

02

Corporate Governance

2.1 Corporate Governance and Integrity Management

2.2 Legal Compliance

Corporate Governance

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Material Topic - Corporate Governance and Integrity Management

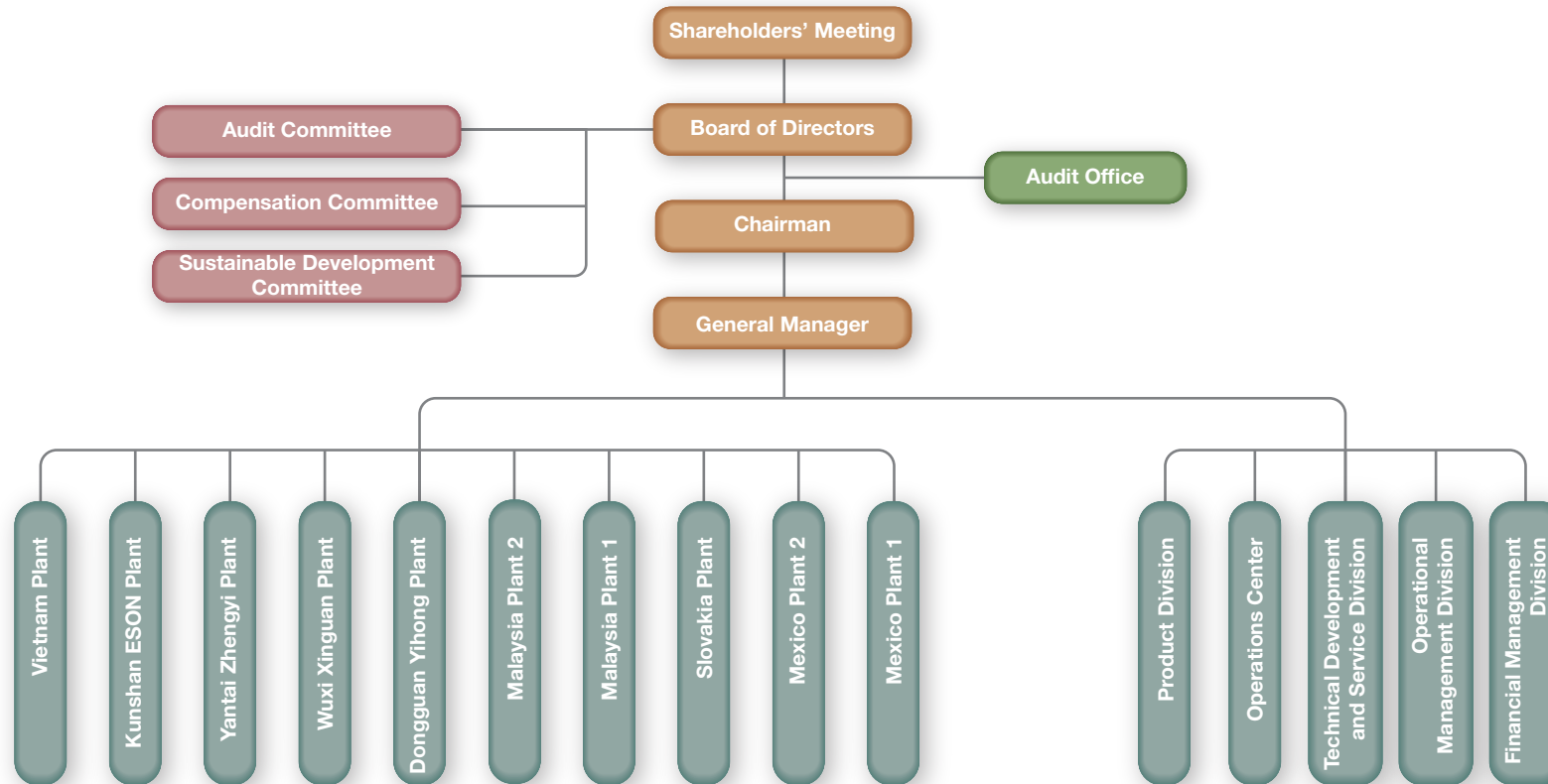
Description of Impact	Actual positive impact: Robust corporate governance and integrity management can enhance a company's reputation and transparency, increase trust among customers and investors, contribute to long-term business growth, and establish stable business relationships.	
	Potential negative impact: Failure to implement corporate governance and integrity management effectively may lead to fraud, such as insider trading, damaging the company's reputation, resulting in loss of customers and investors, and hindering long-term business growth.	
Policy/Commitment	Based on the competent authority's advice, the Company has established the Corporate Governance Best Practice Principles to fulfill its corporate governance responsibilities. To protect the rights and interests of stakeholders, it develops a robust corporate governance system and conducts periodic reviews of its business performance, discussing important strategic issues, including economic, environmental, and social impacts, risks, and opportunities. The Company has formulated and implemented the Code of Conduct for Integrity Management, clearly defining the standards for employee conduct. In addition, the Company reports integrity management-related issues irregularly to the Board to ensure its transparency and sense of responsibility in this regard.	
Actions Taken	<ol style="list-style-type: none"> 1. The Company organizes education and training on integrity management issues, tracking participation rates and feedback to ensure the effectiveness of training. Training courses cover compliance with integrity management regulations, taxes, accounting systems, and internal controls. 2. The Company clearly defines conduct guidelines for conflicts of interest, confidentiality of customer information, and business dealings, and regularly or timely promotes education and training so that employees can truly understand and comply. 3. The Company has set up a legal affairs office under the Financial Management Division, and reports to the Board regularly or when necessary. If employees find any violations of corporate integrity practices, they should also report to the Audit Office or relevant units in accordance with regulations to timely handle the matter. 4. The Company has established an accounting system and an internal control system, and internal auditors conduct audits on a regular or irregular basis. 5. The Company promotes corporate culture and integrity management obligations through various conferences. 	
Tracking and Evaluation Mechanism	<ol style="list-style-type: none"> 1. The Company actively participates in the Corporate Governance Evaluation and improves information disclosure. 2. The Company implements the Rules for Performance Evaluation of the Board of Directors, focusing on continuously strengthening performance by conducting annual performance evaluations, tracking goal attainment, and reviewing progress. 3. Employees are required to sign a "Commitment to Integrity and Ethical Conduct" as one of the foundational codes of conduct. 	
Management Goals	Short-term Goals (within 3 years)	Medium- and Long-term Goals (3-10 years)
	<ol style="list-style-type: none"> 1. Continuously improve Corporate Governance Evaluation rankings. 2. Arrange for directors to receive comprehensive training on sustainable development. 3. Refine the integrity management policy. 4. Increase the coverage rate of integrity management training and incorporate case studies into training courses. 5. Develop performance indicators for integrity management, such as training completion rates and handling rates for reported cases. 6. Regularly update the integrity management policy and training content based on performance evaluation results. 7. Require suppliers to sign the Commitment to Integrity and conduct periodic reviews. 8. Conduct periodic corruption risk assessments to identify high-risk areas and formulate prevention plans. 	<ol style="list-style-type: none"> 1. Continuously improve Corporate Governance Evaluation rankings. 2. Continue to implement transparency policies. 3. Embed integrity management into the corporate culture as a core value for all employees. 4. Promote compliance with integrity standards across the entire supply chain and establish sustainable partnerships. 5. Publish periodic integrity management reports to enhance transparency and public trust.
Annual Performance	<ol style="list-style-type: none"> 1. In 2024, the internal performance evaluation results of the Board, its members, the Audit Committee, and the Compensation Committee were all rated "Excellent." 2. In 2024, the attendance rate of Board members at meetings reached 90.4%, ensuring actual participation in Board meetings and operations. 3. To implement integrity management and ethical conduct, the Company held training on anti-corruption topics (including courses related to RBA standards and internal controls) in 2024, totaling 706 participants and 1,316 person-hours. 4. In 2024, all investors' calls or emails were responded to. 	
Stakeholder Involvement	<ol style="list-style-type: none"> 1. The Company has set up an IR mailbox to provide investors with a convenient communication channel for submitting questions and suggestions at any time. 2. The company regularly organizes education and training courses to strengthen employees' awareness of professional ethics and integrity management. 3. The Company annually reports to the Board on the implementation status of integrity management to ensure that governance units stay informed of the Company's efforts and achievements in integrity management. 	

2.1.1 Corporate Governance Framework

Governance Structure and Composition

ESON's Board serves as the Company's highest governance body, under which an Audit Committee, a Compensation Committee, and a Sustainable Development Committee have been established to assist the Board in performing its supervisory duties. These committees report their activities, proposals, and relevant resolutions to the Board on a quarterly basis. In terms of sustainable strategy management, the Sustainable Development Committee serves as the highest decision-making and supervisory body for managing the impacts of economic, environmental, and social topics. When deciding on important matters, it considers economic, environmental, and social topics, their impacts, risks, and opportunities, as well as the opinions of stakeholders.

Corporate Governance Structure



Board of Directors

ESON's Board is mainly responsible for guiding the Company's strategies, supervising management, and being accountable to the Company and its shareholders. The Board exercises its powers to manage operations and arrangements under the corporate governance system in accordance with applicable legal regulations, the Articles of Incorporation, and resolutions of Shareholders' Meetings. It maintains its independence and is accountable to the shareholders. According to the Company's Articles of Incorporation, the Board consists of 7 members, including 3 independent directors. Each director serves a three-year term and may be re-elected. In 2024, the Company's Board consisted of 7 directors, with 3 independent directors (42.86%) and 4 non-independent directors (57.14%). Please refer to the 2024 Annual Report for details on the directors' names, gender, term, main education and work experience, and concurrent positions in other companies. The Company's Board holds at least 1 meeting per quarter. In 2024, the Board held a total of 6 meetings.



Board Diversity

Name	Position	Biological Gender	Nationality	Term (Years)	Age	Industry Experience & Professional Competence								
						Accounting	Industry	Legal	Ability to make operational judgements	Ability to manage operations	Ability to lead and make decisions	Ability to handle crisis management	Knowledge of the industry	An international market perspective
Chia-Hsiang Tsai	Director	Male	Republic of China, Taiwan	12.5	>50		V		V	V	V	V	V	V
Stein Huang	Director	Male	Republic of China, Taiwan	0.5	>50		V		V	V	V	V	V	V
Kuang-Yao Lee	Director	Male	Republic of China, Taiwan	3.5	>50		V		V	V	V	V	V	V
Wei-Kang Lee	Director	Male	Republic of China, Taiwan	3.5	>50		V		V	V	V	V	V	V
Chih-Chien Kao	Independent Director	Male	Republic of China, Taiwan	12.5	>50	V	V		V	V	V	V	V	V
Woan-Shiuan Jang	Independent Director	Female	Republic of China, Taiwan	0.5	30-50		V	V	V	V	V	V	V	V
Chien-Ming Lee	Independent Director	Male	Republic of China, Taiwan	3.5	>50		V		V	V	V	V	V	V

Note 1: Regarding the age distribution of directors, 86% are aged 50 and above and 14% are aged between 30 and 50. The average term of all directors is 5.2 years.

Note 2: To ensure the diversity of stakeholders, all directors provide representation for various stakeholder groups.

Note 3: Please refer to the Company's Annual Report for details on the directors' names, gender, term, main education and work experience, concurrent positions and experience in other companies, and positions held in other boards.

Note 4: The Board consists of 6 male directors (86%) and 1 female director (14%). In the future, the Company is committed to increasing the number of female directors to achieve the diversity goal.

Board Operations

Position	Name	Board's Actual Attendance Rate (%) in 2024
Chairman	Ace Progress Holdings Limited Representative of Ace Progress Holdings Limited: Chia-Hsiang Tsai	100%
Director (Note 1)	Ace Progress Holdings Limited Representative of Ace Progress Holdings Limited: Stein Huang	100%
Director (Note 1)	Ace Progress Holdings Limited Representative of Ace Progress Holdings Limited: Bing-Zheng Xiong	50%
Director	Representative of Golden Harvest Management Limited: Kuang-Yao Lee	60%
Director	Representative of Golden Harvest Management Limited: Wei-Kang Lee	100%
Independent Director (Note 1)	Lin Zhizhong	100%
Independent Director	Chih-Chien Kao	100%
Independent Director (Note 1)	Woan-Shiuan Jang	100%
Independent Director	Chien-Ming Lee	100%

Note 1: On June 19, 2024, a full re-election was held for the 6th term of Board members. Among them, new directors Stein Huang and Woan-Shiuan Jang were elected, while previous 5th term directors Bing-Zheng Xiong and Chih-Chung Lin completed their terms of service and were not re-elected.

Audit Committee

To enhance organizational value, strengthen supervisory and management functions, and effectively implement financial review and control to support the achievement of the Company's strategic goals, ESON has established an Audit Committee, comprising 3 independent directors as committee members. In 2024, the Audit Committee convened a total of 5 meetings, with an average attendance rate of 100% among its members. For details on the committee members and its operations, please refer to the Audit Committee Operations section in the Company's 2024 Annual Report.



[Audit Committee Charter](#)

Compensation Committee

ESON has established a Compensation Committee, comprising 3 independent directors as committee members. In 2024, the Compensation Committee convened a total of 5 meetings, with an average attendance rate of 100% among its members. To foster a fair and benefit-sharing workplace, aligning the Company's employee compensation with performance, the Company's Compensation Committee is committed to creating greater value by assisting the management in establishing a fair compensation and performance system. Additionally, the committee draws on the experience of experts and its members as well as the equitable value, requiring directors and managers to avoid engaging in behaviors that exceed the Company's risk appetite in pursuit of compensation. Furthermore, the committee ensures the effective implementation of a competitive, incentive compensation system to attract and retain top talents, continuously improve the Company's business performance, and further boost the Company's long-term competitiveness and sustainability. For details on the committee members and its operations, please refer to the Compensation Committee Operations section in the Company's 2024 Annual Report.



[Compensation Committee Charter](#)

Sustainable Development Committee and Sustainable Development Department

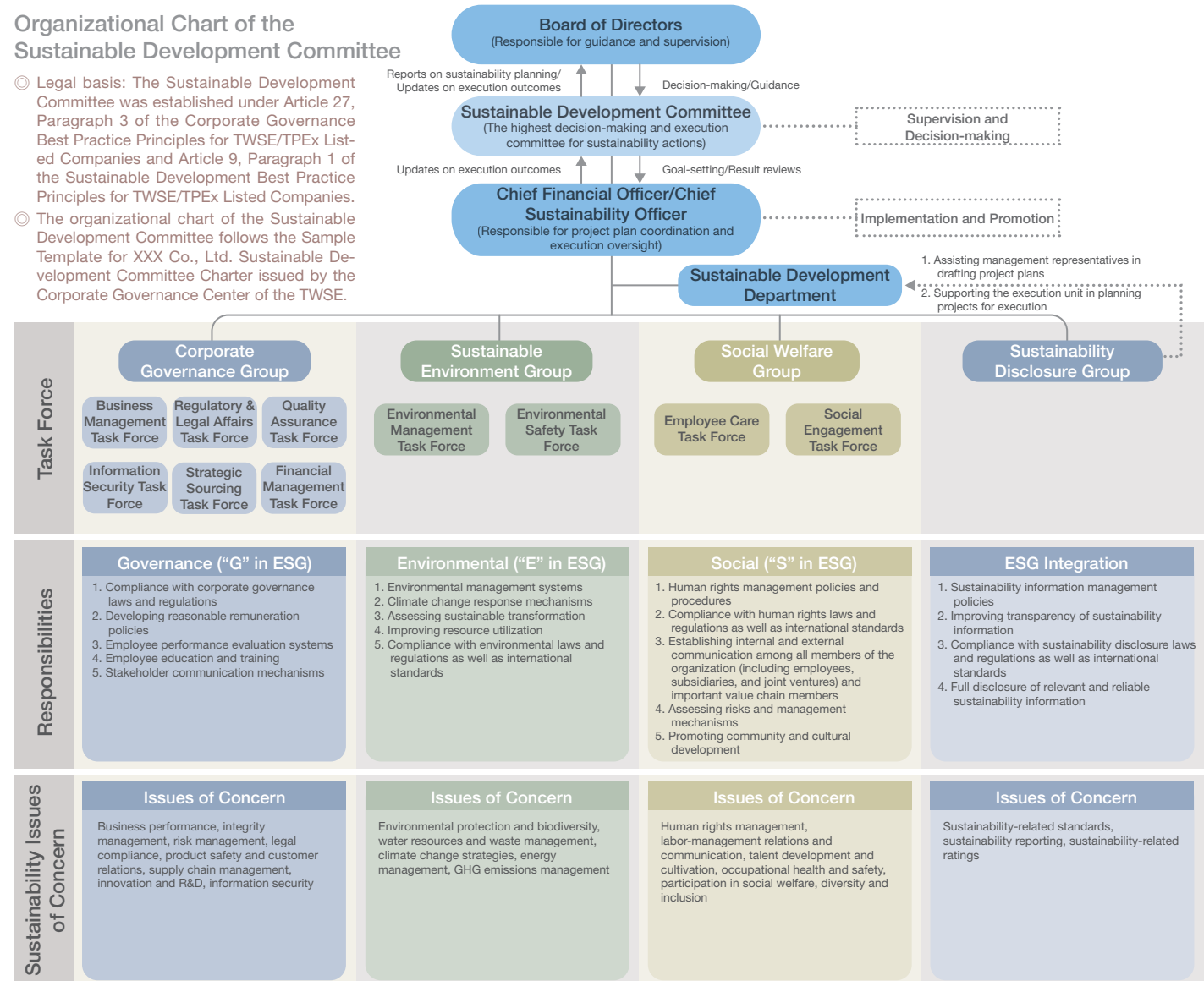
To fulfill the Company's sustainable development goals and strengthen sustainable governance, the Sustainable Development Committee was established to manage and make decisions on sustainability issues. The Committee consists of three members, appointed through the Board's resolutions. The committee members demonstrate professional knowledge and competence in corporate sustainability. Among the members, one independent director assumes a supervisory role, while the remaining members—two directors, both from the management team—are responsible for administrative duties. This structure ensures the Company is guided by robust and stable leadership, enabling the Company to plan and promote sustainability strategies more effectively.

To improve sustainability management and support sustainable development business, a dedicated unit, the Sustainable Development Department, has been established. A senior executive, the Chief Financial Officer, is appointed to serve as the Chief Sustainability Officer, responsible for managing the economic, environmental, and people impacts. The creation of this unit and the officer's appointment enable the Company to drive sustainability-related initiatives and develop its Sustainable Development Best Practice Principles to facilitate compliance. The manager of the Sustainable Development Department reports quarterly to the Chief Financial Officer (i.e., Chief Sustainability Officer) on the implementation status of the Company's sustainability strategies. The Chief Financial Officer (Chief Sustainability Officer) reports to the Sustainable Development Committee members on work progress and reports to the Board every six months on their decisions and execution results.



Organizational Chart of the Sustainable Development Committee

- ◎ Legal basis: The Sustainable Development Committee was established under Article 27, Paragraph 3 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Article 9, Paragraph 1 of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
- ◎ The organizational chart of the Sustainable Development Committee follows the Sample Template for XXX Co., Ltd. Sustainable Development Committee Charter issued by the Corporate Governance Center of the TWSE.



Chair of the Highest Governance Body

ESON's Board is currently in its sixth term and chaired by Chia-Hsiang Tsai, who is also on the management team and concurrently assumes administrative duties. This structure ensures the Company is guided by robust and stable leadership, enabling the Company to plan and execute long-term business strategies more effectively and efficiently. To ensure the independence of business operations, directors or legal entities represented by them must periodically disclose any conflicts of interest if they are an interested party with respect to any agenda item, and they are subject to oversight by independent directors.

Role of the Highest Governance Body in Overseeing the Management of Impacts

ESON's Board serves as the Company's highest governance body. It is directly involved in supervising the Company's performance and risk management in economic, environmental, and social topics, as well as making final decisions. When deciding on important matters, the Board considers economic, environmental, and social topics, their impacts, risks, and opportunities, as well as the opinions of stakeholders. The Sustainable Development Committee is responsible for supervising the sustainable development strategies of companies or organizations in economic, social, and environmental aspects. The Sustainable Development Committee must ensure that companies conduct periodic impact assessments to analyze the impact of business activities on the environment and society, such as carbon footprint, water resource use, and labor rights in the supply chain. In addition, the committee is responsible for promoting transparency in ESG (Environmental, Social, and Governance) reporting to ensure that relevant information meets the expectations of investors and stakeholders. For details on stakeholder engagement, please refer to the Stakeholder Engagement section of this Report.

Role of the Highest Governance Body in Sustainability Reporting

The Company's ESG reports are reviewed by the Sustainable Development Committee to ensure that they cover all material topics. The 2024 ESG Report was discussed and approved during the Board meeting held in August 2025.

2.1.2 Board Operations

Nomination and Selection of the Highest Governance Body

In accordance with Article 192-1 of the Company Act, the candidate nomination system is adopted for ESON's election of directors. Additionally, according to the law, shareholders holding at least 1% of the Company's issued shares may submit a list of candidates to the Company and the shareholders vote for directors during an annual general meeting. The nomination and selection of candidates for directors take the Board diversity into consideration, including basic criteria such as gender, age, nationality, and culture, as well as professional knowledge, background, and industry experience, ensuring that the directors elected by the Company possess the necessary knowledge, skills, and competencies to exercise their powers, as well as extensive experience in managing economic, environmental, and social issues and their impacts. Additionally, to maintain the independence of the Board, independent directors are selected and appointed in accordance with the Company Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.



Board's Continuing Education

To enhance the professional knowledge and skills of its directors, ESON arranges training courses on corporate governance, economics, environment, and society based on industry characteristics, company development strategies, and the academic and work backgrounds of its directors.

Position	Name	Training Date	Organizer	Course name	Training Hours
Corporate Director's Representative and Chairman	Chia-Hsiang Tsai	2024.12.17	The Greater China Financial Development Association	Trump 2.0's Challenge to the Globe	3
Corporate Director's Representative and Chairman	Chia-Hsiang Tsai	2024.12.05	The Greater China Financial Development Association	Global and Taiwan Economic Outlook	3
Corporate Director's Representative	Stein Huang	2024.10.04	Securities & Futures Institute	2024 Insider Trading Prevention Information Session	3
Corporate Director's Representative	Stein Huang	2024.09.24	Securities & Futures Institute	Practical Workshop for Directors, Supervisors (Independent Directors) and Corporate Governance Officers - Taipei Class	12
Corporate Director's Representative	Kuang-Yao Lee	2024.12.17	Accounting Research and Development Foundation	Sustainability Report Preparation and Supervision	3
Corporate Director's Representative	Kuang-Yao Lee	2024.11.16	Accounting Research and Development Foundation	Common Deficiencies in Financial Statement Review and Common Issues with Asset Acquisition/Disposal	3
Corporate Director's Representative	Wei-Kang Lee	2024.12.12	Securities & Futures Institute	Courses for Directors, Supervisors, and Corporate Governance Officers - Shareholders' Meeting, Management Right and Equity Strategy	3
Corporate Director's Representative	Wei-Kang Lee	2024.12.05	Securities & Futures Institute	Courses for Directors, Supervisors, and Corporate Governance Officers - Discussion on Human Resources and Employee Placement Issues in Enterprise Mergers and Acquisitions	3
Independent Director	Woan-Shiuan Jang	2024.10.04	Securities & Futures Institute	2024 Insider Trading Prevention Information Session	3
Independent Director	Woan-Shiuan Jang	2024.07.30	Securities & Futures Institute	Practical Workshop for Directors, Supervisors (Independent Directors) and Corporate Governance Officers - Taipei Class	12
Independent Director	Chih-Chien Kao	2024.09.10	The National Federation of CPA Associations of the R.O.C.	Aspects of Sustainable Internal Control (Taipei session on Sep. 10)	3
Independent Director	Chih-Chien Kao	2024.09.05	The National Federation of CPA Associations of the R.O.C.	How to Establish an Effective Money Laundering and Terrorism Prevention System	3
Independent Director	Chien-Ming Lee	2024.12.01	Accounting Research and Development Foundation	The Latest ESG Sustainability Policy Regulations Related to "Annual Report Compilation"	3
Independent Director	Chien-Ming Lee	2024.11.30	Accounting Research and Development Foundation	Sustainability Policies and Corporate Governance	3

Evaluation of the Performance of the Highest Governance Body

To improve the operational effectiveness of directors, ESON established the Board of Directors Performance Evaluation Guidelines in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, incorporating sustainability indicators such as corporate governance, economy, environment, and society to ensure that the Board fulfills its duties diligently in corporate governance, operations, and sustainability matters.

The evaluation is carried out by the execution unit or the Board Secretariat through internal surveys. The evaluation consists of three parts: Board operations, director engagement, and the operations of functional committees. Directors are required to evaluate the Board operations, and the results of the Board performance evaluation are used as a reference for the selection or nomination of directors. The performance evaluation results for individual directors are also factored in when determining their compensation.

Each year, after collecting survey responses, the Company's execution unit or the Board Secretariat follows the Board of Directors Performance Evaluation Guidelines to conduct an analysis of the responses and reports the results to the Board, along with improvement suggestions for weak areas. For details on the performance evaluation results, please refer to ESON's 2024 Annual Report.



Board of Directors
Performance Evaluation
Guidelines

2.1.3 Remuneration Policies

Remuneration Policies for the Board and Senior Management

The remuneration of ESON's directors is determined in accordance with the Company's Articles of Incorporation, taking into account each director's and independent director's level of participation in operations and their contributions. Industry standards in Taiwan, the Company's operating results, and each director's contribution to the Company's performance are also considered when determining reasonable remuneration.

Remuneration for ESON's managers is determined based on industry standards for comparable positions, with bonuses tied to the results of their performance evaluations. The performance evaluation metrics of managers consist of financial indicators (allocated based on the profit contribution of each business group to the Company, as shown in the Company's income statements, and managers' achievement of their goals) and non-financial indicators (focused on two areas: practices of the Company's core values and operational management capabilities, as well as participation in sustainable development). ESON calculates managers' operating performance-based remuneration in accordance with the above policy. Its remuneration proposals are then submitted to the Board for approval. Additionally, the Company conducts periodic reviews of its remuneration policies to ensure alignment with actual operating conditions as well as applicable laws and regulations.

Regarding the remuneration for senior management (including the Chairman, Executive Director, General Manager, Deputy General Manager, and Chief Financial Officer), it is reviewed by the Compensation Committee and approved by the Board. The Company plans to include ESG performance and performance achievements in the performance evaluation of directors and managers, using them as references when determining their remuneration. The retirement benefit system is the same as that for general employees and is handled in accordance with the law. For details on directors' and managers' remuneration, including their salaries, bonuses, termination payments, and retirement benefits, please refer to ESON's 2024 Annual Report.



Process to Determine Remuneration

The process at ESON considers the Company's overall business performance as well as individual's goal attainment and contribution to the Company's performance to determine reasonable remuneration. Relevant remuneration proposals are submitted to the Compensation Committee for review and to the Board for resolution. Additionally, the Company continuously assesses changes in the global economy, international financial environment, and industry outlook, projects its future operational development, profitability, operational risks, and changes in laws and regulations, reviews the remuneration system in a timely manner to ensure a balance between sustainable development and risk management. Currently, only internal stakeholders are involved in the remuneration system design and the independent Compensation Committee supervises the decision-making process for remuneration. Please refer to ESON's 2024 Annual Report for the Company's remuneration decisions.

The Company's remuneration is distributed in accordance with the Articles of Incorporation, which require approval by the shareholders' meeting. Each year, the distribution of employee remuneration and director remuneration for the previous year must be presented at the Annual General Meeting. The 2024 remuneration proposal was approved at the Annual General Meeting held on June 19, 2024.

The Company has established a Compensation Committee under the Board. The committee holds equal standing with the Audit Committee and consists of three independent directors, who review and decide on the remuneration of the highest governance body and senior management in a fair and reasonable manner.

Annual Total Compensation Ratio

The Group's Total Compensation Ratio in 2024

Indicator	Ratio
Annual total compensation of the highest-paid individual compared to the median annual total compensation of other employees	8.46 : 1
Percentage increase in annual total compensation of the highest-paid individual compared to the median percentage increase in annual total compensation of other employees	6.78 : 1

Note 1: Annual total compensation includes: Salary, bonuses, stock awards, option awards, non-equity incentive plan compensation, and pension value.

Note 2: "Other employees" are used as the baseline (1).

Note 3: As an entity registered outside Taiwan, Article 4-2 of the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, which stipulates that TWSE listed companies "shall disclose the average and median salaries of full-time employees in non-management positions, and the changes in those two figures compared to those of the preceding fiscal year," does not apply to the Company.



2.1.4 Integrity Management

Conflicts of Interest

Based on Article 206 of the Company Act, ESON has explicitly stipulated in its Code of Conduct for Integrity Management that if a director has a conflict of interest in any agenda item of a Board meeting, either personally or through the legal entity they represent, they shall disclose the important details of the conflict at the meeting. The director must recuse themselves by abstaining from discussions and voting on the agenda item, and they may not exercise voting rights on behalf of other directors. Please refer to the Company's 2024 Annual Report for details on the Board members and their recusals due to conflicts of interest (including Board meeting dates, directors required to recuse themselves, agenda items, reasons for recusals due to conflicts of interest, and voting participation).

Communication of Critical Concerns

In addition to regular committee meetings and reports to the Board, the Company's management periodically provides its important reports and information to directors (as described below) and communicates critical concerns when necessary. In 2024, 29 pieces of material information were published in Chinese and English on the Market Observation Post System (MOPS), mainly covering financial and corporate governance information. Please refer to the material information published by the Company on the MOPS for more details.

Communication of Critical Concerns in 2024			
Unit	Item	Communication Frequency	Total Reports Issued in the Year
Financial Management Division	Financial information Financial report	Quarterly	4
		Quarterly	4
Audit Office	Audit report Audit plan	Quarterly	4
		Annually	1
Sustainable Development Department	Implementation status of sustainability strategies	Quarterly	4

Corporate Social Responsibility and Sustainable Development Progress and Strategies







ESON incorporates the promotion of sustainability concepts into the operations of its mechanisms, and promotes key issues that align with global sustainability trends. Additionally, the Company examines the overall environment and stakeholder expectations, and integrates its corporate development goals to plan the Company's corporate social responsibility strategy. The aim is to deepen the integration of the organization and its value chain, improve ESG performance, and gradually achieve the goals of strengthening governance, driving innovation, and establishing exemplary practices, thereby fulfilling corporate social responsibility and advancing sustainable development.

Policies and Regulations Related to Responsible Business Conduct

ESON strictly complies with responsible business conduct standards. To foster a corporate culture of honesty and integrity, and to meet the expectations of investors and other stakeholders, the Board has approved and promulgated regulations related to the Code of Conduct for Integrity Management, specifying in detail the Company's policies, standards, operating procedures, guidelines for conduct, and grievance systems. To prevent dishonesty and unethical conduct, employees and business partners are required to comply with these regulations when performing their duties. Aiming to foster a culture of integrity and accountability within the organization, the Company is committed to complying with the highest ethical standards and reflecting the commitment in all business activities.

In addition, ESON complies with regulations governing TWSE/TPEX listed companies as well as other laws and regulations related to business conduct as the basic premise for implementing integrity management. The Company continuously tracks changes in domestic and international regulations to assess potential risks and impacts on the Company. Based on the results of regulatory identification, the Company examines whether it has established corresponding internal regulations to ensure that the Company's policies are appropriate and adequate.

For integrity management, sustainable development, human rights, and supplier management, ESON has made corresponding commitments to ramp up the Company's efforts in sustainable development and fulfill its corporate social responsibility.

Code of Responsible Business Conduct						
Aspect	Related Policy or Commitment	Approval Level	Responsible Unit	Application to Economic Activities and Business Relationships	Policy Commitment Communication	Policy Link
 Integrity Management	Code of Conduct for Integrity Management	Board of Directors	Legal Affairs Office	To foster a corporate culture of integrity management and achieve sound development, the Company has established robust corporate governance and risk control mechanisms to create a sustainable business environment. ESON has established important internal regulations, such as the Code of Conduct for Integrity Management, Operating Procedures and Conduct Guidelines for Integrity Management, and Code of Ethical Conduct, to properly govern conduct at both corporate governance and employee levels. These regulations explicitly establish provisions for recusals due to conflict of interest, checks and balances mechanism, whistleblowing system, and disciplinary actions, serving as an important basis for the Company to implement integrity management and strategies.	The Company attaches great importance to the implementation of integrity management and strategies. To this end, the Company will adopt the following communication methods in the future: <ul style="list-style-type: none"> • Internal announcements and document release: Relevant regulations have been published through the Company's internal data-sharing platform, ensuring that all employees can access the information at any time. • Education and training: Regularly organize training courses on integrity management and ethical conduct, ensuring that employees understand and comply with relevant regulations. • Onboarding: Incorporate integrity management regulations into the employee handbook and onboard training so that all new hires are aware of and comply with the Company's regulations. • Grievance and whistleblowing channels: Provide a transparent and confidential whistleblowing mechanism, enabling employees and related stakeholders to report violations and ensuring the effective implementation of regulations. 	
	Code of Ethical Conduct	Board of Directors	Legal Affairs Office			
	Operating Procedures and Conduct Guidelines for Integrity Management	Board of Directors	Legal Affairs Office			
 Sustainable Development	Sustainable Development Best Practice Principles	Board of Directors	Sustainable Development Department	To fulfill corporate social responsibility and facilitate economic, environmental, and social advancement for sustainable development goal achievement, the Company formulated its Sustainable Development Best Practice Principles in 2024 based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related laws and regulations. Upon the Board's approval and announcement, the Sustainable Development Best Practice Principles serve as the highest guiding principles for ESON's efforts in sustainable development. The Company supports and complies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies to implement its ESG policies and missions. The scope of application covers all members, suppliers, and partners of the Company.	The Company respects the rights and interests of stakeholders by identifying them, and has established a Stakeholder section on the company website. Through appropriate communication, the Company understands the reasonable expectations and needs of stakeholders, and properly responds to the important sustainability issues of concern to them.	

Embedding Policy Commitments

To integrate the Company's resources and embed various policy commitments of responsible business conduct into daily operations, a Sustainable Development Committee was established in 2024, with 3 working groups established under the committee: Corporate Governance Group, Sustainable Environment Group, and Social Welfare Group. The Sustainable Development Committee convenes regular meetings to formulate annual sustainable development policies and policy commitments related to responsible business conduct, and to review the implementation status of approaches to sustainability issues and policy commitments.

Advocacy and Promotion of Responsible Business Conduct

To ensure that ESON's employees understand and implement the Company's policy commitments, integrity management, and professional ethics, the Company organizes education and training courses related to integrity management on topics such as compliance with integrity management regulations, taxes, accounting systems, and internal controls to raise employees' awareness of professional ethics and legal compliance.

Additionally, the Company has established the Customer Credit Management Operations and Supplier Control Procedures to either prohibit exchange with those who do not meet the standards or reduce transaction amounts. The terms of integrity conduct have been included in all commercial contracts.

ESON strictly adheres to competent authorities' laws and regulations on corporate governance, integrity management, environmental protection, and labor rights. To ensure accuracy and completeness in legal compliance, the Company regularly provides employees with training and advocacy programs, incorporating the concepts of integrity management into their daily job duties.

Anti-corruption

The Company is committed to fostering a culture of integrity management, requiring all employees to abide by ethical standards and legal regulations. Although the Company has not developed a dedicated anti-corruption policy or procedure, it has established integrity-related regulations and plans to further strengthen corruption risk management. Regulations related to integrity management have been published and shared internally, ensuring that all employees can access them at any time. To ensure that governance units and employees fully understand regulations related to integrity management and anti-corruption, and to effectively conduct training and advocacy efforts, the Company provides directors with corporate governance and prevention of insider trading courses. A total of 2 directors attended the "2024 Insider Trading Prevention Information Session," totaling 6 hours. One director attended training on the "How to Establish an Effective Money Laundering and Terrorism Prevention System," totaling 3 hours. A total of 3 directors were trained on anti-corruption, accounting for 42.86% of the Board members.

In addition, employees and managers at ESON's Taiwan Branch were provided with courses on corporate governance and insider training prevention. A total of 66 people attended the "2024 Insider Trading Prevention Information Session" and the "Discussing Insider Trading Regulations from an Internal Control Perspective," totaling 16 hours, with 7 participants completing the training and a completion rate of 10.61%. At ESON's Kunshan Plant, additional training courses on communication with employees were held. In 2024, the total anti-corruption training hours were 700 hours, with 350 participants completing the training. Specifically, 24 participants from the management completed the training, with a completion rate of 5.44%, while 326 non-managerial participants completed the training, with a completion rate of 73.92%.

ESON is committed to the promotion and implementation of corporate governance. It focuses on safeguarding the rights and interests of shareholders and treating shareholders equitably, strengthening the structure and operation of the Board, improving information transparency, and moving towards sustainable development. In recent years, the Company has actively strengthened and improved its corporate governance mechanisms. It is committed to legal compliance and the improvement of the Board's functions. The Company will continuously refine its corporate governance framework to improve and achieve a robust business structure. No corruption incidents were reported in 2024.



Anti-corruption Education and Training		Employee Level		Employee Category	
		Management	Non-management	Professionals	Manufacturing Staff
ESON's Taiwan Branch	Total training hours	3	13	16	0
	Number of participants completing the training	1	6	7	0
	Completion rate	9.09%	17.14%	15.22%	-
ESON's Kunshan Plant	Total training hours	48	652	532	168
	Number of participants completing the training	24	326	266	84
	Completion rate	5.44%	73.92%	60.32%	19.05%

Note 1: Definition of “completion rate”: It is calculated as the number of employees who were still employed at the end of December and had completed relevant courses, divided by the total number of employees in the same region and category who were still employed at the end of December of the same year.

Note 2: ESON's Taiwan Branch only provides corporate governance and insider trading prevention training courses for personnel in departments with a higher likelihood of encountering corruption, such as accounting, finance, and auditing departments. Therefore, the training completion rate is relatively lower.

Note 3: “Management” refers to personnel at manager level or above at ESON's Taiwan Branch and section chief level or above at the Kunshan Plant.

Note 4: The total number of employees at ESON's Kunshan Plant includes regular employees only.

Mechanisms for Seeking Advice and Raising Concerns

To improve the supervisory function of corporate governance, the Company has established the Operating Procedures and Conduct Guidelines for Integrity Management to clearly outline the standard operating procedures for reporting. The procedures cover the acceptance of cases, investigation process, investigation results, and the record-keeping of related documentation. For reports that have been verified to be true, relevant units are required to review the internal control system and operating procedures, as well as propose improvement measures to stop repeat incidents. In addition, the Company's designated unit reports to the Board on the details of reported cases, handling approaches, subsequent reflection, and improvement measures taken.

The Company has established the Employee Communication and Grievance Management Methods and the EICC Code of Conduct. It has set up dedicated mailboxes for employees and external personnel. These mailboxes are managed by dedicated personnel, and recognition and cash rewards are provided. The Company has established confidentiality mechanisms for the standard operating procedures related to investigations of reported matters, ensuring that the identity of whistleblowers and the details of reports remain confidential. In 2024, the Company did not receive any reported cases.

Channels for Consultation and Reporting

	External channel	Anonymous reporting mailbox (i.e., Whistleblower Mailbox) available on the official website	justice@eson.tw
		Chairman's mailbox	tsai@eson.tw
		Employee grievance mailbox	speakout@eson.tw

Total Number of Reported Cases




	2022	2023	2024
Total reported cases	0	0	0
Unrelated to violations of professional ethics	0	0	0
Fraud	0	0	0
Conflicts of interest	0	0	0
Insider trading	0	0	0
Cases established after investigation	0	0	0



2.2 Legal Compliance

ESON has established the Code of Conduct for Integrity Management, prohibiting employees from directly or indirectly offering, promising, requesting, or accepting any improper benefits in the course of business activities. The Code of Conduct for Integrity Management has been integrated into the management regulations and is assigned Document No. MUL-028. In 2024, neither the Company nor Kunshan ESON was imposed any penalties or fines due to cases of anti-competitive behavior, violations of antitrust laws, conflicts of interest, money laundering, insider trading, product safety issues, corruption, environmental protection, or labor-related issues. Furthermore, they had no major violations of laws and regulations related to society and the economy, nor any incidents of non-monetary sanctions.

The criteria defining major violations (applicable to the Group) are as follows:

Criteria Defining Major Violations	
 <p>Labor-related major violations</p>	<p>Violations of labor rights that are fined by competent authorities by a minimum of NTD 500,000 (or its equivalent in other currencies). Examples include (but are not limited to): Violation of labor laws or regulations (e.g., failure to pay salaries in accordance with the law, violations of working hour regulations); cases involving forced labor or child labor; major occupational safety incidents resulting in casualties and penalties imposed by competent authorities meeting or exceeding the threshold. incidents of discrimination or harassment that have resulted in court judgments or are fined by competent authorities.</p>
 <p>Environmental protection-related major violations</p>	<p>Violations of environmental protection laws or regulations that are fined by competent authorities by a minimum of NTD 500,000 (or its equivalent in other currencies). Examples include (but are not limited to): Illegal emissions of exhaust gases, wastewater, or hazardous waste exceeding regulatory standards; unauthorized development or construction without first completing local environmental impact assessments; major pollution incidents, such as soil pollution and marine pollution, leading to ecological damage or public health risks; violation of waste management laws or regulations, such as illegal dumping and disposal of hazardous substances.</p>
 <p>Other major violations</p>	<p>Legal basis: Examine whether applicable laws, regulations, or regulatory requirements were violated. Financial impact: Examine whether significant financial losses or potential risks have arisen, including fines, compensation payments, or impacts on capital markets. Reputation and brand impact: Examine whether the violation has adversely affected the company's reputation, market trust, or customer loyalty. Operational impact: Examine whether the violation has disrupted business operations, hampered production, or caused supply chain problems. Stakeholder impact: Examine whether the violation has significantly caused an adverse effect on employees, consumers, shareholders, or the general public.</p>

The following incidents were made public as material information announcements by the Company in 2024 in accordance with competent authorities' criteria for material information. Neither incident occurred in 2024. Subsequently, all relevant subsidiaries of the Group have carried out internal rectification and preventive measures to ensure that similar violations do not occur in the future.

Date of incident	2022/03/04
Penalized subsidiary	Kunshan ESON Machinery Industry Co., Ltd.
Violated law/regulation	Article 109 of the Law of the People's Republic of China on Production Safety
Cause	Occurrence of occupational safety incidents
Penalty	A fine of RMB 500,000 was imposed.
Response measures	<ol style="list-style-type: none"> Cooperation with investigation and rectification: <ul style="list-style-type: none"> Actively cooperated with the local competent authority's investigations, providing relevant documents and information. Immediately conducted internal rectification to ensure compliance. Assumption of legal liabilities <ul style="list-style-type: none"> Paid the fine in accordance with the law and recorded the rectification progress. Strengthening safety management <ul style="list-style-type: none"> Reviewed the existing safety production management system to ensure compliance. Strengthened training efforts to raise safety awareness. Establishment of preventive mechanisms and current status <ul style="list-style-type: none"> Developed improvement plans based on the root cause of the incident to ensure compliance with safety production laws and regulations. Obtained the local competent authority's approval to resume operations.

Date of incident	2023/09/12
Penalized subsidiary	Multiwin De Mexico S.A. De C.V.
Violated law/regulation	Article 178 of the Mexican Customs Law
Cause	Process deficiencies identified during an audit conducted by the tax authority
Penalty	A fine of MXN 2,593,369 was imposed by Mexico's Tax Administration Service.
Response measures	<ol style="list-style-type: none"> Verification of the violation cause <ul style="list-style-type: none"> Examined the details of the violation to ensure a clear understanding of the specific non-compliance areas identified by the competent authority. Assumption of legal liabilities <ul style="list-style-type: none"> Paid the fine in accordance with the law and recorded the progress of improvement measures. Internal rectification and preventive measures <ul style="list-style-type: none"> Reviewed the import/export compliance processes to stop repeat incidents. Strengthened the trade compliance department's review mechanism for customs declaration documents to avoid erroneous reporting. Establishment of preventive mechanisms and current status <ul style="list-style-type: none"> Ensure that customs brokers, logistics companies, and suppliers operate in compliance and effectively implement regulatory requirements to prevent the Company from being penalized for errors from partners. The fine has been paid.