

2020

NOVA TECHNOLOGY CORP.
Corporate Social Responsibility Report



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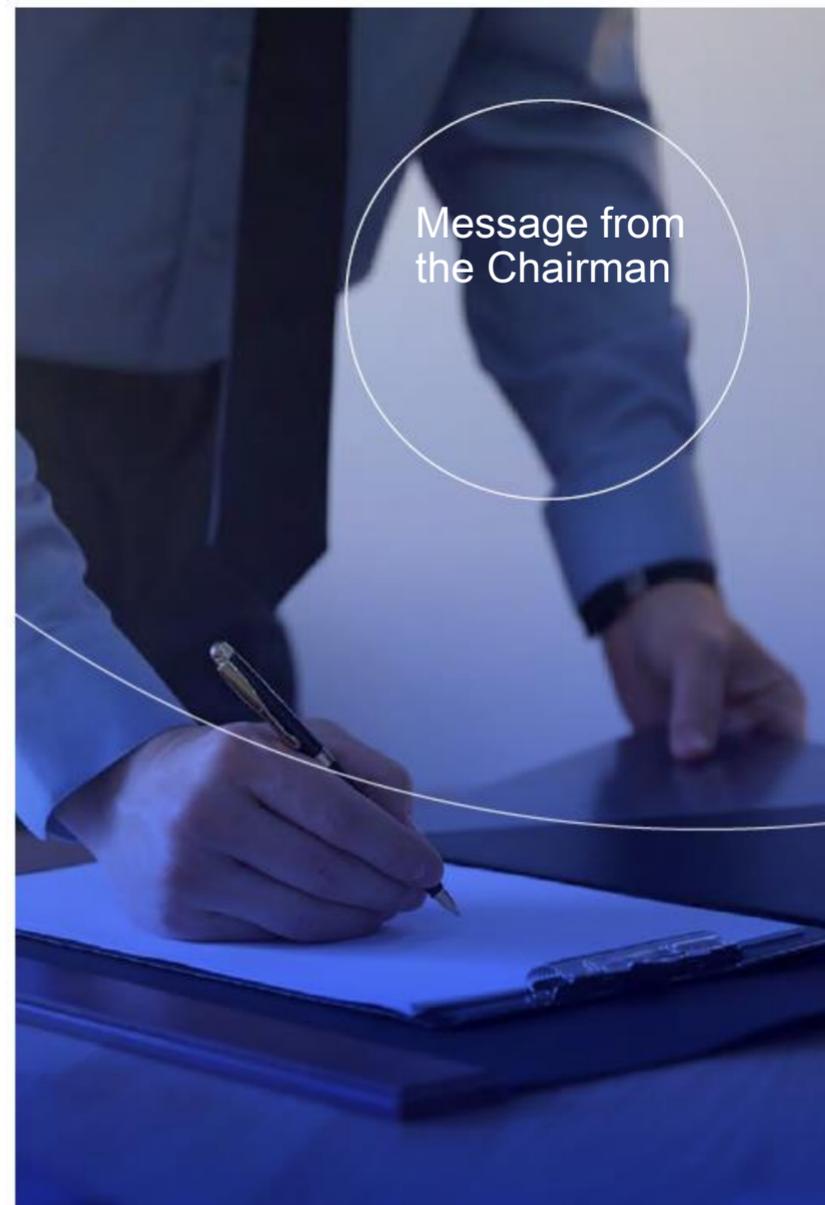
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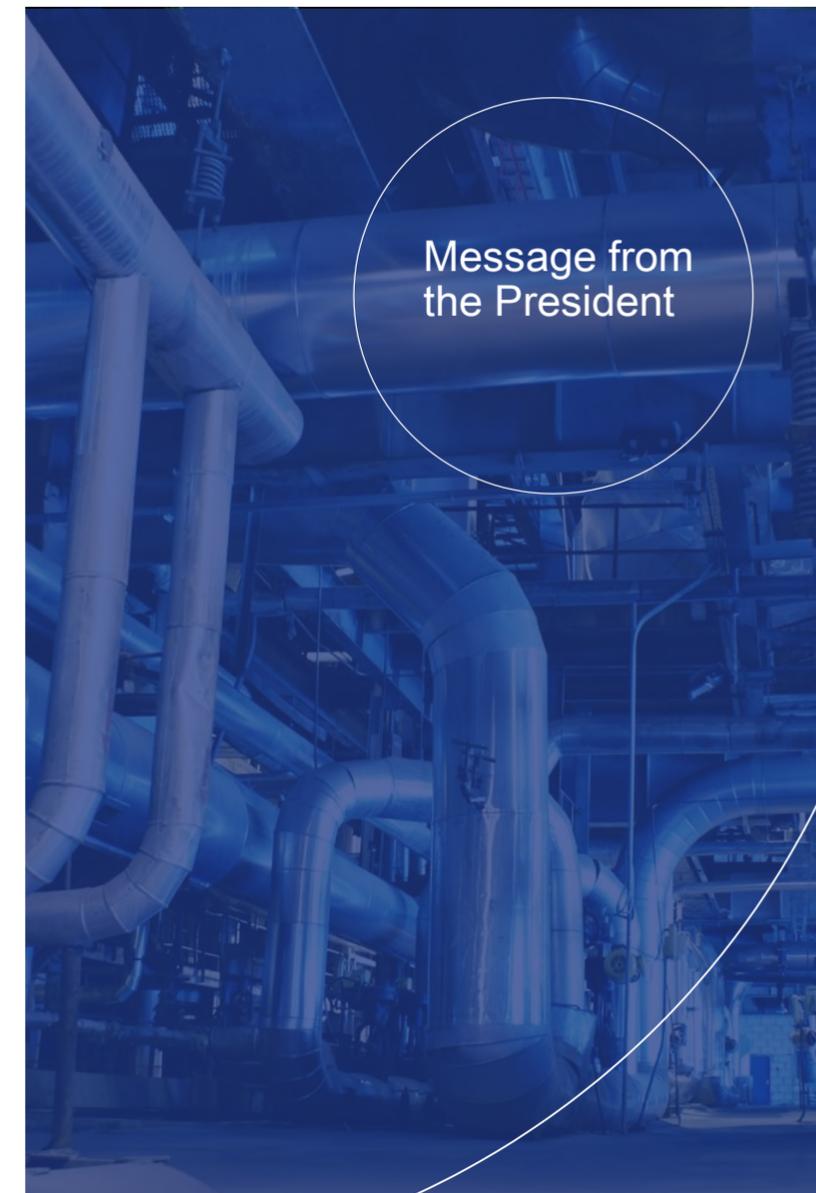
Message from the Chairman

The Company pursues the goal of sustainable development. With a healthy corporate structure, we cultivate our solid and strong team, utilize innovative management to optimize our core technologies, and focus on advantages to surpass our competitors. We made progress by leading our team to invest in green engineering and striving to create a green industry. The Company is committed to providing safe and reliable special gases and special chemical supplies, reducing production risks, and preventing environmental hazards during manufacturing procedures. Nova Tech focuses on solvent recycling, reducing the use of petrochemicals, reducing effects on climate warming, and duly performing the responsibilities of environmental protection.

Nova Tech's team works and grows together, forming a team culture and sustainable foundation through training, learning, and sharing. By pursuing innovation and striving for excellence, we are able to strengthen ourselves, gaining joint benefits and welfare for the team. Also, the team achieves constant growth and new advances through proper authorization, consultation, and encouragement. We continue our corporate culture through generational inheritance. In addition, we utilize innovative thinking to set out on a new path to make contributions to the industry.

We hope to achieve our environmental, social, and governance performance by focusing on our major business, continue stabilizing our operating platform, improve our competitive skills and service values, provide returns to our shareholders, employees, customers, and gain the trust and support from the supply chain, so all can share in making a contribution to protecting the earth's environment and stabilizing society.

Chairman of Nova Technology Corp. 孫進利



Message from the President

Nova Tech's mission is "becoming the expert integrating water, air, chemical, environmental protection and resource reutilization systems; continuing to satisfy values required by society, employees, and shareholders." We focus on the core skills of our major business to create multiple applications and inaugurate diverse lines of businesses. The Company adheres to the concept of sustainable operations, continues to actively seek ground-breaking opportunities for energy-saving and carbon dioxide reduction in line with the sustainable development of the corporation and the environment. We join hands with customers, suppliers, and employees to spare no effort in reducing the impacts and risks on the environment, society, governance (ESG), and the operation.

Since we started promoting the ESG, Nova Tech has been committed to actuating continual improvement of sustainable scopes under ESG with respect to the economy, environment, and society and practicing favorable corporate citizen and social responsibilities in the course of our operation. In 2020, we recorded a grade within the top 5% for our corporate governance. Furthermore, we continued promoting solvent, oil, and gas recovery and reuse, as well as the mixing and diluting system for chemicals and gases with our cooperating partners. Both such developments greatly improve the efficacy of cyclic regeneration, energy-saving, and carbon dioxide reduction, driving Nova Tech toward its sustainable target of environment, customer, and production. In 2020, Nova Tech developed 18 patented technologies, and constantly made progress in its R&D striving to maintain environmental sustainability by using optimized innovative technologies.

The global industrial environment changes rapidly. Nova Tech focuses on "education and training" to reinforce our talent training and recruitment. We cultivate the tactical understanding and innovative capacities of our talents in accordance with their personalities and abilities. We are convinced that premium quality and customer satisfaction are the basis of sustainable corporate operations. We are committed to providing services of high quality and high efficiency, and in turn, building a modest and outstanding team that keeps redefining itself, to continue introducing new competitive strengths for the corporate.

In 2020, facing the global outbreak of Covid-19, the isolation and pandemic control measures imposed by nations greatly reduced interpersonal activities and international exchanges, which materially impacted global industries and economies, and constantly brought new challenges to corporate operations. However, a crisis is also a turning point. We adopted new mindsets and hope that we can duly perform our care for and responsibilities to stakeholders and the environment, and continue to focus on our investments in ESG. We are deeply convinced that our actions will provide a return to our profitable growth in the end.

President of Nova Technology Corp. 馮新



About the Report



Summary of the Report

Nova Technology Corp. (the “Nova Tech”) was established in 1997. For more than 20 years, Nova Tech has set being the “best manufacturing partner” of hi-tech and becoming the best partner for customers in the hi-tech industry as its mission. In the future, we will jointly commit to the sustainable development of the earth. We understand that a corporation must set accountability, good administration, and favorable corporate citizen as its missions. Therefore, to show our spirit and conduct, Nova Tech has voluntarily issued its corporate social responsibility report (the “CSR Report” or “Report”) since 2017. In addition to the regular issuance each year, we also introduced the assurance report to improve the quality and reliability of the Report, allowing better transparency of information disclosure.

As a supplier of professional system design, planning, and integration, Nova Tech not only focuses on customers’ demands, but also makes efforts in jointly creating environmentally friendly products and service technologies, and aims to build an environment that always makes employees happy and comfortable. We strive for realizing responsible behavior in all aspects that the Company is capable of. We hope that we can show our commitment, actions, and achievements of Nova Tech in sustainability issues through the CSR

Report and build favorable communication and interaction models with stakeholders. The disclosing scope of the Report includes Nova Technology Corp., and the actual performance for the product section involves performances of subsidiaries to show the business concept and targets of the group. During the reporting period, there was no significant change in the Company’s organizational scale, structure, ownership, or supply chain.

Time Scope and Issuance Cycle of the Report

The Report is the 4th CSR Report issued by Nova Tech, and the data and content disclosed are primarily information for 2020 (from 1 January to 31 December 2020); partial performance data will be traced back to information in 2019 and 2018 to show the relevant trends and changes.

Previous Announcement Time of the Report: June 2020
 Announcement Time of the Current Report: June 2021
 Estimated Time for the Next Report: June 2022



The information disclosure of the Report is prepared based on the core options of the GRI Standards issued by the Global Reporting Initiative (GRI). The GRI Standards Disclosure Index is enclosed at the end of the Report for readers to refer to. Relevant data and information of the Report are acquired from self-investigation and the daily operation and management data of departments of Nova Tech, and are presented by using the requirements of local regulations, common international indexes, industrial standards, or industrial practice.

Opinion Feedback

If you have any questions or opinions regarding the Report, please feel free to contact us.
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 Contact Person: Wang, Wan-Hua/03-6676868 E-mail : anne_wang@novatech.com.tw

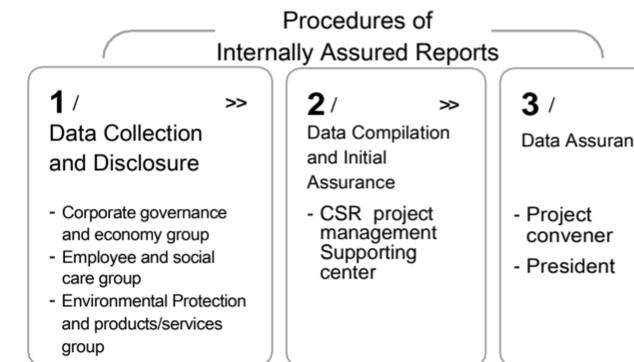


PwC Taiwan is entrusted to carry out independent limited assurance for particular indexes and text in the Report according to the Assurance Standards No.1 of the Republic of China “assurance cases that are not historical financial information audit or review”; please see “Appendix I” for the assurance report.



Internal Management

The Board of Directors (the “Board”) shall confirm the information disclosure related to CSR (procedures of other internally assured reports)



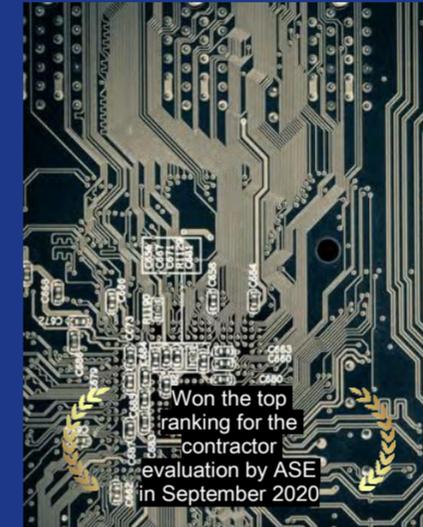
External Audit (supplement actual external assurance achievement)

1. Financial data – KPMG
2. Assurance target and project standard performance - PwC

Nova Achievements



Nova Achievements
Our Pride

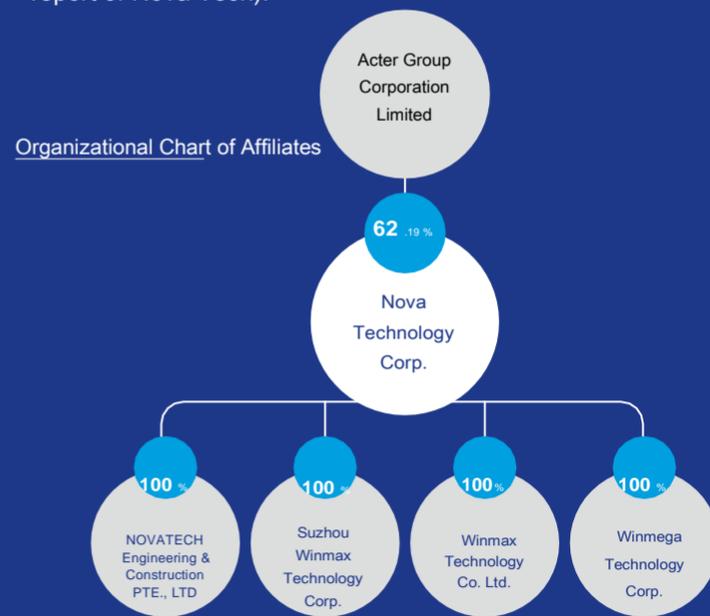


Introduction to Nova Tech

Nova Technology Corp. was established in June 1997. Since its establishment, Nova Tech has positioned itself as the “best manufacturing partner,” aiming to provide water, gas, and chemical integration experts for factory service systems of the hi-tech industry, and setting “becoming the venerable remarkable company in industry” as its corporate goal. Upon its initial establishment, Nova Tech cooperated with Sumitomo Chemical Engineering Corp. (SCEC). In 2004, it established a wholly-owned subsidiary, Winmax Technology Co. Ltd., in Shanghai, and built a dust-free room to be used as a production and processing base at the Shanghai Waigaoqiao Free Trade Zone. Nova Tech has become a professional company providing functions of design, manufacturing, sales, and services. To continue improving our corporate supply chain management, customer service quality, operating performance, and competitive advantage, Nova Tech formed a strategic alliance with Acter Group Corporation Limited in 2009 and became a member of the Acter Group. Acter Group is a professional engineering technology company with diverse operations that received high recognition in fields of electromechanics, A/C, auto-control, clean rooms, and turnkey plant integration engineering technologies. Nova Tech combines the expertise of Acter in electromechanics, A/C, and clean rooms, and provides comprehensive professional services to customers through strategic operations and procedure management.

In response to the future development of the Company, Nova Tech continues deepening its R&D and recruits outstanding talent, expanding the business scope and operating locations. It further established Suzhou Winmax Technology Corp. to continue expanding the market in the Chinese Region. It established NOVATECH Engineering & Construction PTE., LTD in Singapore to develop the market of the Southeast Asian Region. Moreover, Winmega Technology Corp. was

established to develop the distribution and sales businesses of production equipment for the hi-tech industry. The strategy involving multiple regions and products aims to push forward the continued growth of the Company in the future. The latest organizational chart of the Group is as shown in the figure (for details, please see the 2019 annual report of Nova Tech).



Nova Tech employs a competitive design team with professional skills and extensive experience that exerts the advantages of vertical integration to further expand its services to water, gas, and chemical system design for the processing of the technology industries, machine



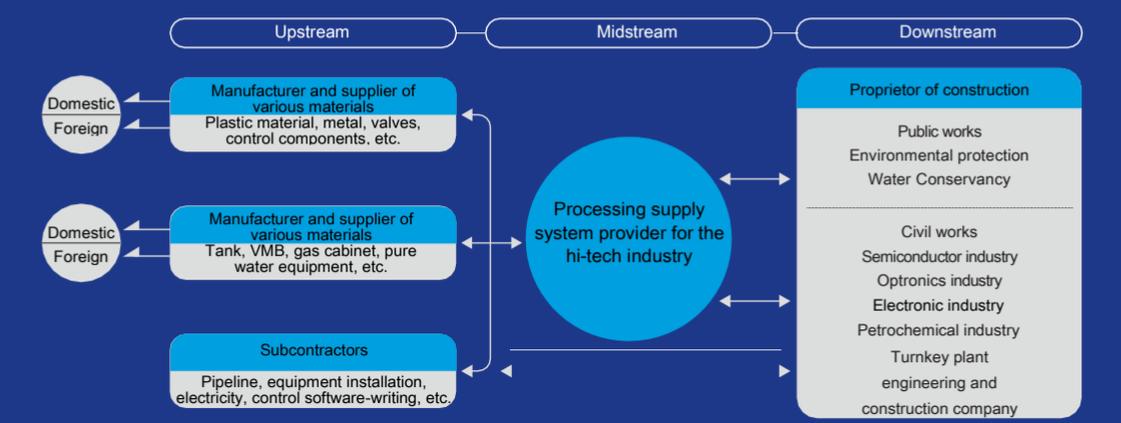
and equipment manufacturing and sales, equipment and channel engineering installation and testing, and provide a one-stop customized service. Since its establishment, it adheres to the corporate value of “service, integrity, professionalism, and mutual benefits,” integrates requirements of industries, utilizes professional skills and construction methods. From the initial communication, design, and overall environmental planning, to the provision of high-quality equipment, premium engineering quality, and maintenance warranty, Nova Tech lays a solid foundations regarding the processing supply system for the factory service of customers through comprehensive equipment and professional services.

Nova Tech provides diverse premium services to

major renowned domestic and foreign semiconductor plants, optronics plants, solar energy, biotechnology, pharmaceutical, and chemical industrial manufacturers. Based in Taiwan, it expands its service locations into China and Singapore. Furthermore, Nova Tech also established Winmega Technology Corp. to professionally distribute and sell relevant equipment, materials, and instruments required by major renowned international semiconductor, optronics, and packaging test industries, and assist in providing cutting-edge equipment and technology required by different sectors for the development of relevant industries. In turn, we support the development of customers within the hi-tech industry as our goal of being the “best manufacturing partner.”

Introduction to the Supply Chain

Nova Tech 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:



Introduction to Nova Tech



• Nova Technology Corp. (Stock code : 6613)

Date of Establishment 13 June 1997

Capital Amount NT\$339,280,000 (12/31/2020)

Number of Employees 478 (12/31/2020)

Address of Headquarters 10F., No.76, Sec. 2, Jiafeng S. Rd., Zhubei City, Hsinchu County

- Service Content
1. Water, gas, chemical supply system integration services for processing
 2. Waste regeneration and reuse and energy-saving and environmental protection system services
 3. Water resource development and recycling integration services
 4. Turnkey plant equipment and system integration engineering services

Operation Locations Taiwan, China, Singapore

Service Markets Taiwan, China, Singapore

Major Product and Operating Distribution



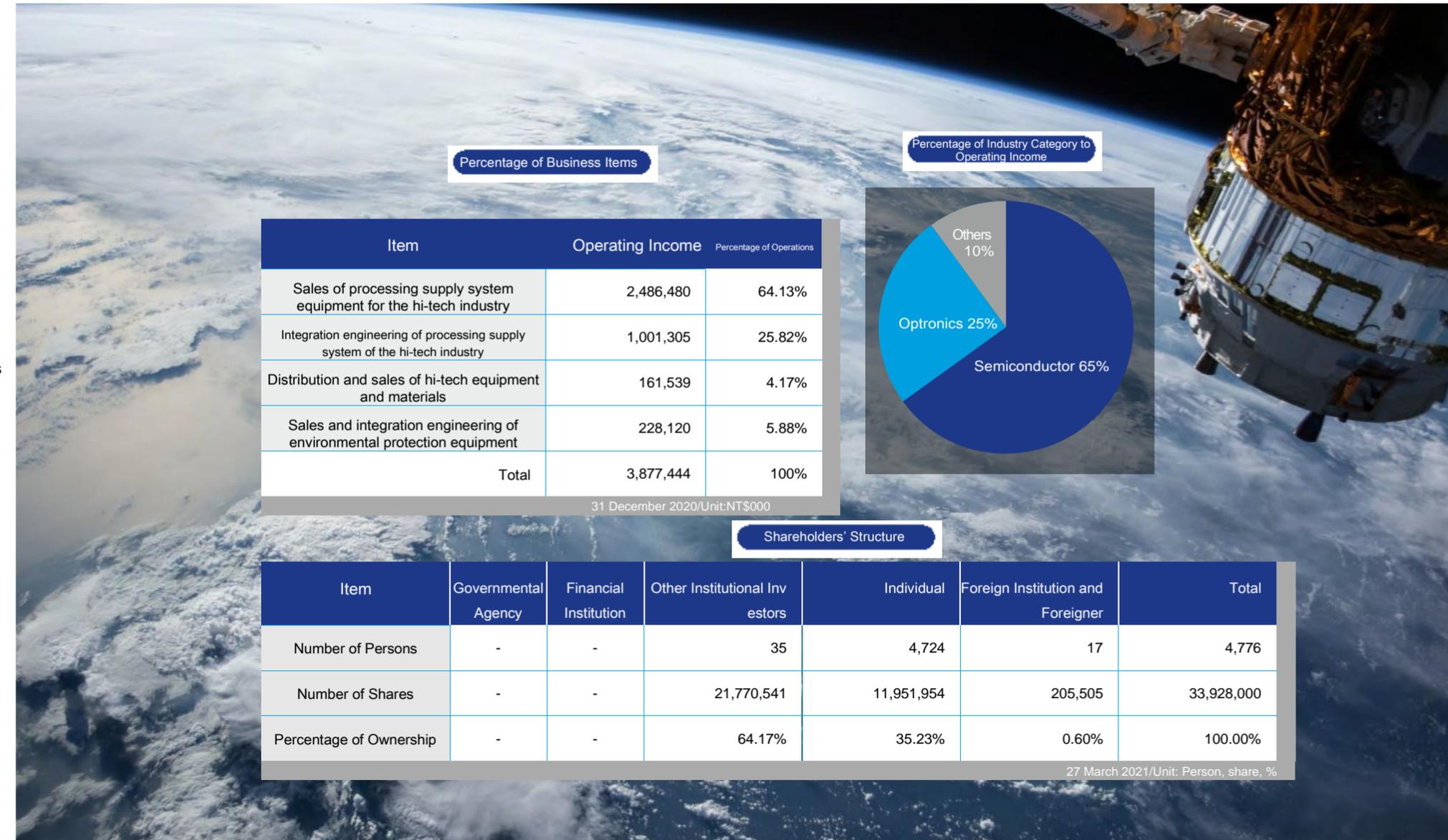
High Purity Chemical Dispense System

High Purity Chemical Filling Equipment and System

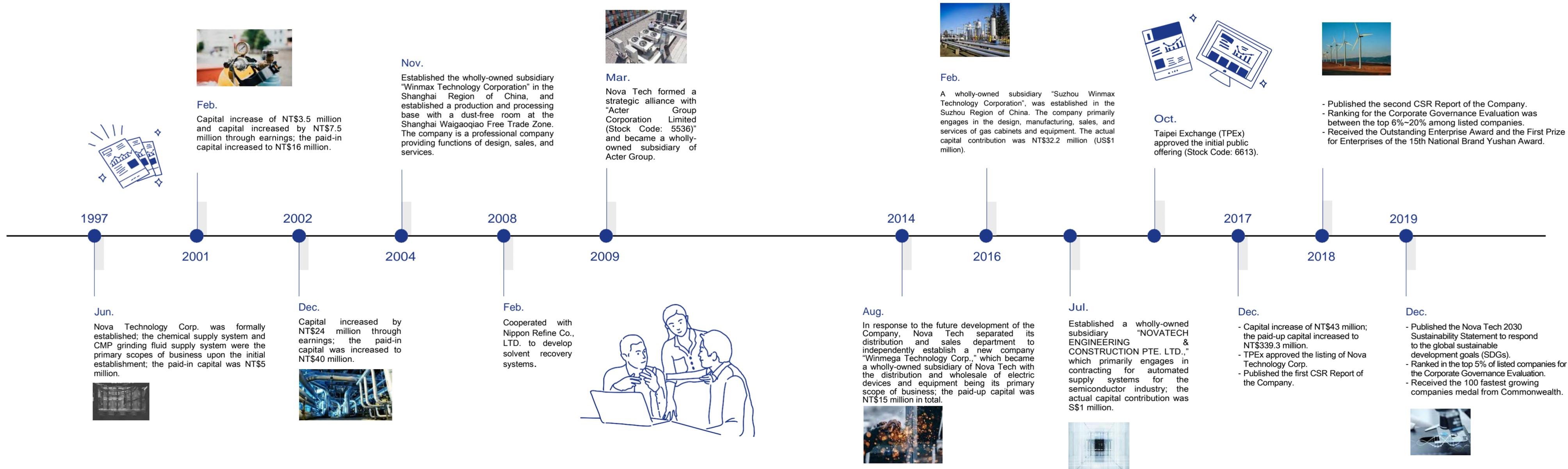
Waste Chemical Recovery System

Thin-film Oil and Gas Recovery Equipment and System

Waste Chemical Recovery and Reuse Equipment and System



History and Milestones



2023

Proposed the Nova Tech Sustainability Statement and the 2023 Sustainable Development Goals

SDGs

Proactively respond to the UN SDGs

1

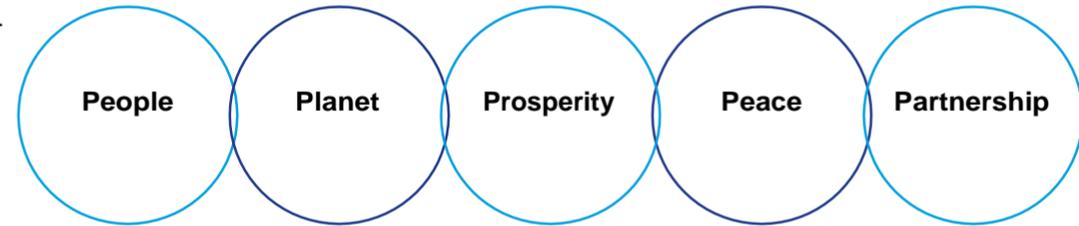
Sustainability Management

- 1-1 Sustainable Development Goals
- 1-2 CSR Implementation Unit
- 1-3 Identification of Sustainability Topics
- 1-4 Stakeholder Engagement

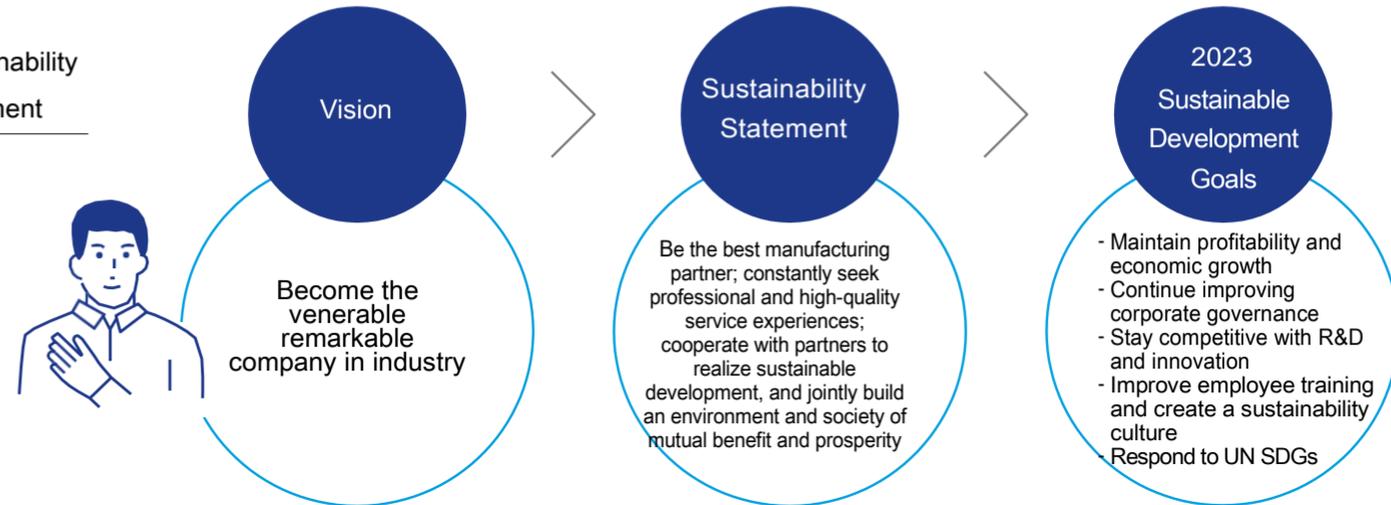
1-1 Sustainable Development Goals

Due to advances in technology and improvement in the overall social level, human's living environment is improved. However, the issue of over-usage of resources has also occurred. As a part of the technology industry chain, Nova Tech jointly achieved the merry life with our customers in the past. In the future, we will be committed to playing the role as a corporate citizen, and join hands with our employees, suppliers, and industry partners to respond to "People, Planet, Prosperity, Peace, and Partnership" the 5Ps principle of global SDGs, to build together an environment and society of mutual benefit and prosperity through our core capacities and technologies.

5Ps Principle of the Global SDGs



Sustainability Statement



Respond to UN SDGs



The UN Sustainable Development Goals (SDGs) stated the direction for joint efforts that shall be made by global enterprises and civil groups regarding significant environmental, social, and economic challenges the globe is facing today through five major principles and 17 goals. As a member of the global citizenry, Nova Tech actively responds to the SDGs of the United Nations. We defined nine goals that are highly related to our operations and made responses to optimize our corporate culture, improve core competitiveness through substantial acts under the global development, and serve as the momentum for the sustainable development of the Company.



1-1 Sustainable Development Goals

Respond to UN SDGs

SUSTAINABLE DEVELOPMENT GOALS

No Poverty



- Called upon 16 employees and invested NT\$35,000 in responding to charity bazaars. Raised educational funding for disadvantaged youth and called upon three employees who participated in the supplies donation for the charity bazaar to assist in the education for children and youth in poverty, home services for elders and disadvantaged women, children in preschools, and midway youth.

Good Health and Well-being

- As of 31 December 2020, the number of work hours free of accident is 1,937,522 hours in aggregation
- Spent NT\$10,000 in organizing health education lectures



Quality Education

- Invested five months in cultivating interns



Clean Water and Sanitation

- Nova Tech developed high-efficiency chemical recycling equipment to reduce the content of hazardous chemical substances in the wastewater
- Nova Tech participated in the public seawater desalination engineering and increased Taiwan's usable water resource



Climate Action

- The gas mixing system of Nova Tech reduces the carbon dioxide emissions for customers during the transportation by 4,128 kg/year CO₂. The system also reduces the production costs for customer producing special gases by approximately NT\$2.5 million
- Established the Green Office Guidelines for energy conservation and carbon reduction

Industry, Innovation, and Infrastructure

Responsible Construction and Production

- The gas mixing system of Nova Tech reduces the carbon dioxide emissions for customers during the transportation by 4,128 kg/year CO₂. The system also reduces the production costs for customer producing special gases by approximately NT\$2.5 million
- The product cleaning solvent recycling system of Nova Tech reduces the volume of solvent used for customers in the panel industry. The system improved the waste solvent recycling rate to 90% and above as compared to the older processing method, reducing the costs of cleaning solvent by NT\$103 million for customers and reducing the carbon dioxide emission volume for solvent procurement and transportation
- The chemical dilution system of Nova Tech precisely dilutes the chemical for semiconductor customers, improves the efficiency of using the chemical, and reduces occupational safety risks during the course of production, through automated and closed procedures
- In 2020, the average satisfaction grade of customers was 87.12%. We received the top ranking in the contractor evaluation of AES in September 2020. Furthermore, we were selected as the outstanding management team for the two-stage Chemical Project of the National Memory Base Project (Phase 1) in China



Partnerships for the Goals

- In 2020, Nova Tech and subsidiaries Winmax Technology Co. Ltd. and Suzhou Winmax Technology Corp. developed 18 patented technologies

1-1 Sustainable Development Goals

Sustainable Development Goals for Nova Tech

Economy and Corporate Governance

Corresponding Material Topic or Topic	Goals in 2020	Achievement Rate	Execution in 2020	Mid-to-long-term Goals and Indexes (~2023)
Ethics and Integrity in Management	The achievement rate for the education training courses related to integrity, ethics, and anti-corruption reaching 90%	✓ Achieved	The achievement rate for the education training courses related to integrity, ethics, and anti-corruption reached 100%	The introduction rate for courses related to integrity, ethics, and anti-corruption into the E-learning system maintain at 100%
Sustainable Governance and Risk Management	Ranking top 5% - 20% in the Listed Companies Group for Corporate Governance Evaluation	✓ Achieved	Ranked top 5% in the Listed Companies Group for Corporate Governance Evaluation	Ranking top 5% in the Listed Companies Group for Corporate Governance Evaluation
	Examine the effectiveness, channels, and methods of communication with stakeholders every half-year	✓ Achieved	Our secretary in charge of CSR reported to the Board regarding the communication status for the 3rd quarter in 2020 on 6 November 2020	Examine the effectiveness, channels, and methods of communication with stakeholders every half-year
	Regularly execute an external evaluation for the Board performance and execute an external evaluation at least once every three-years	✓ Achieved	The external evaluation for the Board performance was executed during the year	Regularly execute an external evaluation for the Board performance
Economic Performance	Record year-on-year growth in operating income and profits	○ Not achieved	Due to the effects of COVID-19, our operating income was reduced in 2020	Record year-on-year growth in operating income and profits
	Progress of project reaching 70%	✓ Achieved	In 2020, the achievement rate of project progress reached 75%. The payment collection rate for Yangtze Memory in Wuhan reached 75% and above	Maintaining the progress achievement rate of the project at 80%
Operational Compliance (Social, Environmental)	Free of significant punishment	✓ Achieved	No significant punishment	Free of significant punishment
	Have less than one environmental protection audit punishment ticket	✓ Achieved	There was no environmental protection audit punishment ticket in 2020	Have less than one environmental protection audit punishment ticket

Environment and Service

Corresponding Material Topic or Topic	Goals in 2020	Achievement Rate	Execution in 2020	Mid-to-long-term Goals and Indexes (~2023)
Environmental Sustainability Management	Establish the Green Office Guidelines for energy conservation and carbon reduction	✓ Achieved	Established the Green Office Guidelines for energy conservation and carbon reduction	Promote and initiate self-management exercises for energy conservation and carbon reduction
Climate Change and Greenhouse Gas Management	Promote e-procedures and reduce power usage and carbon dioxide emission volume	✓ Achieved	In 2020, a total of 40 form categories for the e-procedure were promoted, representing an increase of 62.5% e-form procedure as compared to the 25 e-form categories in 2019	Promote e-procedures and reduce power usage and carbon dioxide emission volume
Supply Chain Sustainability	Three times on-site audits for suppliers	✓ Achieved	Three times on-site audits for suppliers	Nine times on-site audits for suppliers
	The improvement rate of deficiencies found during audits for suppliers reaching 50%	✓ Achieved	Free of deficiency	The improvement rate of deficiencies found during audits for suppliers reaching 100%
	The execution rate of supplier commitment by the top 60 suppliers reaching 50%	✓ Achieved	Reached 50%	The execution rate of supplier commitment by suppliers with dealings reaching 100%
Sustainable Products and Technology Innovation	Receiving four awards of outstanding suppliers	✓ Achieved	Accumulated six awards were received in 2020 1. Being the outstanding management team for the Two-stage Chemical Project of the National Memory Base Project (Phase 1) – B bidding 2. Awarded the 3rd Prize for Yangtze Memory Best ESH Partner 3. Received the 2020 Micron EHS Awards for the 1st quarter 4. Received the 2020 Micron EHS Awards for the 3rd quarter 5. Received the 2020 Micron EHS Awards for the whole year 6. Received the top ranking in the contractor evaluation by the AES in September 2020	Receiving at least 12 awards of outstanding suppliers in accumulation
	Customer satisfaction for engineering quality in 2020 reaching 80%	✓ Achieved	Customer satisfaction for engineering quality in 2020 reached 80%	Improving customer satisfaction to 85% within three years
	Introducing three engineering optimization projects	○ Not achieved	0%	Introducing nine engineering optimization projects
	Accumulate two operating procedure introduction optimizing cases in 2020	○ Not achieved	0 case	Completing one case of wastewater processing system operating procedures in 2023
	Increase one additional industrial category case on a yearly basis	✓ Achieved	Secured a mixed gases supply system project for the packaging test industry in 2020	The ratio of the additional industrial category accounting for the internal turnover of departments recording a growth of 10% in 2023 as compared with that of 2020

1-1 Sustainable Development Goals

Sustainable Development Goals for Nova Tech

Society	Corresponding Material Topic or Topic	Goals in 2020	Achievement Rate	Execution in 2020	Mid-to-long-term Goals and Indexes (~2023)
Education and Training		The satisfaction rate for internal lecturer training courses in 2020 reaching 75% and above	✓ Achieved	The satisfaction rate for internal lecturer training courses in 2020 reached 94% and above	The satisfaction rate for internal lecturer training courses in 2023 reaching 80% and above
		The certification acquisition rate related to the equipment in 2020 reaching 80-100% (note: the target for the instrument department is 80%, and the target for the design department is 100%)	✓ Achieved	Existing equipment certification, maintenance of patent's validity period, and acquisition of new patent certification. 8 cases (note: two for the instrument department and six for the design department)	-Instrument department: reaching four cases/year for 3D design modularization in 2023 -Design department: reaching two persons/year for SDS talent regarding the key function educational training development in 2023
		Participating in six hours of professional skill and environmental safety and health courses and above in 2020	✓ Achieved	Participated in 15 hours or more of professional skills and environmental safety and health courses in 2020	Encourage new supervisory staff in acquiring management certificates related to occupational safety and health, and encourage those who have acquired such certificates to participate in re-training according to the requirements of the law, to maintain the validity of their certificates
		The achievement rate of the number of training hours for the department in 2020 reaching 80% (design department)	○ Not achieved	The achievement rate of the number of training hours in 2020 reached 76%	The achievement rate of the number of training hours for the department in 2023 reaching 85%
		The achievement rate of the number of training hours for the department in 2020 reaching 80% (instrument department)	✓ Achieved	The achievement rate of the number of training hours in 2020 reached 89%	The achievement rate of the number of training hours for the department in 2023 reaching 85%
		The achievement rate of the number of training hours for the department in 2020 reaching 80% (northern project department)	○ Not achieved	The achievement rate of the number of training hours in 2020 reached 70%	The achievement rate of the number of training hours for the department in 2023 reaching 85%
		The achievement rate of the number of training hours for the department in 2020 reaching 80% (southern project department)	✓ Achieved	The achievement rate of the number of training hours in 2020 reached 86%	The achievement rate of the number of training hours for the department in 2023 reaching 90%

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Society	Corresponding Material Topic or Topic	Goals in 2020	Achievement Rate	Execution in 2020	Mid-to-long-term Goals and Indexes (~2023)
Education and Training		The average number of hours accumulated for training courses by employees of the department in 2020 reaching 15 hours and above	✓ Achieved	The number of training hours per person reached 69 hours	Two internal employees of the department possessing the qualification as a lecturer in 2023
		- Employees obtaining five certificates related to construction engineering - Each person holding one engineering-related certificate or operating supervisor certificate on average	✓ Achieved	- Supervisor of retaining support operations (four persons in total) - Supervisor of rooftop operations (four persons in total) - Supervisor of construction operations (one person in total) - Head of the worksite required by the Construction and Planning Agency (1 person) - International project manager (one person)	- Employees obtaining ten certificates related to the construction engineering - Each person holding two engineering-related certificates or operating supervisor certificates on average in 2023
		Zero significant occupational safety event	✓ Achieved	Zero significant occupational safety event	Maintain zero significant occupational safety events and create a safe and healthy workplace
Occupational Safety and Health		Commencing on-site specialist clinic visits four times a year (two hours each time) and on-site nursing staff consultations four times a month (two hours each time) from February 2020	✓ Achieved	- Four times on-site specialist clinic visits each year - Four times of on-site nursing staff consultations each month - A total of 97 employees participated in the consultations	- Four times on-site specialist clinic visits each year (two hours each time) - Four times on-site nursing staff clinic consultations each month (two hours each time)
		Sending ten electronic health education promotional messages and above in 2020	✓ Achieved	Sent 28 electronic health education promotional messages in 2020	Sending ten or more electronic health education promotional messages each year
Occupational Safety and Health		Accumulating ten cases of industry-academia collaboration internships (note: including five cases for the administration department, one case for the design department, one case for the instrument department, one intern for the northern project department, and two interns for the environmental protection and green energy project department)	○ Not achieved	Recruited a total of three interns (note: one case for the design department, one case for the instrument department, and one intern for the environmental protection and green energy project department)	Accumulating seven cases of industry-academia collaboration internships, and there shall be a total of one intern recruited as a full-time employee after the internship (note: accumulating seven cases of internships, and there shall be a total of one intern recruited as a full-time employee; accumulating two cases for the design department, two cases for the instrument department, and three cases for the northern project department; one intern for the environmental protection and green energy project department becoming a full-time employee)

1-2 CSR Implementation Unit

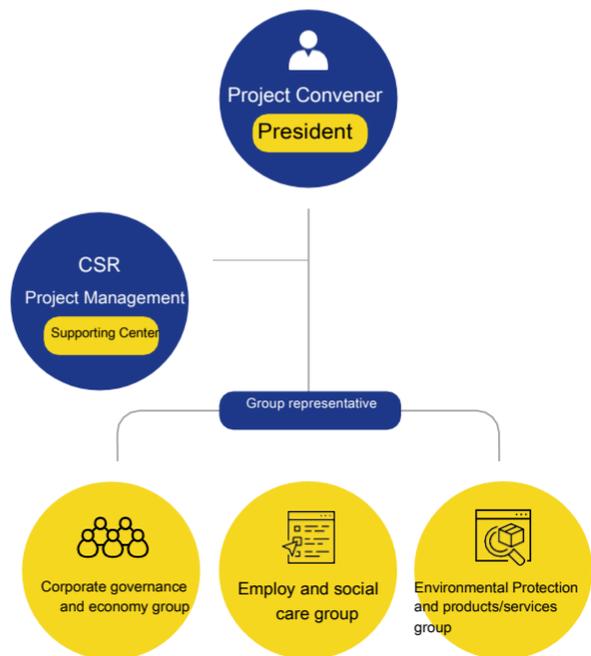
To perfect the CSR management and facilitate the balance between the economy, society, environmental ecology and sustainable development, we established our "Corporate Social Responsibility Best Practice Principles" according to the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies." Members of the CSR Team include the support center, administration department, President's Office, logistics department,

ISEP department, and technical and environmental departments, and is divided into the corporate governance and economy group, employee and social care group, and environmental protection and products/services team, responsible for the proposals and execution of CSR policies or systems. They regularly report to the Board regarding the progress of sustainability. The Board is responsible for including CSR into the operating activities and development direction of the

Company, proposing CSR missions (or projects and values), and establishing CSR policies and statements. Through the Board and the CSR department, we ensure that the Company is giving equal consideration to the development of the environment, society, and corporate governance when focusing on its operations and efficiency, so as to realize sustainable development.

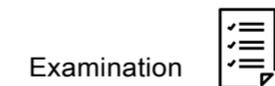
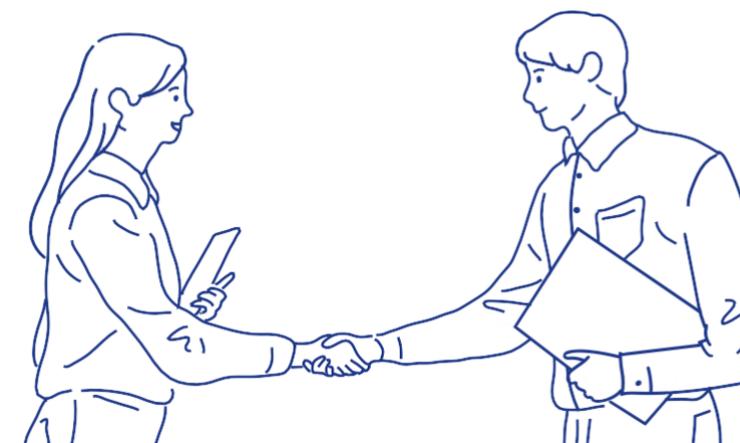
Authority of the CSR Team

Establishment of Policies and Directions	Call upon all departments to propose and examine the appropriateness of executing CSR policies or systems, and regularly convene meetings of business supervisors to reflect on concerns or recommendations of internal employees regarding the sustainability strategies of the Company through the senior management
Sustainability Performance Implementation	Promote the CSR system and performance inspection
Communication	Regularly report to the Board regarding the promotion progress and status of CSR each year
Disclosure	Disclose the execution status of CSR on the Company's website
Educational Training	Regularly organize CSR educational courses for management and employees



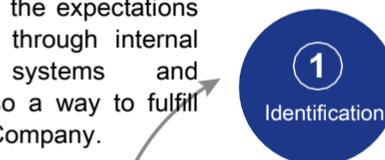
1-3 Identification of Sustainability Topics

To create the sustainable DNA of the Company, strengthen the Company's CSR competitiveness, and understand the level of attention paid to Nova Tech's sustainability issues by stakeholders, we comply with GRI Standards and guidelines of AA1000 SES, and identify and confirm issues that stakeholders review, through the following four steps (identification, sorting, execution, and communication). In 2020, we collected and screened 31 key sustainability topics and made analysis and sorting to identify 11 material sustainability topics that serve as the basis for the preparation and disclosure of the CSR Report. Assessing the level of attention paid to the economy, environment, and society by domestic engineering industries, together with the distribution of questionnaires, the screening steps taken are described as follows:



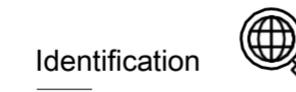
Examination

Examine whether results of significant issues are complete, and review feedback from stakeholders regarding their issues of attention as a reference basis. Satisfying the expectations of stakeholders through internal management systems and measures is also a way to fulfill the CSR of the Company.



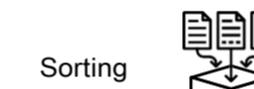
Confirmation

Based on the priority, we identified 11 significant issues to set the disclosing priority and establish management policies based on different issues.



Identification

In 2020, we complied with the index content of GRI Standards, the level of attention paid to the economy, environment, and society by global engineering companies within the same industry, screened and compiled 31 sustainability issues that are related to the operations of Nova Tech to serve as the basis for judging and categorizing issues of concern.



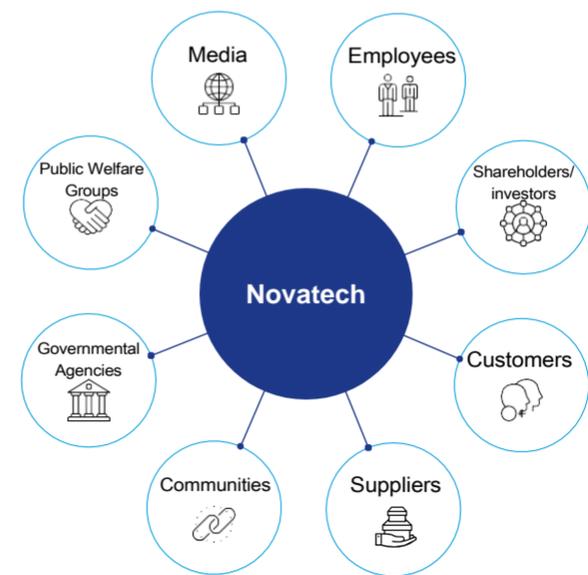
Sorting

Distribute questionnaires, collect the level of attention paid to all issues by stakeholders, and measure the level of internal and external impacts of such issues on Nova Tech for analysis and sorting.

1-3 Identification of Sustainability Topics

Stakeholder Negotiation and Material Topics

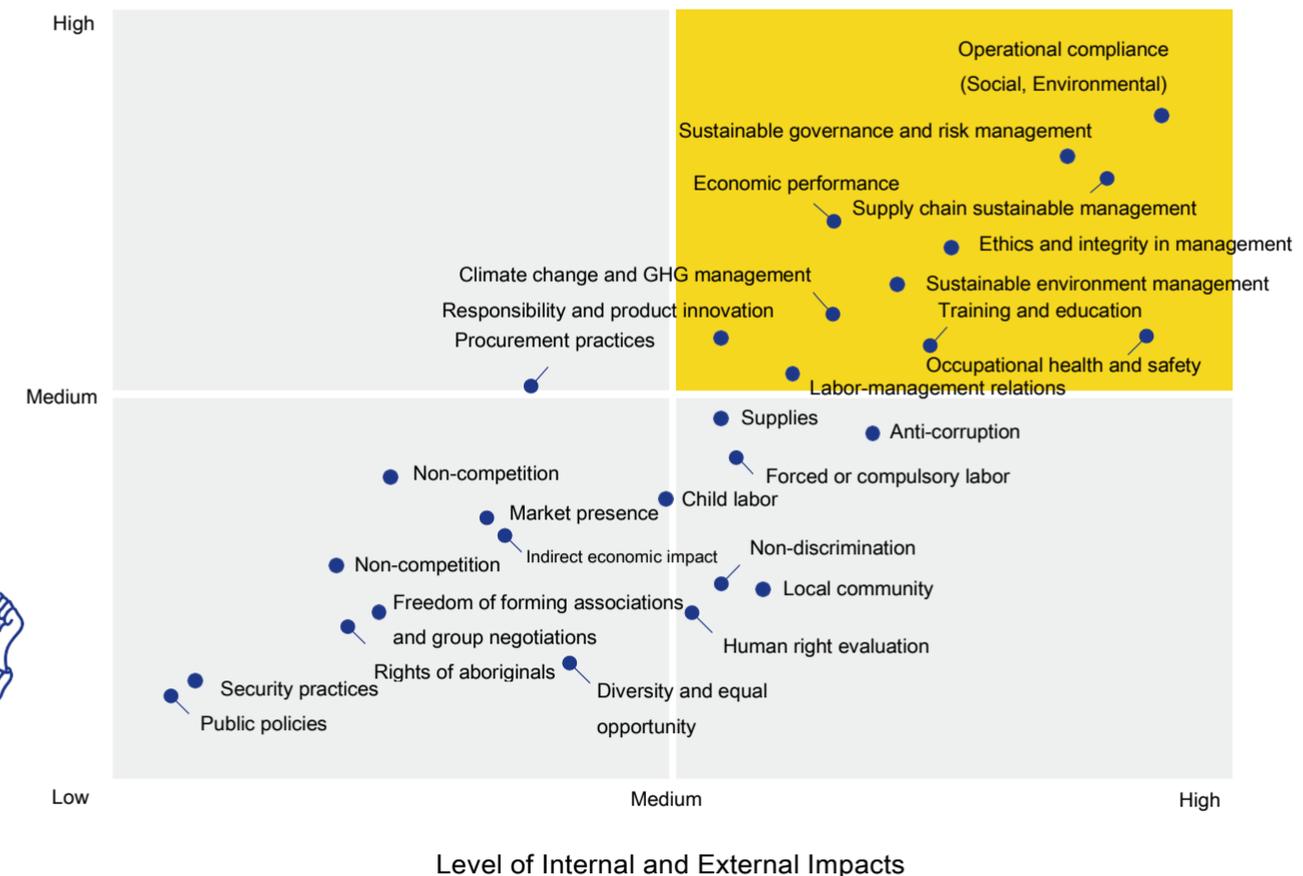
Through the CSR team, we defined stakeholder groups with effects on or being affected by us in aspects of the economy, environment, and society based on the “principles for defining the content of the report” under GRI Standards. We also identified eight major stakeholder groups (including employees, shareholders/investors, governmental agencies, customers, suppliers, communities, public welfare groups, and media) related to Nova Tech with reference to five principles of dependency, responsibility, tension, influence, and diverse perspective under the AA1000 stakeholder engagements standard (AA1000 SES), taking into account the actual operating status of the Company.



Stakeholder	Importance to Nova Tech
Employees	Employees are the most important partners of the Company. We improve employees' cohesiveness through healthy educational training and a friendly working environment.
Shareholders/investors	Duly implement corporate governance and ethical management, and comply with code of ethics to seek long-term interests for shareholders/investors.
Customers	Customer satisfaction is the factor supporting sustainable operations; its appeal is the momentum for progress; we aim to effectively fulfill customers' requirements and supply satisfactory services.
Suppliers	Supplier/contractor shall supply stable and premium goods and services and maintain favorable reputation and quality to establish the cooperating relation with mutual trusts.
Communities	Maintain healthy interactions with residents in communities and organize events for residents in communities to participate in to acquire relevant information, responses, and supports.
Governmental Agencies	Positive cooperation with the government is a key factor to sustainable operations, and fulfilling legal requirements is a basic commitment.
Public Welfare Groups	Adhere to the spirit for providing returns to the society, duly fulfill citizens' responsibilities, and respond to public group events. Commit to the implementation and promotion of CSR.
Media	Media is the bridge for enterprises to communicate with external parties. Nova Tech allows its efforts to be seen through unscheduled media exposure.



Matrix of Material Topics



1-3 Identification of Sustainability Topics

Material Topics and Borders of Internal and External Impacts

In 2020, Nova Tech identified a total of 11 material topics in aspects of governance, society, and the environment. We disclose the track of the sustainability performance based on the level of attention paid to the issues by stakeholders and the level of impacts to optimize our sustainable governance.

Aspect	Material Topic	GRI Issue	GRI Index	Corresponding Chapter	Extra-organization								
					Intra-organization	Nova Tech	Shareholders and Investors	Customers	Suppliers	Communities	Governmental Agencies	Public Welfare Groups	Media
Economy	Economic performance	Economic performance	201-1	Chapter 2 p.44	✓	✓		✓					✓
	Sustainable governance and risk management	Strategy and analysis	102-11	Chapter 2 p.40-41	✓	✓	✓	✓	✓				✓
			102-18	Chapter 1 p.23 Chapter 2 p.34-35 p.38									
			412-2	Chapter 5 p.97									
	Ethics and integrity in management	Governance/ethical management	102-16 205-2 205-3	Chapter 2 p.46-49 p.47 p.48	✓	✓	✓	✓					✓
	Operational compliance (social, environmental)	Operational compliance	307-1 417-2 417-3	Chapter 2 p.50	✓				✓	✓	✓		✓
			419-1										
	Supply chain sustainability management	Evaluation of suppliers' impacts on the environment, labor, human rights, and society	102-9	Introduction to Nova Tech p.8 Chapter 4 p.78	✓		✓	✓					✓
			204-1	Chapter 4 p.79									
			308-1	Chapter 4 p.79-80									
414-1			Chapter 4 p.79-80										
Environment	Sustainable environment management	Energy, water resource, and waste management	302-1 302-3 302-4	Chapter 3 p.59-60 p.59 p.59-60	✓				✓	✓		✓	
			303-3	Chapter 3 p.62									
			306-2	Chapter 3p.64									
	Climate change and GHG management	Climate change and GHG management	201-2	Chapter 3 p.58	✓					✓		✓	
			305-1 305-2	Chapter 3 p.60 p.61									
Responsibility and product innovation	Customer health and safety, marketing and labeling	416-1 416-2 418-1	Chapter 4 p.74 p.83	✓		✓							
Society	Occupational health and safety	Occupational health and safety	403-1 403-10	Chapter 5 p.107 p.108-111 p.114 p.107-108 p.114 p.112-113 p.108-111 p.107 p.115 p.115	✓							✓	
			404-1	Chapter 5 p.103	✓								✓
	Labor-management relations	Labor-management relations	401-1 404-2 404-3	Chapter 5 p.88 p.92 p.92	✓					✓			
			402-1	Chapter 5 p.94									

1-4 Communications with Stakeholders

Nova Tech communicates and negotiates with stakeholders through diverse channels. We value precious opinions proposed by different stakeholders, and the President performs relevant reports on the execution status at Board meetings regarding content agreed upon with stakeholders to instantly adjust the Company's policies and respond to stakeholders' expectations, strengthening connections with stakeholders.

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

Stakeholder	Concerned Issue	Communication Channel and Method	Communication Frequency	Execution Content in 2020	Reference Chapter
Employee	Labor-management relations	Labor-management meeting	Each quarter	Convened four labor-management meetings to coordinate the labor-management relations	Chapter 5 Employee Care
		Employee Welfare Committee		Convened four meetings of the Employee Welfare Committee	
		Occupational health and safety		Occupational Safety and Health Committee	
	Training and education	Organize educational training	From time to time	In 2020, the training hours of managerial (Note 1) employees (Notes 2&3) averaged 41.74 hours for men and 54.60 hours for women; the training hours of non-managerial employees (Notes 2&3) averaged 22.08 hours for men and 29.55 hours for women	
	Sustainable governance and risk management	Employees' contact window	At any time	0 report	
	Ethics and integrity in management	Reporting mailbox for violations of integrity management			
	Shareholders and investors	Sustainable governance and risk management	Shareholders' meeting	Each year	
Organize/participate in institutional investor conferences			From time to time	Organized five institutional investor conferences	
Economic performance		Publish financial reports	At any time	Actively reported the latest business and financial status of the Company to shareholders and investors through MOPS	
Ethics and integrity in management		Company website/open information disclosure	From time to time	Set up a special contact line on the Company's website for shareholders and investors to propose their inquiries at any time	
		Investor and stock affairs contact window			
	Contact number of the Company				

Note 1: Supervisory employees include supervisors above the level of section chief and AVP.

1-4 Communications with Stakeholders

Stakeholder	Concerned Issue	Communication Channel and Method	Communication Frequency	Execution Content in 2020	Reference Chapter
Governmental agencies	Operational compliance (social, environmental)	Public announcement meeting Contact number of the Company	From time to time	Participated in one public announcement (three hours of practical courses for the Waste Disposal Act and regulations of reuse)	Chapter 2 Corporate Governance
	Occupational health and safety	Occupational disaster statistics online filing system, MOL	Each month	Made filing on the occupational disaster statistics online filing system, MOL, each month	Chapter 5 Employee Care
	Labor-management relations	Employee's contact window	At any time	Regularly convened labor-management meetings to coordinate labor-management relations	
	Environmental sustainability management	Contact window for environmental safety and health	From time to time	Promoted environmental protection ideas of energy-saving and carbon dioxide reduction to with employees from time to time and introduced the Green Office Guidelines for energy conservation and carbon reduction	Chapter 3 Environmental Sustainability Management
	Climate change and GHG management		Each quarter	Established identification procedures and systems for risks and opportunities related to climate change (including emerging risks) and examined the environmental management policies of energy-saving and carbon dioxide reduction each quarter	
Customers	Sustainable governance and risk management	Customer's contact window	At any time	"Schedule and Quality as Expected for Customer Satisfaction" is our policy of constant improvement for Nova Tech to establish long-term developing relations and to maintain customers' satisfaction with our service results and customer feedback	Chapter 2 Corporate Governance
	Ethics and integrity in management	Opinion form (webpage)			
	Supply chain sustainability management	Company website			
	Responsibility and product innovation	Customer satisfaction survey	At least once a year	The average satisfaction grade from the customer in 2020 was 87.12%	Chapter 4 Products/Services and Sustainable Partnership
Reporting mailbox for violations of integrity management		At any time	No report was received		
Suppliers	Sustainable governance and risk management	Supplier's meeting	From time to time	Organized supplier's meetings	Chapter 2 Corporate Governance
		Supplier visit			
	Ethics and integrity in management	Contact number of the Company	At any time		
		Reporting mailbox for violations of integrity management			
	Supply chain sustainability management	Toolbox meeting	Each day	Convened daily toolbox meetings	Chapter 4 Products/Services and Sustainable Partnership
Supplier's contact window		At any time			
Economic performance	Company website		Information on the official website of Nova Tech	Chapter 2 Corporate Governance	

Stakeholder	Concerned Issue	Communication Channel and Method	Communication Frequency	Execution Content in 2020	Reference Chapter
Communities	Operational compliance (social, environmental)	Contact number of the Company	At any time	- Participated in/organized four local events - No report from the community occurred in 2020	Chapter 2 Corporate Governance
	Sustainable environment management				Chapter 3 Sustainable Environment
	Local communities	Participate in events of local			
Public Welfare Group	Local communities	Participate in local events		Participated in/organized three local events	Chapter 6 Social Participation
Media	Sustainable governance and risk management	Company website Press conference Press release Company website Contact number of the Company Reporting mailbox for violations of integrity management	From time to time	Set up an exclusive mailbox on the website of the Company to collect and respond to inquiries of media	Chapter 2 Corporate Governance
	Ethics and integrity in management				
	Operational compliance (social, environmental)				
	Economic performance				
	Sustainable environment management				
	Climate change and GHG management				
	Supply chain sustainability management				
Occupational health and safety				Chapter 3 Sustainable Environment	
					Chapter 4 Products/Services and Sustainable Partnership
					Chapter 5 Employee Care



5%

Top 5% enterprises for the 6th Corporate Governance Evaluation

57%

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

100%

The attendance rate for the 2020 Board meeting was 100%

0

No corruption event was reported or occurred throughout 2020

0

In 2020, regarding the legal compliance achievement of Nova Tech, there was no event or fine that significantly affected the corporate operations, and no violations of social or economic regulations

2

Corporate Governance

- 2-1 Sustainability Governance and Risk Management
- 2-2 Business Performance
- 2-3 Ethics and Integrity in Management
- 2-4 Operational Compliance
- 2-5 Association Participation

2-1 Sustainability Governance and Risk Management

Corporate governance is the core of sustainable corporate operations; except for responding to the increasing expectations of the competent authority and stakeholders, it is the foundation to ensure stable operations. Through the complete regulations and corporate systems, we continue to optimize the corporate governance system and practices. We received recognition from the TPEX and recorded outstanding performance among the 669 listed companies in the 6th Corporate Governance Evaluation, and ranked among the top 5% of enterprises, exhibiting our outstanding performance in the four aspects of “maintaining shareholders’ interests and treating shareholders equally,” “strengthening the Board structure and operations,” “improving information transparency,” and “realizing CSR.”

【Sustainability Governance and Risk Management】 Management Approach



Importance

Satisfy the increasing expectations of competent authorities, the development trends of the world, and stakeholder expectations regarding corporate governance and ensure the stable operations and sustainable development of the Company to serve as the basis for various risk management execution throughout the entire Company.

Management Strategies

The Board is responsible for supervising the Company’s business strategies, cultivating talented business leaders, and safeguarding investors’ interests. The Board and the corporate governance team measure and evaluate risks from different sources through the establishment of risk management policies, and impose valid supervision, precautions, and controls.

Policies/Commitment

The Sustainable Declarations, Corporate Governance Best Practice Principles, organizational rules of the audit committee/nomination committee/remuneration committee, regulations for Board evaluations, and risk management policies of the Board of Nova Tech.

Responsibilities

President’s Office

Grievance mechanisms

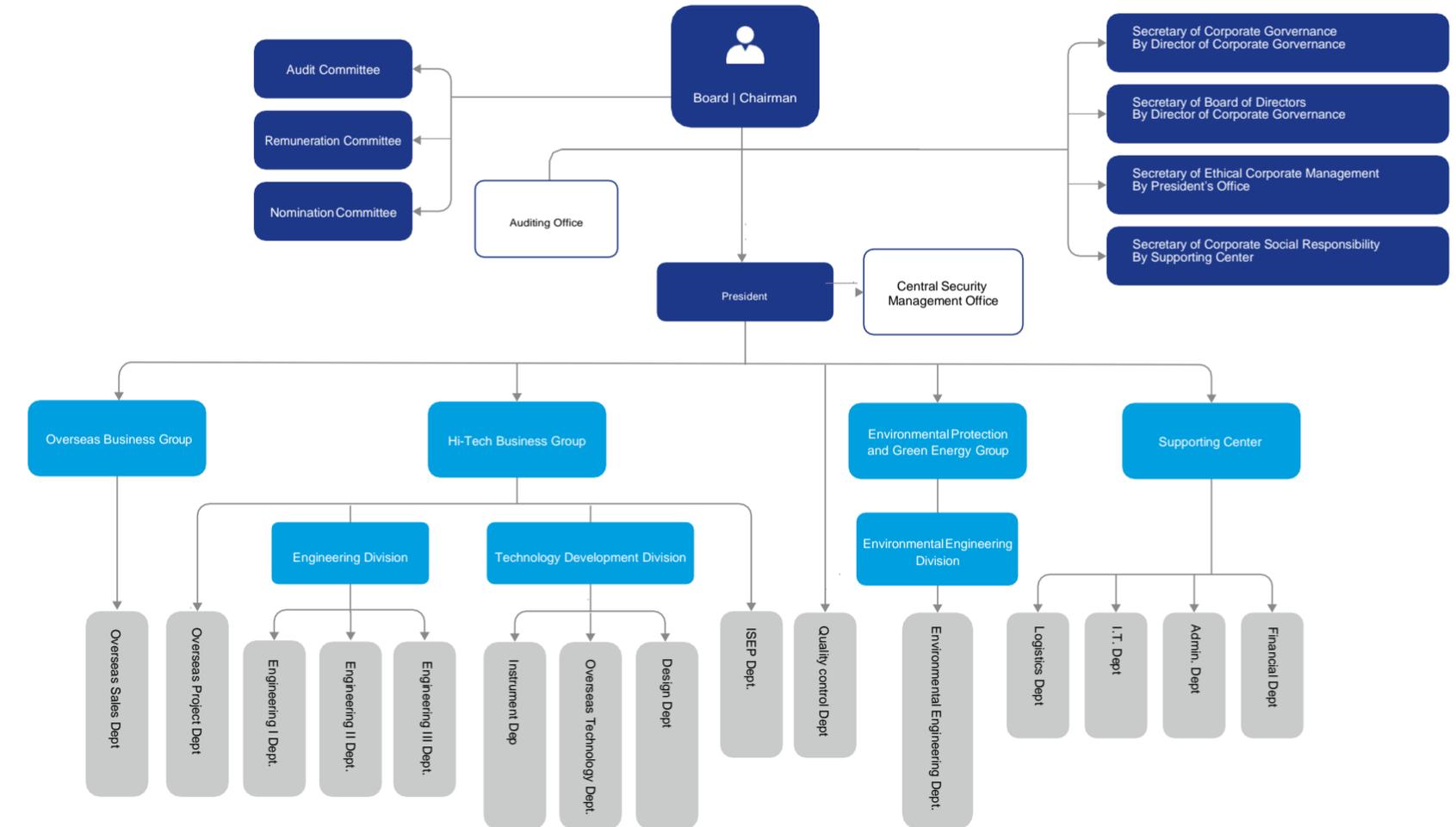
Reporting system of the intranet of the Company
 Audit Committee contact: E-mail: Audit_Committee@novatech.com.tw Tel: 886-3-6676868
 Ways of communication: E-mail, telephone, and face-to-face interview.

Action Plans/ Resources System

1. Regularly convene functional committee meetings/Board meetings to discuss significant events of the Company and design a special system to avoid the conflict of interest of directors.
2. Regularly execute the performance evaluation of directors and senior management and examine policies, systems, standards, and structures of salaries and remuneration.
3. Monitor capital adequacy based on the status of business scale, credit risks, market risks, and operating risks, and future operating trends.
4. Establish a management system that measures and supervises liquidity positions according to liquidity risks.
5. Consider features of overall exposure, self-owned capital, and liabilities to carry out various capital allocations and establish risk management for different businesses.

Operating Organization Structure

Organizational Chart of Nova Tech



2-1 Sustainability Governance and Risk Management

Board

The highest governance unit of Nova Tech is the Board. More than half of the Board members are independent directors. Members are professionals possessing complete and abundant knowledge, skills, literacy, operating experience, and academic experience. The Board is a governance team that possesses business judgment capacity, accounting and financial analysis capacity, business management capacity, crisis management capacity, industrial knowledge, international market viewpoint, leadership, and decision-making capacity. Its primary responsibility is to supervise the operating strategies of the Company, followed by the task of being the leader that nurtures the premium business management to ensure sustainable business performance for the Company and safeguard the interests of investors. For the period of the CSR Report, the major shareholders and operating team of Nova Tech have no significant change.

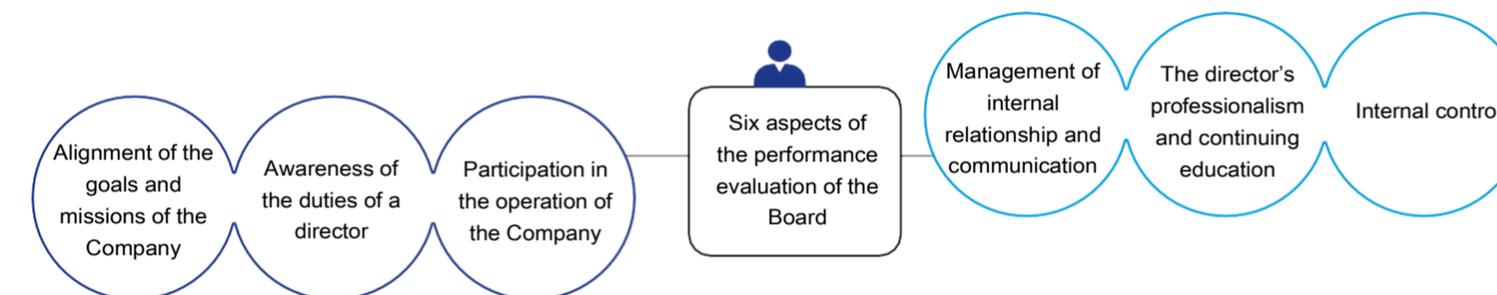
Nova Tech has a total of seven directors, comprising of four independent directors and three directors (including the chairman); the male to female ratio is 5:2; independent directors account for more than half of the Board members. Nova Tech's board has its audit committee, remuneration committee, and nomination committee in place to enhance the implementation of corporate governance.

The Board regularly convenes meetings to discuss significant matters of the Company each year, and particularly reviews matters to be reported at the Board meeting and designs a system for avoiding directors' conflicts of interests. Directors of Nova Tech have always been highly disciplined; they recuse themselves from discussions and voting regarding issues related to conflicts of interest, and refuse to represent other directors in exercising their voting rights to protect the interests of stakeholders. In 2020, the attendance rate for the Board meeting was 100%.



Evaluation of the Board Performance

To duly implement corporate governance and improve functions of the Board, Nova Tech has its "Regulations for the Performance Evaluation of the Board," stating the cycle, scope, method, procedures, and standards for the performance evaluation of the Board. Regarding Nova Tech's performance evaluation of the Board, an internal evaluation shall be executed each year, and an external evaluation shall be executed every three-years. Results of the evaluation will be used as the reference of consideration when selecting or nominating directors. The performance evaluation of the Board includes six major aspects: "alignment of the goals and missions of the Company," "awareness of the duties of a director," "participation in the operation of the Company," "management of internal relationship and communication," "the director's professionalism and continuing education," and "internal control." For the internal evaluation and external evaluation executed during 2020, the results of the performance evaluation are disclosed on the official website of the Company: <http://www.novatech.com.tw/company/#1530152435756-1ebc07fd-b9f1>.



The Board completed the discussions or decision-making for CSR-related proposals in 2020



2-1 Sustainability Governance and Risk Management

Board Members

Chairman

Liang, Chin-Li M

Major Experience/Academic Record

- EMBA, National Chiao Tung University
- Air Conditioning Section, Department of Electrical Machinery, Provincial Taipei Institute of Technology
- Manager, Engineering Department, Gongshan Air Conditioning Co., Ltd.
- Chairman, Acter Group Co. Ltd.

Term of Office (Year)	Actual Attendance (Times)
3	7

Attendance by Proxy: 0

Re-appointed (Re-elected on 25 May 2019)

Director

Hsu, Chung-Cheng M

Major Experience/Academic Record

- EMBA, National Taiwan University
- Department of Chemical Engineering, National Taiwan University
- President, Acter Group Co. Ltd.
- President, Nova Technology Corp
- Chairman, Winmax Technology Co. Ltd.
- Chairman, Suzhou Winmax Technology Corp.

Term of Office (Year)	Actual Attendance (Times)
3	7

Attendance by Proxy: 0

Re-appointed (Re-elected on 25 May 2019)

Director

Wu, Bi-Hui F

Major Experience/Academic Record

- Master of Management Science, National Chung Hsing University
- Department of International Trade, Feng Chia University
- President, Yu Wei Leather Goods Industrial Co., Ltd.
- President, SUZUKI Shanghai

Term of Office (Year)	Actual Attendance (Times)
3	7

Attendance by Proxy: 0

Re-appointed (Re-elected on 25 May 2019)

Independent Directors

Independent director

Chi, Chih-Yi M

Major Experience/Academic Record

- Ph.D. of Economics, Harvard University, the U.S.
- Head of the Department of Accounting, National Chung Hsing University
- Associate Professor, Department of Economics, National Chung Cheng University
- Supervisor, Siward Crystal Technology Co., Ltd
- Professor, Department of Finance, National Chung Hsing University

Term of Office (Year)	Actual Attendance (Times)
3	7

Attendance by Proxy: 0

Re-appointed (Re-elected on 25 May 2019)

Independent director

Yang, Sheng-Yung M

Major Experience/Academic Record

- Ph.D., Department of Finance, Drexel University, the U.S.
- Chief of International Affairs and Dean of the International College, Providence University
- Dean of the Management College, Asia University
- Executive Officer, EMBA, National Chung Hsing University
- Head of the Department of Finance, National Chung Hsing University
- Distinguished Professor Emeritus, Department of Finance, National Chung Hsing University

Term of Office (Year)	Actual Attendance (Times)
3	7

Attendance by Proxy: 0

Re-appointed (Re-elected on 25 May 2019)

Independent director

Li, Cheng M

Major Experience/Academic Record

- J.D., Tulane University, the U.S.
- Attorney of the U.S. Federal and New York State
- Lee & Tsai, Attorneys at Law
- Head of the Department of Law and Dean of the College of Law, Tunghai University
- Consultant, Direction Trademark Patent Copyright Law
- Part-time Associate Professor, EMBA, Tunghai University
- Part-time Associate Professor, EMBA, Feng Chia University

Term of Office (Year)	Actual Attendance (Times)
3	7

Attendance by Proxy: 0

Re-appointed (Re-elected on 25 May 2019)

Independent director

Chiu, Hui-Yin F

Major Experience/Academic Record

- Master, Department of Accounting, National Taiwan University
- Department of Accounting, National Chengchi University
- Partner, Deloitte & Touche
- Manager of the Department of Audit, Kaohsiung Branch, Deloitte & Touche
- Partner, Everwell & Co., CPAs
- Partner, Xinda CPAs

Term of Office (Year)	Actual Attendance (Times)
3	7

Attendance by Proxy: 0

Re-appointed (Re-elected on 25 May 2019)

2-1 Sustainability Governance and Risk Management

Structure of the Board

	2018		2019		2020	
	Male	Female	Male	Female	Male	Female
Below 30	0	0	0	0	0	0
30-50	1	1	1	1	0	0
Above 50	4	1	4	1	5	2

Nomination Committee

The nomination committee is responsible for establishing standards of diverse backgrounds and independence required for members of the Board, and seeking, reviewing, and nominating candidates of directors based on such standards. Furthermore, the committee is also responsible for carrying out the performance evaluation of the board and the continuing education program for directors. The seven members of the first session possess abundant experience and professions in different industries.

Remuneration Committee

To strengthen the governance structure, Nova Tech established its remuneration committee in 2017. The remuneration committee regularly executes the performance evaluation of directors and senior management, examines policies, systems, standards, and structures of remuneration and compensation, and establishes remuneration and compensation for directors and managers accordingly. The annual compensation of the Company's managers primarily comprises salaries, performance bonuses, and employee bonuses. Employee's bonuses are distributed according to the Articles of Association (it is stated that such bonuses shall be no less than 3% of the annual earnings after deducting the statutory surplus reserve of 10%) and reports to the Board after being discussed by the remuneration committee based on the individual performances of managers.



Risk Management

Nova Tech particularly established its "risk management policies" to serve as the basis for various risk management and execution by the Group. Based on the ISO management system and structure, we control risks that may occur within the bearable scope and achieve a target of reasonable risk and compensation through effectively identifying, monitoring, supervising, and controlling different risks. Different departments of the Company also include different risk factors into management based on the business nature and the principle of risk dispersion to establish the risk indicators and warning system, and modulate future changes in circumstances as much as possible in a quantitative manner, to serve as the basis for management and response.

Risk Management Procedures of Nova Tech



Major Risks and Countermeasures

Source of Risk	Description on Source of Risk	Countermeasure
Market Risk	Due to slow economic growth and the sluggish market, less incentive to invest, or fluctuation of raw material prices, the Company's profits are likely to change accordingly	<ul style="list-style-type: none"> - Actively expanding into overseas markets to increase operating income and profits - Innovative technologies, satisfying customers' requirements, and increasing the opportunity of winning tenders - Investing in new markets and expanding potential customers - Continuing to monitor the development of commodity price, adopting hedging measures in response, and considering the risks of rising commodity price upon tenders to reduce the effects of commodity price fluctuation
Safety and Health Risk Management	Losses occurred due to the hazardous working environment or construction environment	Identifying the level of risk based on factors of hazard occurrence rate, operating frequency of employees, and the materiality of hazards, and requiring relevant departments to establish control measures according to the level of risk
Legal Risk	Risks arising from engineering contracts or related to intellectual properties	Reviewing various contracts and providing internal legal consultation, processing legal disputes and litigation, and providing relevant educational training to reduce or avoid risks
Financial Risk	Effects on profit or loss of the Company due to changes in taxation, interest rate, and currency rate	<ul style="list-style-type: none"> - Adopting the manner of stringent control, establishing taxation planning, credit risk and financial hazard predicting models that comply with laws to minimize risks - Regularly evaluating the capital status of the market and the banks' interest rates to adopt hedging measures for changes in currency rate

Followed by the next page

2-1 Sustainability Governance and Risk Management

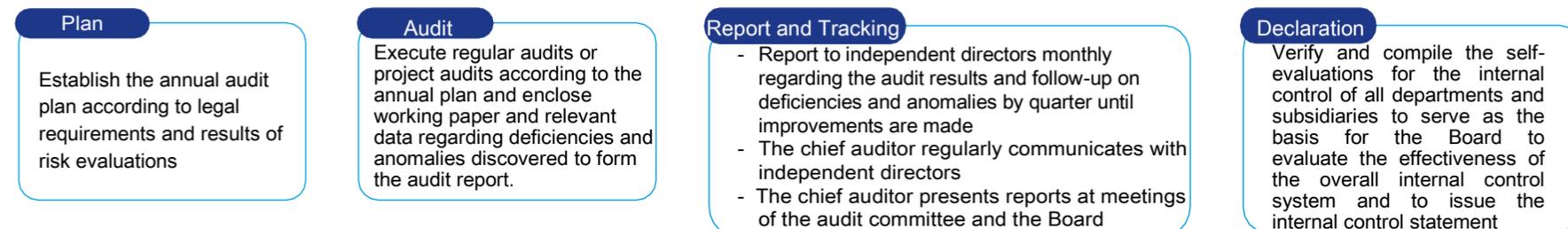
Source of Risk	Description on Source of Risk	Countermeasure
Information Security Risk	Confidentiality and completement of corporate information	Establishing stringent information security management system, controlling and protecting network information security, providing rapid, effective, and transparent business management information to the management to reduce the information security risk
Risk Management of Subsidiaries	Effects on the Company's business target due to risks of subsidiaries	Considering potential risk factors for significant decisions and establishing appropriate risk appetite system concurrently. Except for complying with legal requirements of competent authorities, all subsidiaries shall also establish operating specifications and management anomalies regarding their businesses
Climate Change Risk	Please see chapter "3-2 Climate Change and GHG Management" for details	Please see chapter "3-2 Climate Change and GHG Management" for details
Social Risk	Issues of social risks focus on risks of product security; please see "4-1 Innovative Sustainable Products and Services" for details	Please see chapter " 4-1 Innovative Sustainable Products and Services" for details
Global Uncertainty Risk	Unknown global pandemic of COVID 19. Such risks result in impacts of decreasing investment intentions of customers, abnormal supply chain/transportation, and increasing costs	<ul style="list-style-type: none"> - Ensure employees' safety subject to requirements of the governmental departments - Ensure the capital adequacy of the Company to securely pass through the risk period - Grasp the latest information at any time to respond to all changes - Deepen the study development and strengthen the Company's nature

Internal Audit

Internal audit is subordinated to the Board. An internal audit officer is in place. According to the "Regulations Governing Establishment of Internal Control Systems by Public Companies," scale of the Company, business circumstances, management requirements, and requirements under other relevant laws and regulations, the manager shall design the audit plan that is passed by the Board to allocate audit personnel of an appropriate number to carry out internal audits to ensure the effects and efficiency of operations, credibility, timeliness, and transparency of information, and report on the compliance of laws and regulations.

The audit scope of the Company includes the operating activities of all departments of the Company and all businesses of all subsidiaries that have no internal audit personnel in place, based on the fixed execution procedures of internal audits.

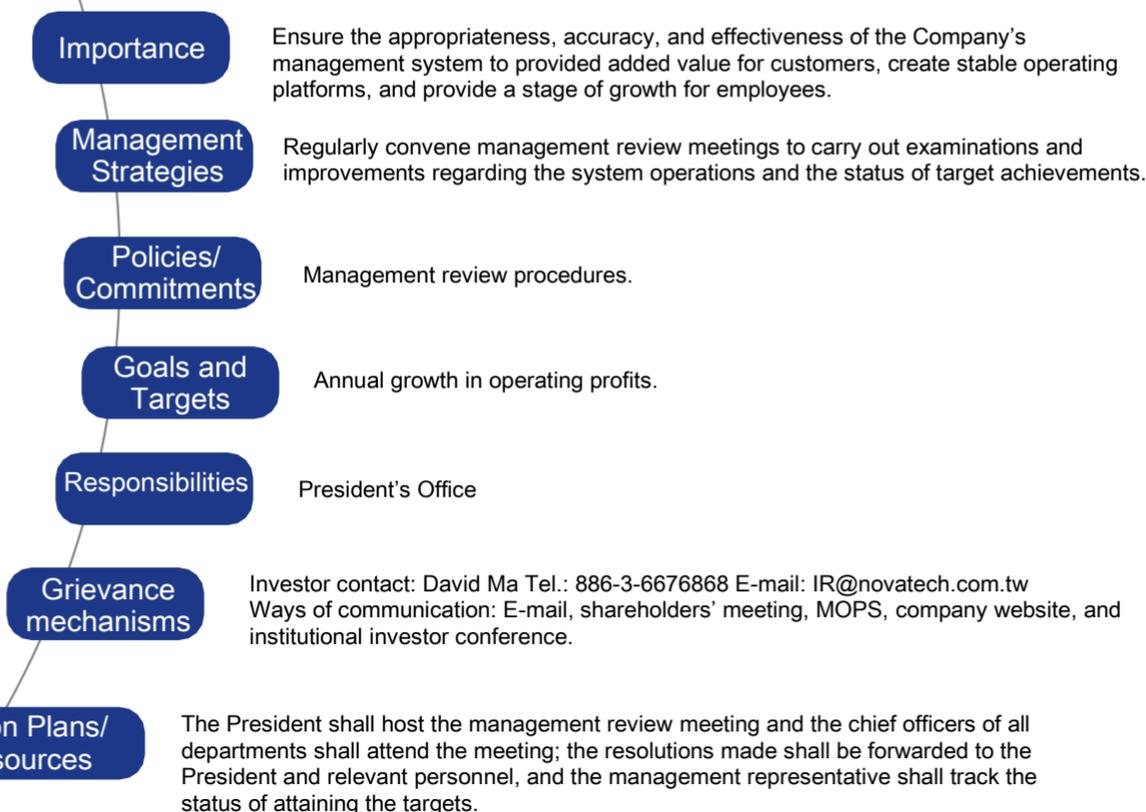
Fixed Internal Audit Procedures



2-2 Business Performance

Business performance is the basis for sustainable development. A healthy operating performance is our responsibility to stakeholders that allows the Company to have sufficient resources for investing in the optimization of the governance aspect, the efficiency improvement of the environmental aspect, and social participation. Nova Tech established a management review meeting and relevant systems to constantly improve our corporate functions and seek financial achievements.

【Business Performance】 Management Approach



2-2 Business Performance

Operating Team

The operating team of Nova Tech constitutes the President and managers of all departments, and the team adheres to the operating concept of “jointly building a hi-tech industrial ecological chain with customers and partners in the supply chain.” Before executing any material resolution, Nova Tech complies with the ethical management concept and the risk evaluation and authorization regulations of the Company. Relevant decision-making is carried out after the Board has discussed and made resolutions, and the risk management procedures are also implemented to ensure the best interests of Nova Tech and shareholders. The operating team of Nova Tech is summarized in the table enclosed. For detailed academic experiences and backgrounds of our team, please see page 16 of Nova Tech’s 2020 annual report, or visit the MOPS (<http://mops.twse.com.tw/mops/web/index>) for inquiry.

Responsibilities and Scope of Duties of Senior Management

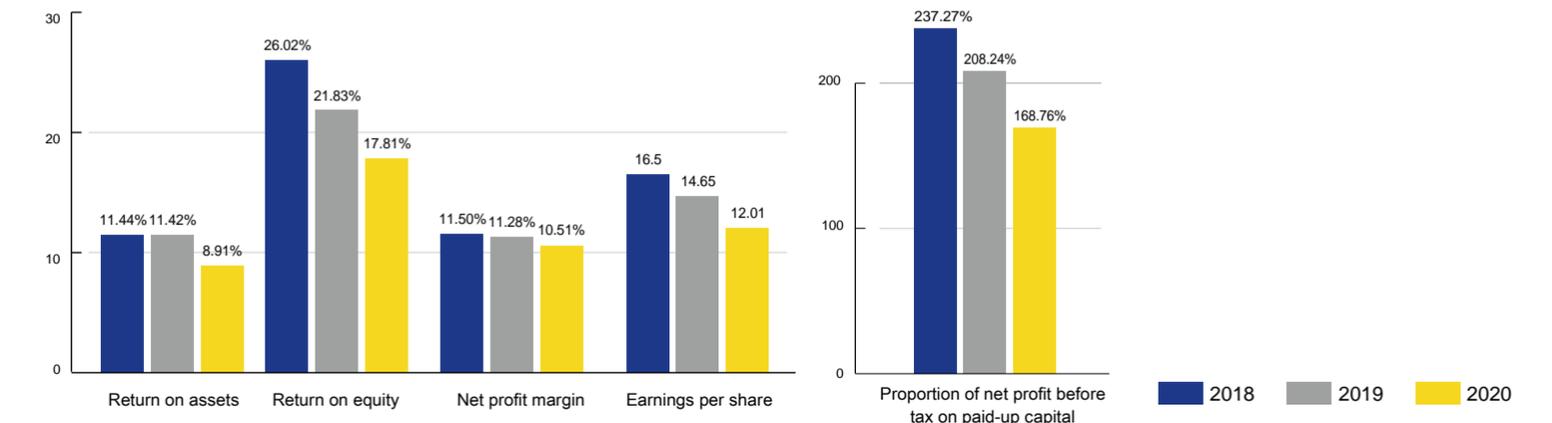
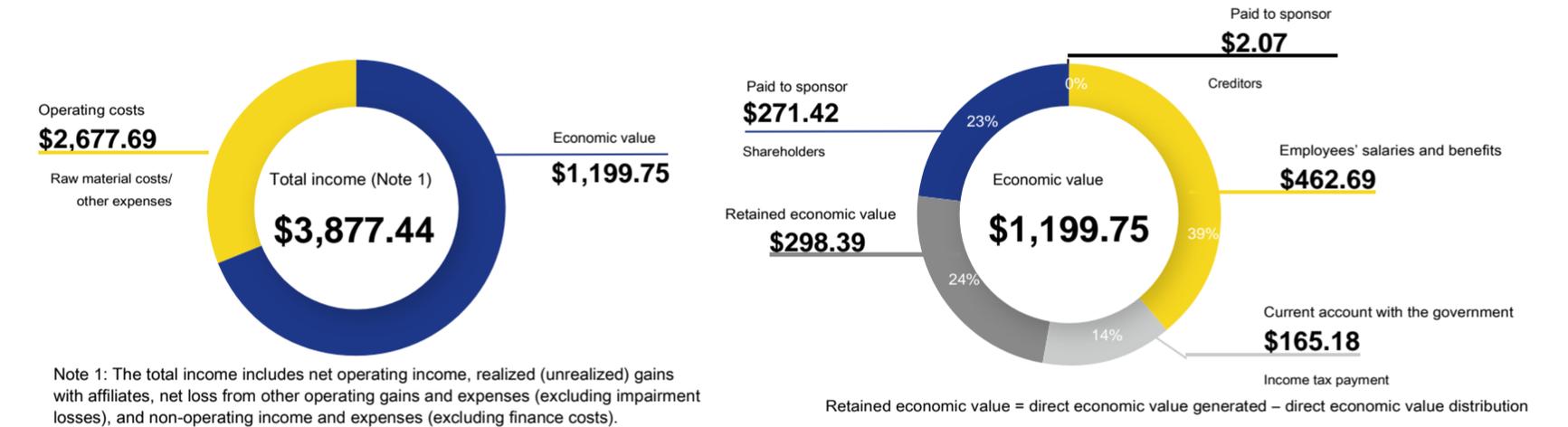
Title	Name	Date of Election (Appointment)	Major Scope of Duties
Special Assistant, President’s Office	Hsu, Zhong-Zheng (Note 1)	2020/03/01	<ol style="list-style-type: none"> 1. Establish the long-term development strategies of the Company to ensure the sustainable operations of the Company 2. Responsible for the development and introduction of new businesses and new products, strategic alliances, and investment evaluation 3. Responsible for the development planning, monitoring, and management of subsidiaries
President	Ma, Wei (Note 2)	2020/03/01	<ol style="list-style-type: none"> 1. Adhere to decisions made by Nova Tech’s Board for management and planning, promote the business development strategies of Nova Tech 2. Guide business departments in developing new businesses and promoting significant policies 3. Supervise the normal operations of functions of different departments and organizations 4. Hold the position as the spokesman for the Company and be responsible for external communications
Vice President	Su, Min-Lang	2012/02/01	Responsible for supervising the promotion and execution of the technology business group and the projects
Vice President and Chief of Corporate Governance	Yang, Wei-Cao	2017/05/22	<ol style="list-style-type: none"> 2. Integrate, supervise, and coordinate relevant supporting departments in executing their businesses 3. Promote matters related to corporate governance and CSR 4. Plan and promote various special projects
Director	Huang, Yi-Yun	2013/05/01	Director of the Technology Department, responsible for the development of the Company’s core technologies
Deputy Director	Wen, Zhi-Cheng	2020/05/06	Director of the Engineering Department, specializes in the promotion and execution of businesses and projects in the Taiwan Region
Deputy Director	Chen, Jin-Liang	2017/06/02	Director of the Engineering Department under the Environmental Protection and Green Energy Business Group, specializes in the promotion and execution of environmental protection and green energy businesses and projects of the Company
Chief of Finance and Accounting	Ou, Chun-Yen	2009/06/16	Lead and be responsible for the formulation, analysis, and execution of the financial and accounting strategies of the Company

Note 1: At the Board meeting on 24 February 2020, it was approved that the Special Assistant Hsu, Zhong-Zheng from the Chairman’s Office is dismissed from duty with Nova Tech’s President and was re-appointed as the Chairman of Winmax Technology Co. and the Chairman of Suzhou Winmax Technology Corp., which became effective on 1 March 2020.

Note 2: At the board meeting on 24 February 2020, it was approved that President Ma, Wei was promoted as the President of Nova Tech, which became effective on 1 March 2020.

Performance

In 2020, the consolidated operating income of Nova Tech was NT\$3,877 million, representing a decrease of approximately 12% as compared with the 2019 consolidated operating income of NT\$4,406 million. For profits, the consolidated net profit after tax in 2020 and 2019 was NT\$407 million and NT\$497 million respectively. In 2020, the decrease in operating income and net profit after tax was primarily due to the effects of COVID-19 and the US-China trade war. In 2020, the economic value generated from and distributed by the organization is set out in the following table. For more information on our performances, please see the website (<http://www.novatech.com.tw/financereport-only>) of our consolidated financial report for details.



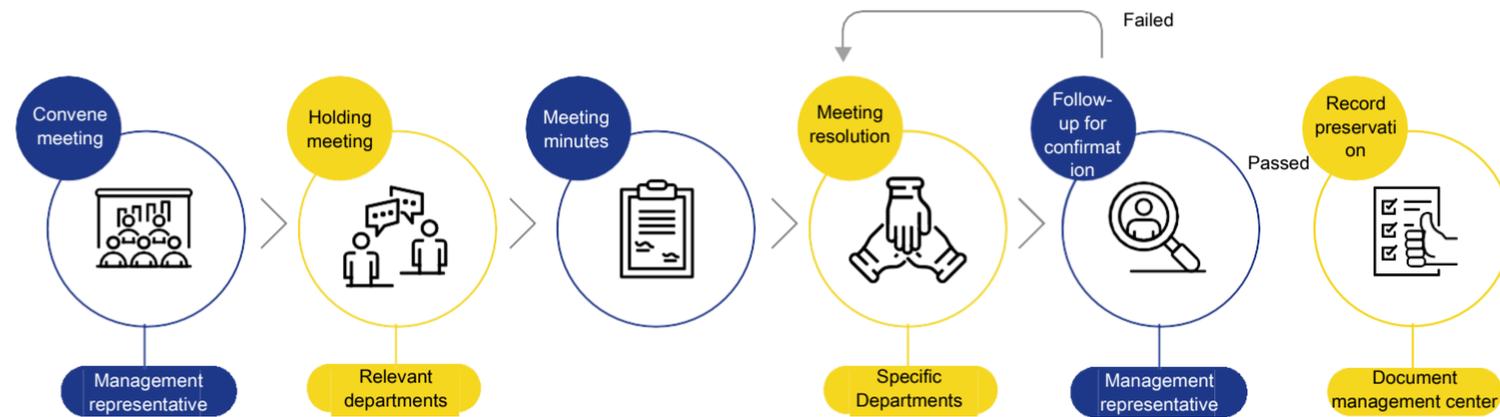
2-2 Business Performance

Management Review Meeting

A complete management system and regular tracking for the target achievement status is the key factor to attaining the Company's performance goals. Nova Tech established its "management review procedures" to ensure the continued appropriateness, accuracy, and effectiveness of the Company's management system, and regularly convenes management review meetings to examine and improve the Company's system operating status and the target achievement status. The scope of the meeting covers matters related to the operations of the Company's management system. The President is the host of the meeting, and directors of all departments attend the management meeting. For resolutions made at the meetings, the specific departments shall be responsible to complete the improvement, and such resolutions shall be forwarded to relevant personnel and the President in writing/via e-mail to ensure such resolutions may acquire effective improvement recommendations and resources required.



Flowchart of the Management Review Meeting

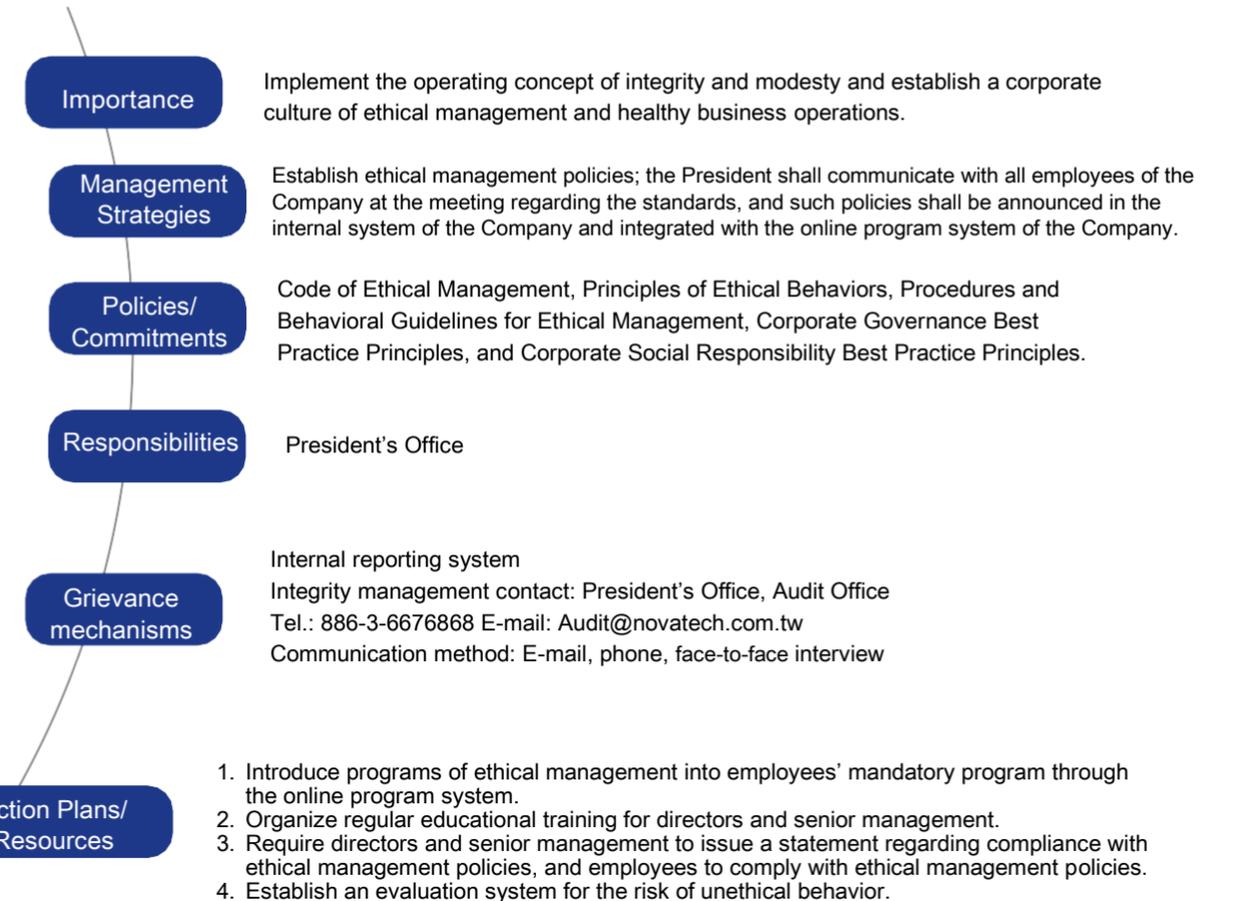


2-3 Ethics and Integrity in Management

To create an operating environment for sustainable development, the Company adopts "integrity" as its operating principle. Regarding our commitments to ethical management, we implemented operating transparency (disclosing information related to finance and corporate governance on the corporate website and MOPS), established comprehensive corporate governance systems (with the "Code of Ethical Management" and "Procedures and Behavioral Guidelines for Ethical Management" in place), and carry out business activities based on integrity.

【Ethics and Integrity in Management】

Management Approach



2-3 Ethics and Integrity in Management

Ethical Management

To realize the operating concept of ethics and modesty, Nova Tech appoints its chief of corporate governance as the ethical management administrator, discloses the operations of ethical management in its annual report, and reports to the Board regarding the execution status annually. In addition, Nova Tech has established its “Ethical Corporate Management Best Practice Principles,” “Code of Ethical Conduct,” “Procedures for Ethical Management and Guidelines for Conduct,” “Corporate Governance Best Practice Principles,” and “Corporate Social Responsibility Best Practice Principles” to specify ethics and a sense of responsibility for all employees of the Company when engaging in business conduct, to ensure that all members of the Company who engage in operating activities are adopting high ethical standards. In particular, the “Code of Ethical Management” specifies that directors and managers may not directly or indirectly provide, accept, promise, or request any unjust benefits, or engage in other behaviors that violate ethics, laws, or the entrusted obligations. To duly implement the recognition of ethical management, the President communicated in person with all employees of the Company at a meeting regarding the abovementioned Code and published it in the internal communication system of the Company for employees to browse and read at any time. The Company also organized multiple educational training sessions related to ethical management to promote appropriate behavior and methods. There were a total of 98 participants in 2020. Furthermore, Nova Tech integrated the online program system and introduced ethical management programs into the mandatory training programs of employees to realize its target of promoting full participation in ethical management.

Coverage of Number of Employees who Participated in the 2020

Ethical Management Communication and Training

	Male		Female	
	Training hours	No. of persons	Training hours	No. of persons
Supervisor	49	98	19	38
Non-supervisor	74.5	149	46.5	93
Total	123.5	247	65.5	131

(Note) Calculation method for the coverage rate: Number of people trained/total number of people in the category of employee.

Ethical Corporate Management Best Practice Principles

<http://www.novatech.com.tw/uploads/regulations/Code-of-Integrity.pdf>



Code of Ethical Conduct

<http://www.novatech.com.tw/uploads/regulations/Code-of-Ethics.pdf>



Procedures for Ethical Management and Guidelines for Conduct

<http://www.novatech.com.tw/uploads/regulations/NP-CM16-Ethical-Corporate-Management-Operating-Procedures-and-Conduct-Guide.pdf>



Corporate Governance Best Practice Principles

<http://www.novatech.com.tw/uploads/regulations/Corporate-Governance-Practical-Rules.pdf>



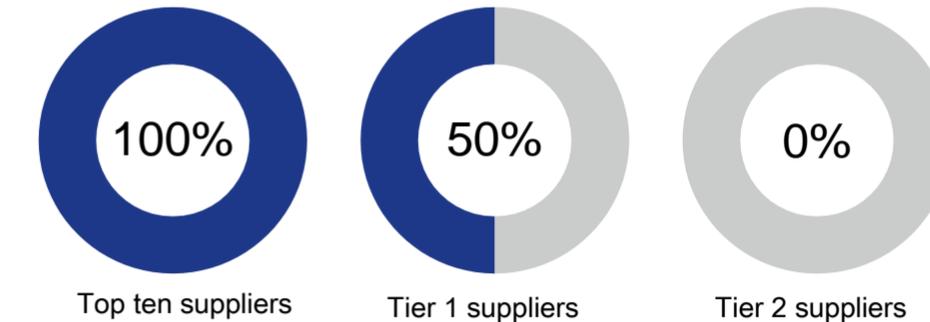
Corporate Social Responsibility Best Practice Principles

<http://www.novatech.com.tw/uploads/regulations/NP-CM17-Corporate-Social-Responsibility-Best-Practice-Principles.pdf>



Except for employees of the Company, eligible suppliers of Nova Tech are required to execute the “supplier commitment”. The commitment sets out the requirement that eligible subcontractors of Nova Tech are strictly forbidden from involving in improper gifting, invitation, entertainment with, or providing bribery, rebate, commission, or other unjust benefits to employees of the Company they contact through business dealings to influence or consummate a transaction. In 2020, the participation rate of suppliers regarding the “supplier commitment” reached 50%, while the participation rate of top ten suppliers by transaction amount reached 100%, and the participation rate of new suppliers reached 100%. We estimate expanding to 100% of tier 1 suppliers in the future. When discovering employees of the Company seeking unjust benefits by leveraging their positions, subcontractors shall inform the Company immediately. Once the above circumstances occur, the Company is entitled to terminate or immediately cancel the transactions between both parties. In 2020, there was no report or occurrence of a corruption event throughout the year.

To guide subcontractors joining our line of sustainable development and jointly realizing the social responsibilities as citizens of earth, we added CSR terms in the “supplier commitment” to remind subcontractors that they shall ensure the acquisition of products certification or authorization, maintain compliance with local laws and regulations and international safety and environmental protection regulations, prevent contacting or mixing hazardous substances under their control during the course of manufacturing and transportation, avoid child labor and any form of labor discrimination, as well as meet other CSR specifications.



Anti-corruption Reporting System and Channel of the Company

Reporting system	Reporting channel	Tel.	Accepting department
Reporting mailbox for violations of integrity management	Audit@novatech.com.tw	03-6676868	President, Audit Office

2-3 Ethics and Integrity in Management

Code of Ethical Conduct

Measures adopted:

1. Employees of the Company are prohibited from providing or accepting unjust benefits and shall avoid engaging in business transactions with distributors, suppliers, customers, or other counterparties who fail to implement ethical management.
2. Employees of the Company shall comply with relevant specifications and avoid the occurrence of unethical behaviors.
3. Employees of the Company shall immediately recuse themselves when encountering conflicts of interest.
4. Employees of the Company shall comply with requirements related to the Company's business secrets, shall not leak any acknowledged business secret of the Company to others, and shall not inquire of or collect business secrets not related to their duties.
5. Significant operating policies, investments, acquisitions or disposals of assets, capital loans, endorsements and guarantees, and bank facilities of the Company are submitted to the Board for discussion and resolution after being evaluated and analyzed by relevant responsible departments.
6. The Company's Department of Finance audits transaction accounts and processes the credit investigation of customers according to accounting standards. The Department consults CPAs for confirmation when encountering significant or suspicious matters. It also regularly reports to the competent authority and announces disclosable matters and information according to requirements under laws and regulations.
7. The Audit Department of the Company performs regular and unscheduled audits on all departments to ensure the healthy and effective execution of the internal control system.
8. To create an operating environment with sustainable development, the Company has been adhering to "ethics" as its operating principle. We show our commitment to ethical management in operating transparency (disclosing information related to finance and corporate governance on the corporate website and MOPS) and have established a comprehensive corporate governance system (with "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" in place), and we carry out business activities in a fair manner.



2-4 Operational Compliance

Complying with laws and regulations is the fundamental requirement for localized operations of enterprises. Nova Tech has established a regular audit system according to legal and other requirements in compliance with specifications of the regulatory authority through the ISO management system and structure to ensure that the Company is able to satisfy the trend and requirements of new laws and regulations immediately. The Company regularly examines changes in laws and regulations and complies with requirements of the regulatory authority, and adheres to its concept of uncorrupted business. In general, changes in the legal environment have no significant effect on the Company. Adjustments and implementation of environmental protection regulations are likely to bring new business opportunities to the Company. In 2020, Nova Tech had no event of fine or circumstance violating social or economic regulations that significantly affected the Company's operations.

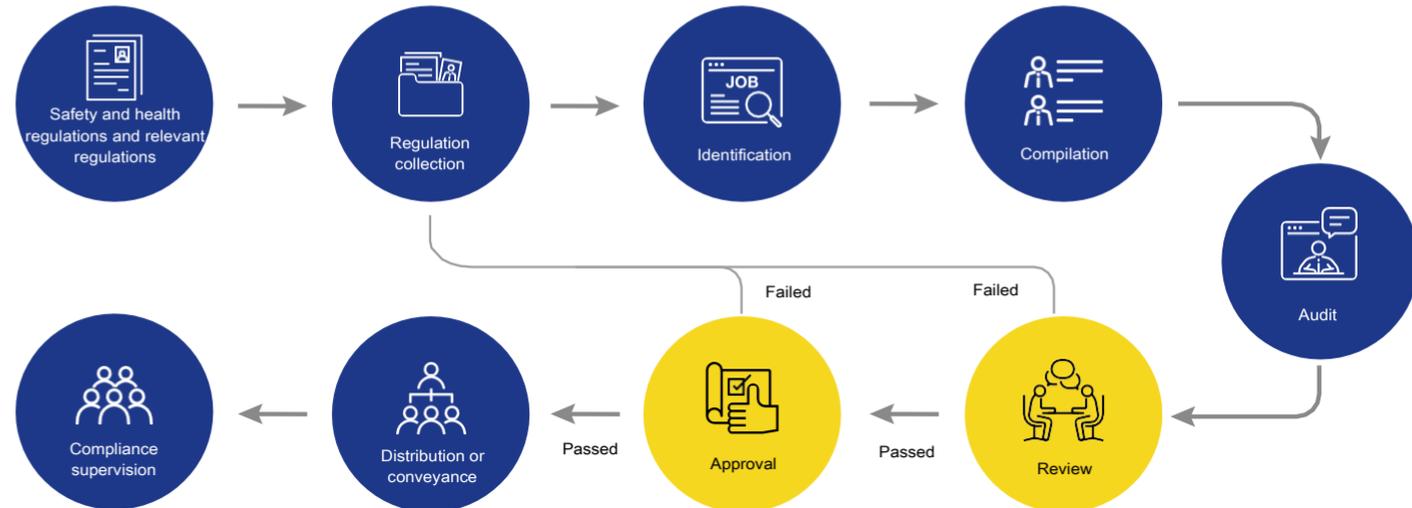
【Operational Compliance (Social, Environmental)】 Management Approach



2-4 Operational Compliance

Apart from the regular legal specifications and audit system, Nova Tech also encourages employees to actively report illegal conduct or behavior violating the Principle of Ethical Behavior. The Company has established a substantial reporting system that encourages employees to report illegal acts to managers, chief of internal audit, or other appropriate personnel after acquiring sufficient information. The Company will process the reporting information submitted in a confidential and responsible manner, and spare no effort in protecting the whistleblower in goodwill from being threatened in any form. After the reporting case is confirmed through an investigation, the Company shall discretionally grant incentives to the whistleblower and impose punishment to those who violated laws according to the "Employee's Incentives and Punishment." To maintain objective and just decisions, when those who are punished have dissenting opinions regarding the decisions made by the department and are able to provide proof, the Company also provides an appeal channel that will submit relevant data to appropriate personnel, the Board, or the shareholders' meeting for discussion and final resolution.

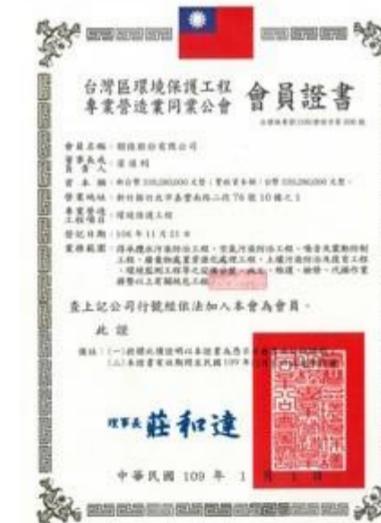
Identification Flow for Environment, Safety, and Health Regulations



2-5 Association Participation



While focusing on our primary business, Nova Tech also proactively joins industrial associations in the hope of expanding the social effects within our industry. In 2020, Nova Tech joined the "Taiwan Environmental Engineering Association". We expect to improve professional environmental protection technologies and environmental living quality through the technical service center, environmental protection experts, and legal experts of the Association. In addition, Nova Tech is also a member of the Taiwan Electrical Contractors Association. Through participating in associations, we hope to facilitate industrial exchange, and in turn, provide premium products and services to society.



318,425

The environmental expense for the year is NT\$318,425

2.95%

The total power usage decreased by 5,257kWh as compared to 2019, representing a decrease of approximately 2.95%

Carbon Dioxide Reduction

Established the Green Office Guidelines for energy conservation and carbon reduction

ISO 14001

Updated the ISO 14001:2015 environmental management system certification

ISO 9001

Updated the ISO 9001:2015 quality management system certification

3

Environmental Sustainability

- 3-1 Environmental Sustainability Management
- 3-2 Climate Change and Greenhouse Gas Management
- 3-3 Energy and Greenhouse Gas Emissions Management
- 3-4 Water Management and Waste Management

3-1 Environmental Sustainability Management

In recent years, the issue of climate change has received increasing attention. Extreme climate, natural disasters, and energy and resource shortages have become imminent due to global warming and climate change, causing risks and difficulties of a certain level regarding operations of enterprises worldwide. The 13th item, "Climate Action," in the SDGs of the UN further pointed out that we shall adopt emergency measures to respond to risks and impacts on the sustainable development of the globe and enterprises due to the abnormal climate. Nova Tech commits to enjoying joint prosperity with the earth, actively responds to the issue of climate change, and includes environmental management as one of its significant issues of operating management.

【Operational Compliance (Social, Environmental)】

Management Approach



Importance

Implement environmental management for the basic elements of corporate governance to serve as a bedrock for improving corporate credibility and business development. Duly fulfill CSR, and join hands with customers for the mission of earth sustainability.

Management Strategies

1. We introduced ISO14001 in 2006 to be the environmental management method and the foundation, and slowly expand the scope of management to our supply chain.
2. Ensure and track the Company's energy and resource consumption and the achievements of the environmental performance of the supply chain through the operation of the environmental management system.

Policies/Commitment

1. Environmental management policies.
2. Energy and resource control procedures.
3. Waste management procedures.

Responsibilities

Supporting Center, Environmental Protection and Green Energy Group, ISEP Department.

Grievance mechanisms

Contact window for the CSR Report and environmental safety and health: Ching Liu
Tel: 886-3-6676868 E-mail: Ching_Liu@novatech.com.tw
Ways of communication: E-mail, environmental safety and health meeting and training.

Action Plans/Resources

1. The ISO promotion team examines the achievements of environmental management related to energy-saving and carbon dioxide reduction quarterly.
2. The ISO promotion team engages an independent certifying institution to carry out the verification to ensure the effectiveness of the management system each year.
3. The ISO promotion team examines the compliance with and violations of regulations each year.

Environmental Management

Nova Tech introduced ISO 14001 in 2006 to serve as the basis for the environmental management of the Company, and successfully passed the environmental management requirements of the new version in 2019. Furthermore, it also introduced ISO 9001:2015 quality management system verification and established ISO 45001:2018 occupational safety and health management system to serve as the basis for the Company to achieve its target of sustainable corporate operations. We are committed to further extending our environmental protection standards to our supply chain. In addition to the environmental management requirements for ourselves and our suppliers, Nova Tech also proactively connects with the environmental protection and green energy business that is the core of our operating activities. We provide customers with integral engineering, water recycling, and air pollution control equipment, and other premium services to make contributions to customers and earth. We improve the knowledge of employees and subcontractors in respect to the environment, safety, and health through educational training, and continue monitoring and implementing preventive and improved systems to duly fulfill our responsibilities as citizens of earth.

Environmental Policies and Commitments of Nova Tech

Environmental Policies	Commitments
Comply with environmental safety and health regulations and customers' 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.
Provide training for all employees to improve their recognition regarding quality and environmental safety	Cultivate employees' concept of environmental protection and earth-friendly knowledge
Realize continual monitoring and preventive and improving systems	Implement environmental aspect identification and management procedures, establish waste processing procedures, energy and resource control procedures, hazard identification and risk evaluation management procedures; realize continual monitoring and improvement for waste reduction, carbon dioxide reduction, and energy-saving to improve the performance of environmental and occupational safety and health management
Protect the safety and health of customers, employees, and the environment	Improve knowledge of employees and subcontractors regarding environmental safety and health and organize educational training and promotion



ISO 14001 environmental management system
Expiry of the certificate: 2021.6.28



ISO 9001 quality management system
Expiry of the certificate: 2021.6.28

3-2 Climate Change and Greenhouse Gas Management

【Climate Change and GHG Management】 Management Approach



Response to Risk and Opportunity of Climate Change

According to The Global Risk Report published by the World Economic Forum (WEF) in 2021, "extreme weather," "failed climate action," and "man-made destruction of the environment" are aspects with the highest risk of occurrence. To protect the international climate, the scientific organization, "IPCC", sent out a warning through its latest report, "Global Warming of 1.5 °C," published in October 2018, that we must spare no effort in restricting the increase of temperature before 2030 to 1.5 °C to prevent a significant increase in sea level, and challenges to the climate, a sharp decrease in food, and ecological catastrophe. In light of the risks of and impacts on operating activities arising from environmental change and water resource insufficiency, Nova Tech collects and analyzes reports and documents related to effects of climate change to duly evaluate and identify relevant risks and opportunities. We actively seek countermeasures and create operating management methods in the hope of joining hands with customers to reduce the burden on the earth through establishing a complete climate change governance structure and the R&D and services of operating core technologies.

In 2020, Nova Tech will include "climate change and GHG management" as a significant aspect, identify and categorize potential risks and opportunities of the climate change issue (including the market, regulatory, and physical aspects) and gauge potential impacts of such aspects on finance, and propose corresponding management measures according to different items.

Climate Change Risk Identification and Corresponding Measures

Category	Risk and Opportunity Identification	Potential Impact on Finance	Corresponding Measures	Mid-to-long-term Index and Target	
Transformation Category	Market – Identification Result				
	Risk	With the growing attention paid to climate change and environmental issues by international society, customers attach greater focus to whether Nova Tech may provide technical support related to energy-saving/green energy; if we are unable to fulfill the requirements, operation performance and competitiveness will be affected.	- Losing existing customers - Decreasing operating income	- Familiarize and grasp various application technology tools and management countermeasures corresponding to trends. - Establish healthy cooperating relations with potential proprietors and actively inform on relevant industry trends and requirements, grasping customers' competitiveness. - Strengthen management capacity for green engineering projects, accumulate relevant engineering performance, and facilitate the service capacity of green brands.	- Actively participate in achievement presentations for new technologies and new engineering methods. - Continue making exchanges with the academic sector and engage the sector for the development of new technologies and new engineering methods. - Actively develop engineering projects regarding fields related to green engineering.
	Opportunity	Due to the changes in the economic model, new business opportunities may be brought by the increasing demands for existing products or new products.	- Increasing operating income - Increasing brand value	Improve market sensitivity and diversify operations.	Continue to develop our primary business of chemical system engineering. In the future, we will introduce the circular economy for combination to provide a package option, offering one-stop service from supply to recycle.
	Regulatory – Identification Result				
	Risk	International and domestic regulations of environmental and climate change currently have no significant effect on the operating performance of Nova Tech; however, we shall continue to monitor.	- Increasing operating costs - Increasing technology R&D - Investing costs - Decreasing market demand	- Establish an exclusive management department to continue identifying risks and countermeasures required under new regulations according to the "environmental safety and health target and solution management procedures." - Continue studying the content and effects of international covenants and agreements each year to prepare relevant corresponding measures in advance and duly fulfill CSR.	Reduce impacts of environmental and climate change regulations on the operations of Nova Tech.
	Opportunity	Requirements under relevant regulations and supporting regulations introduced by the government's policies are beneficial for promotional opportunities of the environmental protection and green energy business.	Reducing operating costs	Continue improving green engineering technologies and invest in new technology development through industrial-governmental-academic cooperation.	- Continue increasing green engineering performance. - Acquire new technical patents.
Physical Category	Physical – Identification Result				
	Risk	Climate change may cause a shortage of water resources, suspension of raw material supply, or an increase in diseases, impacting the supply chain and increasing procurement costs. Extreme climate may cause a delay in construction, loss of engineering properties, and injury or death of staff, and occurrence of other accidents.	- Increasing operating costs - Decreasing operating income	- Change engineering strategies and plan for the construction schedule to include relevant issues into considerations instantly. - Make advance preparations and educational training (such as heat hazard safety communication), establish emergency management procedures and put measures in place. - Prepare countermeasures for procurement in advance and seek long-term suppliers to control prices by purchasing in bulk. - Purchase insurance related to natural disasters.	- Select long-term strategic partners and introduce risk evaluations for changes in costs that may be arising from climate change at the beginning of the engineering planning. - Purchase relevant insurance policies properly to avoid and mitigate unpredictable risks.
	Opportunity	Utilize professional technologies to reduce damage to customers resulting from climate change and improve our market competitiveness.	- Increasing operating income - Increasing brand value	Continue developing green and energy-saving engineering technologies to satisfy customers' demands.	Successfully promote the circular economic project for the improvement of manufacturing procedures for existing customers.

3-3 Energy and Greenhouse Gas Emissions Management

Energy Use Performance

Nova Tech promotes and implements environmental protection and energy-saving, and actively promotes the concept of energy-saving in its offices. We initiated carbon dioxide reduction self-management exercise to reinforce energy-saving awareness of employees, contributing to the environment of earth. We achieve effective management of energy-saving during daily operations through regular inventory checks and examinations on energy use. Restricted by industrial features and business items, Nova Tech's energy use is relatively simpler than the traditional manufacturing industry or other industries. Our primary energy consumption is the electricity for office affairs and gasoline for company vehicles. The calculation border includes the northern, central, and southern offices of Nova Tech (Zhubei Office, and Linkou, Zhongli, Taichung, and Tainan Branches).

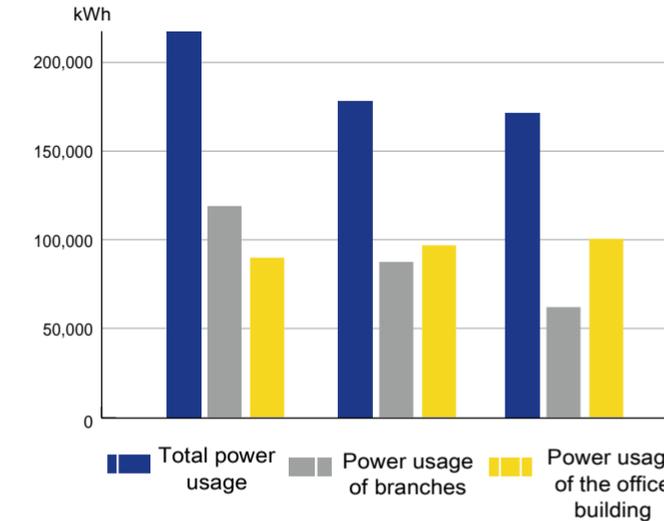
The total energy use of Nova Tech in 2020 was 4,622.93GJ. The energy use primarily includes vehicle gasoline and electricity. During the year, in response to the outbreak of COVID-19, we asked employees to avoid taking public transportation; therefore, the use of gasoline is relatively higher than that of 2019. In the future, when the outbreak slows down, we will continue to communicate with employees the green concept of making use of public transportation more often. Through the energy-saving measures we established in our energy and resource control procedures, we successfully reduced our total power usage by 5,257kWh (2.95%) from that of 2019. In particular, the reduction in the total floor area was due to the cancelation of a residing station as a result of the closure of partial projects; therefore, the energy intensity increased from 2019. In the future, we will continue improving our energy-saving strategies.

Category \ Year	2018	2019	2020
Power usage for construction (kWh)	119646.42	83749.3	74361.19
Power usage for office building (kWh)	90259.58	94440.7	98571.81
Gasoline usage (L)	100,488	100,745	122,493
Total energy usage (GJ)	4,034.77	3,930.89	4619.84
Total floor area (Ping)	649.2	706	596.7
Energy intensity (GJ/Ping)	6.21	5.57	7.74



Note 1: Due to the severe outbreak of COVID-19 last year, we asked employees to avoid taking public transportation for their health and safety, causing an increase in gasoline usage.

Note 2: During the year, residing stations were canceled due to the closure of partial projects; therefore, the floor area decreased.



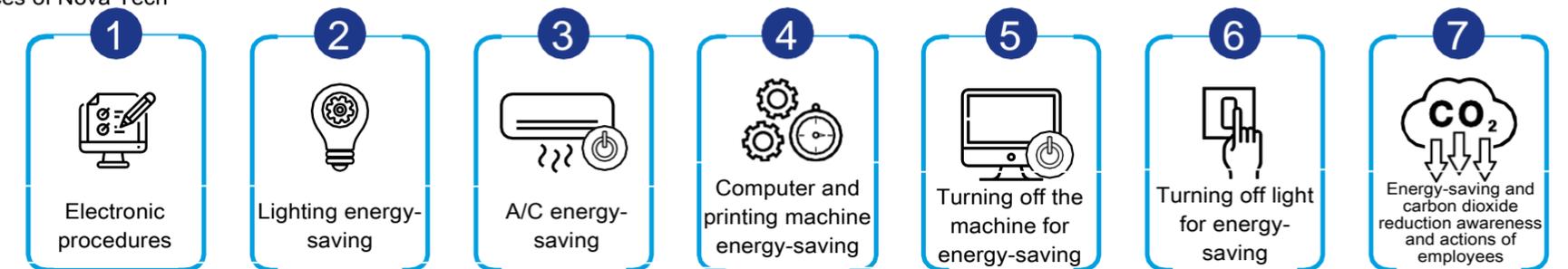
Note 1: The gasoline usage is calculated based on the refueling charges according to the average price of domestic unleaded gasoline 95 in 2020 at NT\$23.44/L announced on the Petroleum Price Information Management and Analysis System (<https://www2.moeaboe.gov.tw/oil102/>), Bureau of Energy, Ministry of Economic Affairs. The refueling charges include subsidies for company vehicles and private vehicles.

Note 2: For the translation coefficient, the purchased power is calculated at 3.6 GJ/1,000kWh, and diesel and gasoline were based on the heating value in the "Table for the Unit Heat Value of Energy Products" announced by the Bureau of Energy, Ministry of Economic Affairs, for unit translation.

Greenhouse Gas Emissions Management

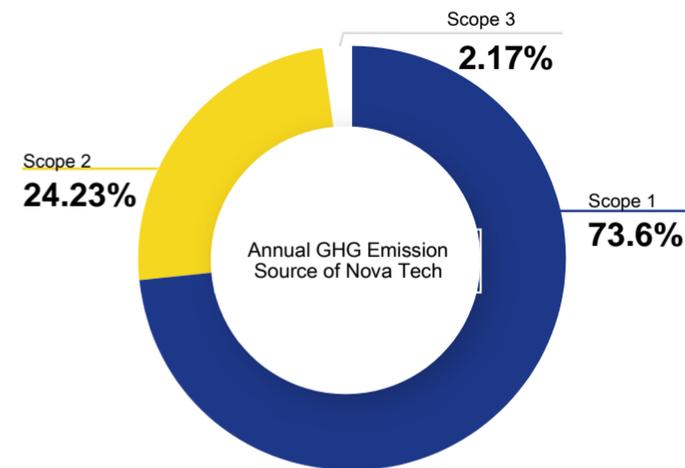
In recent years, the discussion on the topic of global warming has become increasingly popular. The Taiwanese Government and local governments have imposed more stringent management on GHG. Nova Tech is not a registered target for management regarding the inventory check of GHG; however, we voluntarily disclose our current status of carbon emission to examine our carbon management capacity, jointly face the topic of mitigation and adjustments, and duly fulfill the spirit of CSR. We adhere to the concept of reducing earth consumption; for GHG management, we established the Green Office Guidelines for energy conservation and carbon reduction during the year to encourage employees to jointly implement energy-saving and carbon dioxide reduction through electronic procedures, lighting, and A/C energy-saving, computer and printing machine operating model, and the promotion of energy-saving and carbon dioxide reduction exercise. According to the GHG result analysis in 2020, scope 1 GHG is the primary source of emission for the operations of Nova Tech. The emission of scope 1 GHG was 267.39 tonCO₂e (accounting for 73.60%), the emission of scope 2 GHG was 88.02 tonCO₂e (24.23%), and the emission of scope 3 GHG was 7.89 tonCO₂e (2.17%), a total of 363.30 tonCO₂e. In the future, except for energy-saving and carbon dioxide reduction in offices, Nova Tech actively evaluates the performance of ISO14064 GHG inventory check. Currently, we estimate to introduce ISO14064 in 2021 and obtain the SIO14064 certification in 2022 in the hope of carrying out GHG reduction through scientific investigations and applying our technical capacities to make joint contributions to actions tackling climate change for sustainable development with our customers.

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



3-3 Energy and Greenhouse Gas Emissions Management

Scope	Emission Source	Annual GHG emission (tonCO2e)		
		2018	2019	2020
1	Gasoline used by company vehicles for visiting customers	238.41	239.02	267.39
2	Purchased power	111.88	94.98	88.02
3	Air mileage for business trips for the year	-	-	7.89
Total		350.29	333.99	363.30



Note 1: Nova Tech's GHG calculation is based on the energy usage statistics and makes use of the default coefficients in the "Table for GHG Emission Coefficient Management ver. 6.0.4" announced by the Environmental Protection Administration, which covers GHG categories of CO2, CH4, and N2O, and adopts the GWP 100-year average value within the fifth evaluation report of IPCC as the basis for calculation of the CO2e.

Note 2: For scope 1, 2.3725kg CO2e/L is the GHG emission coefficient for gasoline.

Note 3: The emission coefficient of the power grid adopts the "2020 power emission coefficient" announced by the Bureau of Energy, Ministry of Economic Affairs, and is calculated based on the power emission coefficient. As the power emission coefficient for 2020 is not announced, we adopted the coefficient (0.509kg CO2e/kWh) of the previous year for calculation.

2020 Energy-saving and Carbon Dioxide Reduction Awareness and Action

Vegetarian Day



2 * 247 working days = 494 vegetarian lunchboxes (Zhubei office)

Energy-saving Communication



Office energy-saving instruction communication
Daily tips for energy-saving and carbon dioxide reduction

Measures for Energy and Resource Reduction during Operations

Goal for 2021	Goal for 2025
Replace the A/C for offices at the headquarters in Zhubei with energy-saving A/C	2025: Complete the replacement of A/C in offices with energy-saving A/C

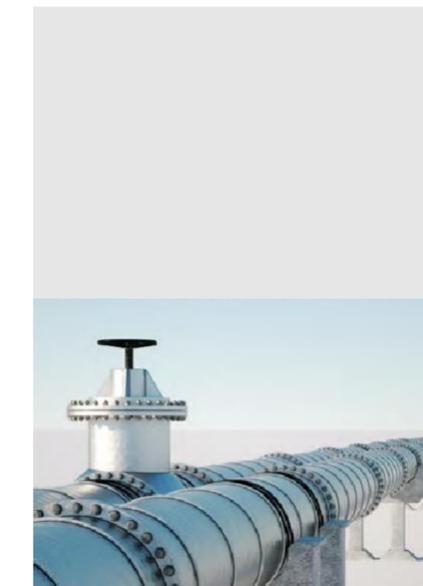
3-4 Water Management and Waste Management

Water Resource Management

Nova Tech attaches focus to the issue of water resource protection. From 2017, the Company carried out a self-inventory check for its water resource consumption to achieve sustainable corporate management. Regarding the withdrawal and use of water resource, water used by offices and branches are directly supplied by the water company, and there is no additional water source from other water body. The withdrawal and use of water resources in offices are uniformly managed by the buildings. The volume of water withdrawal and use for branches in 2020 was 988m3, representing an increase of 10.14% from 2019, which was primarily due to the effect of the outbreak. To protect employees' health, water usage increased. In light of the increase in water usage, to reinforce the water source reduction, we continue to deepen employees' awareness of treasuring resources of the earth through posting and promoting water-saving slogans, regular examinations of water tanks of toilets and pipe leakage for instant repair, prioritizing the procurement of water-saving taps, and unscheduled E-mails and meetings for reminding information related to water-saving and resource-treasuring.

Water Resource Withdrawal and Use of Nova Tech in 2020

Scope	Water Source	Water Consumption			
		2018	2019	2020	
Water withdrawal	Zhubei Office	Tap water (m3)	The building uniformly manages the water withdrawal; there are no statistics	The building uniformly manages the water withdrawal; there are no statistics	The building uniformly manages the water withdrawal; there are no statistics
	Branches	Tap water (m3)	893	897	988
	Total (m3)		893	897	988
	Water Use Intensity of Branches (m3/Ping)		1.96	2.22	2.33



Note 1: The water withdrawn was fresh water (≤1,000 mg/L TDS); the calculation method is calculated based on the water bills.

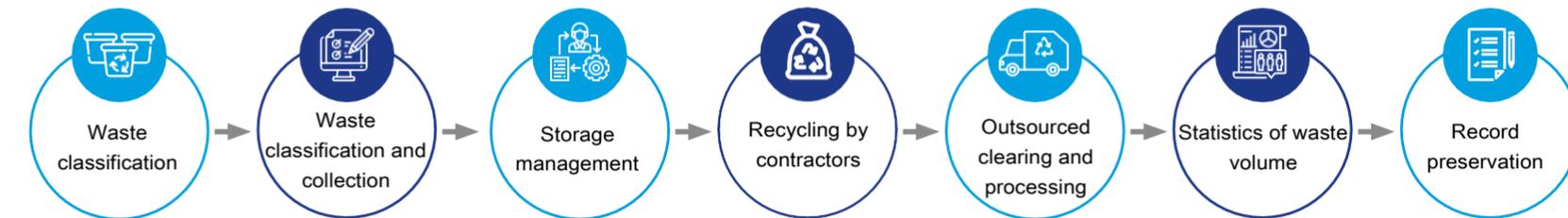
Note 2: According to the water resource risk analysis tool developed by the World Resources Institute, Taiwan is not within the region with water resource pressure across the world.

3-4 Water Management and Waste Management

Waste Management

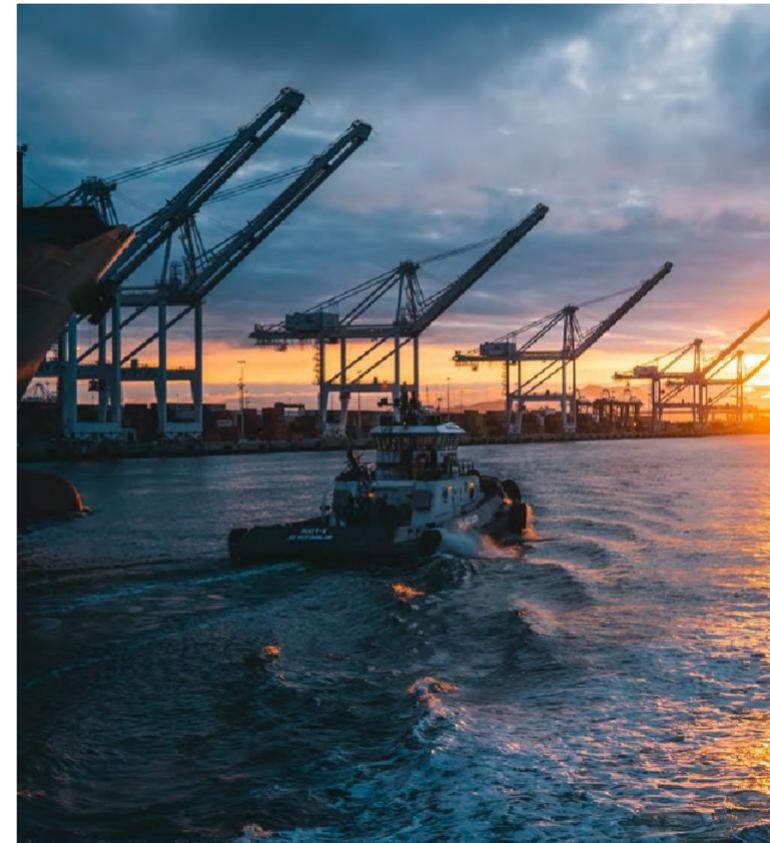
Nova Tech has comprehensive specifications and operating procedures for waste management in place, provides specifications and labels according to the "Waste Disposal Act." It established the "Procedures for Waste Management" in 2018 to duly categorize waste through storage and clearing procedures for waste planned by project staff and the ISEP department, and allow contractors for our engineering projects to bring construction wastes out of the plant for processing according to the law. In addition, Nova Tech regularly visits the supplier for clearing hazardous wastes to understand its operations and management of hazardous wastes, ensuring the supplier's compliance with the specifications. We prioritize the considerations for environmental risks, focus on waste processing, avoid polluting water, air, soil, and other earth resources, and spare no effort in minimizing environmental pollution and the maintenance of legal compliance. Restricted by its industrial features and business items, Nova Tech engages the contractors and proprietors to process construction waste according to the law. Household waste and food waste in offices are the primary sources of waste of the Company, and such wastes are uniformly cleared and managed by the buildings. General wastes of Nova Tech are calculated by using the average general waste generation per day per person in Hsinchu County announced on the Environmental Protection Statistics Inquiry Website of the Environmental Protection Administration and the average number of people in the Zhubei Office. The general waste generation in 2020 was 27.57 tons, representing an increase from 2019. In the future, we will continue enhancing the garbage classification of offices and branches and regularly check whether wastes are duly cleared to avoid the environmental issue of secondary pollution due to improper processing or negligence of suppliers.

Procedures for Waste Management of Nova Tech



Waste Reduction Measures

Policies	Reduction Target	Measures
Nova Tech attaches values to waste management, provides specifications and labels according to the "Waste Disposal Act," and has established the Procedures for Waste Management	Implement on-site construction raw material recycle to reduce the volume of wastes	<ul style="list-style-type: none"> - Comply with plant specifications to perform classified recycle and classified storage to specified concentration joint - Enter into contracts with suppliers qualified for Class A Waste Disposal and legally process hazardous business wastes



Waste Generation of Nova Tech in 2020

Waste Generation of Nova Tech in 2020				
Area	Category	Management Measures	Output (tons)	
			2019	2020
Office building	General wastes	Garbage disposal	24.1	27.6
Construction wastes	Hazardous business wastes	Engage suppliers for processing	0.45	0.42

Note 1: General waste of the Zhubei office is uniformly managed by the building, and the volume of waste is difficult to distinguish from other tenants; therefore, we adopted the general waste generation per day per person in Hsinchu County and the average annual number of people in the office for the calculation of annual general waste generation.

Note 2: The general waste generation per day per person in Hsinchu County is calculated based on the average general waste generation per day per person (kg) in Hsinchu County in 2019 and 2020 announced on the Environmental Protection Statistics Inquiry Website of the Environmental Protection Administration.

Statistics on Environmental Protection Expenses		
Investment Category	Content	Expense Description
Waste	We engaged qualified suppliers to dispose of mixed business wastes with corrosivity generated during the course of engineering processing according to our Procedures for Waste Management	The total expense was NT\$65,730 in 2020
ISO system certification	ISO management system certification renewal	The total expense was NT\$65,730 in 2020

18 patents

The Company and subsidiaries, Winmax (Shanghai) and Suzhou Winmax, developed 18 patented technologies in 2020.

NT\$2.5 million

The Company's gas mixing system reduced CO2 emissions during transportation by 4,128kg/year for customers. This system also saved customers about NT\$2.5 million on special gas production costs.

90%

The cleaning solvent recycling system reduced the quantity of solvents used by customers in the panel industry. Compared with older treatment methods, the recycling rate of waste solvents increased to 90% and above, saving customers NT\$103 million on cleaning solvent costs and reducing the carbon emissions arising from solvent procurement and transportation.

18 suppliers

In 2020, the Company signed the "Supplier Commitment" with 18 suppliers, including the top ten suppliers and 50% of the tier 1 suppliers.

87.12%

The average customer satisfaction rate reached 87.12% in 2020. In September 2020, the Company ranked first in ASE Group's contractor evaluation and was recognized as the outstanding two-stage chemical project management team for the national memory base project (phase I) in China.

4

Products/Services and Sustainable Partnership

- 4-1 Innovation of Sustainable Products and Services
- 4-2 Supply Chain Sustainability and Responsible Procurement
- 4-3 Customer Relationship Management

4-1 Innovation of Sustainable Products and Services

In recent years, more and more challenges such as climate change and environmental pollution have faced us, taking a heavy toll on our lives. On top of that, resources are becoming scarce and rare. Nova Tech has been actively investing in the development of a circular economy through innovative design. By allowing resources to be recycled in the industrial ecosystem and utilized completely, we are poised to achieve the goals of zero waste and zero carbon emissions together with our clients.

In 2017, the Company started cooperating with a well-known foreign seawater desalination plant to

apply seawater desalination to power plants, large factories, and other companies that consume large amounts of water, to address water scarcity. We've also worked with well-known foreign companies to recycle and reuse the waste chemicals generated by customers in the science park, which helped customers reduce wastewater discharge, increase the water recycling rate, and reduce carbon emissions, thereby achieving the purpose of a circular economy. With innovative construction methods and practical experience, we continue to provide energy conservation, waste reduction, and other related engineering services for clients in different industries.

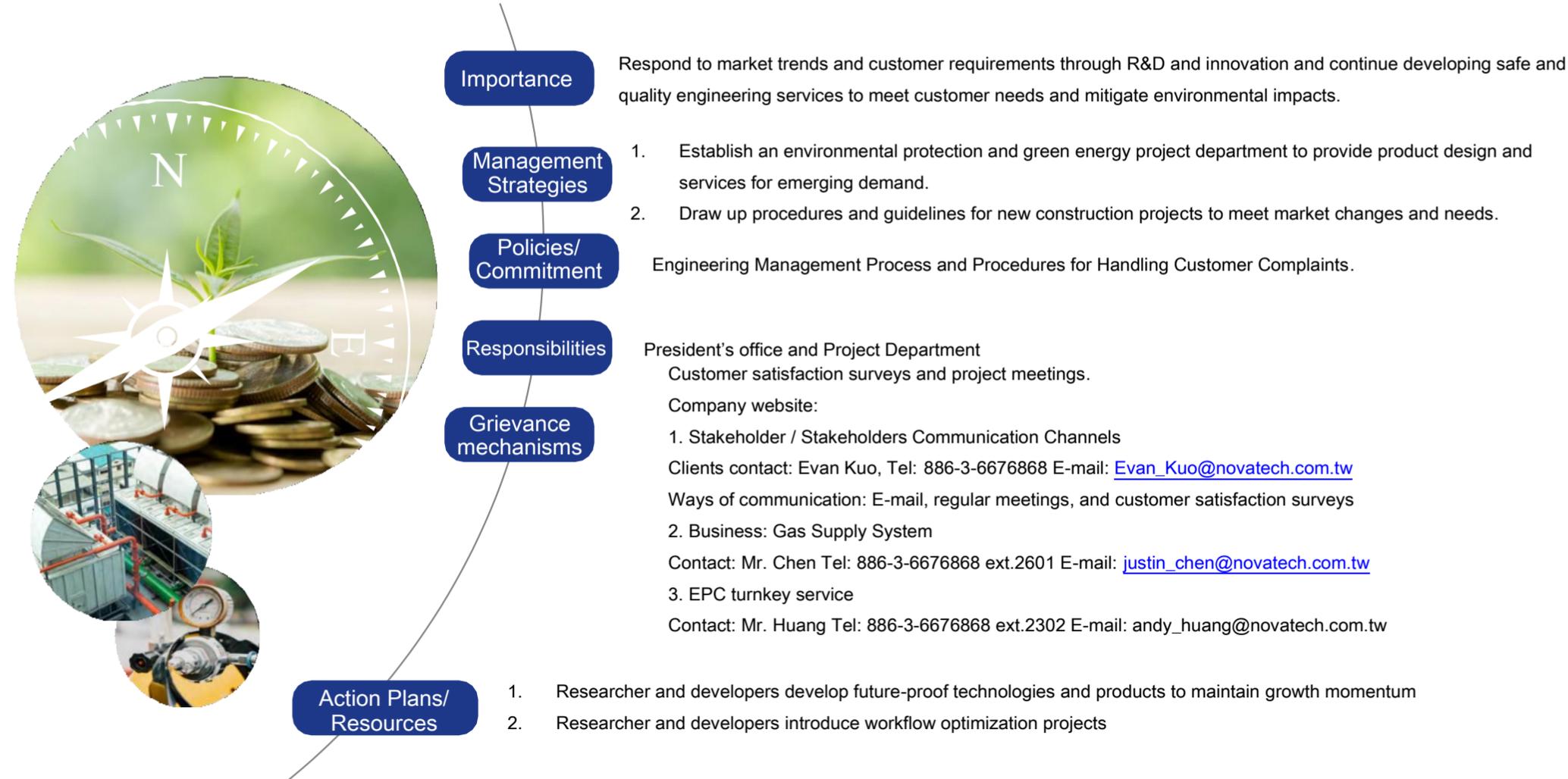


Our representative technologies include the following: low-temperature sludge drying, high-efficiency thin-film oil and gas recovery equipment, high-efficiency denitrification systems, and waste developer recycling equipment. In 2020, we teamed up with a foreign gas mixing system provider to launch their gas mixing system for Taiwanese electronics manufacturers. This system reduced carbon emissions from the transportation of raw gas cylinders and effectively saved production costs for customers. In the future, we will continue to invest in research and development in hopes of maintaining environmental sustainability through more sophisticated technologies.

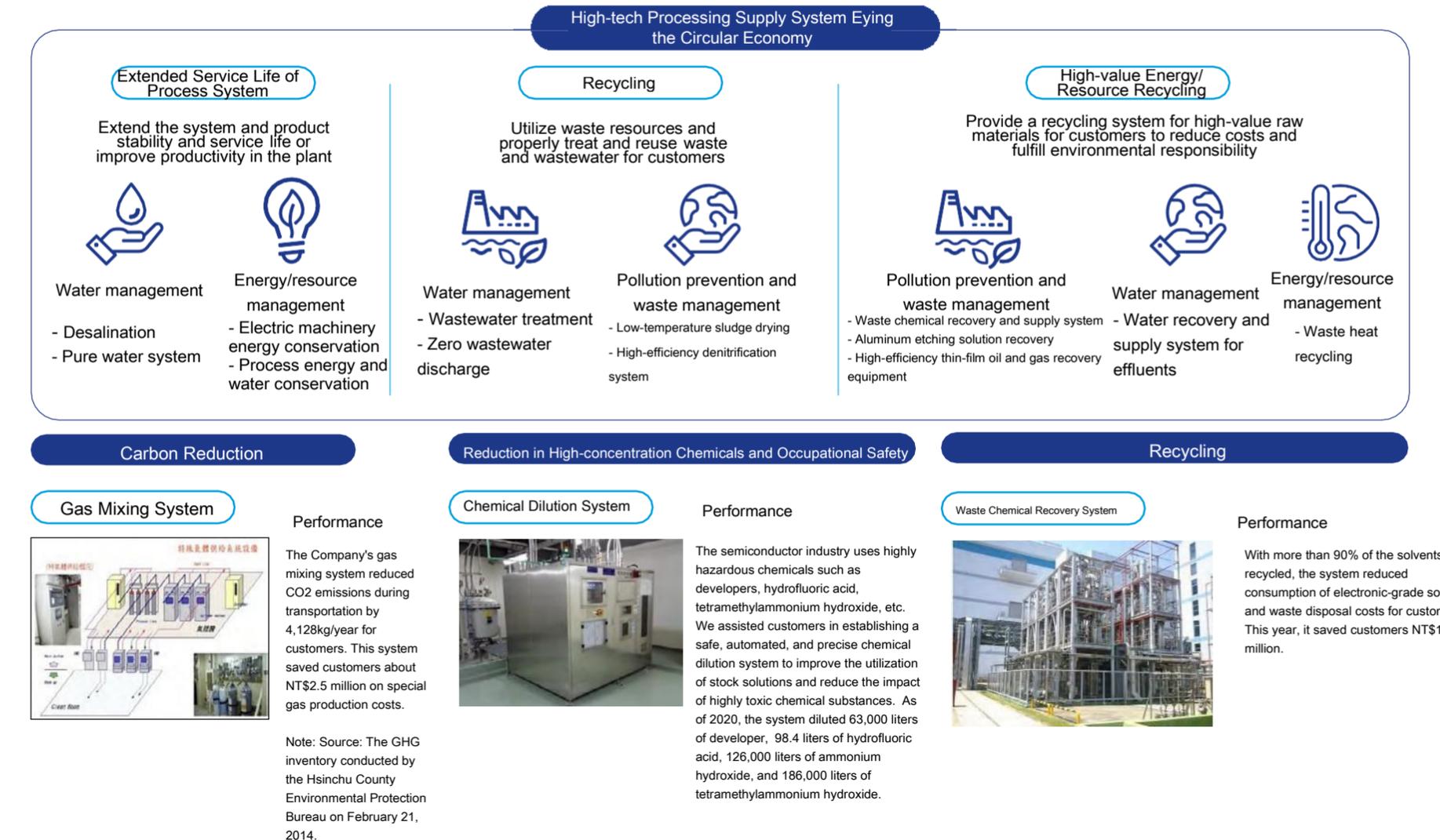


4-1 Innovation of Sustainable Products and Services

【Product Responsibility and Innovation】
Management Approach



Eco-friendly Products/Services



4-1 Innovation of Sustainable Products and Services

Reducing Water Pollution through Desalination

Nova Tech has undertaken water treatment projects for companies in various industries, including wastewater treatment and recycling, sludge drying, etc. Advanced desalination technologies are also introduced from overseas to increase usable water resources in Taiwan, creating another growth engine for the Company's long-term viability.

Sewage recycling has been an industry trend in recent years. In Taiwan, the proportion of wet seasons to dry seasons is extreme. During dry seasons, it is often necessary to allocate agricultural and domestic water supply to maintain the stability of industrial and domestic water supply. Under this circumstance, it is increasingly important for industries to increase water supply by themselves. Responding to government policy, Nova Tech has been actively involved in the bids for water works and water treatment systems of public works. For example, we demonstrated the recycling of effluents from several large public wastewater treatment plants using a water recovery and supply system; reclaimed water was supplied to companies in industrial parks as a stable and reliable source of industrial water to mitigate the risk of water shortages. With relevant technologies, water is recovered and supplied to industries to reduce environmental impact.

Taiwan is surrounded by the sea. Sea water is available for desalination, turning sea water into process water under the circumstance that has the least impact on the environment. Through desalination, we are able to reduce water supply demand from rivers, lessening the impact on irrigation water, domestic water, and industrial water. We have been cooperating with internationally-renowned desalination companies to introduce desalination to companies that consume a considerable amount of water, such as power plants and large chemical factories. The planning and design of Taiwan's largest desalination plant is currently nearing completion. Used in offshore islands, desalination is also a major focus of our service in Taiwan. Acting as a contributing member of society, we will continue investing in the water treatment systems of public works.



The wastewater treatment plant's effluent water recovery and supply system

Eco-Friendly Construction Methods

Nova Tech is constantly reflecting on the balance between economic growth and environmental protection. Upholding the spirit of continuous research, development, and innovation, we are constantly increasing energy efficiency to mitigate environmental impacts and offer the safest, highest quality engineering services to our clients. With innovative construction methods and practical experience, we provide energy conservation, waste reduction, and other related engineering services for clients in different industries. The technology representative of each engineering category is listed below:

Low-temperature Sludge Drying

Different from traditional high-temperature and high-pressure sludge drying that consumes more energy, low-temperature sludge drying allows us to treat daily sludge in a short period of time (10~22 hours), with the moisture content of sludge set on demand from 85% to 30%, thus reducing the amount of sludge for outsourced treatment.



Sludge dryer

High-efficiency Denitrification System

In recent years, environmental laws and regulations, especially on the reduction of NOx and SOx, have become more and more stringent. We have introduced advanced technologies from overseas to increase the removal rate for a large glass manufacturer, and the efficiency is much higher than was achieved using traditional methods. With our core competencies, expertise, and engineering and construction teams, we reduce NOx and SOx emissions for clients, as well as possible environmental pollution.

High-efficiency Thin-film Oil and Gas Recovery Equipment

When oil tankers are loaded with oil at the terminal, more than 93% of the oil and gas escaping in the process can be recovered after special washing, membrane filtration, and adsorption, significantly reducing pollutant emissions and energy waste.



Thin-film oil and gas recovery equipment

4-1 Innovation of Sustainable Products and Services

Waste Chemical Recovery and Supply System

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 waste chemical recovery technology and special recovery equipment from overseas to recover waste chemicals with high unit prices, turning them into raw materials that can be reused in the original process. This allows us to use resources effectively and avoid waste. Chemical coagulation is currently the main method for wastewater treatment in the industry. The large amount of sludge produced in the process can cause harm to the environment and also incurs an additional cost of sludge treatment. Nova Tech has worked with National Cheng Kung University to develop an aluminum etching solution recovery technology. Through this technology, phosphoric acid in waste chemicals is recovered and reused effectively for the purpose of environmental protection.



Waste chemical recovery system

Cleaning Solvent Recycling Equipment for the Panel Process

The panel industry uses numerous solvents for panel cleaning in the manufacturing process. Common solvents include N-300 series (AI), MEA (ethanolamine), BDG (diethylene glycol butyl ether), TOK-106 series (AI), MEA (ethanolamine), DMOS (dimethyl sulfoxide), etc. Taking the panel manufacturer in this year's project for example, the daily consumption of electronic-grade solvents was about 6,600 liters. The original treatment method was to collect the solvents separately and transport them to the final disposal site by a legal disposer, to be used as an auxiliary fuel for the incinerator or to be decomposed through a biological treatment system.

Based on our long-term chemical recycling experience, we assist customers in introducing a distillation-based recycling system. For different waste solvents, we design and install different treatment processes on site. We purify waste solvents originally to be discarded through 2~3 different distillation processes, turning more than 90% of them into electronic-grade solvents that can be re-used in the production process. In addition to reducing the purchase of solvents and carbon emissions caused by transportation, we've saved customers NT\$103 million in disposal costs every year.

Product Innovation and Customer Safety and Health

Nova Tech has been adamant in maintaining customer health and safety. We provide supply systems for the high-tech industry, and the safety of our products directly affects clients' manufacturing processes. Therefore, it's incumbent on us to ensure the safe use and operation of our products. Our engineering team is equipped to design products that meet customer needs and comply with international or national safety regulations based on the customized conditions put forward by our clients. All of our products have passed the Industrial Technology Research Institute's TS type verification for explosion-protected equipment in accordance with Paragraph 7, Article 12 of the "Enforcement Rules of the Occupational Safety and Health Act" (Paragraph 1, Article 7 of the "Occupational Safety and Health Act"). In 2020, one product passed such verification. Hazardous goods must be engineered and installed in accordance with the "Fire Services Act" - Establishment Standard and Safety Control Regulation for Manufacturing, Storing, Processing Public Hazardous Substances and Flammable Pressurized Gases Facilities. Therefore, we create new ideas of researching and developing patents to advance our technologies for product upgrades, thereby increasing the benefits for the Company and our clients.

Product	Compliance with Laws and Standards
Explosion protected equipment	- 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" - CNS3376-14 (IEC60079-14) 、 CNS3376-17 (IEC60079-17) 、 CNS3376-2 (IEC60079-2) 、 CNS3376-0 (IEC3376-0) , etc.
Tank installations	"Fire Services Act" - Establishment Standard and Safety Control Regulation for Manufacturing, Storing, Processing Public Hazardous Substances and Flammable Pressurized Gases Facilities

Year	Item	TS Type Verification for Explosion Protected Equipment	SEMI Certification
2018		4	13
2019		13	6
2020		1	0



4-1 Innovation of Sustainable Products and Services

Patents

On the basis of existing technologies, we continuously improve our technical skills and invest in the development of new products. In response to market demand, we also introduce advanced technologies from top foreign companies, to stay ahead in our field of expertise. Our achievements are reflected in the number of patented products we continue to apply for and acquire each year. In 2020, Winmax Technology Corp. and Suzhou Winmax Technology Corporation, our subsidiaries in China, acquired 13 patent licenses. In 2018, Winmax Technology Corp. received the high-tech enterprise certification for its outstanding research and development and manufacturing technology for equipment, and was invited to compile the GB50781-2012: Technical Code for Chemical System of Electronics Factories (People's Republic of China); Winmax Technology Corp. is also a system supplier recognized by the IT Electronics Eleventh Design & Research Institute Scientific and Technological Engineering Corporation Limited. Suzhou Winmax Technology Corporation also received the high-tech enterprise certification in 2019. For many years, we have received orders from the high-tech industry in both Taiwan and China. Taking the lead in point of experience and competitiveness, Nova Tech is able to engineer and manufacture equipment that meets the different needs of our clients with amazing speed.

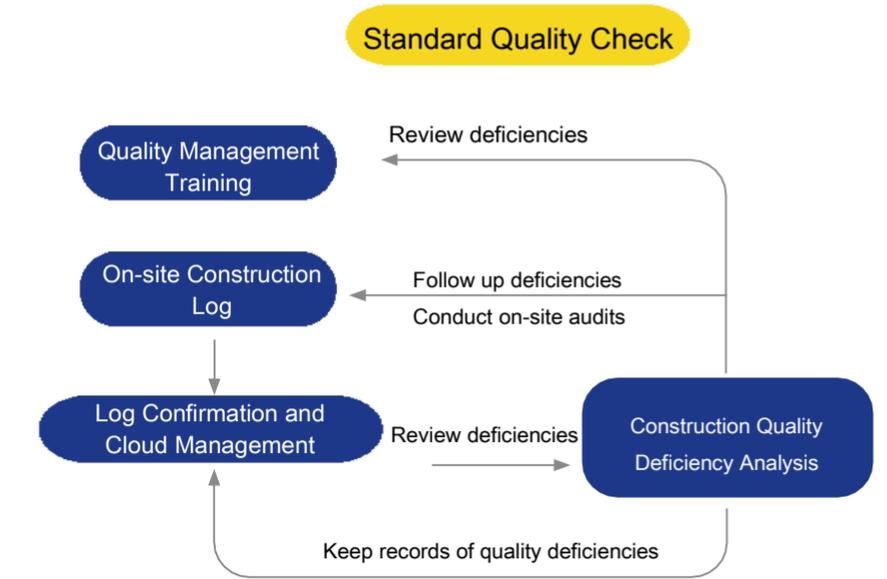


R&D Results in 2020

- Nova Tech 7**
 - Quantitative container with adjustable volume
 - Quantitative container with adjustable volume (China)
 - Liquid vortex suppression structure
 - Diode atomizer
 - Oscillating atomization device
 - Chemical fluid piping
 - Valve control system with valve life warning
- Winmax (Shanghai) 6**
 - Three-step clamping wafer positioning mechanism
 - Acid copper solution mixing system
 - 200L-barrel automatic filling equipment
 - Dimethylacetamide recycling system
 - High-purity anhydrous hydrofluoric acid sampling equipment
 - Dual-power automatic wafer handling mechanism
- Suzhou Winmax 5**
 - Improved quick connection system for foolproof acid barrel
 - Integrated door lock system
 - Homogenizing furnace for semiconductor processing
 - Wafer nitrogen drying equipment
 - Semiconductor photoetching plate cleaner

Construction Quality Maintenance and Assurance

An internal construction quality management system is in place to control the quality of construction projects through cross-departmental cooperation, including quality control, construction, and supervision departments. In addition to pre-construction training, project management logs during the construction and follow-up and corrective actions for deficiencies are important keys to quality management.



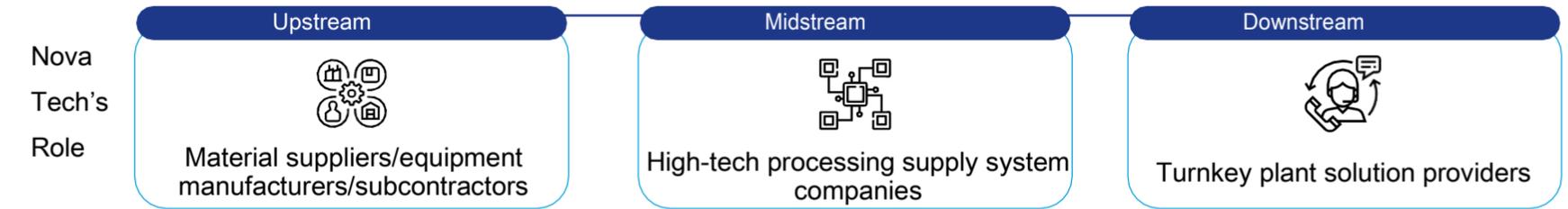
4-2 Supply Chain Sustainability and Responsible Procurement

With extremely high requirements for quality and expertise, engineering services entail a strong supply chain. The Nova Tech group has years of experience in engineering supply systems. We maintain good relationships with our suppliers to keep abreast of the prices of raw materials and outsourcing services, as well as progress of construction. Therefore, we are able to control construction costs and quality effectively, further providing clients quality engineering services and competitive pricing. We have a sound supplier evaluation system as a basis for selecting outstanding suppliers and contractors. We also communicate our respect for human rights, social, and environmental issues to our partners from time to time in hopes of achieving sustainable development together with the supply chain. In the future, we will continue perfecting the supply chain locally to improve productivity, quality, and competitiveness for business sustainability.

【Supply Chain Sustainability】 Management Approach



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



Nova Tech always regards suppliers as strategic partners. We firmly believe that the survival and prosperity of a business rests on good supplier partnerships. Our suppliers are divided into three main categories: material suppliers, equipment manufacturers, and subcontractors. We had 475 suppliers in 2020.

The Company's production centers and operations are mainly based in Taiwan. To promote local industrial clusters and regional economic development, we have partnered with local suppliers as much as possible except for some bulk chemicals that cannot be purchased locally due to the technological mastery of overseas suppliers.

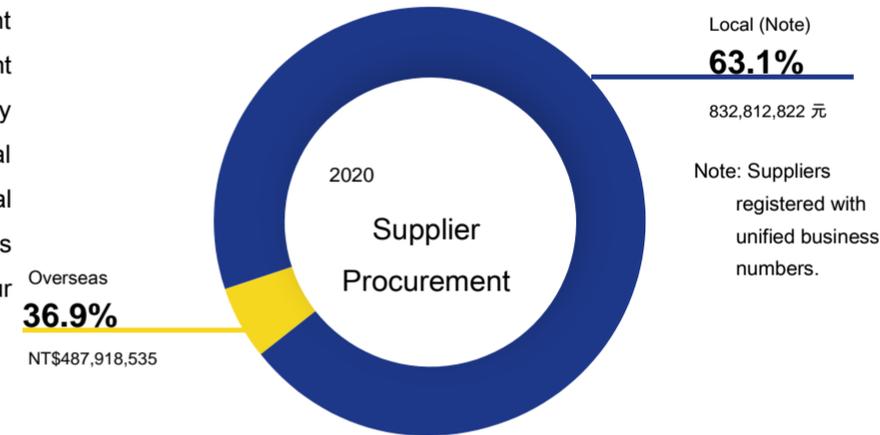
Type and Number of Suppliers in 2020



4-2 Supply Chain Sustainability and Responsible Procurement

Local Procurement

For Nova Tech, suppliers and contractors are important business partners. Only by good communication, close cooperation, and proper management and supervision can the Company advance on sustainable development together with suppliers. We are convinced that it's incumbent on a company to drive economic activities locally. For the purpose of supporting the local development and economy, Nova Tech gives priority to local material suppliers when selecting partners for construction projects, and appoints local contractors to carry out engineering planning. In 2020, 63.1% of our materials were sourced from Taiwanese suppliers (Note).



Supplier Management Policy

The Company regards every supplier as an important partner. We are committed to maintaining long-term relationships with our suppliers at home and abroad in hopes of building a stable and sustainable supply chain. Nova Tech strictly abides by the Ethical Corporate Management Best Practice Principles and the Code of Ethical Conduct. We also require that our suppliers should not bribe or take bribes, provide or accept unreasonable gifts, entertainment, or other improper benefits, or infringe on trade secrets, trademark rights, patent rights, copyrights, and other intellectual property rights. We declare and promise that we will not use metals from conflict mining areas, and that we will requests suppliers to comply strictly.

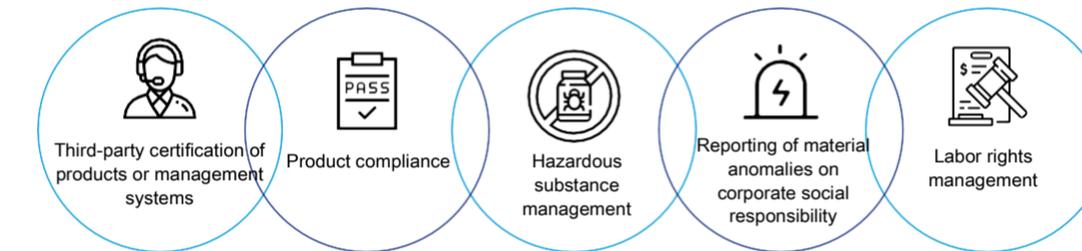
In addition to ensuring the quality, delivery, and prices of products provided by suppliers, the Company also urges suppliers to fulfill their corporate social responsibilities for the environment, health and safety, human rights, and integrity. We deal with suppliers and contractors in a fair and open manner while implementing risk management and business continuity planning. In our opinion, good quality, reasonable price, and proper service are the very basis for supplier partnerships to last long. To maintain long-term partnerships with our suppliers, we ask them to sign the "Supplier Commitment" that advances a win-win situation for both the Company and the suppliers

We have added corporate social responsibility clauses to the "Supplier Commitment" to enlist suppliers and contractors in achieving corporate citizenship together with us. The "Supplier Commitment" stipulates that suppliers should obtain product certifications or licenses, comply with local laws and international safety and environmental regulations, avoid contacting or mixing hazardous or controlled substances in the course of manufacturing and transportation, and disallow child labor and any form of workplace discrimination.

In 2020, 18 of our suppliers, including top 10 suppliers (Note), signed the "Supplier Commitment." In addition, 50% of our tier 1 suppliers signed the "Supplier Commitment." Among 70 new suppliers this year, we had 100% of those, with total transaction amount accounting for more than 10% of the annual transaction amount, sign the "Supplier Commitment."

Note: Top ten vendors in terms of transaction amount in 2020.

Suppliers' Corporate Social Responsibility



Type of Suppliers	Percentage of Suppliers Signing the Supplier Commitment
Top ten suppliers (Note 1)	100%
Tier 1 suppliers	50%
New main suppliers (Note 2)	100%

Note 1: Top ten vendors in terms of transaction amount in 2020.

Note 2: New suppliers with the transaction amount accounting for more than 10% of the total transaction amount in 2020.

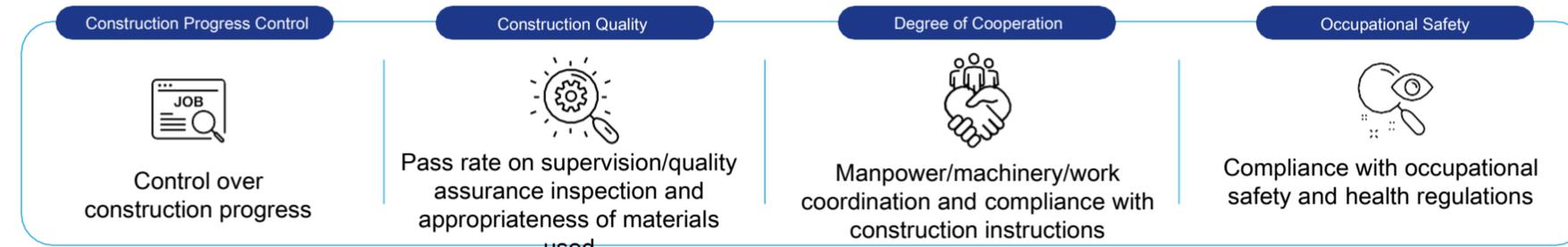
Supplier Evaluation	Supplier Audit	Supplier Training	Supplier Communication and Recognition
All suppliers are required to pass the supplier evaluation and comply with the "Supplier Code of Conduct."	The procurement staff, in conjunction with the occupational safety personnel, visit the equipment assembly plant from time to time to conduct evaluations on business management, manufacturing technology, equipment measurement, quality, and EHS management. The project leader conducts four evaluations on on-site contractors every month regarding construction progress control, construction quality, degree of cooperation, and occupational safety.	Every day before contractors enter the construction site, a toolbox meeting is held to communicate the EHS policy and construction notes to the contractors.	At the year-end party, we invite suppliers with outstanding performances and contributions to celebrate with us and encapsulate Nova Tech's vision and goal for business sustainability.

4-2 Supply Chain Sustainability and Responsible Procurement

Supplier Evaluation Process



Four Evaluation Items



Supplier Evaluation Results in 2020

Item	Quantity	Description
Contractors evaluated	47	Out of 196 construction contractors
Tier 1 suppliers	47	With the score on evaluation items totaling 75 points or more
Tier 2 suppliers	0	With the score on evaluation items less than 75 points
Unqualified suppliers	0	With corrective actions to be taken (e.g., termination of cooperation, counseling, and reevaluation after corrective actions taken)

On-site Supplier Audit in 2020



4-3 Customer Relationship Management

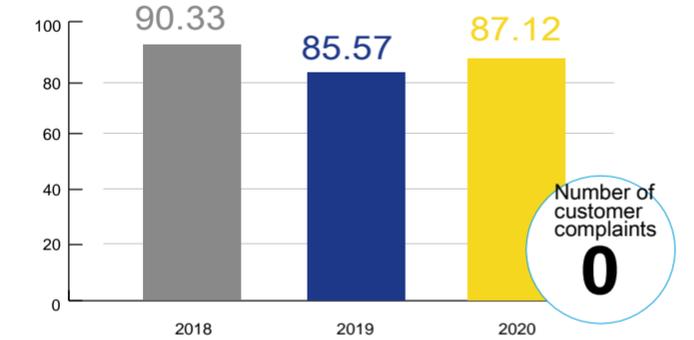
Firmly believing that quality and customer satisfaction are the groundwork for corporate sustainability, Nova Tech continues to deliver excellent services to our clients. While providing high-end technical services that are constantly refined, Nova Tech strives to keep information provided by our clients completely confidential and managed in order to protect clients' rights and interests from any damage caused by leaks of business information. In addition, the "Customer Satisfaction Survey Management Process" is also in place to gain feedback from our customers every year, keep customer satisfaction at a certain level, and optimize the service process.

Customer Satisfaction Survey

Every year, the Company produces customer satisfaction survey questions in six areas (quality, arrival/project progress, safety, technology, service, and after-sales service) to understand the customers' satisfaction with the products or services we provide. Based on the results of the survey, a customer satisfaction report is made as a basis for improving service quality and correcting and preventing service gaps. The results of the survey are also given back to the customers to show our respect to their feedback, thus strengthening customer relationships. The customer satisfaction survey uses a 5-point scale that is converted into percentage (100% being very good, 80% being good, and so on). The customer satisfaction score in 2020 averaged 87.12%, showing that customers as a whole found Nova Tech's products and services good.

To ensure that customers' comments and advice are effectively answered and improved upon, the Company has also formulated the "Procedures for Handling Customer Complaints," specifying the management of customer complaints before receipt of orders, during construction, and after completion and acceptance of construction. Contact information is also available on the company website for clients to give feedback. It was thanks to the collective efforts of the staff that no customer complaints were lodged in 2020.

Customer Satisfaction Survey 2018-2020



Service Awards in 2020

In 2020, the Company won recognition from many business partners for our outstanding service. First, we ranked No. 1 in ASE Group's contractor evaluation. We won the Best Contractor Award from Micron Technology, Inc. in recognition of our technological mastery and outstanding ESH management. In the future, the Company will continue providing more quality service for customers.



September 2020_No. 1 in Contractor Evaluation (ASE Group)



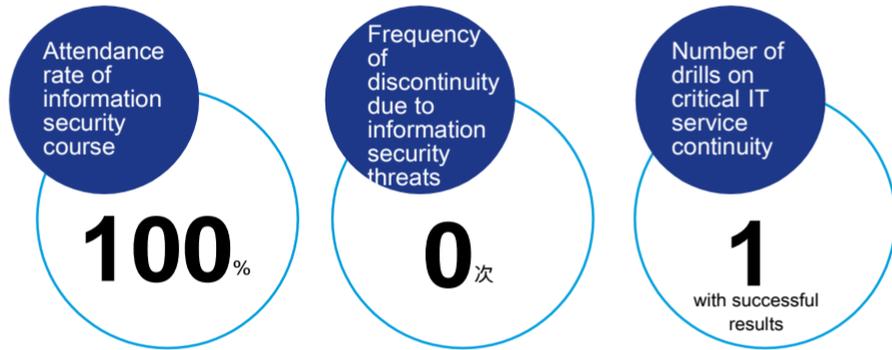
Outstanding Project Management Team Award from SYC in the two-stage chemical project for the national memory base project (phase 1) - B bidding

4-3 Customer Relationship Management

Customer Information Security Management

The Company has formulated the "Regulations Governing Customer Confidentiality Management" and the "Regulations Governing Information Security Management," requesting the staff to strictly abide by the contracts signed with customers as well as the confidentiality commitments. We have strict control over confidential information, documents, and data agreed with customers in the course of business dealings, and ask our employees to sign non-disclosure agreements that encompass the protection of customers' confidential information. In addition to the established information management procedures and regulations, workshops and training courses are held on a regular basis to place emphasis on the protection of confidential information. We also request all of our employees to pass the information security literacy test every year. In 2020, there were no complaints about violations of customer privacy or loss of customer information that harmed customer rights. We also carried out drills on critical IT service continuity, and the results of the drills were successful. The following are the measures for the information security management:

Information Security Management Results in 2020



1. Employees' awareness of information security: We communicate information security threats and actions to be taken to our employees from time to time to protect employees from information security threats and increase their awareness of information security.
2. Cyber attacks and viruses: We have a firewall with multi-layered security architecture, install anti-virus software on users' computers, and conduct unified monitoring and protection to reduce cyber attacks and fully ensure information security.
3. IT service continuity: On-site and off-site backups and recovery drills are conducted for critical business operations and information. If the destruction or interruption of the main operating system or databases is inevitable, proper action is taken to ensure that the system is recovered as scheduled.
4. Protection of trade secrets: Core business and R&D documents are encrypted to ensure that the Company's protection is foolproof.

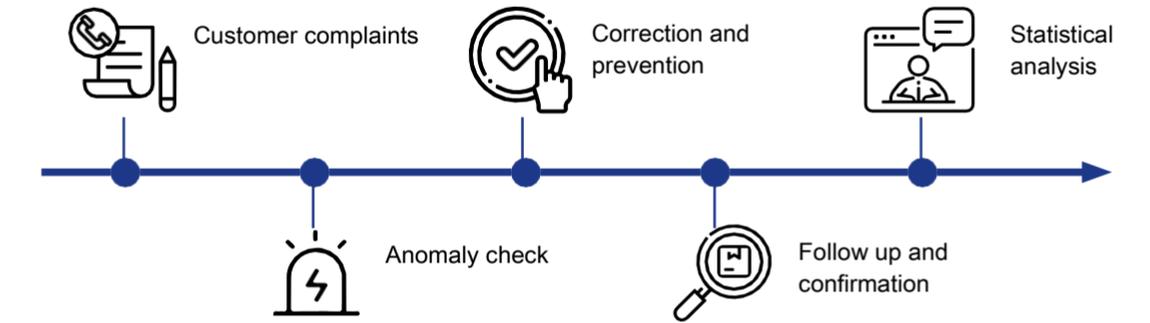


Customer Complaint Handling Mechanisms

To ensure that customer complaints are handled effectively, the "customer complaint handling procedures" are in place to manage customer complaints lodged before the receipt of orders and during and after the completion and acceptance of construction projects.

Each department collects questions raised by customers and fills in the "Customer Complaint Registration Form" accordingly. The department chief then assigns relevant personnel to contact the customers by telephone or in person to better understand their questions. If the questions are simple and can be answered immediately, the personnel will note it in the form. If the cause of the complaint is serious, the personnel will issue a "Corrective and Preventive Action Form" separately for handling.

Customer Complaint Handling Process



Customer Information Management Process



NT\$1,222,000
The employee salary expenses averaged NT\$1,222,000/person in 2020

100%
The retention rate of employees reinstated from parental leave was 100% in 2020

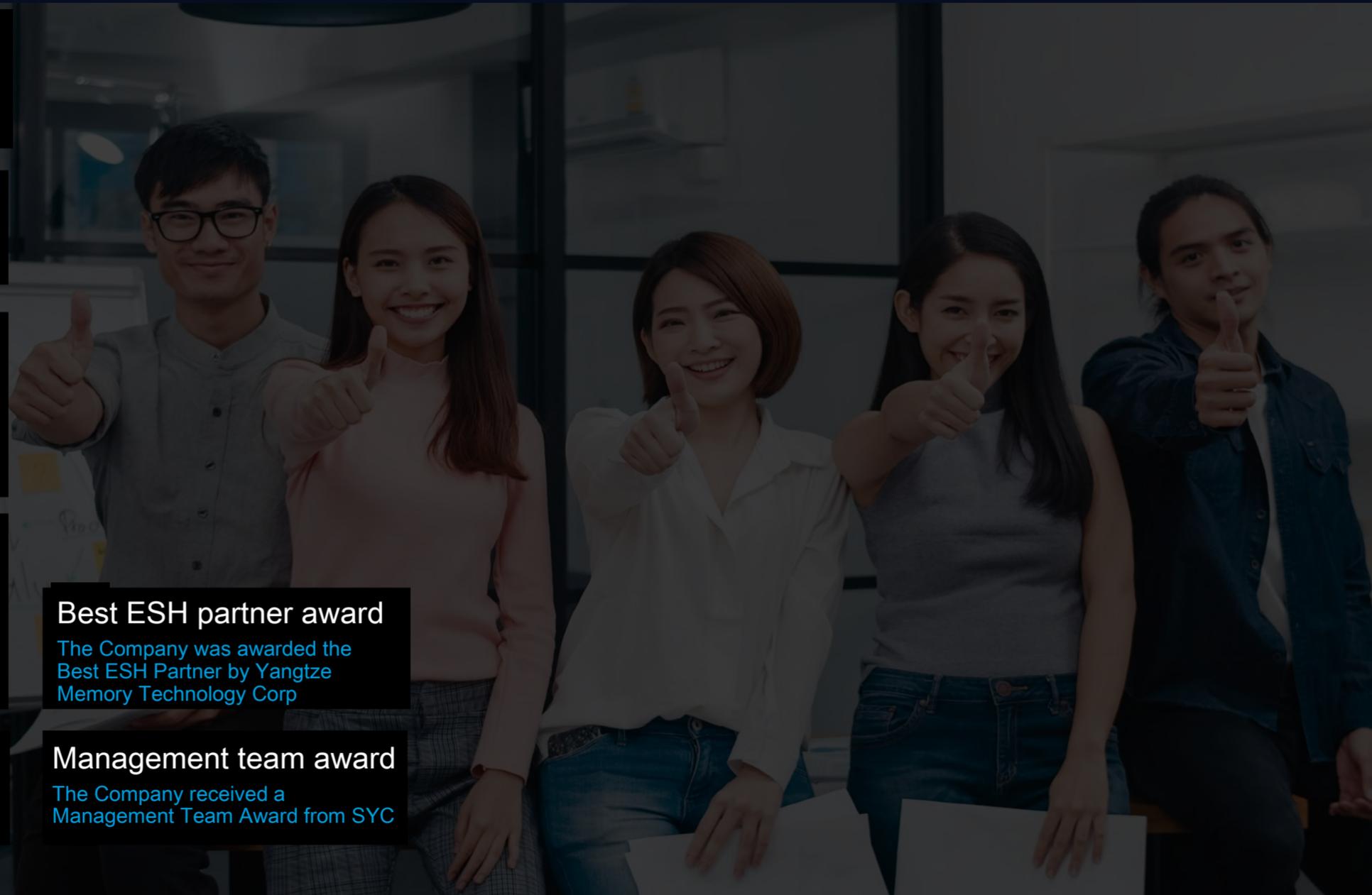
Talent development quality management
The talent development quality management system was introduced in 2020

1,937,522 hours
As of December 31, 2020, the cumulative number of accident-free working hours was 1,937,522

EHS award
The Company received an Outstanding EHS Award from Micron Technology, Inc. in 2020

Best ESH partner award
The Company was awarded the Best ESH Partner by Yangtze Memory Technology Corp

Management team award
The Company received a Management Team Award from SYC



5

Safe Workplace and Employee Care

Adhering to the concept that talent is the cornerstone and most valuable asset of corporate sustainability, Nova Tech has continuously invested in building a sound training system to increase employees' expertise, offering employee benefits better than statutory requirements, and implementing occupational safety and health programs. While placing strong emphasis on the protection of human rights, we also take responsibility to take good care of our employees, thereby improving the Company's competitiveness.

- 5-1 Working Partners
- 5-2 Labor-management Relations
- 5-3 Talent Training and Education
- 5-4 Occupational Health and Safety

5-1 Working Partners

At Nova Tech, every employee is treated equally regardless of race, language, ideology, religion, gender, age, marital status, nationality, political party, etc. In 2020, we had 158 working partners, including 156 regular employees and 2 non-regular employees. Among them, 108 were male and 50 were female, with a male-to-female ratio of 68%:32%, including one indigenous employee, three with disabilities, and one foreign national.

Number of Employees by Employment in Recent Three Years

Year		2018		2019		2020	
Type/Gender		Male	Female	Male	Female	Male	Female
Regular employees	Below 30	17	10	15	8	19	10
	30-50	73	34	79	36	75	34
	Above 50	11	5	11	5	12	6
Non-regular employees	Below 30	2	0	0	1	0	0
	30-50	3	0	1	0	1	0
	Above 50	2	0	1	0	1	0
Total employees		108	49	107	50	108	50

Number of Employees by Position in Recent Three Years

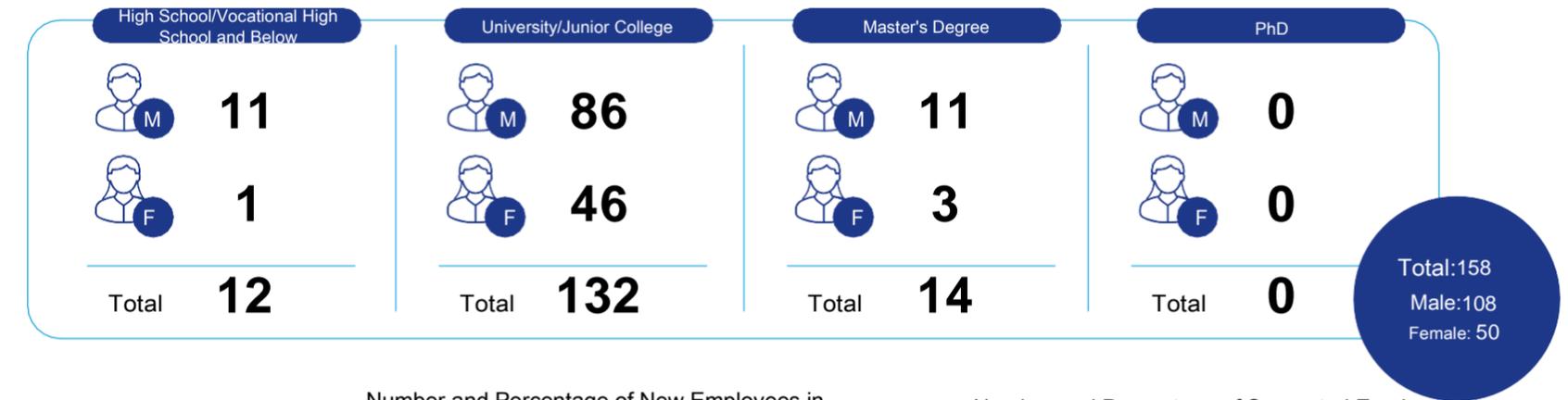
Year		2018		2019		2020	
Type/Gender		Male	Female	Male	Female	Male	Female
Assistant managers and above		24	4	24	4	21	4
Managerial employees under assistant managers (including non-regular employees)		84	45	83	46	87	46
Total employees		157		157		158	

Workforce Diversity in Recent Three Years

Year	2018			2019			2020		
	Number of Employees with Disabilities	Number of Employees Indigenous Peoples/Minorities	Number of Employees from Foreign Nations	Number of Employees with Disabilities	Number of Employees Indigenous Peoples/Minorities	Number of Employees from Foreign Nations	Number of Employees with Disabilities	Number of Employees Indigenous Peoples/Minorities	Number of Employees from Foreign Nations
Male	1	0	0	1	0	1	1	0	1
Female	2	1	0	2	1	0	2	1	0
Total	3	1	0	3	1	1	3	1	1

Education and Gender

About 84% of our employees graduated from universities/junior colleges and a further 9% hold a master's degree. Overall, 93% of our employees graduated from universities/junior colleges and above, showing that the Company thinks highly of professionalism.



New and Separated Employees

We recruit new members through various activities and channels such as campus recruitment and corporate visits in hopes of building the organizational effectiveness and the sustainable development of talent. In 2020, we had 38 new recruits, accounting for 24.05% of all employees. Among these new recruits, 58% were under 30 years old, injecting vitality into the Company. The turnover rate reached 23.42%, with the majority aged between 31 and 50.

Number and Percentage of New Employees in Recent Three Years

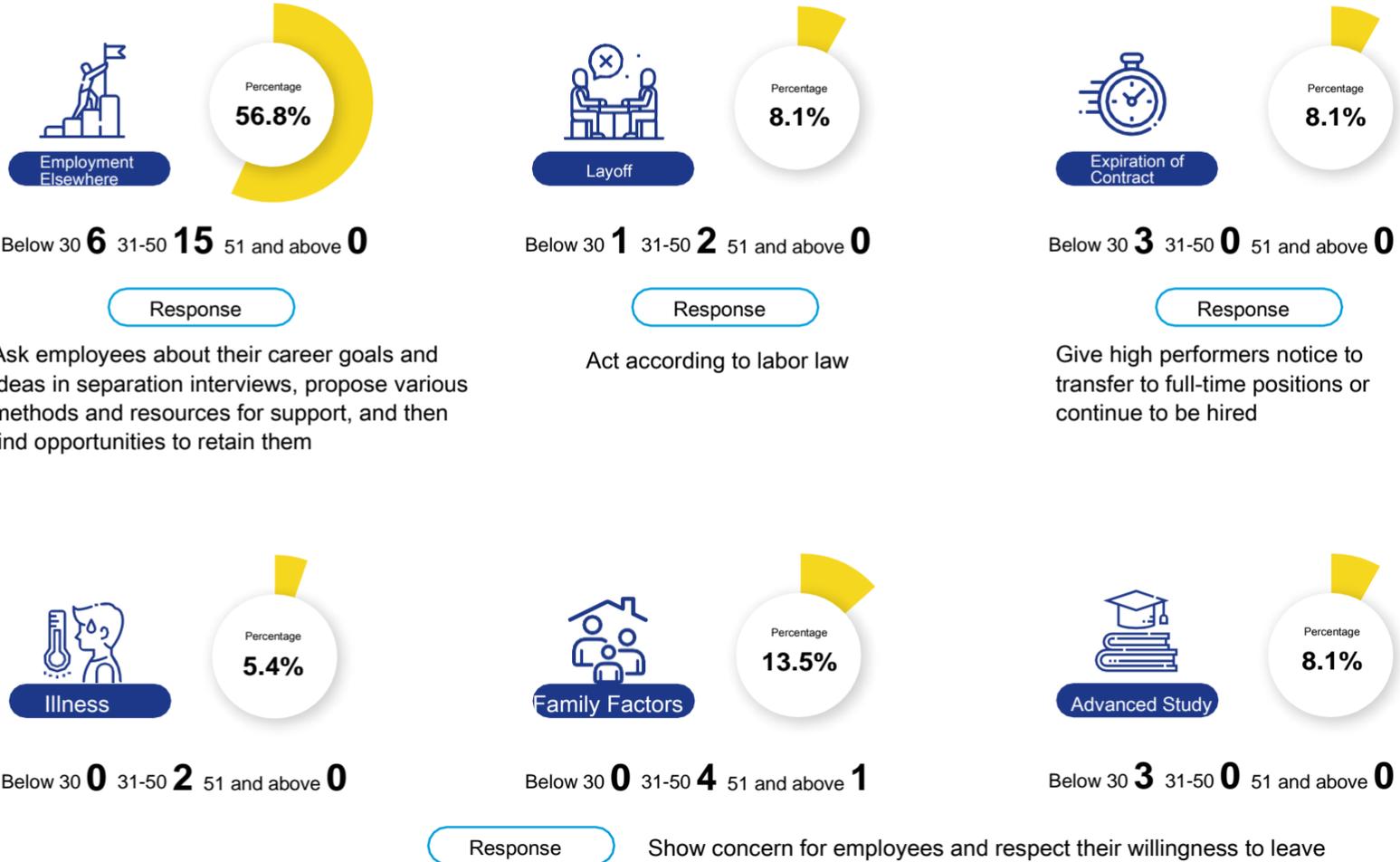
Year	2018		2019		2020	
	Male	Female	Male	Female	Male	Female
Below 30	7	3	7	2	17	5
31-50	21	1	11	2	14	2
51 and above	0	0	0	0	0	0
Total	32		22		38	
Total employees	157		157		158	
Percentage of new employees	20.38%		14.01%		24.05%	

Number and Percentage of Separated Employees in Recent Three Years

Year	2018		2019		2020	
	Male	Female	Male	Female	Male	Female
Below 30	6	1	5	2	12	1
31-50	14	0	15	0	17	6
51 and above	3	1	4	1	1	0
Total	25		27		37	
Total employees	157		157		158	
Percentage of new employees	15.92%		17.20%		23.42%	

5-1 Working Partners

Reasons for Separation



5-2 Labor-management Relations

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

【Labor-management Relations】 Management Approach



Importance

We view employees as our most important partners. We maintain a harmonious labor-management relationship through a sound system to fulfill the corporate responsibility for employee care.

Management Strategies

1. Draw up related regulations to standardize the appointment and approval process
2. Submit the "Work Rules" to the authority in charge for review

Policies/Commitment

1. Regulations Governing Employee Appointment
2. Regulations Governing Employee Compensation

Responsibilities

President's office

Grievance mechanisms

Company website:
Stakeholder/Stakeholders Communication Channels
Contact: Anne Wang Tel: 886-3-6676868 E-mail: anne_wang@novatech.com.tw
Ways of communication: E-mail, telephone, Employee Welfare Committee, and labor-management meetings

Action Plans/Resources

1. Offer reasonable compensation
2. Offer employee benefits that better than statutory requirements
3. Establish unimpeded labor-management communication channels

5-2 Labor-management Relations

Employee Salary

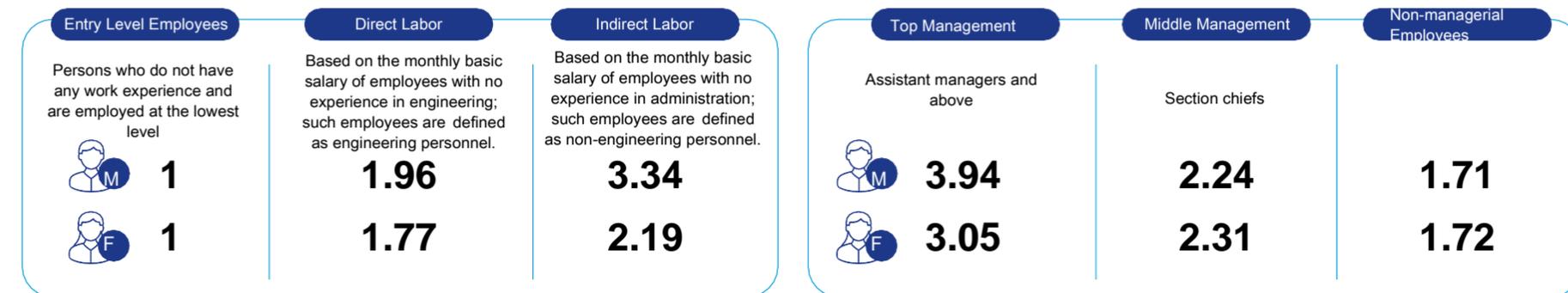
Nova Tech has formulated the "Regulations Governing Employee Compensation," "Regulations Governing Employee Evaluation," and "Regulations Governing Rewards and Disciplinary Actions for Employees" in accordance with relevant laws and regulations. The goal of these announced, defined regulations is to calculate bonuses based on the annual budget achieving rate and employees' personal performances. Each year, we review the salary scale on the market on a regular basis, in order to provide reasonable compensation for employees. In 2020, the salaries of non-managerial regular employees totaled NT\$163,530,000. The salaries of non-managerial regular employees averaged NT\$1,222,000 in 2020, a 15.38% increase from NT\$1,059,128 in 2019 (Note). The median salary of non-managerial regular employees was NT\$1,062,000 in 2020, a 20.7% increase from NT\$879,873 in 2019.

Year	Number of Regular Employees	Total Salary of Regular Employees	Average Salary of Regular Employees	Mean difference from the Previous Year	Median Salary of Regular Employees (NT\$1,000/Person)	Median difference from the Previous Year
2019	129	146,308,000	1,059,128	162,872	879,873	182,127
2020	132	163,530,000	1,222,000		1,062,000	

We provide different salaries according to the positions held by our employees and their education and work experience. There is no difference between male and female entry level employees in the basic wage.

Note: "Non-managerial regular employees" refer to employees who are not managerial employees defined in the Letter Tai-Cai-Zheng-San-Zi No. 920001301 and whose working hours reach the normal working hours set by the company. Please refer to <https://mops.twse.com.tw/mops/web/t100sb14> (other electronics).

Multiple of Salary to Statutory Minimum Wage (Note 1) by Type of Employee



Note 1: Based on the minimum wage, NT\$23,800.

Employee Benefits

Besides insurance and pensions offered in accordance with local laws and regulations or practices, the Company offers group insurance more than the statutory requirements to protect the safety of employees at work and in life. We also provide maternity leave, paternity leave, family care leave, marriage leave, wedding cash gifts, and maternity cash gifts to encourage our employees to get married or bear children. In 2020, employee benefit expenses totaled NT\$4,393,244.

Type of Benefits	Measures
Health examination	Regular health examinations every year
Insurance	- Group insurance, including life insurance, accident insurance, medical insurance, disability insurance, and cancer insurance - Insurance plans for dependents at preferential rates - Social insurance (labor insurance), National Health Insurance, and pensions as stipulated by law
Get-together	- Dinner parties and birthday parties every year - Employee travel
Leave	- Various types of paid leave according to law such as marriage leave, pregnancy checkups leave, maternity leave, paternity leave, parental leave, funeral leave, military service leave, work-related injury leave, official leave, and annual leave. - Leave regulations better than statutory requirements, as well as honor leave for employees with exceptional performances
Retirement (Note)	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	- Marriage and childbirth funds - Hospitalization subsidies for employees and their spouses and children and funeral subsidies for immediate family members - Travel subsidies for employees and family members - Birthday cash gifts, Dragon Boat Festival, Mid-Autumn Festival and Labor Day cash gifts, year-end party and lucky draw, year-end bonuses, remuneration, and employee stock options

(Note) Except for 28 employees keeping the seniority of the old system, all employees have switched to the new system.

Parental Leave

We view employees as our important partners and make every endeavor to protect their rights and freedom. We offer parental leave to qualified employees in accordance with the "Labor Standards Act." In accordance with the "Act of Gender Equality in Employment" and "Regulations for Implementing Unpaid Parental Leave for Raising Children," employees who have served for one year or more are eligible to apply for unpaid parental leave for up to two years before their children reach the age of 3. After unpaid parental leave expires, the Company will reinstate the employees according to the job vacancies and personal volition to protect and value their career development. In 2020, 100% of the employees were retained after unpaid parental leave.

Item	Number of Male Employees	Number of Female Employees
Number of employees entitled for parental leave in 2020 (A)	0	2
Number of employees applying for parental leave in 2020 (B)	0	1
Number of employees to be reinstated after parental leave in 2020 (C)	0	0
Number of employees reinstated after parental leave in 2020 (D)	0	0
Number of employees reinstated after parental leave in 2019 (E)	0	1
Number of employees having been in service for 12 months after reinstatement from parental leave in 2019 (F)	0	2
Application rate for unpaid parental leave (B/A) (Note 1)	0	50%
Reinstatement rate (D/C) (Note 2)	0	0
Retention rate (F/E) (Note 3)	0	2

(Note 1) Formula: Number of employees applying for parental leave in 2020 / Number of employees entitled for parental leave in 2020.

(Note 2) Formula: Number of employees reinstated after parental leave in 2020 / Number of employees to be reinstated after parental leave in 2020.

(Note 3) Formula: Number of employees having been in service for 12 months after reinstatement from parental leave in 2019 / Number of employees reinstated after parental leave in 2019.

5-2 Labor-management Relations

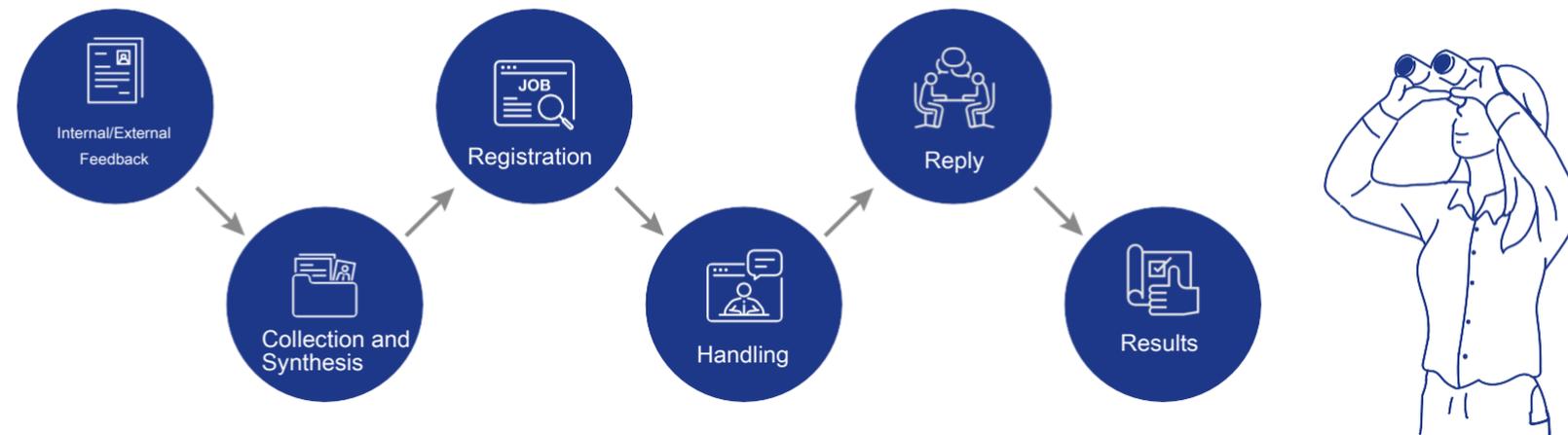
Communication Channels

Nova Tech places importance on two-way communication with employees. With the established "Communication Management Process," we strive to create a highly engaged workplace where employees' voices can be heard promptly and properly through positive, unimpeded, and open communication channels. We encourage employees to point out all kinds of problems they face in the workplace using the "Internal/External Feedback Sheet" and the "Employee Mailbox." The Administration Department and relevant departments will collect and respond to employees' feedback, allowing stakeholders to share their opinions, communicate, and make inquiries with us freely and smoothly. In 2020, no exceptions were reported through the Internal/External Feedback Sheet or the "Employee Mailbox."

To create a work environment that is free of sexual harassment, the Company has formulated the "Regulations Governing Prevention of Sexual Harassment." If employees feel that they have been sexually harassed or involved in a related incident, they may call it in via the grievance hotline (886-3- 6676868 ext.1301) or E-mail (nova885@novatech.com.tw). After receiving the grievances, related departments will handle them in a proper manner. As of 2020, no grievances have been lodged.

Communication Process

Employee Feedback, Engagement, and Consultation Workflow



Labor-management Meetings

The Company holds labor-management meetings once every quarter to facilitate bilateral and immediate communication. The purpose of labor-management meetings is to discuss issues such as labor-management relations, labor-management cooperation, labor conditions and benefits, and productivity, and reach an agreement. In case of significant operational changes, a 30-day notice shall be given to employees having worked for more than three years, a 20-day notice given to employees having worked for more than one year but less than three years, and a 10-day notice given to employees having worked for more than three months but less than one year. The Company is obligated to explain in detail in the labor-management meetings.

Executive Team Meetings

The purpose of executive team meetings is to allow direct communication between heads of business units and the President and the Chairman. In executive team meetings, c-suite executives have inter-departmental discussions on the issues that employees care about and value and also review business operations and management systems. In 2020, four executive team meetings were held.

Topic for Discussion	Resolution
Employee development and competitiveness	<ol style="list-style-type: none"> Various recruitment channels <ol style="list-style-type: none"> Participate in school job fairs and employment seminars Provide introduction bonuses to encourage employees to refer relatives and friends Set up a mentorship evaluation and reward system Organize on-the-job training to train internal lecturers and improve the quality of work guidance in each department
Organizational competitiveness	<ol style="list-style-type: none"> Divide work and cooperate for pre-bidding cost and output management Enhance execution by regulating project documents and controls Check manpower and workloads (working hours) in each department every quarter
Fair reward and evaluation system	<ol style="list-style-type: none"> Balance workloads by reviewing and amending job descriptions and output standards in each department/division Evaluate performances based on the evaluation cycle and KPIs
Promotion and training system	<ol style="list-style-type: none"> Review the skills gap in the department and assign suitable employees to take enhanced training courses Organize on-the-job training for MAs and record the training functions and goals in the "MA Training Checklist"



5-2 Labor-management Relations

Consensus Meetings for Operation

To facilitate effective and reliable communication between the Company and staff, Nova Tech holds staff meetings annually, where employees are encouraged to voice their opinions and ask questions. The overall business operations are also presented in the staff meetings to increase the staff's understanding and awareness of the Company's management and business strategies. By communicating with our employees on the business impact of the COVID-19 pandemic and actions taken in response, improvements in business operations, training results, and enhanced service quality in 2020, we hoped that all employees could join forces to continue bettering the business operations beyond customers' expectations.

Human Rights Protection

We treat employees and candidates equally and fairly, regardless of race, class, language, thinking, religion, political party, gender, marital status, disability, nationality, etc. to maintain equal work opportunities. We strictly prohibit the employment of children or forced labor to create a friendly and diversified work environment.

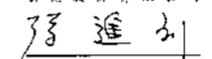
In reference to the "Universal Declaration of Human Rights," "the United Nations Global Compact," and the "Fundamental Convention of International Labor Organization (ILO)," Nova Tech promulgated and implemented a "Human Rights Policy" in 2018. The President gave a lecture to the staff on the "Human Rights Policy" and ethical corporate management, requiring that all employees should uphold the spirit of the international human rights convention, avoid acting in disregard of human rights, and treat colleagues with dignity and respect. Employees are welcome to report any violations of human rights through the internal grievance mechanisms. No discrimination incidents were reported in 2020.



明德人權政策

明達秉持國際認可的人權公約，包括《聯合國世界人權宣言》、《全球契約》及《國際勞工組織基本公約》等各項國際人權公約的精神，絕不參與任何侵犯人權的行為，有尊嚴的對待及尊重組織同仁、契約及臨時人員、實習生等。

我們承諾如下：
 提供安全與健康的作業環境
 不歧視並確保工作機會均等
 嚴格禁用童工
 禁止強迫或強制勞動
 協助員工維持身心健康及工作生活平衡
 定期檢視及評估相關制度及作為
 結社自由與集體談判權利

明達股份有限公司

 董事長

Implementation of Human Rights

When drawing up labor rules, the Company views the decrees of the government as the utmost guiding principle. These decrees include the "Labor Standards Act," the "Act of Gender Equality in Employment," and relevant laws and regulations governing occupational safety. Our labor rules explicitly stipulate that the Company should treat and respect labor fairly and equally.

Implementation of Human Rights	Action Plans and Measures
Provide a safe and healthy work environment	Pay close attention to workplace safety, provide a safe and healthy work environment with sound safety training for employees, and establish assessment and audit mechanisms to mitigate potential risks and hazards.
Prohibit discrimination to ensure equal work opportunities	Treat employees and candidates equally and fairly, regardless of race, class, nationality, religion, political party, gender, age, sexual orientation, marital status, disability, etc. to maintained equal work opportunities
Strictly prohibit child labor	Abide by the "Labor Standards Act" and strictly prohibit the employment of children under the age of 16
Prohibit forced or compulsory labor	Draw up a policy that explicitly prohibits discrimination based on race or nationality and forced labor, to ensure the quality of employees' work and life
Maintain employees' health and work-life balance	1. Implement occupational safety management to create a safe work environment, and regularly organize health promotion activities to improve employees' health conditions 2. Stipulate working hours in accordance with relevant laws and regulations such as the "Labor Standards Act" and encourage employees to ask for leave to achieve work-life balance
Review and evaluate related systems and actions on a regularly basis	1. Have suppliers sign the "Supplier Commitment," which stipulates that suppliers should also abide by relevant corporate social responsibility guidelines such as labor rights, conflict area minerals management, and environmental protection, before formal cooperation 2. Conduct labor risk assessments every year to identify the impact of various risks and propose response plans
Ensure freedom of association and collective bargaining	Value employees' rights of freedom of association and collective bargaining

5-2 Labor-management Relations

Human Rights Training

In 2020, Nova Tech continued to organize training courses on human rights and ethical corporate management. The percentage of employees receiving human rights training increased from 54% to 61%. Employees not receiving training were expatriates stationed at construction sites. In 2021, we will make the human rights policy a required training course on E-learning for all employees. In 2020, 100% of our employees received ethical corporate management training. We will maintain a high completion rate in the future to ensure human rights and ethical corporate management.



Ethical corporate management training

Education and Training	Year	Number of Employees Trained	Number of Employees To Be Trained	Percentage of Employees Trained	Training Hours
Human rights policy	2018	115	157	73%	57.5
	2019	84	157	54%	42
	2020	90	146	61%	45
Ethical corporate management	2018	115	157	73%	57.5
	2019	148	148	100%	74
	2020	146	146	100%	73

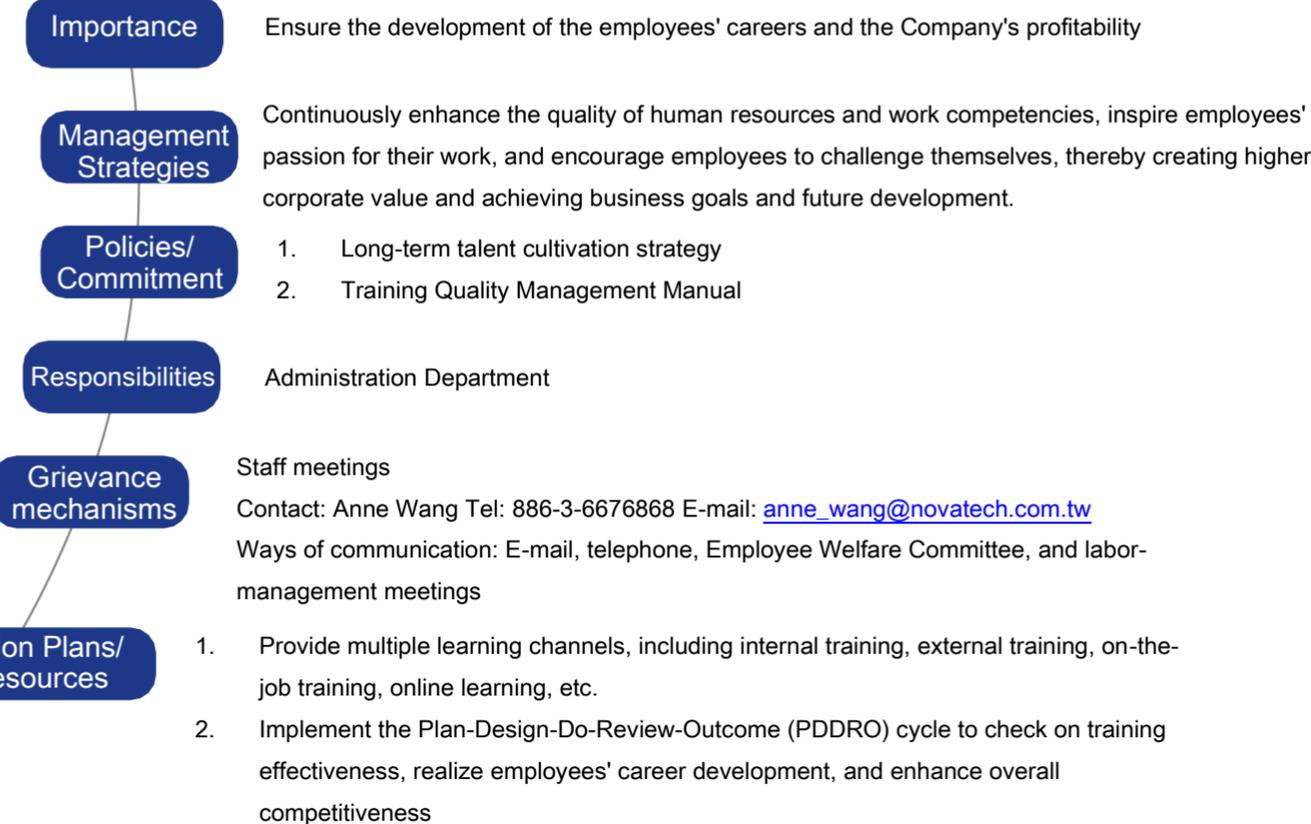


Human rights training by the President

5-3 Talent Training and Education

We are convinced that talent is the key to business sustainability. To put talent cultivation into execution, we are committed to building a sound training system, improving the quality of training courses, and providing multiple learning channels. Training methods have also been optimized to increase the value of talent, driving the common growth of the Company and staff.

【Training and Education】 Management Approach



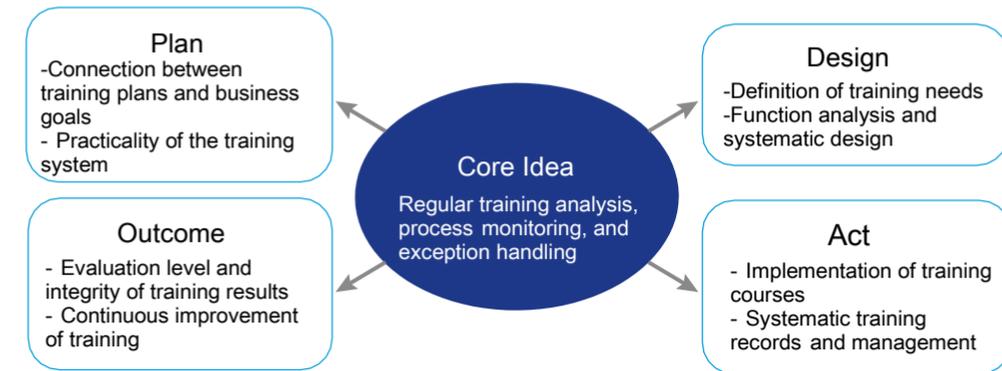
5-3 Talent Training and Education

Talent Development Quality Management System

To implement training top quality managers, enhance employees' knowledge and skills, and prepare for function-oriented development, the Company invested in the following training programs and workshops in 2020:

- (1) "Talent Development Practices (Basic)" (54 hours) under the Industry Talent Investment Initiative approved by the Workforce Development Agency, Ministry of Labor: passed.
- (2) "Training Planning and Evaluation Criteria" (84 hours) under the Workforce Development Agency, Ministry of Labor: passed with the iCAP certificate. In 2020, employees were assigned to participate in the "Industry Evaluation Criteria and Talent Development Initiative" under the Ministry of Labor and were successfully admitted to the "Training Planning and Evaluation Criteria."
- (3) "2020 Talent Development Quality Management System" (96 hours) Under the Chinese National Federation of Industries: After completing the training, the employees applied what they had learned to the day-to-day operations by organizing internal training to teach internal lecturers and employees the course design, training steps, evaluation criteria, and post-training follow-ups. Following such training, employees were evaluated on whether they applied what they had learned to their work effectively, so as to boost the employees' performance at work.

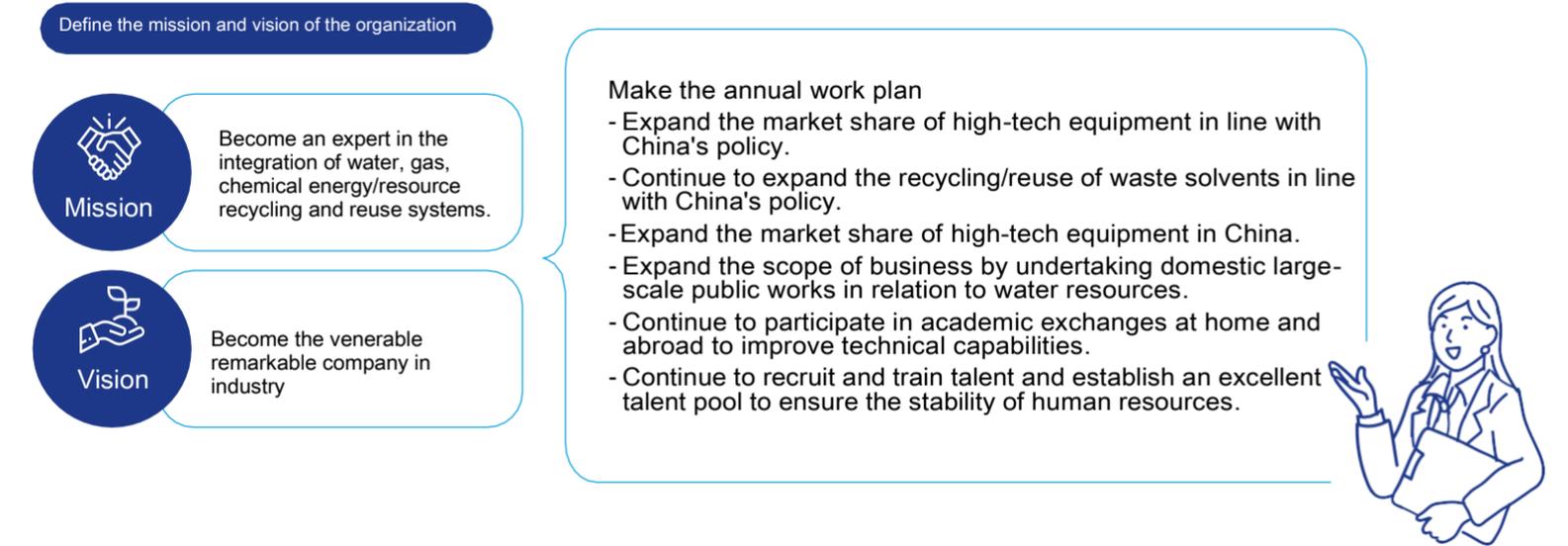
The said training courses covered the improvement in training results and presentations, external training audit, work analysis and application, talent development and business strategy analysis, training planning and evaluation criteria, and talent development practices (basic). With the talent development quality management system, we were able to manage employee training using a systematic and quantitative approach, hoping that our employees could improve themselves at work and thus consolidated human capital of the organization.



ICP certificate
Certificate of Talent Development Practices (Basic) on Dec. 19, 2020

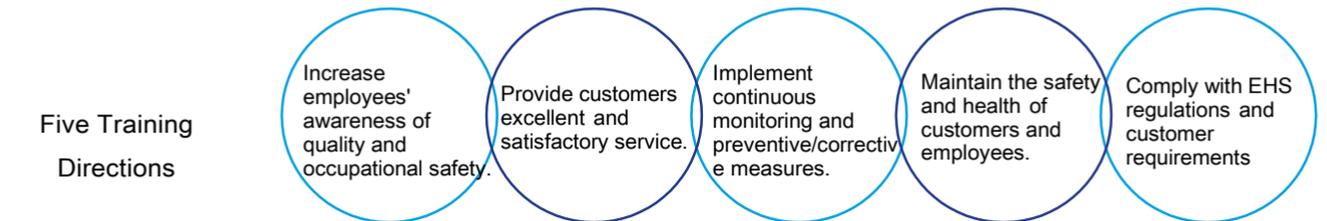
Step 1. Plan

The planning stage focuses on the disclosure of the organization's vision and the setting of goals and requirements. First, we define the mission and vision of the organization and further make the annual work plan, which determines the focus of the annual training.



Set the direction of annual training

In response to the organization's annual work plan, each department draws up action plans and identifies the focus of training.

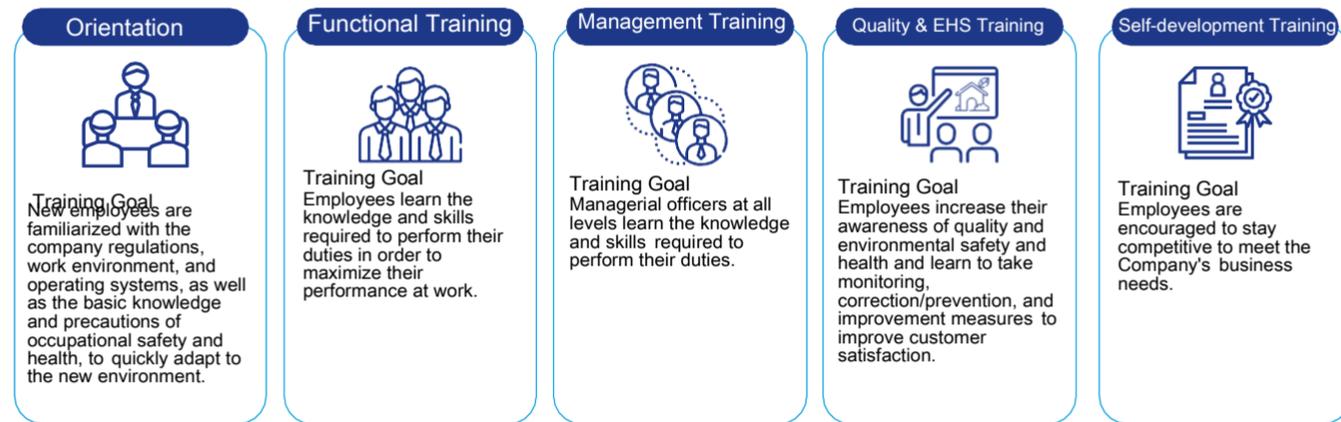


5-3 Talent Training and Education

After confirming the training focus, we will check the survey of training needs and draw up a training plan accordingly, specifying the courses, subjects, methods, schedules and budgets of training to be carried out during the year, and send the training plan to management for approval.



Training System



Training channels

- (1) Internal training: Internal/external lecturers are engaged to hold training courses in the company.
- (2) External training: Employees participate in work-related external training courses or seminars.
- (3) On-the-job training: Fulfilling the idea of "learning by doing," employees learn the knowledge and skills required to perform their duties such as work guidance, hands-on practice, and participation in projects.
- (4) E-learning: Employees learn through an established online platform anytime, anywhere.



Step 2. Design

After drawing up the specific training focus and plans, we move to detail the content of training based on the established standard procedures, as well as a mechanism to measure the training results.



Training

We draw up the "Course Planning Proposal," "Course Design Form," "Internal Lecturer Qualification Form," and "External Lecturer Evaluation/Selection Form" to calibrate the training goals.

Course Planning Proposal	Course Design Form	Internal Lecturer Qualification Form	External Lecturer Evaluation/Selection Form
<input checked="" type="checkbox"/> Course date	<input checked="" type="checkbox"/> Course name	<input checked="" type="checkbox"/> Course name	<input checked="" type="checkbox"/> Qualifications
<input checked="" type="checkbox"/> Total training hours	<input checked="" type="checkbox"/> Training goal	<input checked="" type="checkbox"/> Highest education	<input checked="" type="checkbox"/> Lecturing experience
<input checked="" type="checkbox"/> Training subject	<input checked="" type="checkbox"/> Training method	<input checked="" type="checkbox"/> Credentials	<input checked="" type="checkbox"/> Course design
<input checked="" type="checkbox"/> Training goal	<input checked="" type="checkbox"/> Evaluation	<input checked="" type="checkbox"/> Lecturing experience	<input checked="" type="checkbox"/> Cooperation
<input checked="" type="checkbox"/> Evaluation method	<input checked="" type="checkbox"/> Review items		<input checked="" type="checkbox"/> Expense
<input checked="" type="checkbox"/> Course name			<input checked="" type="checkbox"/> Satisfaction rate in past experience (extra points)
<input checked="" type="checkbox"/> Lecturer			<input checked="" type="checkbox"/> Reputation (extra points)

5-3 Talent Training and Education

Step 3. Act

The Company holds various training courses based on the training plans. In 2020, the training hours of managerial (Note 1) employees (Notes 2&3) averaged 41.74 hours for men and 54.60 hours for women; the training hours of non-managerial employees (Notes 2&3) averaged 22.08 hours for men and 29.55 hours for women. We spent NT\$900,000 training employees in 2020.

Average Training Hours/Person in 2020

Gender	Training Hours		Number of People		Average Hours	
	Managerial Employees	Average Employees	Managerial Employees	Average Employees	Managerial Employees	Average Employees
Male	1,419.25	1,391.25	34	63	41.74	22.08
Female	709.75	1,093.25	13	37	54.60	29.55
Subtotal	2,129.00	2,484.50	47	100	45.30	24.85
Total	4,613.50 (Note 4)		147		31.38	

Note 1: Managerial employees include section heads, assistant managers, and above.

Note 2: Based on the number of existing employees to be trained in 2020, 11 employees were excluded, including 8 employees from overseas business units, 2 consultants, and 1 vice president.

Note 3: Total training hours included the hours of internal and external training received by all employees.

Note 4: The number of internal training where employees acted as lecturers totaled 241.5, accounting for 5.23% of total training hours in 2020.

Training Resources in 2020

Resource Category	Number of Training Courses Held	Dollar Investment in Training Courses
Internal training	124	265,100
External training	121	603,650
Total	245	868,750

Nova Tech held project management training in 2020, encouraging employees to obtain the international project management professional (PMP) certificate. Three of our employees obtained the certificate. Such training not only helped employees hone their project management skills, but optimized the quality of project management. After class, concrete outstanding performances were disclosed.

Allowances and Rewards

Level 1

Completion of the course: allowance for 1/2 of the training fee



Level 2

Passing of the PMP mock exam: additional allowance for 1/4 of training fee



Level 3

Qualification for PMP certification: allowance for 1/4 of training fee



Level 4

PMP certification: reward of \$30,000



Checklist before, during, and after course

Before Course	During Course	After Course
<input checked="" type="checkbox"/> Administration	<input checked="" type="checkbox"/> Staffing	<input checked="" type="checkbox"/> Satisfaction survey
<input checked="" type="checkbox"/> Trainee confirmation	<input checked="" type="checkbox"/> Venue preparation	<input checked="" type="checkbox"/> Self-evaluation form
<input checked="" type="checkbox"/> Contact with lecturer	<input checked="" type="checkbox"/> Equipment/device inspection	<input checked="" type="checkbox"/> Test
<input checked="" type="checkbox"/> Training material preparation	<input checked="" type="checkbox"/> Trainee sign-in	<input checked="" type="checkbox"/> Feedback report
<input checked="" type="checkbox"/> Equipment/device	<input checked="" type="checkbox"/> Course record	<input checked="" type="checkbox"/> Tool/equipment
<input checked="" type="checkbox"/> Training venue		
<input checked="" type="checkbox"/> Course notice		
<input checked="" type="checkbox"/> Payment request		

Before the start and after the end of the course, we confirm the quality of the course through the "Checklist before, during, and after Course."

Step 4. Check

After training, the most important stage is to manage the effectiveness of training. In 2020, the Company reviewed the training results through the "After-class Course Review Form" and the "After-class Satisfaction Survey and Feedback" to help optimize the quality of training in the future.

After-class Course Review Form

Feedback Collected	Documents Recorded	Recommendations Received
<input checked="" type="checkbox"/> Course arrangement	<input checked="" type="checkbox"/> Attendance rate	<input checked="" type="checkbox"/> Open feedback
<input checked="" type="checkbox"/> Training materials	<input checked="" type="checkbox"/> Satisfaction survey retrieved	
<input checked="" type="checkbox"/> Course schedule arrangement	<input checked="" type="checkbox"/> Test score retrieved	
<input checked="" type="checkbox"/> Course venue arrangement	<input checked="" type="checkbox"/> Self-evaluation retrieved	
<input checked="" type="checkbox"/> Satisfaction with lecturer	<input checked="" type="checkbox"/> Result follow-up retrieved	
<input checked="" type="checkbox"/> Trainee learning results		
<input checked="" type="checkbox"/> Trainee awareness		
<input checked="" type="checkbox"/> Course practicability		

After-class Satisfaction Survey

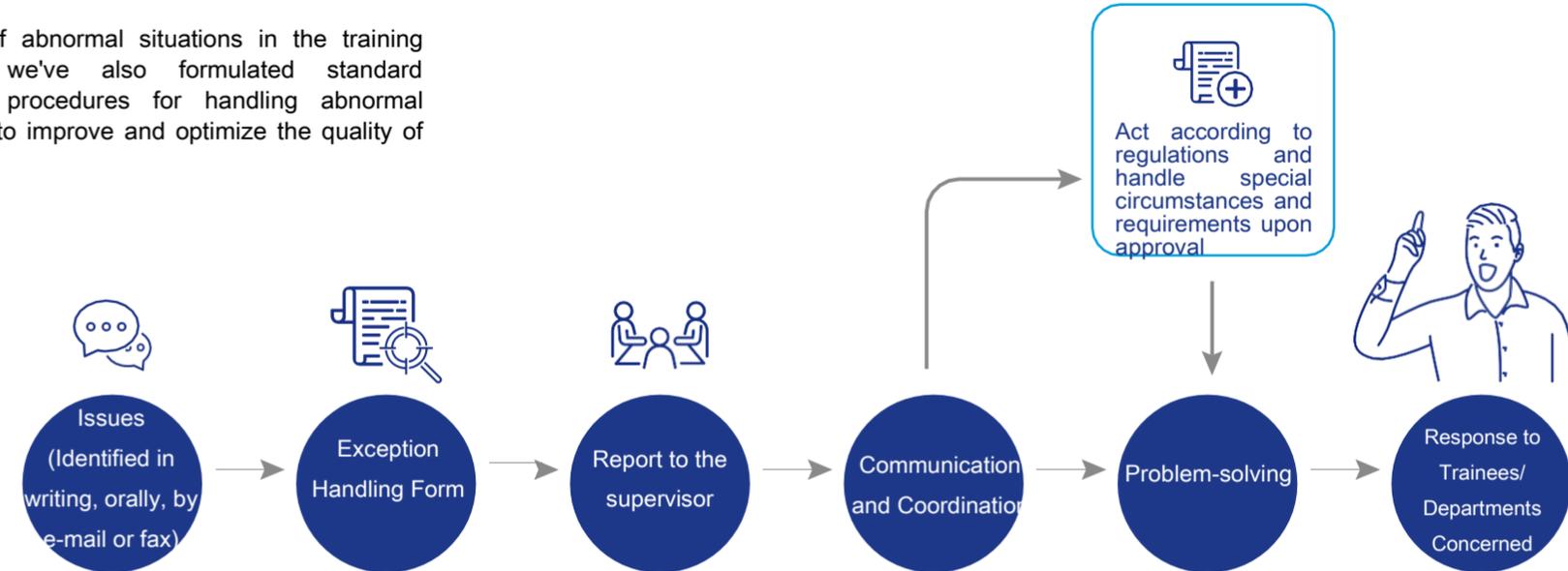
Course content	Self-evaluation	Lecturer	Other feedback
<input checked="" type="checkbox"/> Course arrangement	<input checked="" type="checkbox"/> Level of understanding of course content	<input checked="" type="checkbox"/> Professionalism	<input checked="" type="checkbox"/> Open feedback
<input checked="" type="checkbox"/> Course interaction	<input checked="" type="checkbox"/> Identification with course content	<input checked="" type="checkbox"/> Expression	
<input checked="" type="checkbox"/> Course schedule arrangement	<input checked="" type="checkbox"/> Course practicability	<input checked="" type="checkbox"/> Enlightenment and guidance	
<input checked="" type="checkbox"/> Course venue arrangement			

After-class Satisfaction Survey Results in 2020



5-3 Talent Training and Education

In case of abnormal situations in the training process, we've also formulated standard operating procedures for handling abnormal situations to improve and optimize the quality of training.



Step 5. Outcome

The original intention of training is to promote the growth of talent. The "Training Self-evaluation Form" is formulated to track the learning results of employees. We analyze the correlation between the training effects and the employees' performance, which is a critical part in the training system. The "Employee Evaluation Regulations" is in place. In 2020, we continued evaluating the employees' performance to keep track of the employees' performance at work, further optimizing talent management in the organization.

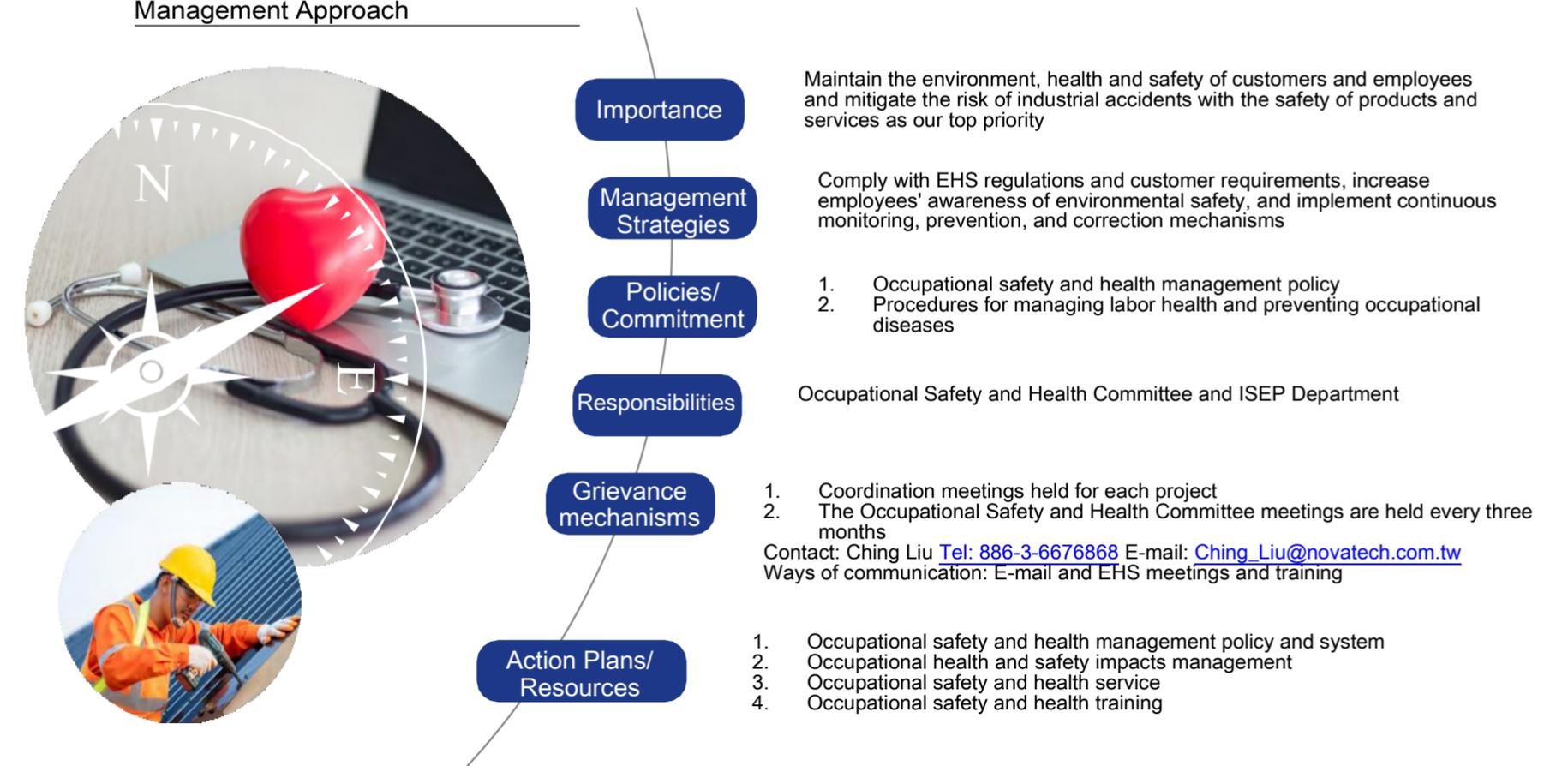
Performance Evaluation in 2020

Performance Evaluation	Male			Female		
	Number of Employees Evaluated	Number of Employees	Percentage of Employees Evaluated	Number of Employees Evaluated	Number of Employees	Percentage of Employees Evaluated
Managerial employees	16	16	100%	4	4	100%
Non-managerial employees	86	92	93.4%	43	46	93.5%
Total	102	108	94.4%	47	50	94%

5-4 Occupational Health and Safety

At Nova Tech, the main business activities cover high-tech industry processing supply system engineering, project contracting, and equipment manufacturing and installation, as well as environmental protection and green energy equipment manufacturing, sales, installation, and testing. At Nova Tech, occupational safety and health of employees is a prerequisite for business operations. We continuously monitor and manage our occupational safety through the occupational safety management system, policy, and goals to fulfill our corporate social responsibility.

【Occupational Health and Safety】 Management Approach



5-4 Occupational Health and Safety

Occupational Safety and Health Management Policy and System

We first introduced the OHSAS 18001 Occupational Health and Safety Management System in 2006. After the International Organization for Standardization (ISO) released ISO 45001, Occupational Health and Safety Management System, on March 12, 2018, we actively promoted the transition from OHSAS 18001 to ISO 45001, and obtained the ISO 45001 certification in 2019. We have the "Work Health and Safety Policy" and related procedures and standards drawn up according to ISO 45001, and implement environment, health, and safety (EHS) management systematically based on the plan-do-check-act (PDCA) cycle.



Number of Employees under ISO 45001			Number of Workers under ISO 45001		
Total People	Total Employees	Percentage	Total People	Total Workers	Percentage
158	158	100%	21743	21743	100%



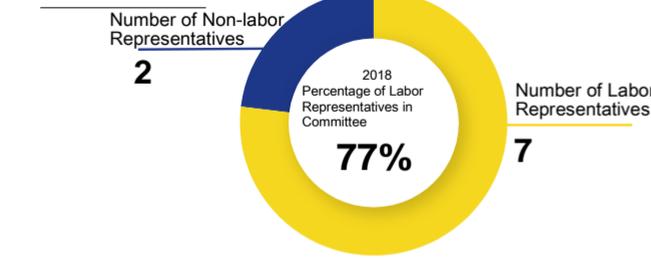
ISO 45001: 2018

Occupational Safety and Health Committee

Nova Tech has established their Occupational Safety and Health Committee according to law. The Occupational Safety and Health Committee convenes on a quarterly basis. In 2020, the Occupational Safety and Health Committee consisted of nine members, including the President as the chairperson, and six members as labor representatives (67% of the total members). Contractors' occupational safety and health issues are discussed in the meetings of business partners.

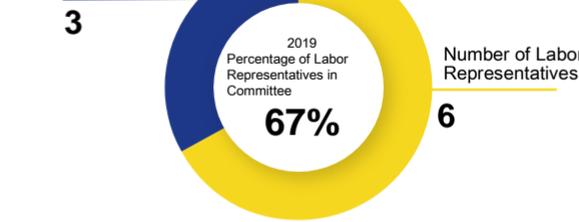
Upholding the spirit of continuous improvement in EHS management, the Occupational Safety and Health Committee convenes on a regular basis to discuss occupational safety and health issues, review the results of EHS activities and management, and oversee and propose related occupational safety and health plans. In an annual staff meeting held at the end of each year, the ISEP Department presents the results of environmental, occupational, safety, and health management and related cases to demonstrate its efforts to contribute to a safe and healthy workplace that is free of accidents. We expect each of our employees to abide by workplace safety and health policies and work together to mitigate potential EHS risks.

Percentage of Labor Representatives



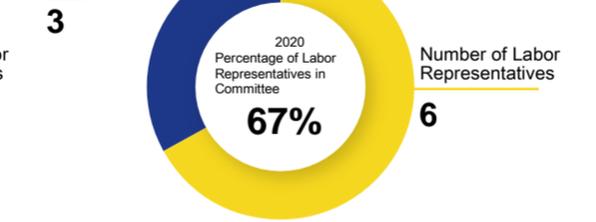
Total number of employees: 160

Number of Non-labor Representatives



Total number of employees: 157

Number of Non-labor Representatives



Total number of employees: 158

Major Resolutions of the Occupational Safety and Health Committee

- "Precautions for Operations of Basement Wastewater Area"
- Paint accident cases
- Precautions for home isolation/home quarantine

- Precautions for heat hazards to prevent risks caused by heat hazards
- Health examination precautions and follow-up

Meetings held in 2020: 4



Occupational Health and Safety Impacts Management

Emergency Procedures

Nova Tech 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.

Emergency Response Drill for Chemical Leaks in 2020



Emergency response drill for chemicals

5-4 Occupational Health and Safety

Occupational Accident Notification System

Nova Tech has formulated "Accident Notification and Investigation Procedures" in accordance with ISO 45001 for employees to follow. The said procedures clearly stipulate that if employees report work-related hazards and dangerous situations and leave dangerous scenes on their own when there is danger, they will be exempted from sanctions, to protect their safety. In accordance with the "Accident Notification and Investigation Management Process" and local laws and regulations, employees are required to execute standard operating procedures properly and notify local authorities of occupational accidents within a given time limit, review the casualties and property losses arising from EHS incidents on a regular basis, and take and refine necessary precautions to avoid and reduce the possibility of recurrences. The occupational accident notification system is also in place to report occupational accidents level by level according to statutory requirements.

At Nova Tech, occupational safety is viewed as one of our corporate cultures. In general safety and health training for new employees, the ISEP Department introduces the types of occupational accidents and potential degree of injury thereof, and expects new employees to pay close attention to personal safety and the occupational accident notification system, so as to prevent accidents.

Degree of Injuries Caused by Accidents

General accidents	Accidents with minor injuries: (1) The personnel suffer only minor injuries without lost time and can resume work after simple first-aid treatment. (2) The personnel who are injured in traffic accidents when commuting to and from work with lost time, require no hospitalization, and can go home and recuperate after outpatient treatment.
Large accidents	The number of victims in disasters is more than 1 and hospitalization is required (with lost time).
Major accidents	The number of victims in disasters is more than 3 and hospitalization is required.
Especially serious accidents	There are casualties in the accidents.

Type of Injuries Caused by Accidents

Type of Accident	Definition
Fire explosion	Accidents caused by fires or explosions
Hazardous chemical leakage	The leakage of hazardous chemicals that can cause damage to personal safety and health or property
Casualties	Accidents where casualties are sent to medical institutions and treated by doctors or medical professionals with lost time.
False alarms	1. Accidents without illness, casualties, property damage, process interruption, personnel evacuation, or other losses, also known as "near hits" or "dangerous situations" 2. Abnormal operations of equipment that can be fixed immediately before turning into accidents 3. Natural disasters (e.g., earthquakes and typhoons) causing no casualties or other losses but panicking people, without evacuation required
Natural disasters	Severe natural disasters such as typhoons, earthquakes, and floods that cause damage or loss to personal safety or equipment/property
Traffic accidents	Traffic accidents on the way to and from work that cause injury, disability, or death
Other environmental abnormalities	Other environmental abnormalities in the workplace

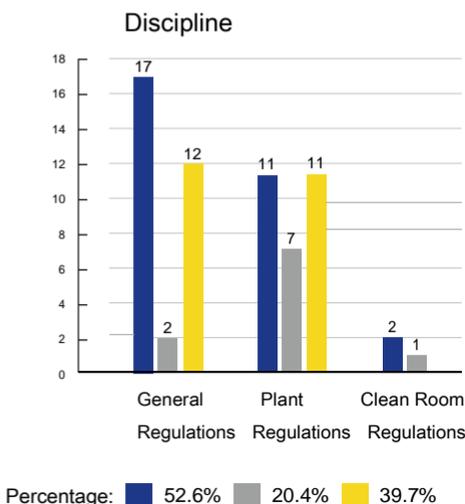
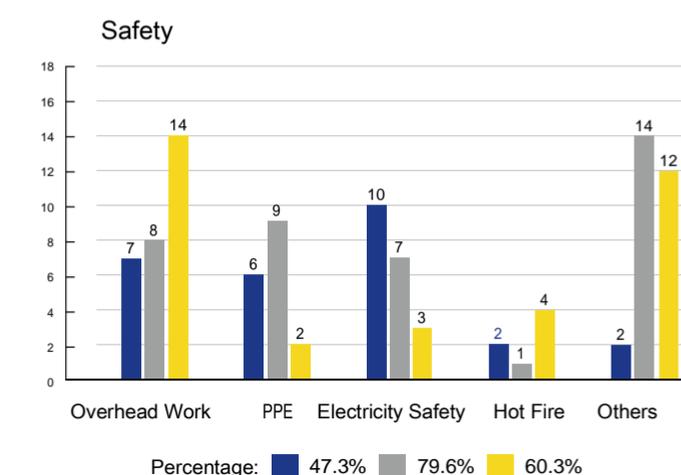
Strengthening Contractor Safety and Health Management

We view contractors as our important business partners. At Nova Tech, strengthening occupational safety and health in the workplace plays a critical role in contractor management. In 2020, 21,743 contractors undertook construction projects at clients' factories for 173,944 hours. Constant efforts have been made to implement and strengthen the safety awareness of our contractors.

We've formulated the "Safety Discipline Commitment" through experts in occupational safety and health. The said commitment clearly stipulates that if contractors report work-related hazards and dangerous situations and leave dangerous scenes on their own when there is danger, they will be exempted from sanctions, to protect their safety. The "Contractor Safety Inspection Evaluation Management Process" has been formulated to manage our contractors. According to the aforesaid process, the industrial safety personnel for each project is responsible for asking contractors to abide by the laws, regulations, and customer requirements, inspecting and reviewing contractors' safety measures from time to time, and demanding immediate correction upon identifying any defects. This is an effective way to ensure the safety of contractors' employees and to reduce defects identified at clients' factories. In 2020, 58 tickets were issued for improper industrial safety practices and two tickets were issued to clients. No industrial accidents occurred to contractors' employees in the process of carrying out the Company's projects.

On part of occupational safety deficiencies, occupational safety deficiencies identified by the occupational safety personnel on-site in the past three years were classified into safety and discipline. When a deficiency was found, the occupational safety personnel required improvement on the spot or set a deadline for improvement. The case would not be closed until the improvement was confirmed completed.

Classification of Occupational Safety Deficiencies



Achievements in Occupational Safety and Health Management (Unit: Number)			
Year	Fines Imposed on Clients (Passive Indicator)	Tickets	Corrective Plans/Actions

5-4 Occupational Health and Safety

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. The "Work Health and Safety Policy," as well as controls, is in place to ensure that employees and contractors are aware of hazards and personal safety during high-risk operations.

Work Health and Safety Policy

The industrial safety personnel must be on scene throughout the supervision. If finding that there is any hazard, they should demand immediate shutdown for correction. Construction is only allowed when the industrial safety personnel are on scene. The Company's high-risk operations are as follows:



Item	Strengthen Controls over Operations
Fall protection	Strengthen the application process and environmental safety facilities, provide qualified protective gear, and promote SOP compliance
Chemical equipment testing and maintenance	Conduct training and emergency response drills, strengthen the application process and protective gear, and promote SOP compliance, industrial safety personnel monitoring, and chemical waste classification and disposal.
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 safety protection plans and hypoxia work supervisors, conduct pre-work training, 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

High-risk Operations (Confined Space Operations)



Toolbox meeting



Harmful gas measurement



On-site monitoring



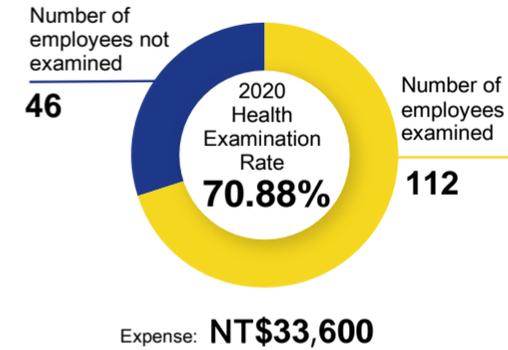
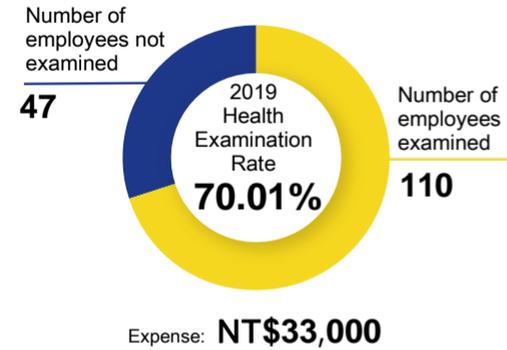
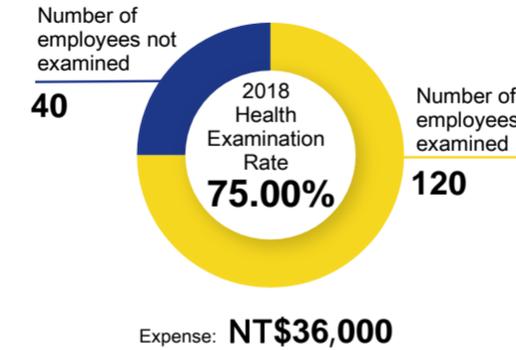
Health Examinations and Health Promotion Activities

We take our employees' health seriously and strive to create a positive safety and health culture. According to the established "Health Protection and Occupational Disease Prevention Management Process," we organize health examinations at least once every year to monitor employees' health conditions, ensuring that every employee works with peace of mind. In 2020, we started carrying out physician outpatient services and nurse counseling on site on a regular basis and continued promoting the health of employees through digital publications and seminars. Nova Tech was awarded an Accreditation Badge for a Preliminary Healthy Workplace in recognition of our dedication to workplace safety in 2020.



5-4 Occupational Health and Safety

Health Examination Rate in 2020



Health Promotion Seminars in 2020

Name of Course	Content	Number of Session
Physician lecture	Hypertension	1

Name of Course	Content	Number of Session
Nurse lecture	Metabolic syndrome vs. weight loss	2

Name of Course	Content	Number of Session
Nurse lecture	Tips for eating out	2



Hypertension lecture



On-site health care with physician



On-site health education with nurse

Occupational Safety and Health Training

We organize a fire safety training and evacuation drill twice every year to familiarize employees with evacuation routes and refuge points and related fire safety knowledge. The Company conducts training strictly according to the "Rules for Occupational Safety and Health Training" to minimize the possibility of occupational disasters. The number of EHS training hours in 2020 averaged 15 per person.

Subject	Education and Training	Required Training Hours in a Year
New employees	Safety and health training for new employees	3
Present employees	Safety and health training for present and transfer employees	3 (for operators coming into contact with organic or specialty chemical substances)
All employees	The Company has set March 30 as the Work Safety Day. On that day, all employees are required to take part in necessary safety and health training and regular safety seminars on topics such as the latest amendments to environmental safety and health regulations and news about work safety incidents We organize a fire safety training drill twice every year to familiarize employees with evacuation routes and refuge points and related fire safety knowledge	1 (all employees and expatriates) 4 (fire self-defense team members at Zhubei Office)
Employees and contractors stationed at construction sites	Safety and health training required to perform their work and prevent occupational disasters. Occupational safety training specific to the project	As needed 1
Contractors	Contractor safety and health training Construction site safety training Daily toolbox meeting before construction	6 1 5-10 minutes/day
Dedicated occupational safety personnel	External safety and health seminars Statutory retraining for occupational safety personnel	As needed 12 hours every 2 years (for occupational safety personnel required to take statutory retraining)

Fire Safety Training in 2020



Fire safety training

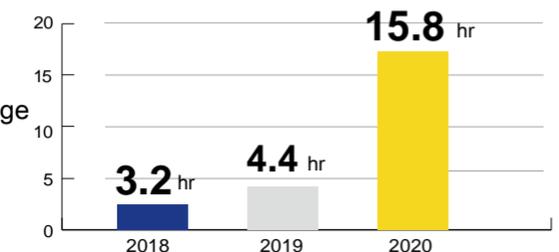


Emergency evacuation training



CPR training

EHS training hours/person on average
Related training hours



5-4 Occupational Health and Safety

Occupational Injuries and Diseases

Nova Tech aims at creating an accident-free workplace. In 2020, all of our employees worked together with our contractors to achieve the goal of zero industrial accidents, coupled with a certificate of 1,937,522 accident-free hours issued by the Industrial Safety and Health Association (ISHA) of the R.O.C (from September 23, 2014 to December 30, 2020). As of December 31, 2020, we accumulated 1,937,522 accident-free hours. This is a manifestation of our respect and dedication to workplace safety over the years. Nova Tech has "Guidelines for Maternity Protection at Work" in place to take care of and protect all female employees of childbearing age (pregnancy or less than one year after childbirth). The "Regulations Governing Prevention of Sexual Harassment and the Guidelines for Prevention of Wrongful Infringement in the Performance of Duties" have also been formulated to provide employees a workplace that is free of sexual harassment and bolsters gender equality.



Q3 Outstanding EHS management contractor award by Micron Technology, Inc.



2020 Outstanding EHS Award ceremony at Micron Technology, Inc.



Outstanding Management Team award by SYC



Total Person-work Hours

Employees			Workers		
2018	2019	2020	2018	2019	2020
307,384	312,744	307,906	133,792	112,768	173,944



1,937,522 accident-free hours



Micron Technology Inc. - 2020 Outstanding EHS Award



Yangtze Memory Technology Corp. - Best ESH Partner

Employee Care Measures in Response to the COVID-19 Pandemic

In 2020, the COVID-19 pandemic continued to ravage countries around the world. The pandemic took a heavy toll on Taiwan's industries and became the most serious challenge for businesses. Amid the pandemic, Nova Tech set up the Pandemic Response Team and drew up related countermeasures and preventive and contingency plans.



Environmental Safety

- Strengthen the cleaning and disinfection in the workplace and maintain ventilation
- Adopt access control and request employees to wear medical masks and take body temperature
- Request manufacturers and visitors entering the premises to take body temperature and wear masks all the time and fill in the epidemic prevention questionnaire; they are not allowed to enter the premises if the forehead temperature is $\geq 37.5^{\circ}\text{C}$.



Business Operations

- Business operations: maintain normal operations
- Employee protection: no layoff, no pay cut, and no unpaid leave
- Staffing: organize various training programs while employees' uninterrupted career development and to enrich the talent pool
- Movement planning: adjust the space and movements in the workplace to avoid close and intensive contact between employees, and replace face-to-face meetings with online and video conferences
- Work from home rehearsal: arrange monthly work from home shifts in advance by department heads and adjust shifts or implement remote work according to the epidemic alert level, providing flexibility for employees to work in the regional office (works office) and from home

Information Collection and Dissemination

- Disseminate anti-epidemic measures in major public places
- Increase the employees' awareness of self-protection
- Regularly release the latest pandemic information and update the epidemic control measures and relevant laws and regulations in real time for employees to get correct information
- Conduct weekly surveys of "high-risk areas of infection" or "places where local confirmed cases have been to" based on the central government's announcement
- Care for Overseas Employees
 - Distribute masks
 - Pay for quarantine hotel expenses, COVID-19 test fees, transportation expenses, and salaries during the quarantine in full
 - Create social media groups for employees on overseas business trips to pass on relevant information to employees at any time and care about the health of employees returning to Taiwan during the quarantine
 - Require employees returning from overseas business trips to Taiwan to fill in the "Health Condition Monitoring Record for Employees under Quarantine" for daily monitoring
 - Office requirements in overseas operations
 - Wear masks when leaving the office and attend no parties or gatherings. Wear masks all the time during work. Disinfect the office from time to time and keep a distance of 1.5 meters during work. Take checkerboard seats during lunch and take the stairs as much as possible. Avoid traffic peaks and take turns to go to/get off work when conditions permit.
- Care for Non-overseas Employees

5 months

The Company spent 5 months training interns.

NT\$35,000

The Company called on 14 employees to assist and spent NT\$35,000 on the charity bazaar to raise education funds for adolescents at risk. Three employees also participated in the charity bazaar and helped donate supplies to poor children, the elderly living alone, disadvantaged women, orphans, and astray teenagers

NT\$10,000

The Company spent NT\$10,000 holding health education seminars.



6

Social Participation

When implementing corporate social responsibility, Nova Tech puts people first and cares for society. In recent years, Nova Tech has adopted a strategy of combining our core expertise with social welfare to offer students comprehensive experience in engineering, have employees participate in various philanthropic activities, and maintain harmonious relationships with neighboring communities. At Nova Tech, social participation involves three dimensions, namely, industry-academia collaboration, corporate volunteering, and social care. In the future, continuous efforts will be made to exert our influence on society to achieve the common good.

- 6-1 Industry-academia Collaboration
- 6-2 Corporate Volunteering
- 6-3 Social Care

6-1 Industry-academia Collaboration

Internship Program

In the face of the ever-changing technology industry trends, talent is the driving force for change. Nova Tech attaches great importance to the cultivation of youth and constantly recruits outstanding talent. To recruit and retain talent, we have a comprehensive recruitment system in place, including campus recruitment, internal referral, job banks, and internship agreements with colleges and universities. We continued "internship programs" in 2020. With "learning by teaching" as the original intention, Nova Tech strived to create competitiveness for the next generation by providing students opportunities to obtain practical work experience and expertise in engineering.

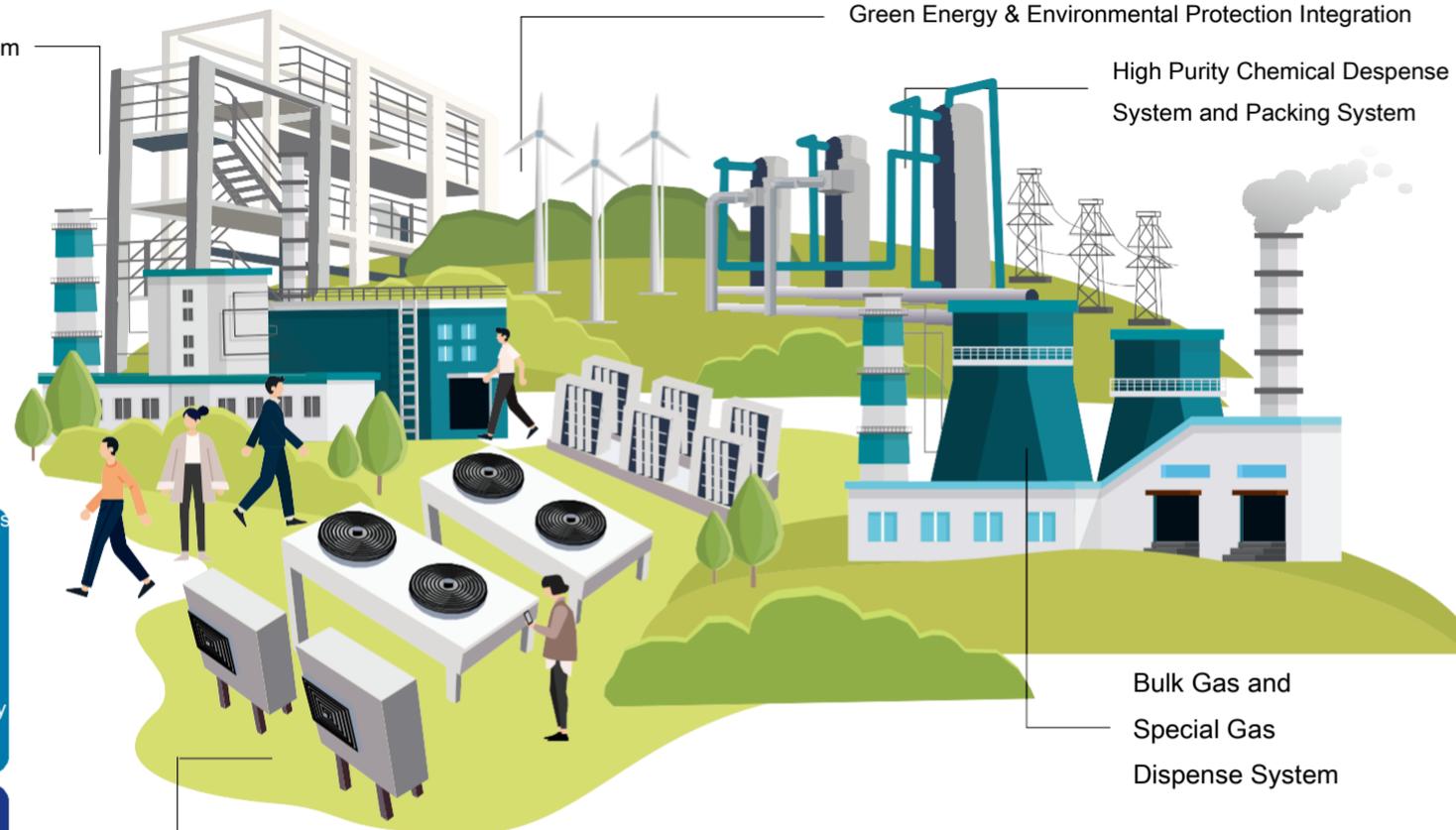
Social Influence Map

Program	Amount/Time Spent	Output	Stakeholders	Results
Internship Program Recruit interns to allow students in university or graduate school to enter the construction site and learn about each application of process.	5 months	Three interns	Interns	-Knew the industrial safety regulations well -Acquired knowledge of the industry such as operation of electric control equipment, installation supervision, and cold water tower construction. -Developed the professional attitude required in the workplace (e.g., problem-solving, paying attention to details, and taking construction safety seriously) -Became fulfilled
Industry-academia collaboration program With the technical collaboration of industry and academic, we jointly optimize products by R&D and increase interns' practical experience.	Instrument Dept. - Wang, ○-Hui 2020/2/17~6/20 Design Dept. - Liao, ○-Chou 2020/2/17~6/20 Project Dept. - Hung, ○-Heng 2020/2/3~6/5	Four patents	Interns	-Learned from hands-on practice -Developed problem discovering and solving skills

Waste Chemical Recovery System

Green Energy & Environmental Protection Integration

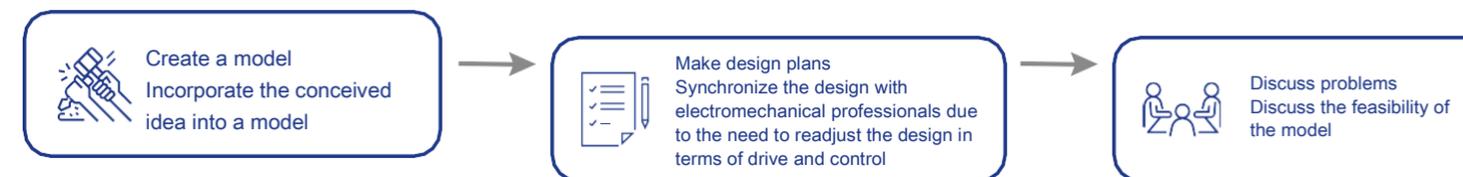
High Purity Chemical Dispense System and Packing System



High Purity Wet Bench System

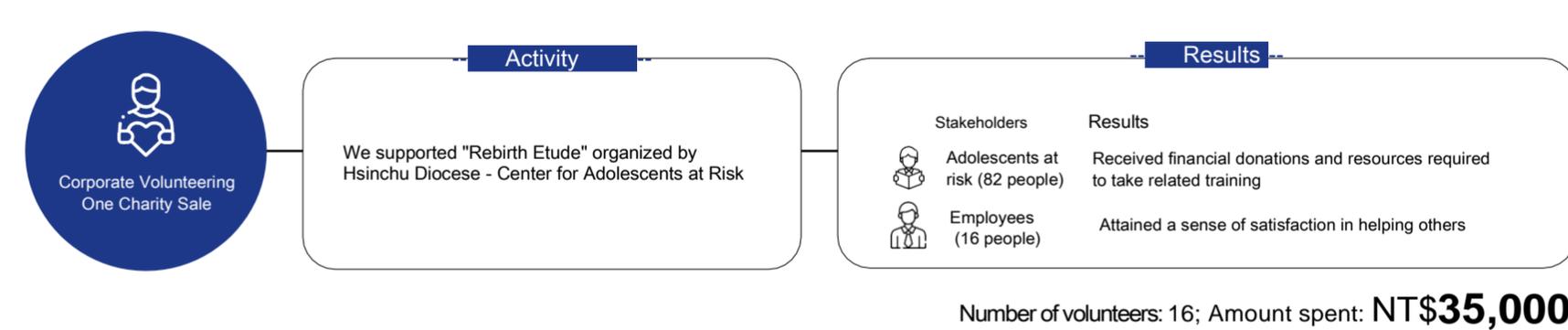
Area of Service	Knowledge/Skills Learned	Internship Testimonials
High Purity Chemical Dispense System and Packing System Wang, ○-Hui	-Explosion-related safety regulations -Industrial safety regulations -Electronic control equipment -Electric control panel -Machine piping and assembly	During the internship at Nova Tech, I found that electromechanical integration was easier said than done. When I learned about electromechanical integration in vocational senior high school, our machines were rather small. It only took one person to assemble the entire machine and make it run with proper programming. During the internship, however, every machine was much larger than the scale I used to operate. In this case, I grew to think more about everything that I thought was simple before. I admired the predecessors in the industry for their problem discovering and solving skills, as well as their positive work attitude.
High Purity Chemical Dispense System and Packing System Liao, ○-Chou	-Installation supervision -Pilot run	My main work was installation supervision in the design department. At first, I thought that supervision was to simply supervise the working conditions of the operators on site. During the internship, I found that, in addition to monitoring the progress of the work, it is necessary to carefully look for manufacturing problems and act as a coordinator between on-site operators and designers. In many cases, it is even necessary to find solutions to difficult problems. This work required carefulness and patience. During the supervision, I was once responsible for checking the progress of an on-site installation. Because of the need to compare the drawings, this work was quite difficult for me as I was not familiar with the drawings. As I had a better understanding of the drawings, I picked up the work quickly, which made me feel quite fulfilled during the internship.
High Purity Chemical Dispense System and Packing System Hung, ○-Heng	-Safety and health training -BASF construction	The construction plan was detailed, which shocked me. It took a lot of input to produce such a meticulous plan. During the internship, I also witnessed rigorous management on site. To protect the safety of the operators, the operators were required to wear personal protective equipment and know the precautions well. Everything I did here was a new experience that was not taught in school. In college, students enjoy a lot of freedom. During the internship, I learned self-discipline and the professional attitude that everyone should have in the workplace. I hope that I can continue accumulating a lot of experience and concentrate on doing well and perfecting the assigned tasks.

Industry-academia collaboration program In 2020, Nova Tech cooperated with academia to develop a mechanism for replacing chemical barrel lids and joints. During the cooperation, Nova Tech provided expertise and action plans while academia brainstormed the design.



6-2 Corporate Volunteering

Social Influence Map

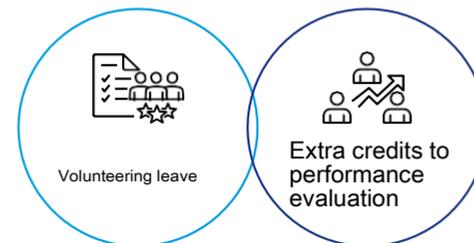


In 2020, 16 of our employees took part in the second-hand charity sale, "Rebirth Etude," organized by Hsinchu Diocese - Center for Adolescents at Risk, calling on colleagues to donate second-hand items. We gave the proceeds of the sale to the organizer and helped the adolescents with the sale, encouraging them to build self-confidence and interpersonal relationships and stay open to possibilities in the future.

To make corporate citizenship part of our business operations, we encourage employees to take part in philanthropic activities as a volunteer, in hopes of bringing warmth to the disadvantaged.

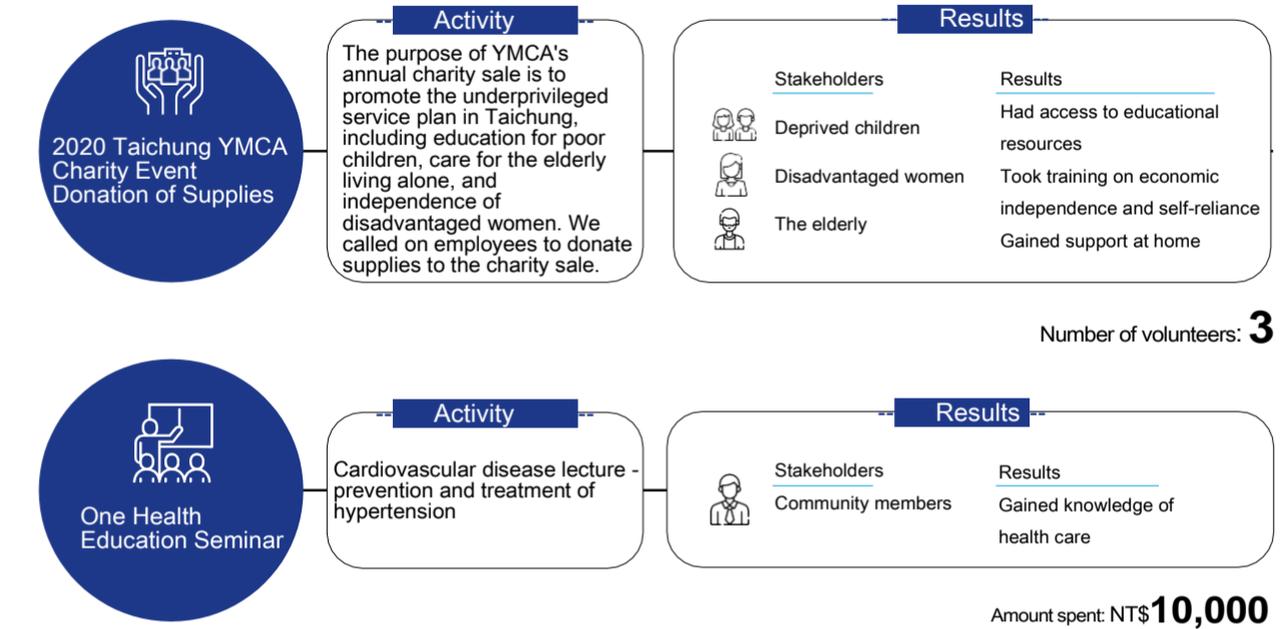
For voluntary philanthropy, the Company has offered incentives to encourage more employees to volunteer in local activities.

<Volunteer Incentive Program >



6-3 Social Care

Social Influence Map

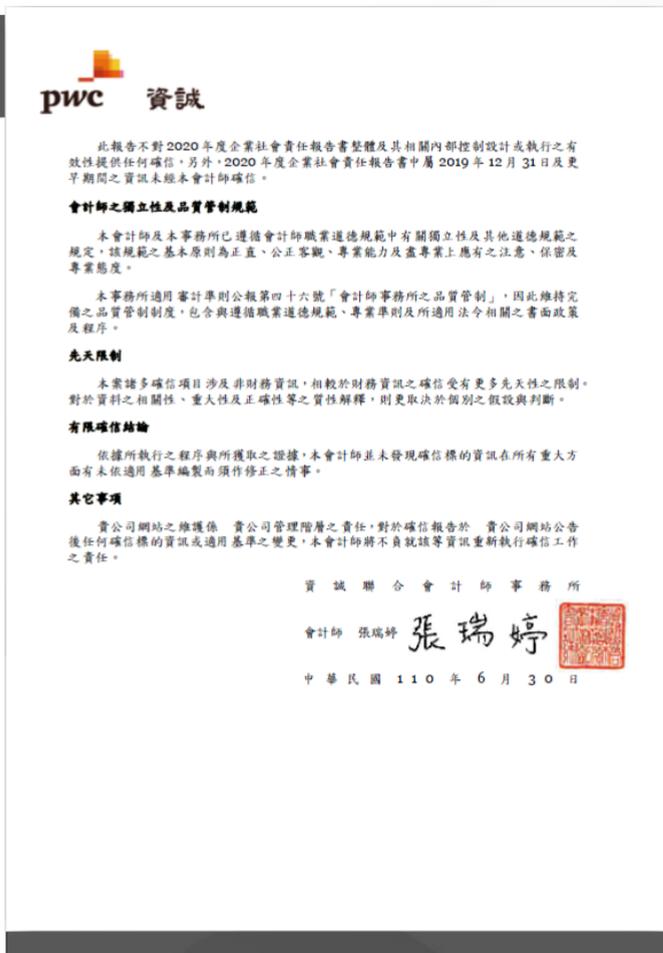
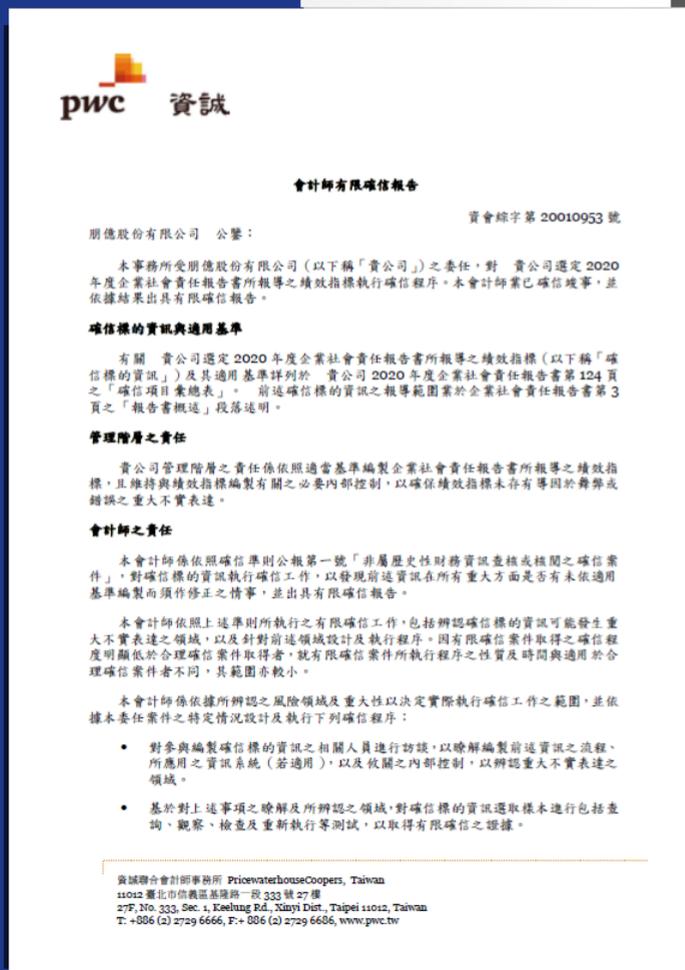


Upholding the spirit of social prosperity, the Company has long been donating funds to social welfare organizations in need. Through the donations of materials or funds, we hope to provide opportunities for people to be economically stable and independent, thus creating a harmonious and prosperous society. In 2020, we called on our employees to take part in the YMCA's "Happy Charity Day - Charity Sale," giving care and love to the poor children, the elderly, and disadvantaged women.

In addition to making donations, the Company has long been in harmony with the communities near their operations, exerting positive influence on them. In 2020, we held a "cardiovascular disease lecture - prevention and treatment of hypertension" for interested parties in the community to take part in. We also gave out masks to the participants to help them fight the pandemic.



Appendix 1
Limited Assurance Report Issued by the Accountant



Appendix 2
Summary Table of Assurance Engagements

No.	Assurance Item	Applicable Criteria	Page No.
1	The customer satisfaction score in 2020 averaged 87.12%.	Averaged the scores of seven major aspects of valid customer satisfaction surveys retrieved and converted it into percentile to obtain the average customer satisfaction (Note) in 2020 Note: Statistics are based on the results of customer satisfaction surveys distributed and received in 2020.	82
2	In 2020, 63.1% of our materials were sourced from Taiwanese suppliers (Note). Note: Suppliers registered with unified business numbers	The percentage of the purchase amount of tier 1 suppliers in the total acceptance and purchase amount in Taiwan in 2020	79
3	In 2020, 18 suppliers, including our top 10 suppliers (Note), signed the "Supplier Commitment." Note: Top ten vendors in terms of transaction amount in 2020	The number of suppliers having dealings with the Company and signing the "Supplier Commitment"	80
4	In 2020, the training hours of managerial (Note 1) employees (Notes 2&3) averaged 41.74 hours for men and 54.60 hours for women; the training hours of non-managerial employees (Notes 2&3) averaged 22.08 hours for men and 29.55 hours for women. Note 1: Managerial employees include section heads, assistant managers, and above. Note 2: Based on the number of the existing employees to be trained in 2020, 11 employees were excluded, including 8 employees from overseas business units, 2 consultants, and 1 vice president. Note 3: Total training hours included the hours of internal and external training received by all employees. Note 4: The number of internal training where employees acted as lecturers totaled 241.5, accounting for 5.23% of total training hours in 2020.	Divided the total training hours of managerial and non-managerial male and female employees to be trained in 2020 (including those who left in 2020) by the total training hours of managerial and non-managerial male and female employees on service as of December 31, 2020	103
5	As of December 31, 2020, the Company accumulated 1,937,522 accident-free 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	115

Appendix 3

GRI Standards

Disclosure

Index



NOVA TECH

GRI Standards	Disclosure	Chapter	Page No.	Supplemental Explanation
General Disclosures				
GRI 102 General Disclosures 2016	102-1 Name of the organization	Introduction to Nova Tech	9	
	102-2 Activity, brand, products, and services			
	102-3 Location of headquarters			
	102-4 Location of operations			
	102-5 Ownership and legal form			10
	102-6 Markets served			9
	102-7 Scale of the organization	Introduction to Nova Tech	9	
		2-2 Business Performance	44	
	102-8 Information on employees and other workers	5-1 Working Partners	87	
	102-9 Supply chain	Introduction to Nova Tech	8	
		4-2 Supply Chain Sustainability and Responsible Procurement	78	
	102-10 Significant changes to the organization and its supply chain	—	—	No significant changes to the organization and its supply chain in 2020
	102-11 Precautionary principle or approach	2-1 Sustainability Governance and Risk Management	40-41	
	102-12 External initiatives	—	—	No external initiatives in 2020
	102-13 Membership in associations	2-5 Association Participation	52	
	102-14 Statement from senior decision-maker	Message from the Chairman	1	
		Message from the President	2	
	102-15 Key impacts, risks, and opportunities	2-1 Sustainability Governance and Risk Management	40-41	
3-2 Climate Change and Greenhouse Gas Management		58		
102-16 Values, principles, standards, and norms of behavior	2-3 Ethics and Integrity in Management	46-49		
102-18 Governance structure	1-2 CSR Implementation Unit	23		
	2-1 Sustainability Governance and Risk Management	34-35, 37-38		

GRI Standards	Disclosure	Chapter	Page No.	Supplemental Explanation
General Disclosures				
GRI 102 General Disclosures 2016	102-40 List of stakeholder groups	1-3 Identification of Sustainability Topics	28-30	
	102-41 Collective bargaining agreements	—	—	No collective bargaining agreements in 2020
	102-42 Identifying and selecting stakeholders	1-4 Stakeholder Engagement	25	
	102-43 Approach to stakeholder engagement		28-30	
	102-44 Key topics and concerns raised	1-3 Identification of Sustainability Topics	26-30	
	102-45 Entities included in the consolidated financial statements	—	—	Refer to the official website for consolidated financial statements
	102-46 Defining report content and topic boundaries	Summary of the Report	3-4	
	102-47 List of material topics	1-3 Identification of Sustainability Topics	27	
	102-48 Restatements of information	3-4 Water Management and Waste Management	64	The general waste of the office building was managed by the building administration. It's difficult to separate it from other tenants. Instead, daily general waste generation per person in Hsinchu County and the number of employees in the office were used to calculate general waste generation in 2019 and 2020.
	102-49 Changes in reporting	—	—	No changes in reporting in 2020
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