating the concept of environmental protection and energy saving into its operation. Apart from actively promoting energy saving concepts in the office, Novatech also encourages its staff to participate in energy saving and carbon reduction self-management activities. To ensure efficient use of energy, Novatech regularly reviews its energy consumption.

Due to the nature of the industry and the constraints of its operations, Novatech's energy use is relatively simple compared to traditional manufacturing or other industries. The main energy consumption is centred on electricity for office operations and fuel consumption for official vehicles. The calculation of energy use covered Novatech's offices in the northern, central and southern regions of Taiwan, including the Zhubei Office, Linkou, Jhongli, Taichung and Tainan offices.

In 2023, Novatech encourage the use of electric vehicles as the preferred option for leasing public vehicles. Currently, one of the company's buses has been converted to an electric vehicle, and the proportion of electric vehicles will be gradually increased in the future. Novatech is also considering installing solar panels on the rooftop of its Zhubei office to reduce greenhouse gas emissions. Meanwhile, Novatech also regularly reviews the per capita electricity consumption to clarify the current situation of the company, and works with colleagues to reduce the per capita electricity consumption year by year.

Novatech conducts its greenhouse gas inventory and management in accordance with ISO 14064-1:2018, the greenhouse gas inventory standard. Compared to last year, Novatech's energy use and energy intensity decreased in all categories in 2023. Electricity use increased by 3.47% due to the evacuation of plant personnel to the Engineering Office. Electricity use in the office building decreased by 9.94%, gasoline use decreased by 0.34%, and overall energy intensity decreased by 13.17%, demonstrating the effectiveness of Novatech's energy conservation and carbon reduction efforts. In 2023, Novatech will also include downstream transport in three categories of nine in the inventory, and expects to work together with suppliers.

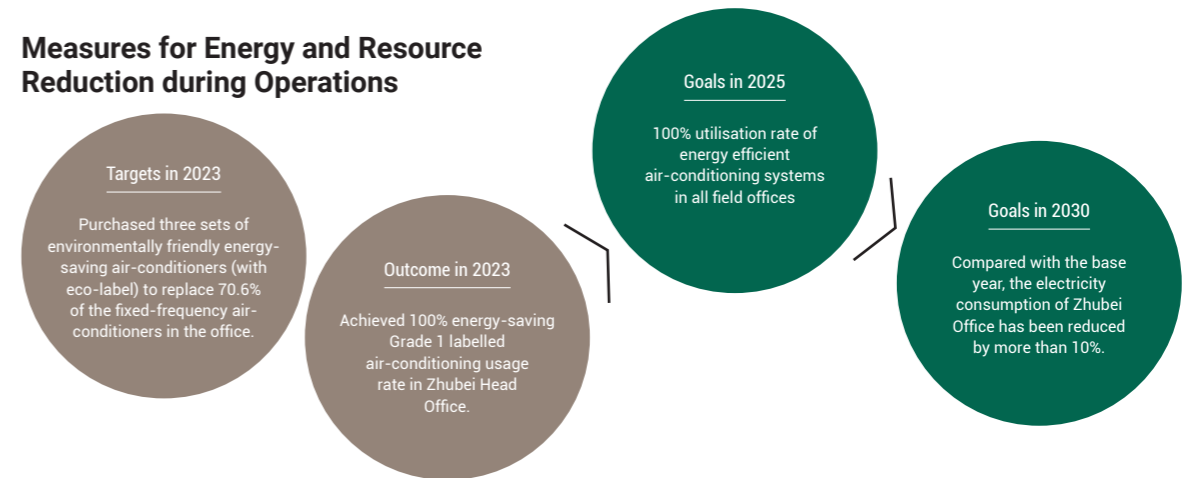
## Historical Energy Use and Energy Intensity

Comparison to Base Year (2021)	2021	2022	2023
Electricity Consumption in the Engineering Office (kWh)	86,547.92	83,216.80	86,106.50
Electricity Consumption in the Office Building (kWh)	104,574.10	93,961.70	84,619.91
Gasoline usage (Liter) <sup>Note 1:</sup>	19,028.90	19,796.10	19,728.33
Total energy usage (GJ) <sup>Note 2:</sup>	1,308.71	1,283.89	1,258.45
Total floor area (Ping or 3.305785 m <sup>2</sup> )	771.60	769.09	868.89
Energy intensity (GJ/Ping or 3.305785 m <sup>2</sup> )	1.70	1.67	1.45

Note 1: The gasoline consumption of public vehicles was estimated based on the average price of domestic 95 unleaded gasoline of NT\$31.09 (US\$/litre) in 2022 announced by the Bureau of Energy of the Ministry of Economic Affairs of the ROC (MOEA). The refuelling cost is calculated by multiplying the unit price of fuel by the number of litres of refuelling for public vehicles. In 2023, the above calculation method has been changed, and the actual number of litres of fuel consumed by public vehicles was used.

Note 2: The coefficient of purchased electricity is based on 3.6 GJ/kWh. For diesel and gasoline, we refer to the calorific value of the "Energy Products Unit Calorific Value Table" published by the Bureau of Energy of Taiwan's Ministry of Economic Affairs in 2020 for unit conversion.

## Measures for Energy and Resource Reduction during Operations



## 4-4 Water and Waste Management

### Water Resource Management

In order to have a better understanding of the company's water usage, Novatech has started to conduct its own inventory of water consumption since 2017. The inventory covers office and engineering office water, which is supplied directly by the water company with no additional water sources. In 2023, there was a slight increase in water tariffs mainly due to the increase in the public share of water consumption. In addition, Novatech encourages the use of environmentally friendly tableware, and employees bring their own environmentally friendly tableware and utensils to be washed after use, thus slightly increasing water consumption. Novatech continues to enhance the efficiency of water resource usage by posting soft water conservation slogans, regularly inspecting related pipelines for leaks, and prioritising the purchase of water-saving equipment, and plans to reduce water intensity to 6.5 cubic metres<sup>(Note 1)</sup> per person by 2025.

Note 1: Each cubic metre of water is equivalent to 0.001 million litres.

### Water Withdrawal

Water Source		2021	2022	2023
Zhubei Office (m <sup>3</sup> )	The building is responsible for managing water access and does not keep statistics.	280	217.7	316
Engineering Office (m <sup>3</sup> )		959	728	833.66
Total (m <sup>3</sup> )		1,239	945.7	1,149.66
Water Use Intensity (m <sup>3</sup> / person)		7.84	5.53	7.14

Note 1: The water used is fresh water ( $\leq 1,000$  mg/L total dissolved solids), and the water bill is adopted.

Note 2: According to the Water Risk Analysis Tool developed by the World Resources Institute, Taiwan is not a global water stress area.

Note 3: In 2023, the principle of calculating water intensity has been adjusted to use the annual average number of employees as the denominator.

Note 4: The smallest unit for water billing is equal to 0.001 million litres. Since Novatech mainly uses water for domestic use and the amount of water used is small compared to the general manufacturing industry, the information is not presented in millions of litres.



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## Waste Management

In accordance with the Waste Disposal Act of the Environmental Management Administration of the Ministry of the Environment, Novatech established the "Waste Management Procedures" in 2018 to plan the storage and removal of waste through the specialised staff of the business execution department and the industrial safety department.

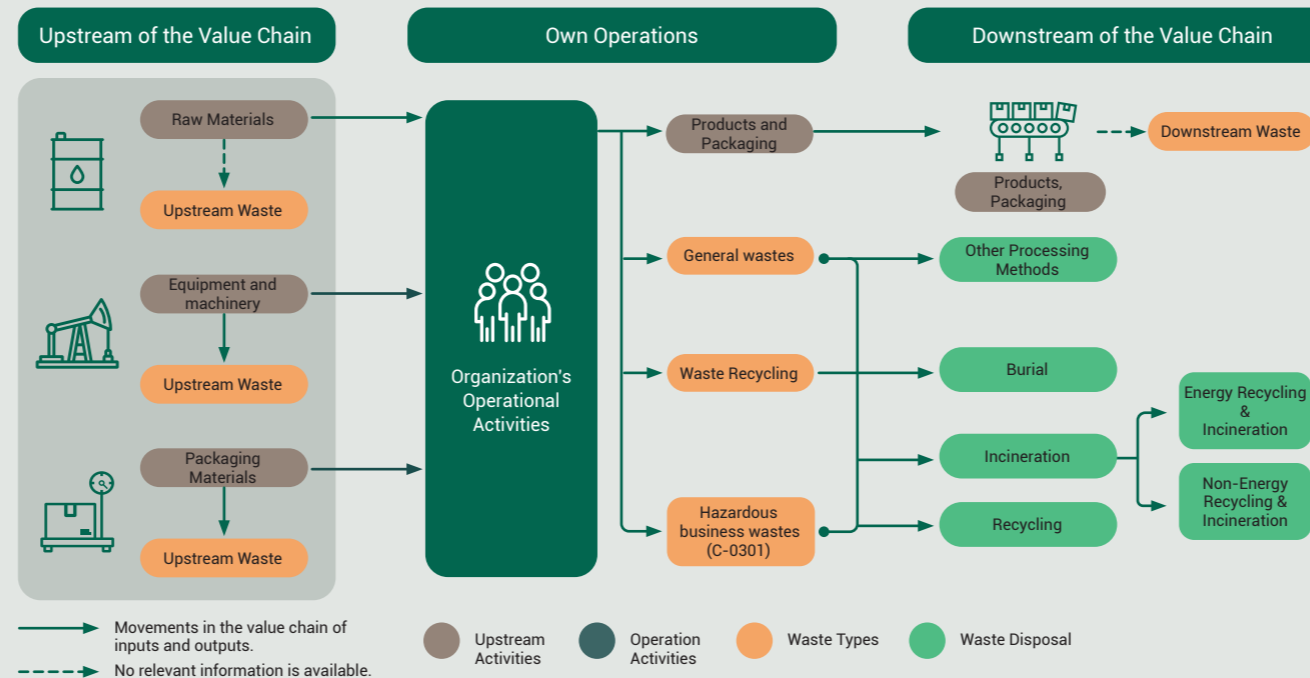
For engineering waste, Novatech will properly classify the waste, and the cooperative waste disposal contractors will take the engineering waste out of the plant for treatment. We also regularly visit hazardous waste removal vendors to confirm that hazardous waste operations are in compliance with regulations.

In 2023, the amount of hazardous waste we outsourced was 0.35 tonnes, and the hazardous waste was treated by incineration.

The main source of general waste is domestic rubbish and food waste in the office area, which are all removed by the office building. In 2023, the amount of general waste generated will be 5.748 tonnes and the amount of hazardous waste will be 0.35 tonnes, making a total of 6.098 tonnes, which is 0.14 tonnes more than last year. Waste intensity was 0.0379 (tonnes/person), an increase of 2.35% from last year. The amount of hazardous waste generated from products and services varies depending on the amount of operating activities.

In the future, Novatech will continue to strengthen waste separation in offices and engineering offices, reduce the use of disposable items, and regularly check whether waste is cleaned up correctly to avoid environmental problems caused by secondary contamination due to improper handling or negligence of suppliers. In addition, we plan to reduce the waste intensity to 30kg/person by 2025.

### Waste Processing Flowchart in Novatech's Value Chain



#### Upstream Management of the Value Chain

- The recycling company that cooperates with the supplier is responsible for the disposal of the waste.
- Novatech performs regular audits on suppliers.

#### Management of own operation activities

- Set up a waste management system
- Cooperate with the competent authority to report the amount of waste.
- Hazardous waste is reduced by soaking in water and treated in accordance with the owner's regulations.
- Hazardous waste is disposed of by a qualified Class A waste disposal company.
- Novatech regularly audits and conducts waste tracking activities.

#### Downstream Value Chain Management

- Regular Visit to Waste Treatment Plant
- Tracking the flow of waste
- Waste treatment is carried out in accordance with plant regulations.

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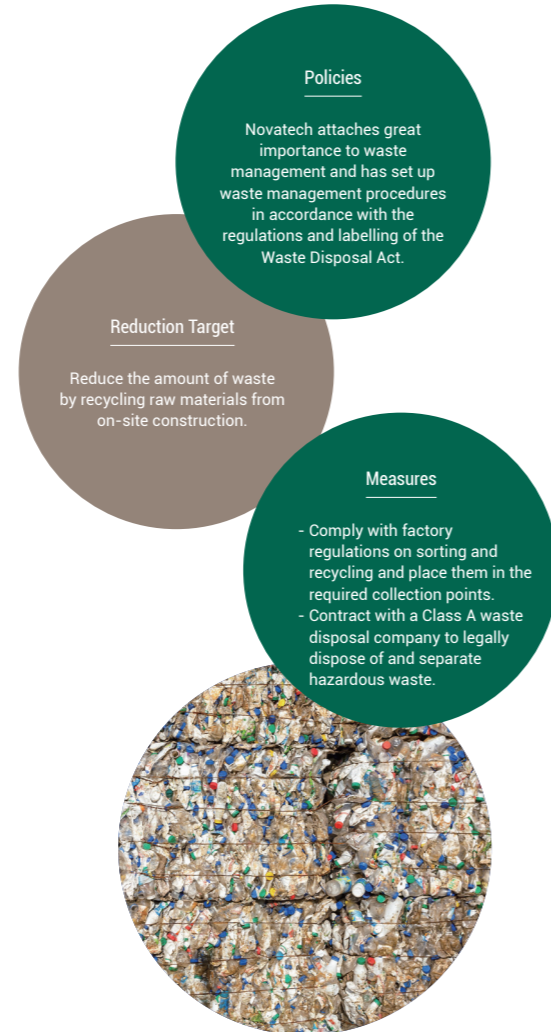
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Waste Reduction Measures



Novatech's Waste Disposal Capacity  
from 2021 to 2023



Area	Category	Management Measures	Disposal	2021	2022	2023
Office Building <sup>Note 1</sup>	General Waste	Garbage disposal	Incineration	5.75	5.75	5.748
			Incineration	0.3	0.21	0.35
Construction wastes	Hazardous business Wastes	Engage suppliers for processing	Reuse	0	0	0
			Burial	0	0	0
			Total	0.3	0.21	0.35
Total Waste Disposal Volume				6.05	5.96	6.098
Waste intensity (tonnes/person) <sup>Note 2</sup>				0.04	0.0348	0.0379

Note 1: General waste in the office building is calculated based on the annual load weight of the outsourced waste removal contract. Here is the formula:  
Total office waste = Total annual waste removal volume \* Novatech's share of area / total office building area.

Note 2: Waste intensity is calculated by using the waste disposal volume as the numerator and the average number of employees in 2023 (161) as the denominator.

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## Creating a Friendly Workplace: Happy Enterprise

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### 5-4 Occupational Health and Safety

Adhering to the principle that "employees are the cornerstone of sustainable management and the most valuable asset", for more than 26 years, in order to protect the labour rights and interests of employees and establish a healthy and safe working environment, Novatech has actively created a suitable working environment, strictly adhered to the Human Rights Policy, provided employees with leave and attendance conditions outperform the labour laws and regulations, and protected the equal conditions of labour for employees of all age groups and different genders. Novatech also promotes education and training programmes for employees through functional assessment to enhance the sustainable development of talents and create a friendly and diversified corporate culture.

#### 16.41 Hours of Course Training

In 2023, the number of EHS training hours per employee reached 16.41, an increase of 5.28 hours from 2022.

#### Overall Satisfaction: 80%

In 2023, the response rate of employee satisfaction survey reached 95.83%, and the overall satisfaction rate reached 80% (ratio of strongly agree to agree).

#### 1111 Job Bank "Happy Enterprise" Gold Award

In 2023, Novatech was honoured with the "1111 Happy Enterprise Gold Award" as the most desired company by office workers.

#### Accumulated 4,712 hours of exercise

In 2023, Novatech launched the first Healthy Pedometer Challenge, investing approximately NT\$250,000 to encourage employees to develop a regular exercise habit and accumulate 4,712 hours of walking time.

#### Employee Benefits increased by 21.14%

In 2023, the total employee benefits expenditure increased by 10.16% compared with 2022, and the average employee benefits cost increased by 21.14% compared with 2022.

#### Health Check-Up Rate: 90.26%

In 2023, the rate of health check-ups reached 90.26%, an increase of 14.84% over 2022.

#### 2,923,372 zero-accident working hours by end-2023

As of December 31, 2023, the cumulative number of zero-accident working hours was 2,923,372 hours.

#### Salary increased by 9.55%

In 2023, Novatech's average employee salary cost increased by about 9.55% compared to 2022. The average salary of full-time staff in non-supervisory roles increased by 4.16% and the median salary increased by 6.93% compared with 2022.

#### Establish the due diligence process for human rights

This process can be used to evaluate the risk issues involved in the company's stakeholders and the corresponding mitigation and compensation measures.

#### Training increased by 34%

In 2023, the Company actively conducted staff education and training, with an investment of approximately 2.09 times of that in 2022. In 2023, the total number of training attendances also increased by 34% compared to 2022.

#### Workplace Health Promotion Mark

- In 2023, Novatech was recognized by the Ministry of Labor as a Top Performer under the Public Occupational Health and Safety Index in the Sustainability Report.
- In 2023, Novatech again received the Workplace Health Promotion Mark from the Ministry of Health and Welfare and recognized as adhering to the pledge of "Healthy Corporate Citizenship" by Common Health Magazine in 2023.

## 5-1 Work Partners of Novatech

At Novatech, employees are not treated differently on the basis of race, language, ideology, gender, age, marriage, religion, nationality, party affiliation or political inclination. In 2023, we have a total of 154 employees and 71 outsourced workers. The staff consists of 151 regular employees and 3 non-regular employees, including 95 males and 59 females. Due to the nature of the industry, there are more men than women. However, the average percentage of female staff in 2023 is 38.31%, an increase of 3.67% from 2022. The proportion of female executives as a percentage of all executives is 31.25%, an increase of 3.18% from 2022. In addition, outsourced employs 3 physically and mentally challenged employees in 2023, accounting for 1.9% of all employees, which is higher than the ratio of physically and mentally challenged employees as stipulated by the law (not less than 1% of the total number of employees and not less than 1 person). In the past three years (2021~2023), the company has not employed any employees without guaranteed hours. By guaranteeing a minimum number of working hours, the company ensures that its employees have basic income security under stable working conditions, thus establishing a stable labour-employer relationship with the company.



### Employment of staff in the past 3 years (Reporting period: end of 2023)

Year		2021		2022		2023	
Type/Gender		Male	Female	Male	Female	Male	Female
Regular employees (Note 1)	30 years old below	18	10	23	15	19	8
	31-50 years old	88	34	82	39	66	44
	51 years old and above	9	6	9	6	8	6
Contract employees (Note 2)	30 years old below	0	0	0	0	0	0
	31-50 years old	1	0	2	2	1	0
	51 years old and above	3	0	1	0	1	1
Total number of employees		119	50	117	62	95	59

Note 1: Regular employees: Full-time employees with indefinite-term employment contracts.

Note 2: Contract employees: Temporary employees (including full-time and part-time employees) who have entered into a fixed-term employment contract with the Company

Note 3: Novatech's employees are all located in Taiwan and there are no overseas employees.

Note 4: The newly established business units in 2021 and 2022 have reached their full manpower capacity, thus reducing the number of new recruits, resulting in a decrease in the number of new recruits. In addition, the number of employees in 2023 has already decreased due to the transfer of staff within the Group this year.

### Full-time / Part-time staff in the past 3 years (Reporting period: end of 2023)

Year		2021		2022		2023	
Type/Gender		Male	Female	Male	Female	Male	Female
Full-time (Note 1)		118	50	116	62	94	59
Contractors (Note 2)		1	0	1	0	1	0
Total		119	50	117	62	95	59

Note 1: Full-time staff: working at least nine months a year and at least 30 hours a week.

Note 2: Part-time workers: working less than full-time workers per week, month or year.

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**Oursourced workers** (Note 1)

	2022	2023
Total	87	71

Note 1: Non-staff workers are contractors. Their duties include: office area services, environmental maintenance, and assisting customer projects. The monthly requirement (total number of days worked /30 days) was converted according to the actual number of workers per month, and then the annual average was calculated.

**Staff types of employees in the past 3 years  
(Reporting period: end of 2023)**

Year	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Assistant managers and above	22	4	21	6	17	5
Management Staff at the Associate Level and Below	22	11	20	10	16	10
General staff (including non-regular staff)	75	35	76	46	62	44
Total No. of Employees	169		179		154	

**Types of diverse workforce in the past 3 years  
(Reporting period: end of 2023)**

Year	2021			2022			2023		
	Disabled employees	Minority groups (Indigenous people)	Foreign employees	Disabled employees	Minority groups (Indigenous people)	Foreign employees	Disabled employees	Minority groups (Indigenous people)	Foreign employees
Male	1	0	1	1	0	1	1	0	0
Female	2	0	0	2	0	0	2	0	0
Total	3	0	1	3	0	1	3	0	0

**Education and Gender**

Novatech's employees are mainly college/university educated, accounting for 87.66% of all employees. The percentage of employees with master degree is 5.19%. Overall, 92.85% of Novatech's employees are university/tertiary educated, indicating that Novatech attaches great importance to professionalism.

**Education attainment in the past 3 years  
(Reporting period: end of 2023)**

Year 2023	High School/Vocational High School and Below	University/Junior College	Master's Degree	Total
Male	10	79	6	95
Female	1	56	2	59
Total	11	135	8	154



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## New and Separated Employees

Novatech promotes the sustainable development of Organizational effectiveness and talent through a variety of recruitment activities and channels, such as campus recruitment, corporate visits, industry cooperation internships, vocational training courses and job matching, and internal referrals. A total of 22 new entrants in 2023, with a new hire rate of 14.29%. The new workforce under the age of 30 accounts for 45.45% of new hires, continuing to bring new energy to Novatech. In 2023, in response to the subsidiary's need to grow its business, it is necessary to expand its workforce and produce an optimal talent development plan. Novatech and its subsidiaries have carried out Organizational restructuring and personnel transfers, with a total of 17 employees transferred to the subsidiaries in anticipation of a new runway for future growth.

### Employee Recruitment and Ratio in the Past 3 Years

Year	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
30 years old below	17	7	13	5	7	3
31-50 years old	25	4	14	13	10	0
51 years old and above	3	0	1	0	1	1
Total	56		46		22	
Total employees	169		179		154	
Percentage of new employees	33.14%		25.7%		14.29%	

Note 1: The decrease in the number of new recruits in 2023 is mainly due to the fact that the newly established business units in 2021 and 2022 have reached their manpower saturation, thus reducing the recruitment of new recruits.

### Employee Separated and Ratio in the Past 3 Years

Year	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
30 years old below	11	7	6	1	8	3
31-50 years old	19	4	20	4	28	5
51 years old and above	4	0	3	0	5	0
Total	45		34		49	
Total employees	169		179		154	
Turnover rate	26.63%		18.99%		31.82%	

Note 1: In 2023, the manpower requirement expanded rapidly with the growth of the subsidiary's performance. Novatech conducts intra-group transfers at the will of its employees, which in turn leads to an increase in the turnover rate.

Reasons for Separation	Age	Proportion	Response	
Employment Elsewhere	30 years old below	7	34.69%	Novatech uses exit interviews to ask employees about their key factors for transferring to other jobs, such as career goals and ideas, and proactively suggests ways and resources to assist them, and then seeks opportunities to help them stay and enhance retention.
	31-50 years old	10		
	51 years old and above	0		
Intra-group transfers	30 years old below	0	34.69%	At Novatech, we are able to move our top performers to more rewarding roles based on the wishes of our employees.
	31-50 years old	13		
	51 years old and above	4		
Family Factors	30 years old below	1	12.24%	We show concern and respect their wishes, and provide no pay leave or reinstatement if the employee needed.
	31-50 years old	5		
	51 years old and above	0		
Expiration of Contract	30 years old below	2	10.20%	Top performers will be notified for transfer to regular positions or continued employment.
	31-50 years old	3		
	51 years old and above	0		
Layoff	30 years old below	0	4.08%	Conducted according to labor laws and regulations.
	31-50 years old	2		
	51 years old and above	0		
Advanced Study	30 years old below	1	2.04%	Continuous learning is encouraged and future reinstatement opportunities are offered on a voluntary basis.
	31-50 years old	0		
	51 years old and above	0		
Retirement	30 years old below	0	2.04%	Conducted according to labor laws and regulations.
	31-50 years old	0		
	51 years old and above	1		

## 5-2 Employer-Employee Relations

Viewing employees as an important asset, Novatech is obligated to provide every employee a safe and comfortable work environment and well-established personnel systems that contain competitive compensation packages.

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### Employer-Employee Relations

#### Significance and Value to the Company

Novatech regards employees as its most important partners. In order to protect the rights and interests of employees, Novatech creates a suitable employment environment through sound systems, excellent benefits, and open communication channels, and takes good care of its employees' responsibilities to create a friendly and diversified corporate culture.

#### Actual and Potential, Negative and Positive Impacts

##### + Positive:

- Provide a favourable workplace environment to attract and retain talents, promote workplace harmony and enhance corporate competitiveness.

##### - Negative :

- Difficulty in recruiting talent or loss of talent will cause a knowledge gap in the enterprise and affect the work output, which is unfavorable to the development of the enterprise.
- Fail to provide adequate livelihood support for employees.

#### Action Plans/Resources System

- Offer reasonable compensation for work performed.
- Provide employee benefits that are better than those required by law.
- Establish a smooth communication channel between employer and employees.

#### Policies/Commitment

- Novatech's Human Rights Policy, Regulations Governing Employee Compensation, Regulations Governing Employee Appointment

#### Management Strategies

- Formulate relevant management rules to standardise the appointment and approval process.
- Submit the code of conduct to the competent authority for approval.

#### Grievance Mechanisms

#### Stakeholders / Contact Channels

Company Website: <https://www.novatech.com.tw>

WANG, WAN-HUA | [anne\\_wang@novatech.com.tw](mailto:anne_wang@novatech.com.tw) | 03-6676868

Means of Communication: E-mail, Tel, Employee Voice Line, Employee Welfare Committee, and Labor-Management Meetings

\* This major theme or topic has not generated activities or business relationships that could have a negative impact this year.



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## Employee Salary

Novatech has set up "Employee Compensation Management Regulations", "Employee Assessment Management Regulations" and "Employee Reward and Punishment Regulations" in accordance with the relevant government regulations. We have a transparent, open, and clear management system to calculate the bonus according to the annual budget and the performance of the individual. In addition, we regularly review the salary level of the employment market every year and provide reasonable salary compensation to our employee partners.

In 2023, Novatech's average employee payroll cost is NT\$1,514,000, representing a growth of approximately 9.55% from 2022. The total salary of full-time employees in non-supervisory positions in 2023 is NT\$192,482,000. The average salary for full-time employees in non-supervisory positions was NT\$1,327,000 and the median salary was NT\$1,127,000. Compared with 2022, the average salary of full-time employees in non-supervisory positions was NT\$1,274,000 (an increase of 4.16% in 2023) and the median salary of full-time employees was NT\$1,054,000 (an increase of 6.93% in 2023).

### Salary Information of Full-Time General Staff

Year	Number of Regular Employees	Total Salary of Regular Employees	Average salary of full-time employees	Difference from the previous year's average	Median salary of full-time employees	Difference from the previous year's median
2022	144	183,385,000	1,274,000	4.16%	1,054,000	6.93%
2023	145	192,482,000	1,327,000		1,127,000	

Note: "Full-time employees in non-supervisory positions" are not managers as defined in the letter of TAI-CAI-JHENG-SAN-ZIH No. 920001301, and are employees whose working hours reach the normal working hours stipulated by the Company, please see <https://mops.twse.com.tw/mops/web/t100sb15> (OTC Company / Other Electronics).

Novatech offers different salaries to its employees according to their positions, qualifications and work experience. There is no difference in the basic salary between male and female at the basic level.

## Ratio of salaries to statutory basic wage <sup>(Note 1)</sup> for different ranks of staff in 2023 (in multipliers)

Category of Staff	Male	Female
Entry Level Employees <sup>(Note 2)</sup>	1	1
Direct Labor <sup>(Note 3)</sup>	1.18	1.3
Indirect Staff <sup>(Note 4)</sup>	1.35	1.32
Top Management <sup>(Note 5)</sup>	4.62	3.64
Mid-level Supervisors <sup>(Note 6)</sup>	2.71	2.72
Non-supervisor	1.74	1.81

Note 1: Based on the statutory minimum salary of NT\$26,400. Note 2: The staff without any working experience and appointed at the lowest grade. Note 3: Calculated based on the basic monthly salary of inexperienced employees in the engineering category. Employees in this category are defined as engineering staff. Note 4: Calculated based on the basic monthly salary of inexperienced employees in the administrative category. Employees in this category are defined as non-engineering staff. Note 5: Supervisors at the assistant manager level or above. Note 6: Supervisors at the section chief level.

## Executive Remuneration Policy

### Remuneration of Direc

Novatech calculates director's compensation based on the "Regulations Governing the Payment of Directors' and Functional Committees' Compensation", which includes: travelling expenses and attendance fees for attending board meetings. Directors are required to receive feedback on the performance of the Company's governance and operations, as well as the results of its social responsibilities at Board meetings, in order to fulfil the Company's spirit of honest governance and its commitment to sustainable development

Pursuant to Article 19-1 of the Company's Articles of Incorporation, the Company shall apply the annual pre-tax profit (before deduction of the profit before distribution of employees' and directors' remuneration) to cover the accumulated losses first, and then set aside no more than 5% of the net profit before tax, excluding the distribution of employees' and directors' remuneration, as directors' remuneration. Directors' remuneration is also determined with reference to the Company's operating results. Directors' remuneration shall be reviewed and approved by the Compensation Committee and the Board of Directors. Independent directors do not participate in the distribution of director's remuneration.

In accordance with the "Regulations Governing the Payment of Remuneration to Directors and Functional Committees", the independent directors receive a fixed monthly remuneration and travelling and attendance fees for attending board meetings. If an independent director is appointed by the Board as a member of a functional committee, he or she is entitled to additional committee remuneration, travelling expenses and operating expenses.

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## Evaluation of the Board Performance

To implement corporate governance and enhance the functioning of the Board of Directors, this Company has established a "Board of Directors Performance Evaluation Method", which stipulates that the procedures of each functional committee should be included in the internal performance evaluation of the committee at least once a year.

Within this Company, the Nomination Committee is the executive unit for board performance evaluation. The scope of evaluation includes the performance of the entire Board of Directors, individual Board members and functional committees, and incorporates corporate sustainability indicators such as "corporate governance", "risk management", "compliance" and "corporate sustainability responsibility" to implement corporate governance and enhance the effectiveness of this Company's Board of Directors' operations.

The performance evaluation of the Board of Directors of this Company shall be conducted at least once every three years by an external professional independent Organization or a team of external experts and scholars. On 27 December 2023, the Taiwan Institute of Ethical Business was appointed to carry out the performance evaluation, and it is expected that another external evaluation will be carried out in 2026.

## Manager's Compensation and Performance

Managers' salaries and bonuses are based on the "Senior Manager Performance Evaluation Method". The performance evaluation items include: company-wide performance indicators (e.g. turnover achievement rate, net profit achievement rate, shareholders' equity return rate) and individual performance indicators (e.g. annual target items set with the supervisor, specific performance and achievement of talent introduction or promotion, technology exchange and new innovation industry development). Compensation is determined according to the position held, responsibilities assumed, contribution to this Company, and industry standards, and is reviewed by the Compensation Committee and the Board of Directors. The compensation system will be reviewed from time to time in light of the actual operating conditions and relevant laws and regulations in order to strike a balance between the Company's sustainable operation and risk control.

The compensation of the General Manager and Vice President consists of salary, bonuses, employee compensation, and compensation received for serving as a director or supervisor of a subsidiary. The annual compensation of managers consists of salaries, bonuses and bonuses to employees. Employee bonuses are paid in accordance with the Company's Articles of Incorporation, which stipulates that no less than 3% of the annual earnings shall be paid after deducting 10% of the legal reserve. For the sustainable development of the Company, this Company has added the technical exchange and innovation development related to environmental protection equipment and materials to the personal performance index of senior managers, which accounts for 10% of the overall assessment. This performance is also linked to the principle of annual compensation for managers to encourage them to continuously improve the performance of ESG-related business.

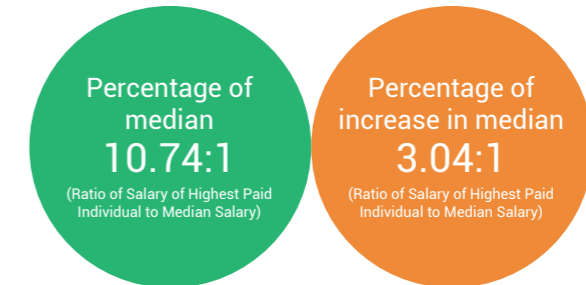
Note 1: The proportion and amount of employees' remuneration to be distributed were reported in the shareholders' meeting.

Note 2: This Company did not engage another compensation consultant in 2023.

Note 3: This Company's stakeholders did not participate in the voting of remuneration policies or proposals in 2023.

## Disclosure of Remuneration Information

At Novatech, the ratio of the annual total compensation of the highest paid individual to the median annual total compensation of the rest of the Organization (excluding the highest paid individual) is 10.74:1. In 2023, the ratio of the percentage increase in the annual total compensation of the highest-paid individual to the median percentage increase in the average annual total compensation of the other employees of the Organization (excluding the highest-paid individual) will be 3.04:1.



Note: The above salaries do not include the salaries of new employees and employees who leave the company during the year, but are the salaries of employees who have been employed for the whole year.

## Employee Benefits

Employee benefits are the incentives that motivate employees to excel. Novatech provides various insurance benefits and pension contributions in accordance with government regulations, and provides better protection for employees' work and life with group insurance that is superior to that required by law. Novatech also encourages employees to get married and have children by providing maternity leave, paternity leave, family care leave, wedding leave, wedding bonus and maternity bonus.

In 2023, the total employee benefits expense was NT\$14,908,217, an increase of 10.16% from the total employee benefits expense of NT\$13,533,604 in 2022.

The average employee benefits expense in 2023 is NT\$1,771,000, an increase of 21.14% from the average employee benefits expense of NT\$1,462,000 in 2022. This demonstrates Novatech's commitment to the concept of taking care of its employees and to the sustainable management of the company.

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Type of Benefits	Measures
Health examination	Regular annual employee health checkups
Insurance	<ul style="list-style-type: none"> <li>- Employee group insurance (including life insurance, accident insurance, medical insurance, disability insurance, and cancer insurance)</li> <li>- Provide employees with the option of taking out preferential self-funded plans for their dependents.</li> <li>- Provide employees with social insurance in accordance with the law, i.e., labour insurance, universal health insurance and labour pension.</li> </ul>
Get-together	<ul style="list-style-type: none"> <li>- Provide annual group dinners and birthday parties.</li> <li>- Staff travelling</li> <li>- Employee activities to promote physical and mental health (please refer to the section on 'Health Examinations and Health Promotion Activities')</li> </ul>
Leave	<ul style="list-style-type: none"> <li>- Provide various kinds of paid leave to employees in accordance with the law, such as: marriage leave, pregnancy checkup leave, maternity leave, paternity leave, parental leave, bereavement leave, occupational sickness leave, official holidays, and annual leave.</li> <li>- The Labour Standards Act provides for the granting of special leave, and employees are entitled to honorary leave for official performance.</li> </ul>
Retirement System <sup>(Note)</sup>	Measures under the Labor Standards Act, regulations for the provision for labor pension, and Labor Pension Act for protecting the employees' work and life
Subsidy	<ul style="list-style-type: none"> <li>- Employee Marriage Fund</li> <li>- Subsidies for employees, spouses, and children for hospitalisation and death and funeral of immediate family members.</li> <li>- Employee Health Examination Subsidy (please refer to the section on 'Health Examinations and Health Promotion Activities')</li> <li>- Travelling subsidy for employees and dependents</li> <li>- Birthday gift, year-end dinner party, annual festival bonus, employee remuneration, share purchase.</li> </ul>
Maternity Benefits	<ul style="list-style-type: none"> <li>- Nursing room in office completed in April 2023</li> <li>- Increase in the Maternity Allowance from NT\$5,000 to NT\$12,000 per child with effect from 3 May 2023</li> </ul>

Note: Except for 20 staff members who have retained their seniority before conversion, all other Novatech employees have been converted to the new system.

Parental Leave

Novatech regards its employees as important partners and actively protects their rights and freedoms. For employees who have babies, the company will give them parental leave in accordance with the Labor Standards Act. After one year of employment, employees may apply for parental leave without pay before the child reaches the age of three (up to a maximum of two years) in accordance with the 'Gender Equality in Employment Act' and 'Regulations for Implementing Unpaid Parental Leave for Raising Children' (up to a maximum of 2 years). Upon the expiration of the period of leave without pay for baby-sitting, we will arrange for employees to return to work in accordance with the vacancy situation and the employees' wishes, so as to protect and emphasise the career development of the employees.

Item	Number of Male Employees	Number of Female Employees
Total number of employees eligible for parental leave in 2023 (A)	10	0
Total number of staff actually taking parental leave in 2023 (B)	2	0
Total number of staff who should return to work after taking baby care leave in 2023 (C)	2	0
Total number of staff reinstated in 2023 after taking baby care leave in 2023 (D)	0	0
Total number of staff reinstated in 2022 after taking baby care leave in 2022 (E)	0	0
Total number of staff still in service 12 months after resumption of service on parental leave in 2022 (F)	0	0
Rate of application for leave without pay (B/A) <sup>(Note 1)</sup>	20%	-
Reinstatement rate (D/C) <sup>(Note 2)</sup>	0%	-
Retention rate (F/E) <sup>(Note 3)</sup>	-	-

Note 1: Calculation = Total number of employees who actually took parental leave in 2023 / Total number of employees who were entitled to parental leave in 2023.

Note 2: Calculation = Total number of staff who returned to duty in 2023 after taking baby care leave in 2023 / Total number of staff who should have returned to duty after taking baby care leave in 2023.

Note 3: Calculation = Total number of staff still in service 12 months after resumption of duty in 2022 after taking baby care leave / Total number of staff resuming duty in 2022 after taking baby care leave in 2022.

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## Communication Channels

Novatech attaches great importance to two-way communication with its employees, and therefore has established the Communication Management Procedure to create a positive, smooth, open and transparent communication environment, and to grasp the suggestions and voices of each employee partner, so as to deal with them immediately and appropriately and respond to them. Employees can submit their opinions through the 'Internal/External Opinion Form' and 'Employee Mailbox'. The Management Department and related departments collect opinions and respond to them, so that the relevant personnel can reduce their concerns and worries in the channels of providing opinions, communication and consultation, and maintain a smooth communication mode. In 2023, we did not receive any unusual internal or external opinion or employee mailbox comments.

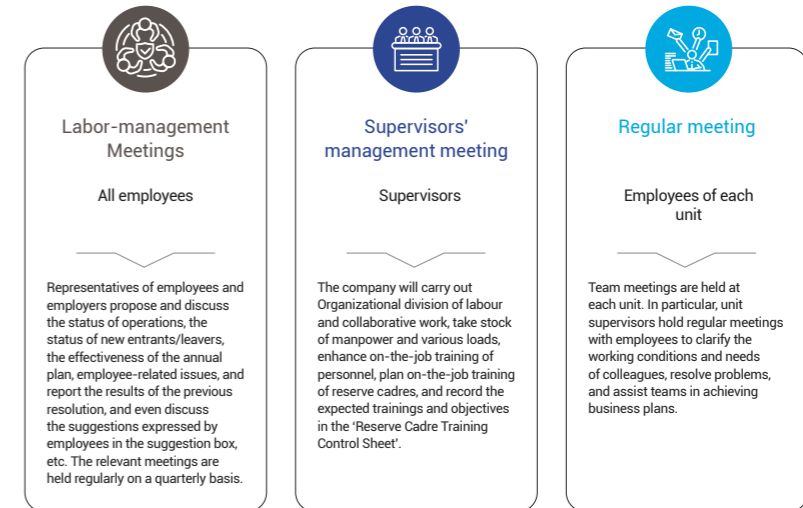
To create a work environment that is free of sexual harassment, the Company has formulated the "Regulations Governing Prevention of Sexual Harassment." Employees who have been subjected to such behaviour or incidents can file a complaint through the Complaint Hotline (03-6676868 ext. 1301) or the Complaint Mailbox (nova885@novatech.com.tw), and the relevant unit will handle the case appropriately after receiving the complaint. As a result of these measures and the establishment of various channels, there were no cases of sexual harassment related complaints against this Company in 2023.



## Labour and Management Communication

Novatech values the rights and interests of each and every employee and is committed to providing a safe and comfortable working environment. In order to communicate with our colleagues immediately, we exchange opinions through various channels and internal meetings, and set up employee suggestion boxes to receive feedback from employees. We have set up relevant management rules and complaint channels to care for our employees through multiple channels, build up their sense of identity with the company, promote labour harmony, discuss labour conditions and benefits, and improve work efficiency. These efforts help employees and the company to reach a consensus on various labour issues. In the event of a significant change in operations, employees with three or more years of service will be notified 30 days in advance. Employees who have worked for one year or more but less than three years will be notified 20 days in advance. Employees who have worked for three months or more but less than one year will be notified 10 days in advance. The Company will also inform employees through labour meetings. In 2023, the main communication issues were employee welfare items, including employee trips, the company's annual closing activities, encouraging walking campaigns, and the project manager's performance bonus system.

In 2023, in regular meetings and supervisors' management meetings, in addition to stepping up efforts to reduce unnecessary overtime work, we also communicated, discussed, and formulated activities related to the promotion of health, in order to improve the work-life balance of all employees. In addition, representatives of employers and employees discuss the suggestions and opinions provided by employees in satisfaction surveys in labour-management meetings, and announce and implement resolutions to express their concern for employees' ideas and continuous improvement.



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Annual Staff Meeting

All employees

Employee meetings are held annually to provide two-way communication between all employees and the management. During the meeting, the company's business policies and annual operational plans are presented to enhance employees' recognition of the company. The Company has been able to effectively improve its work efficiency through all-employee meetings and feedback from employees.



Measures to Prevent Sexual Harassment

All employees

The company has established the 'Complaint and Disciplinary Measures for Prevention and Control of Sexual Harassment in the Workplace', which provides a dedicated telephone line and a special complaint email box for complaints, with the aim of providing a work and service environment free of sexual harassment for employees, dispatched labourers and job seekers.



Communication Control Procedures

All employees

The company should reach a consensus on the management system within the company and establish communication and consultation channels for quality, environmental management and occupational safety and health management outside the company.



Employee Complaint Mailbox

All employees

The company protects the rights and interests of employees and solves labour problems. If an employee suffers from unfairness, unreasonableness or damage to his/her rights and interests at work, he/she may, in addition to responding to his/her supervisor and the labour council, directly file a verbal or written complaint with the company (through the Employee Grievance Mailbox) in order to obtain an effective response.



## Employee Satisfaction Survey: Emphasis on Talent Assets, People-oriented Care

Having competent, capable and high-performing employees will contribute to the sustainable and steady development and progress of the company. This Company plans to conduct employee satisfaction surveys on a regular basis once every two years. Novatech conducted an employee satisfaction survey in 2023 to collect the opinions of all regular employees who are not senior managers, so that the voices of employees at all levels and departments can be conveyed to the relevant units for evaluation, processing and response.

In 2023, Novatech continued to participate in 1111 Job Bank's 3-month 'Happy Enterprise 2023' campaign. As a result of the online voting and judging process, the company has been awarded the Silver Award for Happy Company for two consecutive years, and in 2023, the company received the highest honour, the Gold Award for Happy Enterprise 2023.



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## Employee Satisfaction Survey

Employee satisfaction is the level of employee satisfaction with their employer and is a key indicator of a happy Organization. The ability to meet employee needs, feedback and suggestions is a key factor in satisfaction. Employee satisfaction is also reflected in the quality of customer service. The higher the level of employee recognition, the more you can reduce operating costs and strengthen your brand image.

In 2023, the company conducted an anonymous employee satisfaction survey. Novatech's satisfaction survey consists of six components: Satisfaction with Organizational Communication, Satisfaction with Work Environment, Satisfaction with Work Content, Satisfaction with Company System, Satisfaction with Self-Worth, and Satisfaction with Organizational Recognition. A total of 144 questionnaires were sent out and 138 questionnaires were returned in 2023. The response rate was 95.83%. The results of the survey are as follows:

The survey results show that employees are relatively satisfied with Organizational communication, working environment and Organizational identification, with an overall score of 79.41 (out of 100), indicating that this Company's efforts in providing a good working environment and effective communication are recognised by employees. However, the ratings of job content, company system and self-worth are relatively low, with the difference between the lowest and highest scores not more than 3.5 marks. In order to improve this situation, from 2023 onwards, the Company will implement compensatory measures to reduce unnecessary overtime work by providing monthly guidance to department heads. In 2023, the number of overtime hours reached the maximum, but was still 42.11% lower than in 2022. In 2023, the total number of overtime hours worked decreased by 33.68% compared to 2022. All of this demonstrates the importance we place on work-life balance for our employees, and our continued commitment to creating a healthy, positive work environment.



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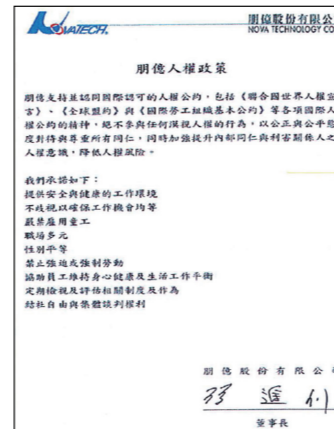
## Human Rights Protection

In 2018, Novatech announced and implemented the Novatech Human Rights Policy with reference to various international standards, including the International Bill of Human Rights, the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights (UNGPs), and the United Nations Global Compact's Code of Conduct for Responsible Business Associations (RBA), which declares that this Company upholds the principle of equal opportunity and treats people of all races, classes, languages, ideologies, religions, party affiliations, genders, marriages, physical and mental disabilities, nationalities, and political affiliations equally and fairly. Child labour and forced labour are strictly prohibited. All these efforts will help create a friendly and diversified working environment.

This Company is committed to implementing diversity in the workplace to ensure that employees are not subjected to discrimination, harassment or unfair treatment, and follows the relevant laws and regulations to set relevant standards to ensure that employees are not subjected to differential treatment on the basis of gender, race, age, marriage, religion, political affiliation, etc. in terms of appointment, promotion, performance, and salary system. In addition, the Company has formulated the 'Regulations Governing Prevention of Sexual Harassment and the Guidelines for Prevention of Wrongful Infringement in the Performance of Duties', which aims to prevent sexual harassment, maintain gender equality at work, and provide a work environment free from sexual harassment.

To implement this policy, the Chairman of the Board of Directors has also signed and approved the 'Novatech Human Rights Policy' and committed to all employees that the Company supports and recognizes the spirit of the internationally recognized human rights treaties, and will not tolerate any acts of disregard for human rights. To enhance human rights awareness of internal colleagues and stakeholders and to reduce the risk of human rights abuse, the President has also approved the company's 'Human Rights Policy Management Plan' to implement the 'Novatech Human Rights Policy' and 'Integrity Management' for all employees.

The scope of this Company's human rights policy extends to Novatech and its affiliates, and the Company applies the same standards to expect suppliers, business partners, and customers to comply with the spirit and basic principles of this policy. At the same time, the Company also requires suppliers to sign a 'third party commitment' prior to cooperation, which stipulates that suppliers must comply with corporate social responsibility guidelines on labour rights, conflict minerals management and environmental protection.



## Implementation of Human Rights

We identify important human rights issues in our industry and plan and organize responses to these issues in advance.

Implementation of Human Rights	Measures
Providing a safe and healthy working environment	The company pays attention to the work safety of its employees and therefore provides a safe and healthy working environment and implements safety education and training. In addition, the company has established an assessment and audit mechanism to reduce potential risks and hazards and actively protect the health and safety of employees.
Non-discrimination to Ensure the Equal Opportunity at Work	The Company maintains equal employment opportunities by treating employees of all races, classes, nationalities, religions, parties, genders, ages, sexual orientations, marital statuses, and physical and mental conditions equally and fairly.
Strictly prohibit child labor	The company adheres to the Labour Standards Act, which prohibits child labour under the age of 16.
Diversity in the workplace	The Company implements diversity in the workplace, maintains fairness in compensation and promotion opportunities, and ensures that employees are not subjected to discrimination, harassment, or unfair treatment on the basis of sex, race, age, marriage, religion, political affiliation, or any other status protected by applicable laws and regulations.
Gender equality	This Company complies with Articles 7 to 11 of the Gender Equality in Employment Act and does not discriminate against employees on the basis of gender. Therefore, this Company has established standards of practice for the appointment, promotion, performance, departmental performance, and salary system of its employees, and does not discriminate between men and women on the basis of gender.
Prohibit forced or compulsory labor	The company has a clear policy of non-discrimination on the basis of race and nationality, and prohibits forced continuous employment to protect the quality of work and life of employees.
Assist employees in maintaining physical and mental health and work-life balance.	1. This Company implements occupational safety and health management to ensure a safe working environment and organizes regular health promotion activities to promote employees' physical and mental health. 2. This Company complies with the Labour Standards Act and other relevant laws and regulations to specify working hours, and encourages colleagues to arrange personal leave to achieve work-life balance.
Freedom of Association and Collective Bargaining	The Company respects employees' rights to freedom of association and collective bargaining.

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## Human Rights Due Diligence and Remedies

In order to implement our human rights policy, we have established a human rights due diligence process to enable Novatech to comprehensively assess the risks posed by the company's activities to human rights. Through risk identification and assessment of human rights issues, Novatech plans management measures and risk mitigation measures, and carries out improvement and follow-up review and evaluation of relevant actions to effectively reduce the impact and influence of human rights risks and protect the rights of employees and stakeholders.

Below are the risk issues and mitigation and compensation measures for each stakeholder.

Human Rights Issues at Novatech	Subject	Risk Assessment Method / Due Diligence	Risk Mitigation Measures	Compensatory Measures
Provide a safe and healthy working environment	All employees, suppliers, customers	Number of Victims in Occupational Disasters and Fatalities / Number of Employees	<ul style="list-style-type: none"> <li>Regularly organize occupational safety and health education and training courses for employees to raise their awareness of hazards and prevent occupational disasters.</li> <li>Strengthen occupational safety and health promotion through internal literature.</li> <li>Suppliers are required to sign a 'third party commitment' before cooperating with the company, to show that it is willing to comply with corporate social responsibility rules on labor rights, conflict minerals management, and environmental protection.</li> </ul>	<ul style="list-style-type: none"> <li>Initiate notification and handling procedures for occupational accidents.</li> <li>Depending on the situation of employees' injuries and illnesses, we proactively provide care and relevant insurance information to help employees understand how to apply for compensation.</li> </ul>
Prohibit unlawful infringement and harassment in the workplace	All employees	Conduct annual risk assessment of unlawful infringement.	<ul style="list-style-type: none"> <li>Formulate the 'Workplace Sexual Harassment Prevention and Complaint and Punishment Measures' and take appropriate preventive, corrective, punitive, and treatment measures to create a work and service environment free of sexual harassment.</li> <li>Regularly organize workplace harassment prevention courses to raise the awareness of supervisors and employees on the prevention of workplace violence.</li> </ul>	<ol style="list-style-type: none"> <li>Employees can obtain assistance through complaint channels.</li> <li>Employees are informed of the protection of their rights and interests through public documents and announcements.</li> </ol>
Strictly prohibit child labor	All employees	Ratio of child labour to all employees	<ul style="list-style-type: none"> <li>Employment of persons under the age of 16 is prohibited.</li> <li>Verify the information of applicants during recruitment to ensure the accuracy of the information, and review the identity documents of employees when they report to work.</li> </ul>	<ul style="list-style-type: none"> <li>If a job applicant under the age of 16 deliberately hides his or her age and identity, the company will terminate his or her employment in accordance with the Labour Standards Act.</li> </ul>
Prohibit forced or compulsory labour (overtime work)	All employees	Number of employees applying for overtime work exceeding 40 hours per month / Number of employees	<ul style="list-style-type: none"> <li>Implement a mechanism for managing high-risk individuals with abnormal workloads that can lead to illness.</li> <li>Regularly review and increase manpower in response to project business demand to avoid overtime work due to insufficient manpower.</li> <li>Compile Monthly statistics and notification of overtime work in each unit. Overtime employees can choose to receive overtime pay or compensatory time off.</li> </ul>	<ul style="list-style-type: none"> <li>Compensate colleagues for overtime pay or compensatory time off.</li> <li>Understand the workload of employees and the reasons for overtime work, and adjust the business of employees or assist in improving work efficiency as appropriate.</li> </ul>
Assist employees in maintaining physical and mental health and work-life balance.	All employees	No. of high-risk employees assessed by questionnaires/ No. of questionnaires on musculoskeletal symptoms	<ul style="list-style-type: none"> <li>Formulate 'Labour Health Protection and Occupational Disease Prevention Management Procedures' and implement workplace health promotion programmes to improve employees' physical and mental health.</li> <li>Provide EAP employee assistance programmes, and offer professional consultation and medical services in psychology, law, finance, health and management.</li> <li>Encourage employees to exercise and manage their health independently, and organize sports competitions from time to time.</li> </ul>	<ul style="list-style-type: none"> <li>Proactively provide care and insurance information to help employees understand how to apply for compensation.</li> </ul>
Freedom of association and collective bargaining	All employees	No. of employee complaints	The Company has formulated a human rights policy and a human rights policy management system to observe employees' rights to freely form and participate in labour unions and collective bargaining.	In accordance with the Code of Practice on Sustainable Development, the Company provides a grievance mechanism and ensures equality and transparency in the grievance process. The Company provides a simple, convenient, and accessible grievance channel, and the Company shall respond appropriately to employee grievances.
Diversity in the workplace	All employees	Labour disputes	<ul style="list-style-type: none"> <li>The Company promotes workplace diversity and equality in all aspects, such as a gender-neutral salary system, a fair and equitable performance appraisal and promotion system, support for women in managerial positions, and emphasis on women's need to take care of their families.</li> <li>In accordance with labour-related laws and regulations, the company has established various personnel management systems to ensure the rights and interests of workers.</li> <li>Regularly conduct labour-management meetings.</li> <li>Set up multiple channels to receive employee complaints.</li> </ul>	The Company has a grievance channel. Upon receipt of a complaint, in order to protect the rights of the complaining employee, the general manager will designate a project manager and a safety and health team to investigate and implement countermeasures.
Gender equality	All employees	No. of Sexual Harassment Complaints	<ul style="list-style-type: none"> <li>We conduct regular publicity through our internal website to prohibit discrimination in employment and ensure equal employment opportunities.</li> <li>Included in the annual mandatory education and training program.</li> <li>The company has a 'Workplace Maternal Health Protection Preventive Program Guide', which is designed to care for and protect all Novatech's female partners who are of childbearing age (less than one year after the onset of pregnancy or childbirth).</li> </ul>	The Company complies with relevant laws and regulations on gender equality. In addition to work rules and regulations, the Company has established the 'Workplace Sexual Harassment Prevention and Control Measures Complaint and Disciplinary Measures', which aims to provide employees and job seekers with a work and service environment free from sexual harassment. The Company will take appropriate preventive, corrective, disciplinary and handling measures to protect the rights and privacy of the parties involved.

## Human Rights Due Diligence and Process



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## Channels for Complaints about Human Rights Issues

To ensure a better working environment and to protect employees' rights and interests, the Company has established a communication channel for stakeholders and allows employees to freely contribute and maintain confidentiality through channels such as quarterly meetings, labour council meetings, employee welfare committee meetings and employee satisfaction surveys. At the same time, the company has set up an internal audit mechanism to review the implementation of the human rights policy in a comprehensive manner through on-site audits, document reviews and employee interviews, and even to protect personal information and enhance labour rights. If there is any violation of human rights, employees can reflect it through the company's internal complaint channel. Novatech has not experienced any discrimination or human rights incidents in 2023.



## Human Rights Training

Since 2018, Novatech has continued to organize human rights advocacy, education and training, and has made human rights-related topics a mandatory E-learning course for all employees, and regularly releases information on the course to promote employees' understanding of the importance of human rights. In 2023, Novatech instructed the General Manager to announce and explain the company's human rights policy during the regular quarterly meetings and all-employee meetings, in order to implement the business philosophy of human rights protection. In 2023, Novatech incorporated the 'Human Rights Policy Management System' into the company's learning platform, E-learning, for online education and training, and tracked the completion rate of the training. All employees have participated in human rights policy education and training. The total number of training hours is 75.5, and the percentage of trained employees reaches 100%.

Educational Training	Year	Number of Employees Trained	Number of Employees To Be Trained	Percentage of Employees Trained	Training Hours
 Human rights policy	2021	51	154	33%	9
	2022	179	179	100%	52.5
	2023	151	151	100%	75.5



## 5-3 Talent Training and Education

Novatech firmly believes that cultivating excellent talents is the key to the growth of an enterprise, and even more so, it is the capital for the foundation of the enterprise's sustainable operation. Therefore, Novatech is committed to building a complete training mechanism, improving the quality of training courses, providing diversified learning channels, and increasing the value of corporate talent through progressive optimisation of training planning, in order to create a win-win situation for the growth of both employees and Novatech.



### Training and education Management Approach

#### Significance and Value to the Company

Novatech has introduced the Talent Development Quality Management System (TTQS) of the Workforce Development Agency of the Ministry of Labour to promote the education and training programmes for employees through a comprehensive functional assessment, and to ensure that employees' career planning and the company's overall interests grow in tandem.

#### Actual and Potential, Negative and Positive Impacts

##### + Positive:

Increased employee efficiency or competence leads to increased productivity, stimulates innovation and increases company revenue. A sound education and training system and career development planning can also increase employee recognition of the company, which in turn improves employee centripetal force.

##### - Negative :

The lack of professional knowledge and skills of the human resources can't keep up with the market demand, and the development of innovative technology is limited, which affects the competitiveness of the company, and the development of individual employees is also limited as a result.

#### Action Plans/Resources System

- Provide multiple learning channels, including internal training, external training, on-the-job training, online learning, etc.
- The company implements PDDRO (Plan, Design, Do, Review, and Outcome) to train the quality management circle, review the effectiveness of the training, practice the career development of employees, and enhance the overall competitiveness.
- Regularly organize all-employee meetings to coordinate labour relations, promote cooperation between employers and employees, and enhance work efficiency.

#### Policies/Commitment

- Longterm Talent Cultivation Strategy
- Training quality management manual

#### Management Strategies

- The Company continuously improves the quality of human resources and work skills, stimulates the enthusiasm of employees to work and meet challenges, in order to create higher corporate value and achieve operational goals and future development.

#### Grievance Mechanisms

#### Stakeholders / Contact Channels

Company Website: <https://www.novatech.com.tw>

WANG, WAN-HUA [anne\\_wang@novatech.com.tw](mailto:anne_wang@novatech.com.tw) 03-6676868

Means of Communication: E-mail, Tel, Employee Voice Line, Employee Welfare Committee, and Labor-Management Meetings

• This major theme or topic has not generated activities or business relationships that could have a negative impact this year.

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## Talent Development Quality Management System

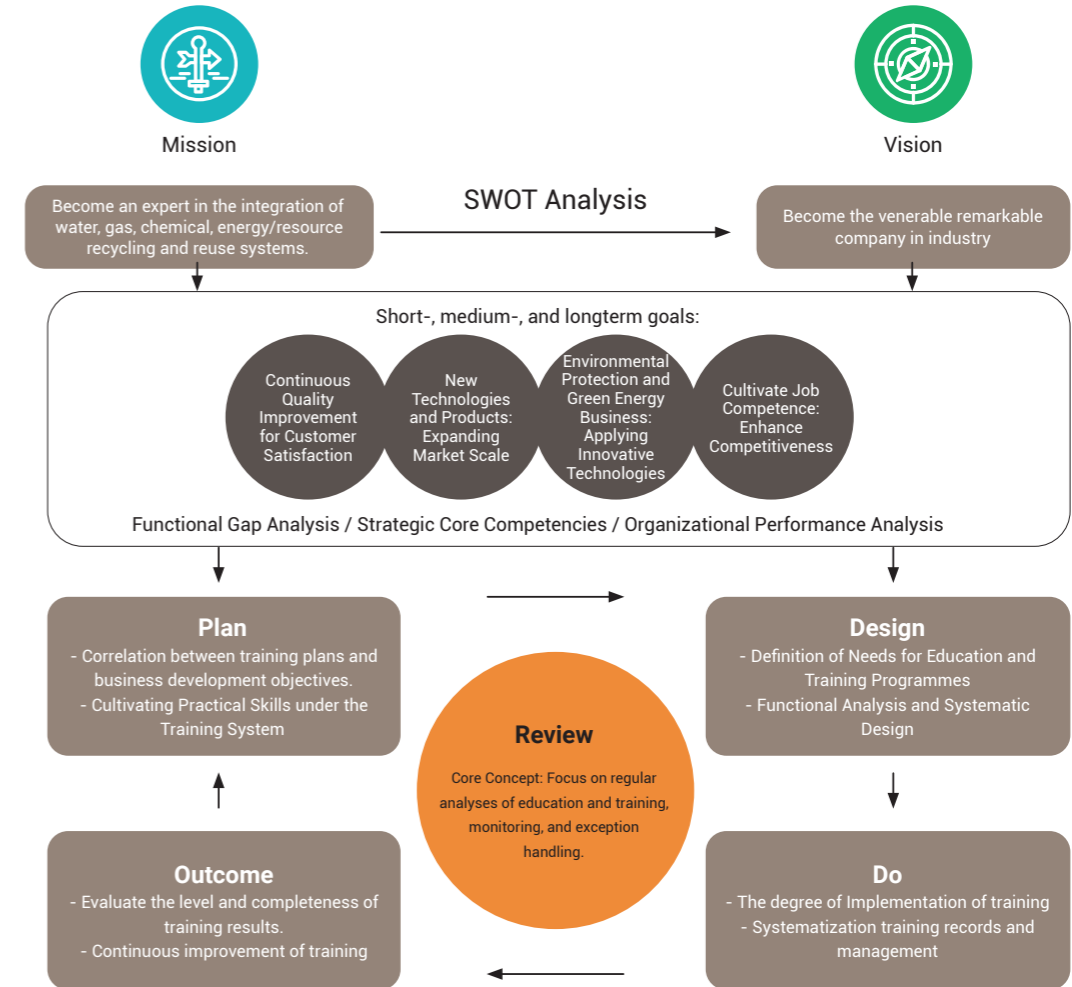
Novatech has introduced the 'Talent Development Quality Management System' in the hope of establishing systematic strategic training norms in a systematic and quantitative manner, strengthening operational efficiency and cultivating human capital, so as to implement the quality management of corporate employee training, and to improve employees' professional skills and management techniques. In addition, Novatech also implements the future function-oriented development according to the characteristics of employees and jobs, so that the right person can fit the right job.

### Enhance training quality to create value-added talents

Novatech continues to focus on talent development through a variety of training channels to develop talents in the areas of project management, innovative design and technical expertise. Through the TTQS training quality system, Novatech integrates personal training and development with corporate management objectives, and establishes a complete and systematic strategic training system through the PDDRO training quality management loop, in order to enhance the effectiveness of the training system, build up human capital, and improve the overall operational performance.

In order to implement Novatech's training quality management and to enhance staff's professional skills and management knowledge so as to prepare for the future function-oriented development, Novatech has continuously invested in training and study programmes to develop talents in various aspects in 2023.

## Talent Development Strategy



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## Education and Training Achievements

The Company holds various training courses based on the training plans. In 2023, the company was running both physical and online courses. We have continued to evaluate the diversified training channels. In addition to the existing online courses, this year's in-house training courses were also offered face-to-face and via video. In addition, we continued to provide our employees with a secure learning environment and actively arranged a variety of courses for external training. In 2023, the total number of training courses reached 363, an increase of 9% over 2022. In 2023, the total number of training attendances reached 3,006, an increase of 34% over 2022.

Item	Number of Persons		No. of Lessons	
	Internal training	External training	Internal training	External training
2023	2,843	163	241	122
2022	1,983	257	198	134
2021	1,720	144	155	116

In 2023, the average training hours <sup>(Note 2&3)</sup> for supervisory employees <sup>(Note 1)</sup> were 28.47 hours for men and 49.73 hours for women. The average training hours for non-supervisory employees (Note 2&3) were 36.70 for males and 45.93 for females. In 2023, Novatech actively implemented employee education and training, and spent more than NT\$1.4 million on employee training, which was about 2.09 times of the 2022 investment.

Note 1: Supervisory staff includes section chiefs and supervisors of the level of assistant manager and above.

Note 2: According to the statistics of employees who should participate in the training in 2023, excluding 2 consultants and 1 contracted field worker (total 3), the total number of employees who should participate in the training is 151.

Note 3: The total number of hours of education and training includes the number of hours of training attended by all employees and the number of hours of in-house courses.

## 2023 No. of Training Hours Per Capita

Item	Training Hours		Number of Persons		Average Hours	
	Management staff	General staff	Management staff	General staff	Management staff	General staff
Male	939.50	2,165.50	33	59	28.47	36.70
Female	746.00	2,021.00	15	44	49.73	45.93
Subtotal	1,685.50	4,186.50	48	103	35.11	40.65
Total	5,872.00		151		38.89	

## 2023 Resources for Education and Training

Resource Category	No. of Training Courses Held	Investment in Training Courses (NT\$)
Internal training	241	887,000
External training	122	529,884
Total	363	1,416,884

## Key Courses

The mission of Novatech is to cultivate human resources. Therefore, in addition to building a systematic education and training system, Novatech also provides a comprehensive range of training programmes to meet the needs of our talents.

In order to strengthen and implement the effectiveness of project management, Novatech encourages its reserve staff and project managers to attend one-day training on project management to enhance their project management skills. At the same time, Novatech continues to encourage its employees to participate in the International Project Manager Certification (PMP) program to help the company optimise the quality of its project management. In 2023, a total of one associate was certified. In order to provide excellent and satisfactory service to our customers, Novatech has planned a machine operation course for new personnel and field engineers. Advanced courses have also been launched in FY2023. The guidance provided by the seniors not only helps the newcomers to improve their skills and gain experience, but also embodies the inheritance of the company's culture.

In addition, in order to continue to pursue the Company's outstanding development, the Sustainable Promotion Unit of the Company has planned a set of "Education and Training on Sustainability Issues" in accordance with the structure and standards of the new version of the Sustainability Report, and conducted corresponding education and training to enhance employees' knowledge and understanding of sustainability issues. This will encourage colleagues to participate more actively in sustainability actions at work and help integrate the concept of sustainability into the company's daily operations, so as to assist the company in achieving its sustainability performance goals.

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	Course name	Applicable Staff	Program Benefits	Training Key Talents	Training Hours
	Machine Equipment Operation Course (UMC CDS UNIT PRINT)	Site engineers of Technology Development Division and Engineering Division	1. Provide customers with excellent and satisfactory service. 2. Enhance the understanding of machine operation through hands-on learning.	72	360
	Machine Equipment Operation Course (DHF100-1 Dilute)	Site engineers of Technology Development Division and Engineering Division	1. Provide customers with excellent and satisfactory service. 2. Enhance the understanding of machine operation through hands-on learning.	80	400
	Project Management - One-Day Training	Project Manager/ Reserve Supervisor	Through the clarification of project scope, work structure decomposition and exercises, participants will master the core concepts of project management and be trained to become a professional project manager.	10	70
	International Project Management Program (PMP)	1. Engineering staff / technical staff 2. Junior supervisors and above	Through the project learning program, the trainees will understand the management knowledge and standard processes required from inception, planning, execution, monitoring to completion. Trainees will be able to reach international project management standards and be able to fully manage projects to effectively achieve project objectives.	1	56
	Education and Training on Sustainability Issues	Sustainability Promotion Team	Sustainability Issues and Climate Change Related Financial Disclosure (TCFD): New Trends in Sustainable Decision Making.	78	171
<b>Total</b>				<b>241</b>	<b>1,057</b>



Project Management - One-Day Training



Certified Project Manager Program (PMP)

Allowances and Rewards

Level 1

Completion of the course: 1/2 of the training fee is subsidised.

Level 2

Those who pass the simulation test of the PMP training Organization and reach the standard would be subsidised an additional 1/4 of the training fee.

Level 3

PMP Certification: Additional 1/4 training fee subsidy

Level 4

PMP Certification: Project Incentive Grant NT\$30,000

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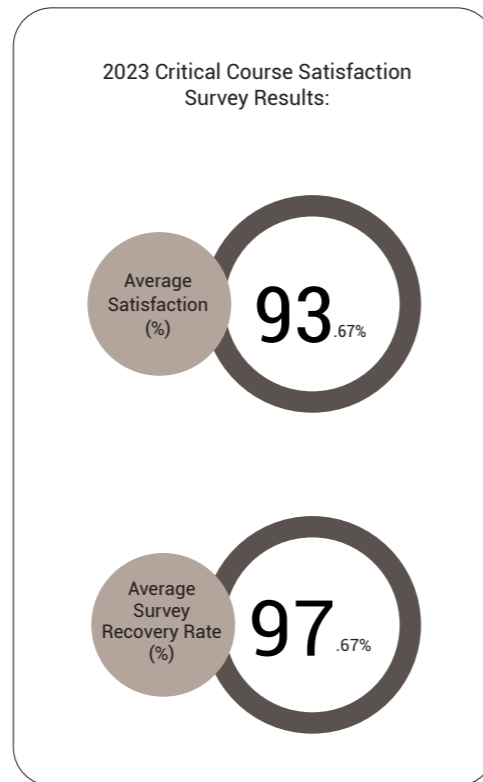
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## After-Class Satisfaction Survey

Managing the effectiveness of education and training is the key to sustaining the quality of training. In 2023, Novatech conducted surveys on key courses 'CDS UNIT Equipment Operation', 'DHF 100:1 Dilute Description & Man-Machine Operation', and 'Education and Training on Sustainable Issues' through the 'Post-Course Review Form' and 'Post-Course Satisfaction Survey and Feedback' to understand the learning situation of the trainees, and then optimise the quality of the training and achieve substantial benefits in the future.



## Employee Growth and Performance Appraisal

### GENERAL EMPLOYEE PERFORMANCE APPRAISAL SYSTEM

Novatech has formulated the 'Employee Appraisal Management Regulations'. In 2023, Novatech continued implement employee performance appraisal to grasp the performance of all employees and further optimise talent management.

In the performance appraisal system for general staff, different work items are classified according to the type of duties of the staff to ensure the objectivity and accuracy of the appraisal. The following is the basis for the appraisal scores.



#### 1. Work Attitude

We conduct at least quarterly appraisals on the work attitude of our staff to examine their work attitude, cooperation and communication skills, etc.



#### 2. Project Objectives

On a half-yearly basis, we assess the progress and achievement rate of our projects to measure the performance and results of our staff on specific tasks.



#### 3. Duty Competence

We assess the competencies of our employees, including technical skills, professional knowledge, project management, and problem solving skills.

Through the three core performance appraisal items, Novatech is able to fully understand the performance of its employees and provide them with appropriate guidance and support so that they can grow together as individuals and as a company.

### Employee Performance Assessment 2023

Staff Performance Evaluation	Male			Female		
	No. of Employees Evaluated	Percentage of Employees Evaluated	No. of Employees to be Evaluated	No. of Employees Evaluated	Percentage of Employees Evaluated	No. of Employees to be Evaluated
Supervisor	33	33	100%	15	15	100%
Non-supervisor	59	59	100%	43	43	100%
Total	92	92	100%	58	58	100%

Note: Consultants and contract staff are not subject to appraisal and are excluded from the number of appraisals.

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### Project Manager Bonus System

The Company has implemented a well-established project manager performance bonus system to motivate and recognise the outstanding performance of managers in project management. The system covers the Engineering, Design and Instrument departments. The performance appraisal is also based on the size and number of projects that an employee is responsible for, with corresponding performance indicators and bonus payment criteria set for each area.

Project Managers in the Engineering Department are required to control costs, realise expected margins and ensure that projects are delivered on time. Project managers receive a 40% performance rating in this area. The score is also based on the actual achievement of the project, invoice amount and gross margin, which all help to ensure that the bonus is paid fairly and accurately. In addition to the engineering department, the performance appraisals and scores of the project managers of the design and electrical and instrumentation departments will be assessed on the basis of the total amount of projects under their charge. As the projects under their charge often involve technical expertise and design solutions, the scale and efficiency of the projects are crucial in assessing their performance.

Bonuses are paid in proportion to the actual number of employees. Bonus will be allocated to a specific percentage of project managers based on their scores and performance to encourage their active participation and successful completion of the Company's projects. This system not only motivates project managers to actively participate and successfully manage projects, but also helps to improve the efficiency and performance of the entire department.

## 5-4 Occupational Health and Safety

Novatech's principal activities include the design of process supply systems for the high-tech industry, contracting, equipment manufacturing, mechanical installation, and the manufacture, sale, installation and testing of environmental protection equipment. At Novatech, occupational safety and health of employees is a prerequisite for business operations. Novatech fulfils its corporate social responsibility and meets its policy and management objectives through an occupational safety management system and continuous monitoring and management of occupational safety.

### Occupational health and safety Management Approach

#### Significance and Value to the Company

Novatech has introduced occupational safety and health management policies and systems, strictly complied with occupational health and safety laws and regulations, and strengthened occupational safety education for employees and contractors to reduce the risk of occupational safety accidents, thereby ensuring a healthy and safe working environment for employees.

#### Actual and Potential, Negative and Positive Impacts

##### Positive:

Novatech provides its customers with products that comply with national regulations, which not only ensures the safety of the user, but also increases the customer's trust in the company.

##### Negative :

Such incidents may affect the health and safety of customers, result in loss of business, damage to goodwill, affect consumer confidence in the Company's products and brands, and may even result in litigation with consumers and fines.

#### Action Plans/Resources System

- Occupational Safety and Health Management Policies and Systems
- Occupational safety and health impact management
- Occupational safety and health services
- Occupational safety and health education and training

#### Policies/Commitment

Occupational Safety and Health Management Policy Labour Health Protection and Occupational Disease Prevention Management Procedures

#### Management Strategies

The company complies with EHS regulations and customer requirements, raises employees' awareness of environmental safety, and implements continuous monitoring and prevention and improvement mechanisms.

#### Grievance Mechanisms

#### Stakeholders / Contact Channels

Company Website: <https://www.novatech.com.tw>  
 LIU, CHING-YU    Ching\_Liu@novatech.com.tw    03-6676868  
 Means of Communication: E-mail, HSE Meetings & Trainings

\* This major theme or topic has not generated activities or business relationships that could have a negative impact this year.

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## Occupational safety and health management policy and system

### Occupational Safety and Health Management Policy



In 2006, Novatech introduced the OHSAS 18001 Occupational Safety and Health Management System. In 2018, following the publication of the ISO 45001 Occupational Safety and Health Management System by ISO International, Novatech has voluntarily followed ISO 45001 and will obtain ISO 45001 certification in 2019, with ongoing re-certification in 2023. With reference to ISO 45001, we have developed a "Work Health and Safety Policy" and related procedures and standards of practice, and follow the management process and spirit of PDCA (Plan -> Do -> Confirm -> Act) to maintain systematic operation and implement HSE management.

Novatech's "Work Health and Safety Policy" applies to all employees and contractors, as well as to company contractors and interns. We have incorporated these standards into our procedures to ensure that every employee complies with the relevant health and safety requirements. In addition, internal audits will cover our health and safety practices to ensure the effectiveness and compliance of our health and safety management system. Through regular internal audits, we are able to identify potential safety risks and issues and take appropriate measures to address them in a timely manner, thereby continuously improving our safety and health management.

## 2023 No. of People under ISO 45001

Number of Employees under ISO 45001	161 people	Number of Workers under ISO 45001	25,495 people
Total No. of Employees	161 people	Total Workers	25,495 people
Coverage Ratio	100%	Coverage Ratio	100%

Note 1: The total number of employees in the Occupational Safety and Health Management System is the average monthly number of employees who have reported their working hours to the Occupational Safety And Health Administration, Ministry Of Labor. The total number of employees in GR12-7 is the number of employees at the end of the year (as of 2023/12/31), so the total number of employees differs.

Note 2: The total number of workers in the Occupational Safety and Health Management System is the number of workers of Novatech's contractors as reported in the 'Workplace Safety Weekly Report' for each week of 2023.



ISO 45001:  
Validity period 2021/06/28-  
2024/06/28

Thanks to the efforts of all Novatech employees and workers, in 2023, Novatech was once again certified by the Industrial Safety and Health Association (ISHA) as a Disaster-Free Work Hour Record and recognised by its customer (Micron) as an excellent EHS management vendor. For the first time, Novatech was also recognised as a Top Performer under the Corporate Sustainability Report for its proactive assessment of publicly available occupational health and safety metrics.



Micron Outstanding EHS  
Management Vendor, 2023



Micron Outstanding EHS Management  
Contractor Awards, 2023



Micron Outstanding EHS  
Management Contractor, Q2 2023



Top Performer under the Corporate  
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## Occupational Safety and Health Committee

Novatech has established their Occupational Safety and Health Committee according to law. In 2023, the total number of committee members was 8, with the general manager as the head member. Amongst them, there were 5 labour representatives, and the proportion of labour representatives was 63%. Occupational safety and health issues of contractors are discussed and exchanged at the agreement Organization meetings.

In the spirit of continuous improvement of the EHS management system, the Occupational Safety and Health Committee regularly discusses and reviews the results of EHS activities and management performance based on occupational safety and health issues at its meetings to assist the company in monitoring and executing relevant plans on occupational health and safety. In addition, Novatech will hold an annual meeting for all employees at the end of each year, where the industrial safety department will report on environmental and occupational safety and health management issues and enhance the dissemination of relevant cases, and is committed to safety and health management, accident prevention and workplace health promotion. We hope that all employees will comply with the regulations, work in a safe and healthy environment, and work together to reduce potential safety, health and environmental risks.

Year	2023
Total number of committee members	8
Number of Labor Representatives	5
Total number of employees	161
Percentage of labour representatives (%)	63%

Note: The total number of employees in the Occupational Safety and Health Management System is the average monthly number of employees who have reported their working hours to the Occupational Safety and Health Administration.

No. of Meetings by Occupational Safety and Health Committee in 2023	4 time
Occupational Safety and Health Committee Important Resolutions on Occupational Safety and Health	<ol style="list-style-type: none"> <li>1. Laws and Regulations on Occupational Safety and Health (training requirements for aerial work vehicles, static electricity hazards).</li> <li>2. Publicity on industrial safety accidents and related cases; hoisting operation protection, review of abnormal leakage incidents, and so on.</li> <li>3. 2023 Traffic Accident and Traffic Safety Promotion.</li> <li>4. Aerial Work Vehicle Contractor Training Status Tracking</li> <li>5. Healthy Walk Challenge</li> </ol>

## Shock Management and Emergency Response Procedures for Occupational Health and Safety

Novatech attaches great importance to the health and safety of employees and is committed to building a safe and healthy workplace. We regularly hold training and drills for various types of disasters at the operations according to the established "Emergency Preparation and Response Procedures" to make sure that emergency response drills are effective. This enables our employees to better adapt to accidents, to avoid or reduce casualties, property losses, and environmental impacts. In 2023, Novatech conducted a chemical spillage emergency response training. In the future, we will continue to conduct emergency response training for various types of hazards in accordance with the needs of our operating bases.



Chemical Spill Emergency Response Drill (2023)

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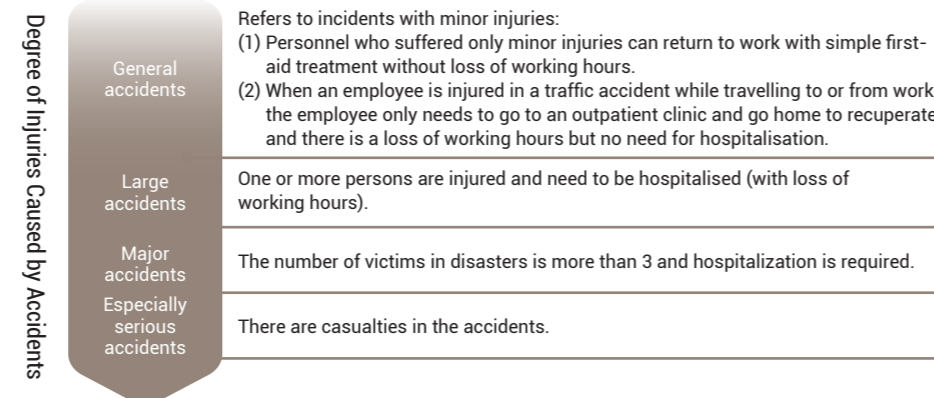
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### Occupational Accident Notification System

In accordance with ISO 45001, Novatech has developed Hazard Identification and Risk Assessment Management Procedures for employees to follow in order to effectively implement safety and health management and to prevent injuries or accidents caused by internal and/or external personnel (including contractors) in various operations, activities, products, services, facilities, etc. In order to protect personnel and stakeholders from safety, health, and financial losses, Novatech improves the effectiveness of safety and health management through continuous proactive hazard identification, risk assessment, and appropriate prevention or enforcement of necessary control measures to achieve the management goal of 'Zero Disaster, Zero Accident'.

In addition, Novatech has formulated the 'Accident Notification and Investigation Management Procedures' for employees to follow, which stipulates that if employees report occupational hazards and dangerous conditions, or leave a dangerous scene on their own under hazardous conditions, they will not be subject to disciplinary action in order to protect the safety of employees. In accordance with the 'Accident Notification and Investigation Management Procedures' and local regulations, Novatech correctly carries out the standard handling procedures and notifies the local authorities within the controlled timeframe, and regularly reviews the human casualties and property losses caused by environmental protection, safety and health incidents, and conducts investigations and analyses in order to implement and improve the preventive measures to avoid recurrence. Novatech has established a reporting system for occupational accidents and incidents in accordance with the statutory requirements for reporting at all levels.

At Novatech, we have implemented an occupational safety culture. In the general safety and health education and training courses for new employees, the Occupational Safety and Health Department will promote and test the information on the degree of injuries, classification and types of accidents, so that new employees can always pay attention to their own safety, understand the company's notification system, and work together to prevent the occurrence of accidents.



### Contractor Safety and Health Management

Contractors are important partners of Novatech. Strengthening occupational safety and health in the workplace is an important part of Novatech's management of contractors. In 2023, Novatech's contractors have carried out 25,495 work visits to customers' sites, equivalent to 203,960 man-hours. Novatech attaches great importance to implementing and strengthening the safety awareness of contractors.

To protect the safety of our contractors, we have formulated a 'Safety Disciplinary Commitment' through experts with professional knowledge in occupational safety and health, which stipulates that if a contractor reports occupational hazards and dangerous conditions, or leaves a dangerous site on his own in a dangerous situation, he will not be subject to any penalties. In addition, we have set up the 'Management Procedure of Contractor Safety Inspection and Evaluation'. Through this procedure, our project safety personnel require contractors to comply with the law and the client's factory regulations, and inspect and check the safety protection of contractors from time to time, and ask for immediate improvement when deficiencies are found, so as to effectively ensure the safety of contractors' workers and reduce the number of defects in the audits. In 2023, a total of 26 workplace safety failures and 3 fines were noted. There were no occupational safety incidents involving contractors' personnel working on this Company's projects.

### Achievement of Occupational Safety and Health Management Policy (Unit: No. of Cases)

Fines Imposed on Clients (Passive Indicator)	Tickets	Improvement Method
3 Successful Cases	1. Helmet not fastened (Corrective Action)	The responsible unit should write a 'Corrective and Preventive Measures Sheet' to propose improvement measures to prevent recurrence or to educate the workers through re-education at the site immediately in order to increase the safety awareness of the workers. In addition, it is included in the safety committee meeting in order to promote safety.
	2. Improvement notices issued by supervisors - For hanging operations: (1) Failure to set up warning signs for places where there is a risk of falling. (2) Failure to take appropriate measures when temporarily removing guardrails. (Corrective and preventive measures should be included in the safety committee meeting.)	
	3. Work permit not countersigned (Corrective Action)	

With regard to workplace safety deficiencies, under the concept of self-management, the company analyses and tallies the deficiencies found by workplace safety personnel in the field over the past three years. The deficiencies can be classified into safety and discipline categories. When defects are found, the occupational safety officers will request improvement on the spot or set a deadline for improvement, and the case will be closed until the improvement is confirmed. In 2023, occupational safety personnel found fewer deficiencies in the field because there were fewer new plants in 2023. If the defects can be improved immediately, the staff has asked the responsible units to do so, and they will only record the defects in the industrial safety inspection instead of creating a defect sheet. According to the statistics, in 2023, there were 168 self-management records of industrial safety in each plant.

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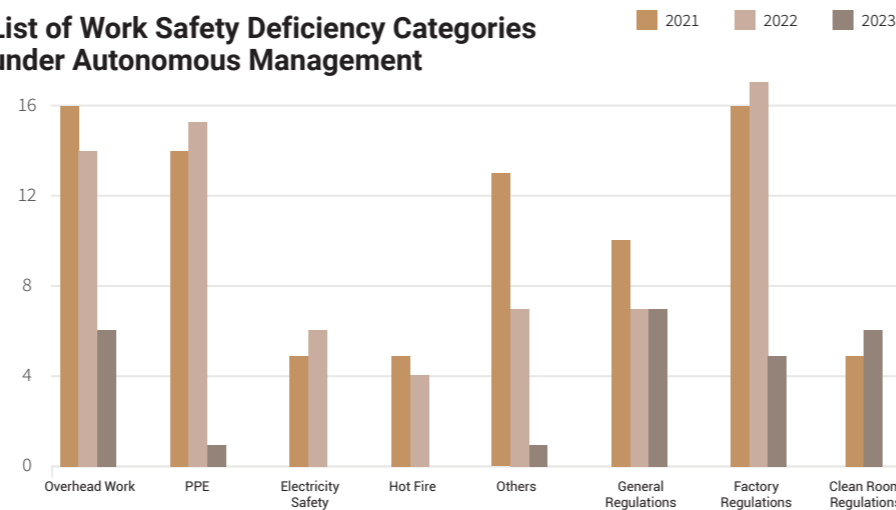
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Classification of Occupational Safety Deficiencies

Categories	Breakdown	2021	2022	2023	
Safety	Overhead Work	16	14	6	
	PPE	14	15	1	
	Electricity Safety	5	6	0	
	Hot Fire	5	4	0	
	Others	13	7	1	
	Subtotal		53	46	8
	Percentage %	67.09%	61.33%	30.77%	
Discipline	General Regulations	10	7	7	
	Factory Regulations	16	17	5	
	Clean Room Regulations	0	5	6	
	Subtotal		26	29	18
	Percentage %	32.91%	38.67%	69.23%	
Total		79	75	26	

List of Work Safety Deficiency Categories  
under Autonomous Management



Contractor Failures and Related Improvement Measures

Novatech has established a comprehensive evaluation and auditing mechanism to record the deficiencies in occupational safety and security management and to assess their severity and impact. Based on the assessment results, Novatech will prioritise the most significant deficiencies and formulate specific improvement measures to continuously improve occupational safety management in order to reduce potential occupational safety risks and protect the interests of employees and the company as a whole. The following are the specific improvement measures for the most significant deficiencies in 2023.

Deficiencies	Descriptions	Improvement Measures
The production of identification card is required for entering the factory, and the forged information is submitted (six-hour permit for construction).	The information to be provided by the contractor to apply for the pass for the construction workers to enter the site at the time of hoisting operation.	In the monthly bulletin of workplace safety deficiencies, this deficiency will be announced to the employees, and workplace safety personnel will be instructed to check the information provided when entering the workplace.
Carry a canvas handbag that generates dust into the clean room.	Clean Room Regulations	Notify to evacuate the clean room immediately
Bring a smartphone without a camera into the factory, but it is not a model accepted by the factory	Regulations on Owners' Access to the Factory Area	Take the smartphone out of the factory immediately and put it in the car.
The raised floor was lifted up and no warning lights were placed on site.	Factory Safety Regulations	Immediately make improvements and call all personnel of the contractor to conduct relevant education and training.
Failure to comply with line of sight when transferring materials to construction workers in the factory triggered an infrared alarm.	Regulations on Owners' Access to the Factory Area	Immediately stop the work and call all the staff of the contractor to inform the line of action in the factory again. Convenience should not be the reason for breaching plant rules.

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### Safety Controls for High-risk Operations

The Company is engaged in the construction of water, gas, and chemical related supply equipment pipelines. During the construction period, the Company will encounter many high-risk operations due to the environment or equipment. In order to prevent risks, Novatech has set up a 'Work Health and Safety Policy', and conducted hazard identification to identify high-risk categories and set up corresponding control measures by level. In order to enable site managers, supervisors and occupational safety personnel to implement a monitoring mechanism for high-risk operations, the Ministry of Industry and Safety will add a new action plan for high-risk operations in fiscal year 2024 to continuously improve the management of high-risk operations and prevent major negative impacts on occupational safety and health.

### Work Health and Safety Policy

Before carrying out high-risk operations, the person in charge of the site and the worker safety personnel must complete a safety inspection. Work safety personnel should be present at the site to supervise the whole process. When safety hazards are detected, they should immediately request to stop the work to improve the situation. If the safety personnel are not present on site, the work shall be prohibited. At the same time, the company conducts regular internal audits to ensure compliance with the SOPs. The Company's high-risk operations are as follows:

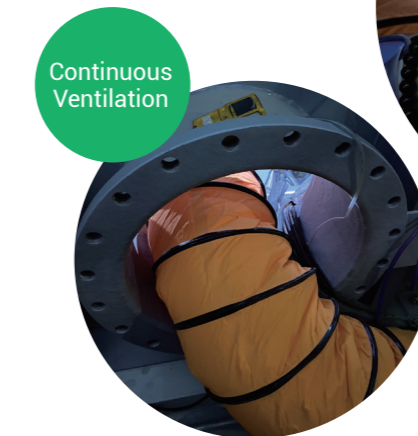
Operation Items	Strengthen Controls over Operations
Fall protection	Strengthen the application process, enhance environmental safety facilities, provide qualified protective gear, and promote SOP compliance.
Chemical Equipment Testing and Maintenance	Education and training on chemical hazards, emergency response drills, application for high-risk operations, chemical safety protective gear, promotion of compliance with SOPs, pre-operation education and training, supervision of industrial safety personnel, classification and reduction of chemical waste.
Wiring	Prohibit hotline work, provide qualified protective gear, and promote SOP compliance
Lifting	Employ qualified contractors and equipment qualified with three certificates, conduct pre-work inspection and work area control (e.g., off-limits under the lifting object), and provide opening protection such as safety belts and fall arrests
Confined spaces	Set up confined space safety protection plans and hypoxia work supervisors, conduct pre-work training, emergency response drill, continuous ventilation, and toxic gas concentration measurement, and strengthen the pre-work application process and reporting before/after work. Insure on site manager and industrial safety personnel monitoring, as well as have first responders, protective gear (e.g., respiratory protection, seat belts, and fall arrests) and emergency supplies (SCBA) ready.
Electric welding and acetylene	Strengthen the application process for flame work and on-site safety protection (e.g., fire extinguisher, fire blanket, blackout glasses, and protective gloves), confirm that cylinders are upright and fixed, and post hazard notices



Protective Equipment Confirmation



Oxygen Concentration Measurement



Continuous Ventilation

High-risk operation (confined space operation control)

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## Health Examinations and Health Promotion Activities

We attach great importance to the health condition of our employees and are committed to creating a safe and healthy workplace. In order to remind our employees to pay attention to their own health status, Novatech has set up the 'Management Procedures for Labour Health Protection and Occupational Disease Prevention', and regularly conducts health check-ups at least once a year in order to safeguard the health of our employees. From 2020, Novatech has implemented clinic rounds by clinicians and nurse practitioners, and continues to actively protect the health of its employees through e-health emails and health promotion seminars.

As a result, we were awarded the Ministry of Health and Welfare's Healthy Workplace Health Promotion Label in 2020 and applied for renewal of the label in 2023. In addition, we were designated as a Healthy Corporate Citizen by Common Health Magazine in 2023, publicly pledging to continue to promote the implementation of healthcare clinical services to promote the physical and mental health of our employees.

In order to express Novatech's importance and concern for employee health, the amount of subsidy for employee health checkups ranges from NT\$2,000 to NT\$8,000 per person (NT\$2,000 for general employees, NT\$5,000 for section chiefs and employees with more than 10 years of experience, and NT\$8,000 for employees at managerial level or above), encouraging employees to actively undergo health checkups in order to improve the overall level of health of the employees.



## 2023 Health Check Attendance Rate

Item	2021	2022	2023
No. of Health Checks	134	135	139
Health Check Attendance Rate <sup>(Note 1)</sup>	79.20%	75.42%	90.26%
Expense	\$40,200	\$374,480	\$469,700

Note 1: Health check attendance rate = Number of health checks / Total number of employees.

## Employee Assistance Program (EAP)

Novatech has an active Employee Assistance Program (EAP) to ensure that our employees are cared for and assisted in their work environment and have a channel to express their views, solve problems and deal with possible labour disputes or risks.

The Company has developed a series of physical and mental health programmes, including mental health programmes, stress management programmes and emotion management programmes. In 2023, the company invested NT\$48,000 in physical and mental health programmes to help 78 employees improve their health habits to prevent health conditions. At the same time, Novatech also provides professional counselling services, including psychological counselling, health counselling and workplace stress counselling. Staff can meet with a counsellor for face-to-face counselling in a confidential and supportive environment to explore difficulties and challenges they may be experiencing in their personal and professional lives and to receive professional advice and support.

In 2023, Novatech provided consulting services, including two hours of physician services quarterly and two hours of nurse practitioner/physical therapist services four times per month. The company invested NT\$138,000 to provide 104 hours of consulting services to 84 employees and contractors.

## Health Promotion Seminars in 2023

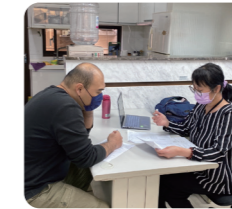
Course name	Course content	Number of Session	No. of Participants
Health Talks by Doctors	Triglycerides - Health Seminar on Triple High and Metabolic Syndrome	1 times	20 people
Nurse lecture	CPR First Aid Lectures	1 times	22 people
Physiotherapist Workshop	Human-Induced Injury Prevention Seminar	4 times	36 people



CPR First Aid Lectures



Health Talks by Doctors



Nurse Practitioner Health Counselling



Human Factors Engineering - Physiotherapist Consultation



Human Factors Health Seminars



Physician Health Consultation

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## Healthy Step Challenge: Encouraging Walking for Health

In 2023, Novatech launched a new Healthy Pedometer Challenge to motivate employees to develop regular exercise habits. Each employee was equipped with a smart watch to record their regular walking steps, with a total purchase cost of NT\$194,250 for the smart watches. In addition, when the staff achieves the set walking target, they will have the chance to participate in a lucky draw and win fabulous prizes.

This program aims to encourage Novatech employees to develop a good habit of regular exercise and implement it in their daily life, therefore, it is recommended to use the simplest and easiest way of 'Walking'. Novatech advocates walking more, using stairs and elevators less, which not only helps fitness, but also environmental protection and energy saving, so that walking becomes a new health culture shared by colleagues.



Smart Watches

A total of 143 employees signed up for the July 2023 competition. 82 of them successfully completed the challenge, with a completion rate of 57.3%, accumulating a total of 4,433 hours of walking time. The second registration was held in October 2023, with 88 participants. The number of participants who successfully completed the challenge increased to 70, with a completion rate of 79.55%.

In 2023, a total of 7,161 hours were accumulated. In recognition of these efforts, a lucky draw was held during the competition months, with 8 and 12 lucky winners each receiving a prize of NT\$3,000. A total of NT\$60,000 was invested in prizes to encourage more employees to participate in healthy living. In 2023, the Novatech Healthy Pedometer Challenge Contest was held with a total investment of NT\$254,250.

## Occupational safety and health training

Novatech organizes fire safety and hygiene education lectures and evacuation drills twice a year to familiarise staff with the escape and evacuation routes, emergency evacuation points, etc. and to enhance their fire safety knowledge. In order to reduce the chance of occupational disasters, Novatech implements strict education and training in accordance with the Rules for Occupational Safety and Health and Training. In 2023, Novatech's HSE-related training hours per capita have reached 16.41 hours per person, an increase of 5.28 hours from 2022.

Subject	Education and Training	Required Training Hours in a Year
New employees	Safety and Health Education and Training for New Employees	3 hours
Present employees	Safety and Health Education and Training for On-the-Job or Change-of-Job Employees	3 hours 3 hours(workers who come into contact with organic or specific chemical substances)
All employees	Every year, 30th March is Novatech's Workplace Safety Day. On that day, Novatech will implement the necessary safety and health training and require all employees to participate in regular safety education lectures to learn about the latest EHS related regulations and news about workplace safety incidents.	1 hour (all staff & resident staff)
	Novatech organizes fire safety and hygiene education lectures and evacuation drills twice a year to provide employees with the necessary safety and hygiene education and training for work-related and disaster prevention.	4 hours (Zhubei Office, Fire Prevention and Self-Defence Team) 1 hour (resident staff)
Employees and Co-workers at the Project Site	Safety and hygiene education lectures and training to prevent the occupational disasters.	No specification
	Occupational safety training specific to project	1 hours
Contractors	Safety and Health Education and Training for Contractors	6 hours
	On-site Safety Training Program	1 hours
	Daily toolbox meeting before construction	5~10 minutes per day
Dedicated safety personnel at the operation site	External safety and health seminars	No specification (As needed)
	Statutory retraining occupational safety personnel	12 hours every 2 years (Safety personnel required to take statutory retraining)

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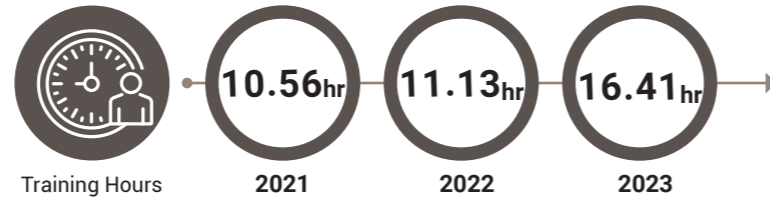
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EHS training hours/person on average related training hours



Fire Safety Education Seminar (2023)



Fire Safety Training Presentations



Earthquake Evacuation Training Exercise

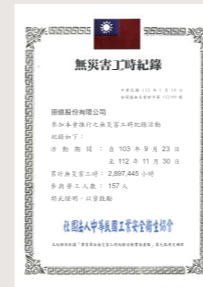


Fire Fighting Equipment Lecture

Occupational Injuries and Diseases

Novatech aims at creating an accident-free workplace. Through the efforts of all departments in the company, there were no cases of occupational diseases and no workplace accidents (excluding accidents caused by employees travelling to and from work) in 2023, regardless of employees or contractors. There was one case of injury caused by a commuting accident, and the employee was granted 3 days of leave in accordance with the law. The Occupational Safety and Health Committee has included this issue as one of the important resolutions to strengthen the promotion of commuting safety. The Occupational Safety and Health Department has also promoted this issue to all employees during the year-end review meeting to remind them to avoid similar incidents.

Novatech was certified by ISHA in 2023 for 2,897,445 disaster-free hours (from 23 September 2014 to 30 November 2023). As of 31 December 2023, the cumulative number of disaster-free working hours is 2,923,372, demonstrating our commitment to workplace safety.



Disaster-free working hours  
2,897,445 hours

Status	Employees			Workers		
	2021	2022	2023	2021	2022	2023
Year	2021	2022	2023	2021	2022	2023
Total Person-work Hours (Hours)	307,906	356,568	305,536	203,408	249,568	203,960

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# 6 Social Engagement- Cross-Domain Harmony

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### Donate NT\$100,000

In 2023, Novatech donated NT\$100,000 to social welfare for the elderly and the critically ill.

### Incentive Bonus NT\$45,741

Novatech subsidised the cost of Hakka language courses for employees and incentives for those who passed the certification, totalling NT\$45,741.

### Training subsidies NT\$300,000

Novatech assisted in the development of education in remote villages by sponsoring NT\$300,000 for the training of the archery team of the remote village school in Hsinchu County.

### Volunteer Hours: 382 Hours

Novatech supports the 'Rebirth Anthem' charity event. From 2019 to 2023, the total number of volunteer hours were 382.

### 7% of local school graduates are employed

Novatech visits professors of optoelectronic engineering departments in the counties and cities where it operates and hires graduates from local schools, which account for 7% of the company's workforce.

### 75,600 children receive benefits

For the third consecutive year, Novatech has donated 210 children's magazines, totalling 2,520 copies, to 9 schools, benefiting more than 75,600 children.

### Invested NT\$1.49 million

In 2023, Novatech has engaged its employees, suppliers, affiliates and customers to implement the social engagement program. Novatech invested about NT\$1.49 million, with a total of 91 corporate volunteers and a total of 369.5 hours.

### 9,881 kWh saved each year

Novatech partnered with its affiliates and used its engineering background to replace the lighting at the Hsinchu County School's archery field. A total of 77 hours were invested in the replacement of 94 sets of LED fixtures, saving approximately 9,881 kWh of electricity per year.

### 302 participants

Novatech partnered with the Hsinchu County Aboriginal and Hakka Mixed Choir to launch an environmental education campaign on campus and in the community, with a total of 302 participants.

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Based on the core spirit of 'people-oriented and caring for society', Novatech actively expands its social influence. We have invested in social participation in four major areas, namely, 'deep roots education', 'environmental awareness promotion', 'promotion of arts and culture', and 'silver hair nursing care'. We have rooted ourselves in the universities and colleges in the county where the company operates (Hsinchu County), and we have built a diversified manpower recruitment system to provide students with professional internship opportunities that are mutually beneficial to teaching and learning. Novatech strengthens the technical skills and practical experience of young talents, promotes the integration of industry and academia, and encourages its employees to become corporate volunteers to participate in social welfare and care for the underprivileged, as well as enthusiastically participate in charitable activities to promote goodwill and charity. By 2023, Novatech will have invested approximately NT\$1.49 million, a total of 91 corporate volunteers and 369.5 hours in social engagement activities.

Novatech has helped the underprivileged in the society and given back to the local community to achieve the positive and sustainable development of the industry, school and community.

**Total Investment in Public Welfare Activities throughout the Year**

Item	NT\$
Cash Donation <sup>Note 1</sup>	765,741
Human Resource Costs <sup>Note 2</sup>	315,375
Donate Materials <sup>Note 3</sup>	413,093
<b>Total</b>	<b>1,494,209</b>

Note 1: This does not include marketing and promotional expenses, but does include charitable donations, incentives for arts and cultural activities, and so on.

Note 2: This includes the costs incurred by the company's employees to provide voluntary services during their paid working hours.

Note 3: This includes the cost of products and services provided by the Company and related donations.

**Social Prosperity / Local Communities**  Management Approach

**Significance and Value to the Company**

Based on the core spirit of 'people-oriented and caring society', Novatech actively expands the social influence of the enterprise. Novatech actively invests resources and manpower in social engagement activities in the hope of helping the disadvantaged in the society and giving back to the local community, so as to achieve the positive and sustainable development of the industry, schools and the community.

**Actual and Potential, Negative and Positive Impacts**

**+ Positive:**

This is an effective way to maintain friendly relations with the local community and demonstrates corporate social responsibility.

**- Negative :**

Disputes with the community may not only affect the company's daily operations, but may also result in negative publicity and affect the company's reputation.

**Action Plans/Resources System**

- Deep Roots Education: Novatech has employed interns to realise industry-academia collaboration, and at the same time combined industrial and academic knowledge to promote the cultivation of local talents.
- Promotion of Arts and Culture: Novatech organizes Hakka language learning and sponsors arts-related activities to stimulate local residents' interest in local culture and to promote local cultural development.
- Environmental Awareness Promotion : Novatech works with partners across the value chain to promote environmental awareness and raise awareness of environmental issues in local communities.
- Silver Hair Nursing Care: Through sponsorships and donations, Novatech is able to build a warmer and more caring community, enabling the elderly to live less burdened and cope with the challenges of daily life with greater ease.

**Policies/Commitment**

We are deeply engaged in universities and colleges to build a diversified manpower recruitment system and provide professional internship opportunities to strengthen the technical skills and practical experience of young talent, thus promoting the integration of industry and academia. We encourage our employees to become corporate volunteers and to participate in social welfare activities to care for the underprivileged and promote environmental awareness in the local community. We are committed to sponsoring and promoting arts and cultural activities to stimulate the interest of employees and local residents in local culture, and to promote local cultural development. We help to alleviate the burden of the elderly.

**Management Strategies**

- We work with stakeholders to organize social welfare activities.
- Public Welfare Links to Corporate Business and Core Competencies

**Grievance Mechanisms**

**Stakeholders / Contact Channels**

Company Website: <https://www.novatech.com.tw>

 General Manager's Office, Audit Office  [Audit@novatech.com.tw](mailto:Audit@novatech.com.tw)  03-6676868

Means of Communication: E-mail, Telephone, and Face-to-Face Interview

• This major theme or topic has not generated activities or business relationships that could have a negative impact this year.

## 6-1 Deep Roots Education

### Campus Sponsorship Program

#### | Sponsorship Program in Hsinchu County for the Archery Team at Shin-Guang Junior High School |

In 2023, Novatech, in collaboration with its affiliates and suppliers, sponsored the archery team of Shin-Guang Junior High School in Hsinchu County to help improve the team's training environment and teacher qualifications in the hope of helping the team obtain better training resources. Novatech's investment in the training and development of these students not only supports the students individually, but also promotes the development of sports in the community as a whole. In 2023, Novatech is sponsoring the Shin-Guang Junior High School's archery team with funding for archery field lighting replacement and awning repair, training materials, and coach hiring.



Archery Team at Shin-Guang Junior High School

#### Training Equipment and Coaching Support: Improve the Conditions of the Archery Team

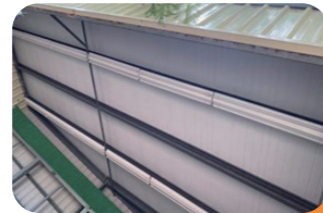
Novatech provides funding for training materials, coaching appointments, etc., so that coaches can continue to develop students' professional archery skills and tailor immediate learning plans to maximise the performance of individual abilities and strengths, and to enable students to develop their talents. Novatech has also improved the environment and facilities for the archery team so that students can focus on their skills without worrying about their future. In 2023, Novatech has sponsored the school's archery team's training fees and archery equipment maintenance costs in the amount of NT\$300,000.

Award Certificate from Hsinchu County Government - Donation to help Shin-Guang Junior High School



#### Repair the rain shelters to enable training

Due to the age of the rain shelter, students could not practise when it rained. Novatech worked with suppliers to repair the awning at the archery range. By repairing the rain shelters, we have ensured that students are protected from the weather. We provide a favourable training environment so that they can concentrate on their training and better develop their archery skills. In 2023, the number of Novatech volunteers was 9, and they volunteered for 45 hours.



Replacement of Lighting Equipment

#### Replacement old equipment to improve lighting

Novatech assisted in replacing the lighting equipment used by the archery team which was found to be too dim for the students to train effectively at night after an on-site inspection of the equipment at the school. Novatech co-operated with its affiliates and combined with its own engineering background to replace the lighting of the archery field, replacing the old lighting with LED lighting to provide a good practice environment for the students, so that those who want to practice more are not restricted by the darkness of the night. In 2023, the number of Novatech volunteers was 20, and they volunteered for 77 hours. In addition, a total of 94 sets of LED luminaires were replaced in this project, saving about 9,881 kWh of electricity consumption per year at the archery range. It not only improves the lighting effect, but also achieves the energy saving target.



Repair in the Archery Range

Shin-Guang Junior High School's archery team currently consists of seven students, mostly from disadvantaged families. The team is to be commended for their outstanding achievements despite the school's old facilities, lack of funds and inadequate training equipment. For example, they won the championship in the 2023 National Youth Cup Archery Championships, the National Presidential Cup Archery Championships, and the Hsinchu County Hengshan Township Chairman's Cup Archery Championships. Novatech looks forward to continuing to invest in the school so that it has the resources to compete with other schools and stand out from the rest. Through this sponsorship, Novatech is able to provide these students with better training conditions so that they can better fulfil their potential. We believe that this support will not only help them achieve more in archery, but will also have a positive impact on their future development.

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## Internship Program

As the development trend of the technology industry is ever-changing, talent is the key to breakthroughs in the industry and to generate momentum. Novatech has been actively recruiting outstanding students to cultivate young talent from its deep roots. Novatech adopts a variety of recruitment methods, including: campus recruitment, job banks recruitment, and employee referrals. More importantly, Novatech has signed internship cooperation contracts with universities and colleges to actively recruit, attract, retain and nurture talents.

In 2023, Novatech has continued to organize 'Corporate Internships' with an investment of NT\$196,825. In line with the original intention of mutual support in teaching and learning, the on-site work experience allows young students to familiarise themselves with professional knowledge of engineering and experience practical work in the workplace, as well as to learn about Novatech's philosophy of business operation and development planning. Novatech plans to sow the seeds of sustainable management in the future and create competitiveness for the next generation.

Novatech interns work on five Novatech products and services, including: high-cleanliness chemical supply and packaging system, wet process equipment, special gas supply system, waste stripper and solvent reclamation system, and green energy environmental protection system. In addition to letting the interns learn about various products and services, the company's strategy and training objectives, Novatech also respects the interns' individual learning wishes by arranging them to be guided by specialists in each product line to learn from the experience. Through industry-academia cooperation, Novatech is able to strengthen the technical and practical skills of young talents through classes, on-site internships, technical teaching, and special topics, so that they can meet the needs of industry development and employment.

### Intern / KUO, ○ -HSUN

Area of Service

Thin-film Oil and Gas  
Recovery Equipment and  
System

Knowledge/Skills Learned

On-site supervision, drawing inspection, specification preparation, price negotiation, supplier evaluation, ISO drawing production, on-site measurement, piping design, flow calculation.

During my four-month internship at Novatech, I came into contact with this thin-film oil and gas recovery system and learnt about the scrubber tower, cooling water tower, transformer adsorption tank, and compressor vacuum pump. Although it was the first time I saw it, it was not unfamiliar at all. The most valuable experience of this internship was working with Germans. It was also the first time I had ever spoken to a foreigner in English, but it wasn't as difficult as I thought it would be. Although I may not be able to understand the terminology used in the workplace, I am glad that I have found a direction in which I can improve, and I am happy to know that I have the ability to speak to foreigners. I think this internship has been very rewarding for me. In addition to witnessing the system, I also had the opportunity to interact with foreign engineers. Although it was only half a year, I felt like a sponge full of water, full of all kinds of knowledge and experiences, which made the originally flat knowledge become three-dimensional. It seems that I have found a goal for my future, which was originally directionless.



KUO, ○ -HSUN (2nd from right)

### Intern / KUO, ○ -JUNG

Area of Service

Administrative  
Operations

Knowledge/Skills Learned

I assisted in Organizing the warehouse stock lists, assisted in the planning of carbon inventories, and learnt to use the computer software ERP.

At the beginning, I worked at the company headquarters to help organize the warehouse's material number list. As I studied materials in university, I gradually understood the materials of these parts when I was sorting out the material list, and observed that the construction of the chemical system mainly relied on the two major families of materials, Teflon and stainless steel. When I was in the warehouse, I learnt how to manage the warehouse together with my elder sister, and I found that managing the warehouse was a great philosophy. The warehouse is very big and it is not an easy task to manage it because all kinds of parts and materials are piled up like a mountain, and sometimes hundreds or even thousands of them are purchased at one time. When Organizing the warehouse, I often have to dig out boxes and stack them into piles. In addition to my physical strength, my mental strength is also important, and I have to think logically about how to store them in a way that makes it easier for me to do the work later. I also have to focus on the quantity so that I don't make a mistake in counting. The ERP system is a function that I have learnt more about since I came here. ERP system can integrate the resources of different departments into the cloud, so that information can be circulated and shared in all parts of the company, reducing the duplication of business work and making the overall operation more efficient. I think ERP system is an indispensable and important core function in management.



KUO, ○ -JUNG (1st from Left)

## Industry-Academia Cooperation Program

### | Internship Process |

Novatech provides learning opportunities in a quality environment. In 2023, Novatech visited Professor Chen of the Department of Electro-Optical Engineering at Ming Hsin University of Science and Technology in Hsinchu County. Novatech entered the campus and interacted with the students and professors to understand their future job expectations and needs for the company in order to bring in potential students and hopefully through the interaction with the professors at the school, more students will have the opportunity to join Novatech. Currently, there are 11 graduates from Ming Hsin University of Science and Technology working in Novatech, accounting for 7% of the company's workforce. We hope that in the future, we can continue to employ people from our operating locations, provide job opportunities, and increase community recognition.

During this event, Novatech had in-depth communication with professors on campus. At the same time, Novatech left its contact information so that it can reach out to schools and departments in the future when they have suitable candidates to recommend, thus speeding up the recruitment process. This is a valuable exchange opportunity for both the school and the company. We hope to attract more talented and potential students to join our team and create a bright future together.

**1. Industry-Academia Cooperation**

Novatech connects with the academia for collaborative teaching and establishes industry-academia partnerships in order to develop innovative technologies and nurture key talents for the future.



Visit to Department of Electro-Optical Engineering at Minghsin University of Science and Technology

**2. Student Internship**


Through industry-academia co-operation and corporate internships, Novatech actively establishes longterm partnerships with universities and colleges to cultivate industrial talents.



Daily orientation meeting

**3. Vocational Coaching**


Through an in-house mentorship system, each intern is assigned a senior mentor to lead him/her in training and gaining experience and expertise to help young people create value for the new generation.



Ediction and training for interns by mentors

**4. Career Expo**

Through on-campus recruiting, career fairs and face-to-face meetings, the company is able to market and enhance visibility and recruit the right talent.



Chung Hua University career fair

### Novatech'Social Influence Map: Deep Roots Education

Activity	Descriptions	Amount/Time Spent	Output	Outcome	
				Stakeholder	Outcome
Campus Sponsorship Program	Project at Shin-Guang Junior High School: We have improved the training environment and facilities for the archery team so that students can focus on improving their skills without worrying about other things.	We sponsored NT\$300,000 for school training.	<ol style="list-style-type: none"> <li>In 2023, the athlete achieved outstanding results in various archery competitions: three individual competition championships, one team competition third place, and two individual ranking and team competition third places.</li> <li>94 sets of lamps were replaced, saving about 9,881 kWh of electricity consumption in a year.</li> </ol>	Students at Shin-Guang Junior High School	The archery team is provided with better training resources and thus more opportunities to compete with other schools' archery teams, enhancing the training and development of the students.
				Employees of Novatech	With all the efforts and investment, the company not only provides a better training environment for the students, but also increases the company's image and reputation in the community and schools.
				Novatech's Affiliates and Suppliers	Students have a closer relationship with Novatech and can combine their engineering background with Novatech to practice social responsibility.
Internship Program	Novatech works with universities and colleges to provide students with opportunities to plan off-campus internship programmes. Novatech provides students with relevant practical training in accordance with the internship program. Through the mentor-apprentice system, Novatech passes on professional skills, experience and wisdom to apprentices, and provides safe lecture and internship venues for various practical skills training to cultivate talents, so as to enable students to have a better understanding of the work of the industry, and to gain practical and applied knowledge for early employment.	The internship lasted for 4 months during the semester and 2 months during the summer. Total cost for both interns (Salary + Labour/Health/ Employer's Contribution): NT\$196,825	<ol style="list-style-type: none"> <li>Two interns were trained.</li> <li>Interns learnt their respective fields, i.e. site supervision, administrative matters, and compiled reports based on the knowledge and contents gained. (Related forms: internship content planning instructions, student internship evaluation form, internship assessment form, student employability questionnaire, experience report)</li> </ol>	Interns	<ul style="list-style-type: none"> <li>Understand occupational safety precautions in the field.</li> <li>Gain industrial background knowledge (e.g., project management and checkpoint setting, learning and application of engineering specifications, application of material specifications, on-site supervisory practices, etc.)</li> <li>Develop professional attitudes required in the workplace (e.g., practical application skills, problem solving skills, teamwork, active learning and consulting).</li> </ul>
				Supervisors and Mentors	They participate in internship training to increase the sense of achievement.
Industry-Academia Cooperation Program	We hope that this briefing and exchange with professors will provide students with the opportunity to join Novatech in the future.	Time spent on visits, time cost per hour invested NT\$458	The company has left the contact information. If there are suitable candidates in the future, schools and departments will take the initiative to contact us to speed up the recruitment speed.	Potential Job Seekers (Students)	They can learn about Novatech through school professors, and then get job internship opportunities.
				School Professors	Professors may have a good impression of Novatech and introduce students to Novatech.

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## 6-2 Environmental Awareness Promotion

In today's society, environmental protection has become a global issue that is crucial to our future and the lives of our next generation. Therefore, Novatech is committed to promoting environmental awareness and sustainable practices. In 2023, we have focused on issues such as supporting recycling, promoting environmental sustainability in schools, and maintaining the campus environment, etc. We aim to promote the concepts of environmental protection and sustainable development, and to convey the importance of environmental protection to the general public, encouraging them to take positive actions to practise energy-saving and waste-reduction lifestyles.

### Recycling: Promoting Environmental Sustainability

#### | Rebirth Anthem : Second-hand Material Donation and Volunteer Service |

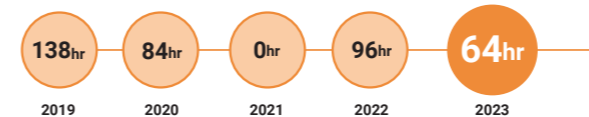
Novatech is concerned about the reuse of waste materials, and believes that through the donation of unused materials and charity sales, it can help extend the life of the items, reduce the production of waste materials, and thus reduce the impact on the environment, and at the same time, it can also raise the public's social awareness and concern for the underprivileged, so as to enhance cohesion among the community.

The theme of Rebirth Anthem is 'Recycling'. Participants can donate their personal or household unwanted items for charity sale with the youths of Youth at Risk Service Centre (Catholic Hsinchu Diocese), so that the second-hand items can be 'recycled'. This year, Novatech invited three suppliers to participate in the event, each sponsoring NT\$10,000 in booth fees. On the day of the event, we arranged for Novatech staff to accompany the youth to perform and conduct the bazaar, with all proceeds from the bazaar going to the Youth at Risk Service Centre. In 2023, Novatech dispatched 16 volunteers, and they volunteered for a total of 64 hours.

Novatech has participated in the Youth Service Centre's second-hand charity sale for five consecutive years, and supported the Rebirth Anthem charity sale with a booth sponsorship of NT\$50,000 and 382 volunteer hours from 2019 to 2023.

Novatech upholds the spirit of community cooperation and co-creation, and has long been caring for the public welfare and supporting social welfare Organizations. Through material and financial donations, Novatech endeavours to give those in need a more stable life and opportunities for self-reliance, thus creating a harmonious and cohesive society.

#### Statistics of Corporate Volunteer Hours over the Years



Note : In 2021, due to COVID-19, it was not possible to organize corporate volunteer service activities, so the number of corporate volunteer hours was zero.



#### | Spreading Love to Africa by Saving Lives with Used Shoes |

A group of passionate Taiwanese youths saw the hardship in Africa and chose to step onto the soil there to respond to the needs of the people there. Through the old shoes assistance, we are expanding our community programmes to bring about change in the remote villages of East Africa, hoping to move towards a future free of poverty.

In 2023, we organized our first ever in-house collection of second-hand goods in response to the Used Shoes for Life campaign, and in collaboration with our subsidiaries, we hope that our colleagues would make a difference to the poorest East African villages by extending the life of their goods. In 2023, we collected 147 pairs of shoes and 460 pieces of spring/summer clothing, and put in 4 volunteers for a total of 36 hours, with a total sponsorship of NT\$10,000.

These items will bring warmth and help to those in need, while making a valuable contribution to environmental sustainability.



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## School Promotion: Environmental Sustainability

Novatech partnered with the Hsinchu County Aboriginal-Hakka Mixed Choir to go into schools and communities to carry out educational and promotional activities on campus, aiming to convey the importance of environmental sustainability and environmental protection to teachers and students. It will enhance their knowledge and ability to save energy, reduce carbon emissions, and establish good recycling habits.

Through the event, we co-operated with the Aboriginal-Hakka Mixed Choir to demonstrate the importance of environmental protection to the public through music and performances, and to inspire people's concern and action on environmental protection. At the same time, we organized seminars, workshops and other activities to provide correct knowledge and practical skills to help people understand how to practice energy saving, carbon reduction, and recycling in their daily lives, so that we can work together to create an environmentally friendly society.



### Qionglin Junior High School

In April 2023, we went to school with the Aboriginal-Hakka Choir, and for the first time this year, we went to Qionglin Junior High School to promote the importance of sustainability and energy conservation to 144 students in grades 7 and 8, and provided 10 sets of prizes for environmental protection, which was enthusiastically received by the students.



### Daxiang Village, Zhudong

In May 2023, we entered the local community with the Aboriginal-Hakka Choir. During the Mother's Day event in Daxiang Village, Zhudong, we educated 150 local residents about the importance of environmental sustainability, waste reduction and ecological preservation for a sustainable planet.

## Working with the Neighbourhood: Maintaining the Campus Environment

In 2023, Novatech partnered with our customers to participate in environmental clean-up activities of special schools, and actively participated in the environmental clean-up work of the community and special schools in New Taipei City to fulfil our commitment to environmental protection. We went to the campus together with our customers and worked with the teachers and students of the special school to inject care and love into their learning environment.

This activity not only made the campus cleaner, but also helped students feel the warmth of the community and understand the importance of protecting the environment. We are willing to work with our neighbors to contribute to the environment of the community, and take practical actions to protect the environment. We look forward to working together to create a better campus environment. In 2023, Novatech dispatched 18 volunteers, and they volunteered for a total of 33 hours.

## Novatech's Social Influence Map: Promotion of Environmental Awareness

Activity	Descriptions	Amount/Time Spent	Output	Outcome	
				Stakeholder	Outcome
Recycling & Reuse: Promoting Environmental Sustainability	We collected second-hand goods from our colleagues and invite three suppliers to participate in this year's activity.	The amount of sponsorship for the charity sale was NT\$10,000. 16 volunteers * 4 hours = 64 hours, time cost: NT\$18,416	<ol style="list-style-type: none"> <li>The company has participated in volunteer activities for the fifth consecutive year, with a total sponsorship of NT\$50,000 from 2019 to 2023, and a cumulative total of 318+64=382 hours of volunteer time.</li> <li>In 2023, the company joined hands with three suppliers to carry out volunteer activities, each sponsoring NT\$10,000.</li> <li>Charity sale activities reached more than 300 people.</li> </ol>	Novatech's Employees/ Suppliers	The company delivers warmth through supplies and sends volunteers to participate in charity sales, gives care to the local people through community services and gives practical help to others.
	<ul style="list-style-type: none"> <li>In 2023, we held the first company-wide second-hand goods collection activity, so that our colleagues can work together for environmental sustainability, and also gather materials of Novatech colleagues to bring real changes to the remote villages in East Africa with extreme poverty.</li> <li>We work together with our subsidiaries to collect materials, so that love can continue to spread.</li> </ul>	The amount of sponsorship for the charity sale was NT\$10,000. 4 volunteers * 1 hour * 9 days = 36 hours, time cost: NT\$9,223	A total of 147 pairs of shoes and 460 pieces of clothing were collected.	Catholic Hsinchu Diocese	Youth at risk can receive warmth and hospitality through different channels. Donated materials allow youth to experience and learn about interpersonal interactions and trust, so that they can grow up healthy and contribute to the community with their strengths.
School Promotion: Environmental Sustainability	Through cooperation with the Aboriginal-Hakka Mixed Choir, the company enters schools to promote the importance of a sustainable environment and to root downwards.	Prize Fee NT\$13,880	<ol style="list-style-type: none"> <li>144 students in grades 7 and 8 at Qionglin Junior High School</li> <li>Novatech had 4 volunteers.</li> </ol>	Employees of Novatech	The aim of the school education campaign is to convey the importance of environmental sustainability and protection to teachers and students.
	Through community activities, energy saving, carbon reduction, waste separation and other environmentally sustainable methods are promoted.	4 volunteers * 4 hours = 16 hours, time cost: NT\$4,283	<ol style="list-style-type: none"> <li>150 people from the Zhudong Daxiang community participated in this activity.</li> <li>Novatech had 4 volunteers.</li> </ol>	Qionglin Junior High School and Daxiang Community Residents	Enhance their knowledge and ability to save energy and reduce carbon emissions, and help them establish a good habit of recycling.
Working with the Neighbourhood: Maintaining the Campus Environment	Together with our clients, we help our neighbours and the New Taipei City Special Schools to clean up their environment.	4 volunteers * 4 hours = 16 hours, time cost: NT\$4,409	Novatech had 18 volunteers	Novatech Staff/Customers	By cleaning up the campus environment, Novatech was able to show the community its commitment to environmental sustainability and invite more people to participate in this joint effort.
				Special Schools in New Taipei City	This activity helped students feel the warmth of the community and understand the importance of protecting the environment.

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### Hakka Culture Promotion Program



#### | Hakka Language Proficiency Course - Elementary Certification |

In 2023, Novatech participated in the Hsinchu County Hakka Language Deep Roots Service Implementation Plan to promote the revitalisation of the Hakka language. Through the interaction between the teacher and the participants, the students were able to learn about the Hakka language and the beauty of the Hakka culture. This not only develops the ability to listen, speak and read Hakka, but also strengthens the quality of Hakka services in social and workplace settings. The program is designed to cultivate Hakka listening, speaking and reading skills, so as to enhance the soft competitiveness of our colleagues in the workplace. In addition, Novatech also actively promotes interactive Hakka language teaching among office staff, creating a fun and learning atmosphere in the workplace.

A total of 20 colleagues took part in 36 lessons, with 2 lessons per week. All participants actively took the National Hakka Language Examination held in September 2023, with 12 of them passing the Beginner Level Examination and 5 passing the Basic Level Examination. This result is not only a recognition of the participants, but also a successful verification of Novatech's involvement in Hakka language promotion. In 2023, Novatech provided NT\$24,141 in course grants and NT\$21,600 in incentives for certification, for a total of NT\$45,741.

#### | Hakka Language Choir in Public Welfare Activities |

Under the Code of Practice for Sustainable Development, this year, the Company focused on the promotion of the Hakka language, the local language of Hsinchu, in its cultural and artistic activities. This year, in addition to the Hakka language certification course, the company also sponsored the Hsinchu County Indigenous-Hakka Mixed Choir. The choir sings in schools and communities and organizes public concerts to promote the Hakka language and to let more people understand the Hakka culture.

In November 2023, to dedicate to a good cause, Novatech joined hands with the Hsinchu County Aboriginal-Hakka Mixed Choir, Keelung Hakka Cultural Association Choir, and Taoyuan Shih-Yu Chorus to organize a charity concert called 'Hakka Anthem'. This time, Hsinchu City Intellectual Disability Welfare Association and the disadvantaged families of Shangguan Elementary School in Hsinchu County were invited to participate in the concert, so that more people could enjoy the feast of music.



In addition to the wonderful musical performances, Novatech also provided 120 Taiwan-made environmental campaign water bottles to the disadvantaged families participating in the event. In addition, through the choir's visits to schools and communities, Novatech was able to conduct public teaching and public performances to enable children, youths and non-Hakka-speaking communities to gain a deeper understanding of the Hakka culture and to promote exchanges and interactions among the communities.

The concert attracted about 620 people, which gave more impetus and support to the promotion of charity work. Novatech will continue to co-operate with the community and endeavour to organize more and more charity events to spread the voice of love to every corner of the world. In 2023, Novatech invested 5 volunteers for a total of 40 hours, and sponsored NT\$300,000 for the club's operation.

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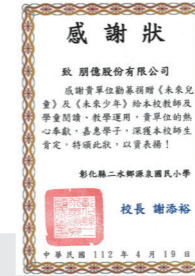
Annex



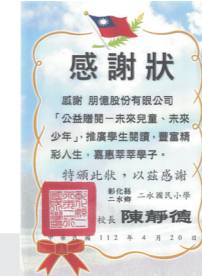
## Sowing the Seeds of Reading: The Startup for Common Good Program

Novatech and Shin-Guang Junior High School joined hands to organize an exciting reading event, inviting renowned author Mr. HUANG, JUI-JEN to share his experience in writing and guide the reading of new books. Students, parents and Shin-Guang community residents were invited to join the program to experience the beauty of literature.

Over 60 students, parents and community members attended the event. Mr Huang, Jui-Jen, an author, captured the attention of everyone in the audience with his informative and entertaining sharing, bringing the joy and inspiration of literature to everyone. Novatech will continue to cooperate with Shin-Guang Junior High School and other schools to organize more similar reading activities, with the aim of promoting the culture of reading, enriching the spiritual life of the community residents, and facilitating cultural exchanges and integration in the community. In 2023, Novatech committed 11 volunteers for 38.5 hours and sponsored NT\$22,800 in books for the symposium.



Changhua County - Yuanquan  
Elementary School - Certificate  
of Appreciation



Changhua County - Ershui  
Elementary School -  
Certificate of Appreciation



Hsinchu County - Shin-Guang  
Junior High School - Certificate  
of Appreciation

## Sowing the Seeds of Reading: The Startup for Common Good Program

Since 2020, Novatech has responded to the National Innovation and Entrepreneurship Association's program 'Sowing the Seeds of Reading: Giving Children a Big Future' by donating children's magazines to provide better learning resources for children in remote villages and to cultivate the habit of reading. We hope that reading will give children the strength to grow up with confidence. Monthly book giveaways provide longterm enrichment of reading resources, broaden horizons, and develop lifelong skills. In 2023, Novatech sponsored the reading program for NT\$200,000.

In response to the reading program in rural primary schools, Novatech has been supporting the public welfare and caring for underprivileged children for three consecutive years, with a total of 210 children's magazines (2,520 in total) donated to 9 schools and over 75,600 children benefited from the program. Novatech values education in remote villages and takes action to provide children with the most practical reading resources.

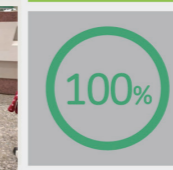
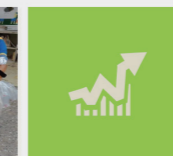
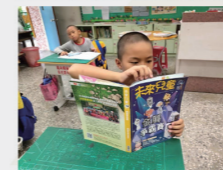
### Feedback from Schools

#### Q3：長期閱讀雜誌，對學生拓展知識有益？

本雜誌取材多元，正好可以補充課堂固定的知識，例如特別企畫的鄉場是敵人還是朋友?改變了平時的偏見。  
(源泉國小，六忠·朱耀欽老師)

由於雜誌內容富有豐富的多元知識，能補充學生許多的課外知識與見聞，如國語、自然、社會等領域知識的拓展。  
(土庫國小，三甲·王秀麗老師)

學生總會熱心分享在雜誌上看到的有趣內容，如果看到課本所教的知識，更會彼此分享。  
(螺隔國小，五丙·謝昶庭老師)



### Feedback from Students



源泉國小 五忠 學生  
感謝朋億公司送給我們未來少年，讓我每天自習課有新的雜誌看，從雜誌學到了很多新的知識，從雜誌裡學到了很多國家的特徵，也認識了很多科學知識，你們愛心我會好好珍惜謝謝!



土庫國小 三甲 學生  
我覺得看完書，我學到了一些新鮮事和國字，希望你們可以再寫更多好看的雜誌讓我們看，因為可以讓我不斷學習更多很棒的文章。



新盛國小 1-3年級 學生  
謝謝你們提供未來兒童書籍給我們看，我覺得漫畫很好看，還會教一些科學的東西我非常喜歡。

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## Teacher-Student Art Exhibition

Novatech encourages its staff to be motivated by the process of immersion in the arts and culture, and to develop resilience through the exploration of the arts, regaining courage and the ability to embrace setbacks from a different perspective. At the same time, the cooperation between enterprises and the arts and cultural sector will provide more opportunities for learning and exchanging experiences, which will lead to more possibilities of collaboration and sustained support for cultural undertakings in a diversified and creative manner, thus creating more beautiful encounters between enterprises and the arts.

Through the "Volunteer Incentive Program", we support our employees to enroll in art courses during their off-duty hours. From 2021 to 2023, Novatech has invested about NT\$34,000, and a total of 7 employees have participated in the art courses instructed by Teachers CHIU, MEI-CHEN, and the number of courses has accumulated to 230.

In 2023, Novatech invested NT\$17,000 to support our colleagues to continue their studies in CHIU, MEI-CHEN's flower and bird ink painting class and celadon painting class. The four ink paintings and eight pieces of celadon paintings created by Novatech were exhibited in February 2023 at the Taoyuan City Pingzhen Library Cultural Hall.



Teacher  
CHIU, MEI-CHEN

As an ink, colour ink or celadon painter, Teacher CHIU, MEI-CHEN's works display a variety of styles in different media, such as flowers, landscapes, birds and animals, and celadon ceramics. The decoration of blue and white porcelain carries the traditional qualities of auspicious totems, entwined paintings and brushstrokes, and at the same time reflects the subjective consciousness and humanistic values of Chinese ink painting and art.



Novatech participates in arts and cultural activities, using its expertise to create actions and works that have a social impact and enrich the humanistic nourishment of the society. We firmly believe that arts and humanities are one of the indispensable elements of a fulfilling life. The promotion of arts and culture requires a collective effort. Novatech is committed to fostering the diversity of the arts and supporting the development of the arts and culture in Taiwan through concrete actions such as 'injecting resources to support the arts and culture'.

## Novatech' Social Influence Map: Promotion of Arts and Culture

Activity	Descriptions	Amount/Time Spent	Output	Outcome	
				Stakeholder	Outcome
Hakka Culture Promotion Program	Participated in the 2023 Hsinchu County Hakka Language Deep Roots Service Implementation Plan.	1. Course fee NT\$24,141 2. Certification incentive NT\$21,600 3. 2 classes per week, 36 classes in total. 20 colleagues participated.	Employees participated in the 2023 National Hakka Language Examination, with 12 passing the elementary level and 5 passing the basic level.	Novatech Hakka Certified Colleagues	The colleagues have basic Hakka listening, speaking, and reading skills, which strengthens the quality of Hakka services in social and workplace settings.
				Certified Hakka teachers	They enhance the ability of private enterprises to provide public services in Hakka.
	They partnered with the Hsinchu County Aboriginal-Hakka Mixed Choir, Keelung Hakka Cultural Association Choir, and Taoyuan Shih-Yu Chorus to organize a charity concert called 'Hakka Anthem'.	1. Enhanced the performance standard of the Hsinchu County Hakka Mixed Choir and promoted the ethnic integration project. Sponsored NT\$300,000 in operations. 2. NT\$67,702 for the Charity Concert program. 3. 5 volunteers for the charity concert * 8 hours = 40 hours, time cost: NT\$15,257	We invited disadvantaged families to participate in the charity concert and gave out 120 eco-friendly water bottles to disadvantaged children.	Charity Concert Participants	A total of 620 people participated in the event. Charity Concert aims to enhance the exchange of Hakka language and culture.
				Hsinchu County Aboriginal-Hakka Mixed Choir	<ul style="list-style-type: none"> <li>Hakka Songs Exchange Competition (North Region) - Grand Prize</li> <li>Hakka Affairs Council Hakka Choir Competition - Miaobei Art Centre Merit Award</li> <li>Hakka Affairs Council Hakka Ballad Competition - Grand Prize and Merit Award</li> </ul>
Reading Culture-Writers' Sharing Club	Mr. HUANG, JUI-JEN, a well-known author, was invited to organize a book sharing activity with the Shin-Guang community and the teachers and students of the local junior high.	1. Seminar Book Cost NT\$22,800 2. 11 volunteers*3.5 hours=38.5 hours, time cost: NT\$13,416	Through the guided reading of the new book, at least 5 book lovers stood up to share their experience of reading the book, which resonated with everyone.	Teachers and Students from Shin-Guang Junior High School and Community Residents	About 60 students and teachers from Shin-Guang Junior High School and community residents were able to experience the fun and inspiration brought by literature through the program.
				Employees of Novatech	11 volunteers from Novatech participated in the program, helping everyone to experience the beauty of literature and promoting cultural exchanges and integration in the community.
				Mr. HUANG, JUI-JEN, Author	This will enhance the power of upward social mobility. One love can attract more love. We will continue to work together to pass on our vibrant culture.
Sowing the Seeds of Reading: The Startup for Common Good Program	Donated children's magazines to provide better learning resources for children in remote areas.	Sponsored reading NT\$200,000	75,600 children benefited in three years.	9 schools in remote villages (students and teachers)	By cleaning up the campus environment, Novatech was able to show the community its commitment to environmental sustainability and invite more people to participate in this joint effort. Lively and interesting book resources help to develop reading habits. The diverse range of magazines with beautiful illustrations will enhance children's knowledge in a variety of areas.
				Global Views Monthly	The magazine has established a longterm and stable partnership with Novatech to promote the development and popularisation of reading culture through the donation of magazines and other resources.
Teacher-Student Art Exhibition	In 2023, the staff continued to study in CHIU, MEI-CHEN's Bird and Flower Ink Painting and Celadon Porcelain Painting classes, and in February 2023, they participated in the teacher-student joint exhibition.	1. Time cost: 7 persons from 2021 to 2023, 238 hours in total. 2. Learning Costs: NT\$34,000	Works exhibited in February 2023: 4 ink paintings, 8 celadon paintings 2023 Learning Output: 7 ink paintings, 8 celadon paintings.	Employees of Novatech	Novatech has invested 7 staff members to support the development of arts and culture in Taiwan through 'Donate and Support Arts and Culture'.
				Teacher CHIU, MEI-CHEN	Enhance the power of upward social mobility, let one love attract more love, and continue to work together to produce vibrant cultural and artistic creations.

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## 6-4 Silver Hair Nursing Care

### Chia-Yi Christian Hospital: "Love +1"

As people age, they often face a gradual decline in physical functioning and an increase in health problems, which may include chronic diseases, mobility problems, and cognitive impairment. These health challenges make the elderly need special care and support to cope with various difficulties in their daily lives. It is worth noting that the ability and willingness of family members to care for their elderly parents or grandparents may also be challenged with the changing structure of modern society. Work pressure, separation of work and residence, and changes in the lifestyles of family members are increasingly limiting the resources available for caring within the family. As a result, the elderly need to independently manage the various activities of daily living, which can be extremely challenging for them in their old age.

The 'Love Plus 1' service platform provided by Chiayi Christian Hospital serves about 5,000 carers in Chiayi each year, assisting elderly people in need of attention by providing services such as home visits, psychological counseling, and emotional support, as well as Organizing occasional carer seminars, festive gatherings, and handmade gardening activities. In 2023, Novatech donated NT\$100,000 to social welfare longterm care and seriously ill patients. Through sponsorships and donations, Novatech is committed to building a warmer and more caring society, and easing the burden of life for the elderly.



Visiting the elderly and providing care for them

### Novatech's Social Influence Map : Silver Hair Care

Activity	Descriptions	Invested Amount / Time	Output	Outcome	
				Stakeholder	Outcome
Love +1	Sponsored Social Welfare, Long Term Care and Critical Care Patients at Chiayi Christian Hospital	In 2023, Novatech contributed NT\$100,000.	The sponsorship can be used to provide services such as home visits, psychological counselling, emotional support, etc. It can also be used to organize occasional carers' seminars, festive gatherings, handicrafts and gardening activities.	Elderly	Visiting, counselling and emotional support services help to reduce the burden of living and make it easier for them to cope with the challenges of daily life.

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會計師有限確信報告

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會計師之責任

本會計師之責任係依照確信率則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」規劃及執行有限確信案件。基於所執行之程序及所獲取之證據，對第一段所述 貴公司所選定之關鍵績效指標是否存有重大不實表達取得有限確信，並作成有限確信之結論。

依確信率則 3000 號之規定，本有限確信案件工作包括評估 貴公司採用通用基準編製永續報告書所選定之關鍵績效指標之妥適性、評估所選定之關鍵績效指標是否因舞弊或錯誤之重大不實表達風險、依情況對所評估風險作出必要之因應，以及評估所選定之關鍵績效指標之整體表達、有關風險評估程序（包括對內部控制之瞭解）及因應所評估風險之程序。有限確信案件之範圍明顯小於合理確信案件。

本會計師對第一段所述 貴公司所選定之關鍵績效指標所執行之程序係基於專業判斷，該等程序包括查詢、對流程之觀察、文件之檢查與分析性程序、量化方法是否適當之評估，以及與相關紀錄之核對或調整。

基於本案件情況，本會計師於執行上述程序時：


- 已對參與編製所選定之關鍵績效指標之相關人員進行訪談，以瞭解編製前述資訊之流程，以及相關之內部控制，以辨識重大不實表達之領域。
- 基於上述事項之瞭解及所辨認之領域，已對所選定之關鍵績效指標進行分析性程序，並採取樣本進行包括查詢、觀察、檢查及重新執行等測試，以取得有限確信之證據。

相較於合理確信案件，有限確信案件所執行程序之性質及時間不同，其範圍亦較小，故於有限確信案件所取得之確信程度明顯低於合理確信案件中所取得者。因此，本會計師不對 貴公司所選定之關鍵績效指標在所有重大方面，是否依照通用基準編製，表示合理確信之意見。

此報告不對 2023 年度永續報告書整體及其相關內部控制設計或執行之有效性提供任何確信。

有限確信之結論

依據所執行之程序與所獲取之證據，本會計師並未發現第一段所述 貴公司所選定之關鍵績效指標在所有重大方面未依照通用基準編製之事實。



其它事項

貴公司網站之維護係 貴公司管理階層之責任，對於確信報告於 貴公司網站公告後任何所選定之關鍵績效指標或通用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

資誠聯合會計師事務所

會計師 劉倩瑜 劉倩瑜

2024年6月28日

Assurance Item	Applicable Criteria	Page No.
Item 1 In 2023, total energy use reached 1,258.45 (GJ).	Novatech's energy use, including kWh used for public works, kWh used for office buildings, and petrol use, 2023	78
Item 2 In FY2023, Novatech's proportion of local procurement from Taiwan-based vendors reached 98.09%. <small>Note: Local sourcing is reaching out to local suppliers with a unified business number.</small>	First-tier suppliers in Taiwan, 2023 Percentage of Purchases to Total Purchases Accepted in 2023	17 · 61
Item 3 In FY2023, Novatech completed the signing of the "Third Party Commitment" with 48 suppliers.	No. of suppliers with transactions in 2023 that have signed the "Joint Vendor Commitment".	59
Item 4 In 2023, the average training hours for supervisory staff <sup>(Note 1)</sup> were 28.47 hours <sup>(Note 2&amp;3)</sup> for males and 49.73 hours for females; The average training hours for non-supervisory staff <sup>(Note 2&amp;3)</sup> were 36.70 hours for males and 45.93 hours for females. <small>Note 1: Supervisory staff includes section heads, assistant managers and above. Note 2: Based on the statistical data of the employees who should participate in the training in 2023, excluding 2 consultants and 1 contracted field worker (3 in total), the total number of employees who should participate in the training is 151. Note 3: The total number of hours of education and training includes the number of hours of training and in-house instruction for all staff.</small>	In 2023, the total number of training hours for supervisory staff (including those who left in 2023), divided by the number of supervisory and non-supervisory staff (including those who left in 2023) on duty as at 31 December 2023.	98
Item 5 As of 31 December 2023, the cumulative number of disaster-free working hours is 2,923,372 hours.	Accident-free hours reported to the Industrial Safety and Health Association (ISHA) of the R.O.C. from Sep. 23, 2014 to Dec. 31, 2020	109

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Index of GRI Standards Disclosure Items				
Terms of Use		Novatech has followed the GRI guidelines for reporting for the period 2023/1/1~2023/12/31.		
Applicable GRI 1		GRI 1 base 2021		
Industry Guidelines		None		
GRI Standards	Disclosure Items	Chapter	Page No.	Supplemental Explanation
General Disclosures				
GRI 2-1	Organizational Details	Introduction to Novatech	9-10	
GRI 2-2	Entities included in the Organization's sustainability report	About the Report	4	
GRI 2-3	Reporting Period, Frequency and Contacts		5	
GRI 2-4	Restatements of information	--	--	There is an error in the total number of new arrivals and departures in 2021, therefore the new arrival rate is updated together with the departure rate.
GRI 2-5	External guarantee/assurance	Limited Assurance Report for 2023	122	
GRI 2-6	Activities, Value Chains and Other Business Relationships	Introduction to Nova	9-11	
GRI 2-7	Employees	5-1 Work Partners of Novatech	83	
GRI 2-8	Non-Employee Workers		84	
GRI 2-9	Governance Structure and Composition	2-1 Sustainable Development Goals	30-32	
GRI 2-10	Nomination and Selection of Members within the Supreme Governing Body		31	
GRI 2-11	Chairman of the Highest Governance Unit	--	--	The Chairman of the Board of Directors of the Company does not concurrently serve as the President of the Company.
GRI 2-12	Role of the highest governance unit in supervising and managing impacts	1-3 Sustainable Promotion Unit	21	
GRI 2-13	Responsible person for impact management	1-3 Sustainable Promotion Unit	21	
GRI 2-14	Role of the highest governance unit in sustainability reporting	About the Report	5	
		1-3 Sustainable Promotion Unit	21	
GRI 2-15	Conflict of Interest	2-1 Sustainable Development Goals	31	

GRI Standards	Disclosure Items	Chapter	Page No.	Supplemental Explanation	
General Disclosures					
GRI 2-16	Communicating Key Critical Incidents	2-1 Sustainable Development Goals	33		
GRI 2-17	Group Intelligence for Top Governance Units				
GRI 2-18	Performance Evaluation for Top Governance Units				
GRI 2-19	Remuneration Policy	5-2 Employee and Labour Relations	87-88		
GRI 2-20	Remuneration Decision Process		87-88		
GRI 2-21	Annual Total Remuneration Ratio		88		
GRI 2-22	Statement of Sustainability Strategy	Message from the Chairman Message from the President	2-3		
		2-2 Ethics and Integrity in Management	30-40		
GRI 2-23	Policy Commitments	5-2 Employee and Labour Relations	93		
		2-2 Ethics and Integrity in Management	41		
GRI 2-24	Included in Policy Commitments	5-2 Employee and Labour Relations	95		
		2-3 Compliance with Laws and Regulations	43		
GRI 2-25	Procedures to remedy negative impacts	5-2 Employee and Labour Relations	94		
		2-3 Compliance with Laws and Regulations	43		
GRI 2-26	Mechanisms to Seek Advice and Raise Concerns	5-2 Employee and Labour Relations	95		
		2-3 Compliance with Laws and Regulations	42		
GRI 2-27	Compliance	2-3 Compliance with Laws and Regulations	42		
GRI 2-28	Memberships of Associations	2-5 Association Participation	47		
GRI 2-29	Guidelines for Stakeholder Engagement	1-4 Identification of Sustainability Topics	25-26		
GRI 2-30	Corporate Agreements	--	--	No corporate agreement was signed in 2023.	

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GRI Standards	Disclosure Items	Chapter	Page No.	Supplemental Explanation
Major Themes or Topics   Sustainability Governance and Risk Management				
GRI 3 Major Themes or Topics 2021	3-1	Process for Deciding on Major Themes or Topics	1-4 Identification of Sustainability Topics	23
	3-2	List of Major Themes or Topics	1-4 Identification of Sustainability Topics	24
	3-3	Management of Major Themes or Topics	2-1 Sustainability Governance and Risk Management	29
Major Themes or Topics   Ethics and Integrity in Management				
GRI 3 Major Themes or Topics 2021	3-1	Process for Deciding on Major Themes or Topics	1-4 Identification of Sustainability Topics	23
	3-2	List of Major Themes or Topics	1-4 Identification of Sustainability Topics	24
	3-3	Management of Major Themes or Topics	2-2 Ethics and Integrity in Management	39
GRI 205 Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	2-2 Ethics and Integrity in Management	41
	205-3	Confirmed incidents of corruption and actions taken	2-3 Compliance with Laws and Regulations	43
Major Themes or Topics   Compliance				
GRI 3 Major Themes or Topics 2021	3-1	Process for Deciding on Major Themes or Topics	1-4 Identification of Sustainability Topics	23
	3-2	List of Major Themes or Topics	1-4 Identification of Sustainability Topics	24
	3-3	Management of Major Themes or Topics	2-3 Compliance with Laws and Regulations	42
GRI 2 General Disclosures 2021	GRI 2-27	Compliance	2-3 Compliance with Laws and Regulations	42
Major Themes or Topics   Supply Chain Sustainability				
GRI 3 Major Themes or Topics 2021	3-1	Process for Deciding on Major Themes or Topics	1-4 Identification of Sustainability Topics	23
	3-2	List of Major Themes or Topics	1-4 Identification of Sustainability Topics	24
	3-3	Management of Major Themes or Topics	3-2 Sustainable Supply Chain Management and Responsible Purchasing	57

GRI Standards	Disclosure Items	Chapter	Page No.	Supplemental Explanation
Major Themes or Topics   Supply Chain Sustainability				
GRI 204 Procurement practices 2016	204-1	Proportion of spending on local suppliers		61
GRI 308 Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	3-2 Sustainable Supply Chain Management and Responsible Purchasing	59
GRI 414 Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria		59
Major Themes or Topics   Customer Relationship Management				
GRI 3 Major Themes or Topics 2021	3-1	Process for Deciding on Major Themes or Topics	1-4 Identification of Sustainability Topics	23
	3-2	List of Major Themes or Topics	1-4 Identification of Sustainability Topics	24
	3-3	Management of Major Themes or Topics	3-3 Customer Relationship Management	61
GRI 418 Customer Privacy 2016	418-1	Substantiated complaints about breaches of customer privacy and losses of customer data	2-4 Information Security Management	44-47
Major Themes or Topics   Customer Health and Safety				
GRI 3 Major Themes or Topics 2021	3-1	Process for Deciding on Major Themes or Topics	1-4 Identification of Sustainability Topics	23
	3-2	List of Major Themes or Topics	1-4 Identification of Sustainability Topics	24
	3-3	Management of Major Themes or Topics	3-4 Customer Health and Safety	64
GRI 416 Customer Health and Safety 2016	416-1	Assessing the health and safety impacts of product and service categories	3-4 Customer Health and Safety	64-65
	416-2	Violations of Health and Safety Regulations for Products and Services		
GRI 417 Marketing and Labelling 2016	417-1	Product and Service Information and Labelling Requirements	3-4 Customer Health and Safety	64-65
	417-2	Incidents of non-compliance with product and service information and labelling regulations	--	No related incidents
	417-3	Incidents of non-compliance concerning marketing communications		

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GRI Standards	Disclosure Items	Chapter	Page No.	Supplemental Explanation
Major Themes or Topics   Energy Management				
GRI 3 Major Themes or Topics 2021	3-1	Process for Deciding on Major Themes or Topics	1-4 Identification of Sustainability Topics	23
	3-2	List of Major Themes or Topics	1-4 Identification of Sustainability Topics	24
	3-3	Management of Major Themes or Topics	4-3 Energy Management	77
GRI 302 Energy 2016	302-1	Energy consumption within the organization		
	302-3	Energy intensity	4-3 Energy Management	78
	302-4	Reduction of energy consumption		
Major Themes or Topics   Climate Change and Greenhouse Gas Management				
GRI 3 Major Themes or Topics 2021	3-1	Process for Deciding on Major Themes or Topics	1-4 Identification of Sustainability Topics	23
	3-2	List of Major Themes or Topics	1-4 Identification of Sustainability Topics	24
	3-3	Management of Major Themes or Topics	4-2 Climate Change and Greenhouse Gas Management	69
GRI 201 Economic performance 2016	201-2	Financial Impacts of Climate Change and Other Risks and Opportunities	4-2 Climate Change and Greenhouse Gas Management	69-76
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions		
	305-2	Energy indirect (Scope 2) GHG emissions		
	305-3	Other Indirect (Scope 3) GHG Emissions	4-2 Climate Change and Greenhouse Gas Management	75-76
	305-4	Intensity of Greenhouse Gas Emissions		
	305-5	Reduction of Greenhouse Gas Emissions		
Major Themes or Topics   Sustainable Products and Innovation				
GRI 3 Major Themes or Topics 2021	3-1	Process for Deciding on Major Themes or Topics	1-4 Identification of Sustainability Topics	23
	3-2	List of Major Themes or Topics	1-4 Identification of Sustainability Topics	24
	3-3	Management of Major Themes or Topics	3-1 Sustainability Engineering and Services	51
Major Themes or Topics   Occupational health and safety				
GRI 3 Major Themes or Topics 2021	3-1	Process for Deciding on Major Themes or Topics	1-4 Identification of Sustainability Topics	23
	3-2	List of Major Themes or Topics	1-4 Identification of Sustainability Topics	24
	3-3	Management of Major Themes or Topics	5-4 Occupational Health and Safety	101

GRI Standards	Disclosure Items	Chapter	Page No.	Supplemental Explanation
GRI 403 Occupational Safety and Health 2018	403-1	Occupational health and safety management system		102
	403-2	Hazard identification, risk assessment, and incident investigation		103-104
	403-3	Occupational health services		107-108
	403-4	Worker Engagement, Consultation and Communication on Occupational Safety and Health Issues		102
	403-5	Worker training in occupational health and safety	5-4 Occupational Health and Safety	108-109
	403-6	Promotion of worker health		107-108
	403-7	Prevention and Mitigation of Occupational Safety and Health Impacts Directly Related to Business Relationships		103-104
	403-8	Workers Covered by the Occupational Safety and Health Management System		102
	403-9	Work-related injuries		109
	403-10	Work-related illness		
Major Themes or Topics   Training and Education				
GRI 3 Major Themes or Topics 2021	3-1	Process for Deciding on Major Themes or Topics	1-4 Identification of Sustainability Topics	23
	3-2	List of Major Themes or Topics	1-4 Identification of Sustainability Topics	24
	3-3	Management of Major Themes or Topics	5-3 Talent Training and Education	96
GRI 404 Training and education 2016	404-1	Average hours of training per year per employee		98
	404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	5-3 Talent Training and Education	100

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GRI Standards	Disclosure Items	Chapter	Page No.	Supplemental Explanation
Major Themes or Topics   Employee and Labour Relations				
GRI 3 Major Themes or Topics 2021	3-1	Process for Deciding on Major Themes or Topics	1-4 Identification of Sustainability Topics	23
	3-2	List of Major Themes or Topics	1-4 Identification of Sustainability Topics	24
	3-3	Management of Major Themes or Topics	5-2 Employee and Labour Relations	86
GRI 401 Labour Relations 2016)	401-1	New employee hires and employee turnover	5-1 Work Partners of Novatech	85
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5-2 Employee and Labour Relations	88-89
	401-3	Parental leave		89
GRI 402 Labour Relations 2016	402-1	Minimum notice periods regarding operational changes	5-2 Employee and Labour Relations	90
Major Themes   Social Prosperity / Local Communities				
GRI 3 Major Themes or Topics 2021	3-1	Process for Deciding on Major Themes or Topics	1-4 Identification of Sustainability Topics	23
	3-2	List of Major Themes or Topics	1-4 Identification of Sustainability Topics	24
	3-3	Management of Major Themes or Topics	6 Social Engagement	111

GRI Standards	Disclosure Items	Chapter	Page No.	Supplemental Explanation
Other Topics   Economy				
GRI 201 Economic performance 2016	201-1	Direct economic value generated and distributed	2-1 Sustainability Governance and Risk Management	37
GRI 202 Market presence 2016	202-1	Ratio of standard salary to the lowest local salary for junior staff of different genders	5-2 Employee and Labour Relations	87
Other Topics   Environment				
GRI 303 Water and Water Release 2018	303-3	Water withdrawal	4-4 Water and Waste Management	79
GRI 306 Waste 2020	306-1	Waste Generation and Waste-related Significant Impacts	4-4 Water and Waste Management	80-81
	306-2	Management of Waste-related Significant Impacts		
	306-3	Waste Generation		
	306-4	Disposal and Transfer of Waste		
	306-5	Direct Disposal of Waste		
Other Topics   Society				
GRI 405 Employee Diversity and Equal Opportunities 2016	405-1	Diversity of governance bodies and employees	5-1 Work Partners of Novatech	83-84
GRI 406 Non-discrimination 2016	406-1	Incidents of discrimination and improvement actions taken by Organizations	5-2 Employee and Labour Relations	93

## Index of SASB Standard Disclosure Items: Electrical and Mechanical and Engineering Services Industry

Revealed Topics	Code	Measurement Unit	Time of Disclosure	Corresponding chapters and descriptions	Corresponding Pages
Environmental Impact of the Project	IF-EN-160a.1	Quantitative Figures	No. of incidents of non-compliance with environmental permits, standards and regulations	Novatech is not in breach of regulations, permits or standards relating to environmental protection in 2023	--
	IF-EN-160a.2	Quantitative Narratives	Discussion on the process of environmental risk management and assessment in relation to project design, site selection and construction	3-1 Sustainability Engineering and Services 4-4 Water and Waste Management	49-56 79-81
Structural integrity and security	IF-EN-250a.1	Amount (Money)	Defect and safety related re-work costs	Novatech had no losses related to defect and safety related re-construction events in 2023.	--
	IF-EN-250a.2	Amount (Money)	Total monetary losses due to legal proceedings related to defects and safety related incidents	Novatech had no lawsuits related to defects and safety-related incidents in 2023 and therefore had no related loss amounts.	--
Occupational health and safety	IF-EN-320a.1	Ratio	(1) Total Recordable Incident Rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contractors' employees	Thanks to the efforts of all departments, there are no cases of occupational diseases among employees or contractors, and no occupational safety accidents (excluding traffic accidents involving employees travelling to and from work) in 2023.	109
Life Cycle Impacts for the Project	IF-EN-410a.1	Quantitative Figures	(1) No. of projects certified to third party sustainability standards during the reporting period (2) No. of projects seeking such certification	1. Please refer to 3-4 Customer Health and Safety. 2. Novatech has no projects in 2023 that are seeking third-party certification to sustainability standards.	64-65
	IF-EN-410a.2	Quantitative Narratives	Discuss the process of incorporating operational energy and water efficiency into project planning and design considerations.	3-1 Sustainability Engineering and Services	49-56
Climate Impacts	IF-EN-410b.1	Amount (Money)	Total amount of projects under construction related to (1) fossil fuels and (2) renewable energy.	1. Novatech's fossil fuel-related projects amount to NT\$150 million in 2023. 2. Novatech has no renewable energy-related projects in 2023.	--
	IF-EN-410b.2	Amount (Money)	Amount of Fossil Fuel Projects Cancelled or Reduced in Construction Work in Progress	No fossil fuel-related projects cancelled or reduced concerning Novatech in 2023.	--
	IF-EN-410b.3	Amount (Money)	Total Amount of Non-Energy Projects in Construction Related to Climate Change Mitigation	3-1 Sustainability Engineering and Services	49-56
Business Ethics	IF-EN-510a.1	Quantitative figures, amounts	(1) No. and (2) Amount of construction works in progress among the 20 countries with the lowest rankings in the Transparency International's Global Corruption Perception Index (CPI)	Novatech was not awarded any construction orders in the 20 countries ranked lowest on Transparency International's Global Corruption Perceptions Index in 2023.	
	IF-EN-510a.2	Amount (Money)	Total losses resulting from lawsuits related to (1) bribery or corruption and (2) allegations of anti-competitive conduct	Novatech has no lawsuits related to allegations of bribery or corruption and anticompetitive practices in 2023, and therefore no related loss amounts.	43
	IF-EN-510a.3	Quantitative Narratives	Describe policies and practices to prevent (1) bribery and corruption, and (2) anti-competitive behaviour during the tendering process.	3. 2-2 Ethics and Integrity in Management 4. 2-3 Compliance with Laws and Regulations 5. 3-2 Sustainable Supply Chain Management and Responsible Purchasing	39 42 57
Activity Indicators	IF-EN-000.A	Quantitative Figures	No. of Works in Progress	Introduction to Novatech	
	IF-EN-000.B	Quantitative Figures	No. of Completed Works	Introduction to Novatech	9-13
	IF-EN-000.C	Amount (Money)	Amount of Works in Progress	Introduction to Novatech	

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## Standards by the Task Force on Climate-Related Financial Disclosures (TCFD) and Index of Climate-Related Information for OTC Companies

TCFD Proposed Disclosures	Climate Information for Listed and OTC Companies	Corresponding Chapter	Page
<b>Governance</b>			
TCFD 1 (a) Describe the Board's oversight of climate-related risks and opportunities.	1. Describe the oversight and governance of climate-related risks and opportunities by the board of directors and management.	4-2 Climate Change and Greenhouse Gas Management	70
TCFD 1 (b) Describe management's role in assessing and managing climate-related risks and opportunities.			
<b>Strategies</b>			
TCFD 2 (a) Describe the short, medium, and longterm climate-related risks and opportunities identified by the Organization.	2. Describe how the identified climate risks and opportunities affect the business, strategy and finances of the Organization (in the short, medium and long term).		
TCFD 2 (b) Describe the climate-related risks and opportunities and the impacts on the business, strategic and financial planning of the Organization.	3. Describe the financial impacts of extreme climate events and transformational actions.	4-2 Climate Change and Greenhouse Gas Management	71-73
TCFD 2 (c) Describe the strategic resilience of the Organization, taking into account different climate-related scenarios (including those at 2°C or harsher).	5. If scenario analysis is used to assess the resilience to climate change risks, describe the scenarios, parameters, assumptions, factors analysed, and key financial implications.		
<b>Risk Management</b>			
TCFD 3 (a) Describe the Organization's process for identifying and assessing climate-related risks.			
TCFD 3 (b) Describe the Organization's process for managing climate-related risks.	4. Describe how the process of identifying, assessing, and managing climate-related risks is integrated into the overall risk management system.	4-2 Climate Change and Greenhouse Gas Management	71-73
TCFD 3 (c) Describe how the process of identifying, assessing and managing climate-related risks is integrated into the overall risk management system of the Organization.			
<b>Indicators and Goals</b>			
TCFD 4 (a) Identify the indicators used by the Organization to assess climate-related risks and opportunities in the implementation of its strategy and risk management processes.	6. If there is a transformation plan for managing climate-related risks, describe the plan and the indicators and objectives for identifying and managing entity risks and transformation risks.	4-2 Climate Change and Greenhouse Gas Management	
TCFD 4 (b) Disclose Scope 1, Scope 2 and Scope 3 (if applicable) GHG emissions and associated risks.	9. GHG inventory and assurance scenarios with reduction targets, strategies and specific action plans.	4-2 Climate Change and Greenhouse Gas Management	74 - 76
TCFD 4 (c) Describe the objectives used by the Organization to manage climate-related risks and opportunities, and performance against those objectives.	8. If climate-related targets are set, information on the activities covered, the scope of GHG emissions, the planning period, and the annual progress of achievement should be described; if carbon credits or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and amount of carbon reduction credits or the number of renewable energy certificates (RECs) should be described.	4-2 Climate Change and Greenhouse Gas Management	

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