

# 01

## ***ESON and Stakeholders***

### **1.1 About ESON**

### **1.2 Stakeholder Identification and Engagement**

### **1.3 Identification of Material Topics**

### **Material Topics and Value Chain Boundaries**

# | ESON and Stakeholders

## 1.1 About ESON

### Overview of Business Operations

ESON Precision Engineering Co. Ltd. was established on June 17, 2008 and is headquartered in the Cayman Islands. The Group mainly engages in the design, development, manufacturing, and sales of molds, plastics, and hardware products. ESON has established 26 operational sites in Mainland China, Taiwan, Slovakia, Mexico, Vietnam, and Malaysia. The Group has a total of 3,613 employees. In 2024, the total revenue reached NTD 13,094,331 thousand, with a net profit after tax of NTD 566,427 thousand. For more information on financial performance, please refer to the Company's 2024 Annual Report.

### Operating Revenue

Sales by Region (City/Country) Unit: NT\$ thousand

Region/Country	Amount	Percentage (%)
China	526,617	4.02%
The Americas and Asia	9,232,127	70.50%
Others	3,335,587	25.48%
Total	13,094,331	100%

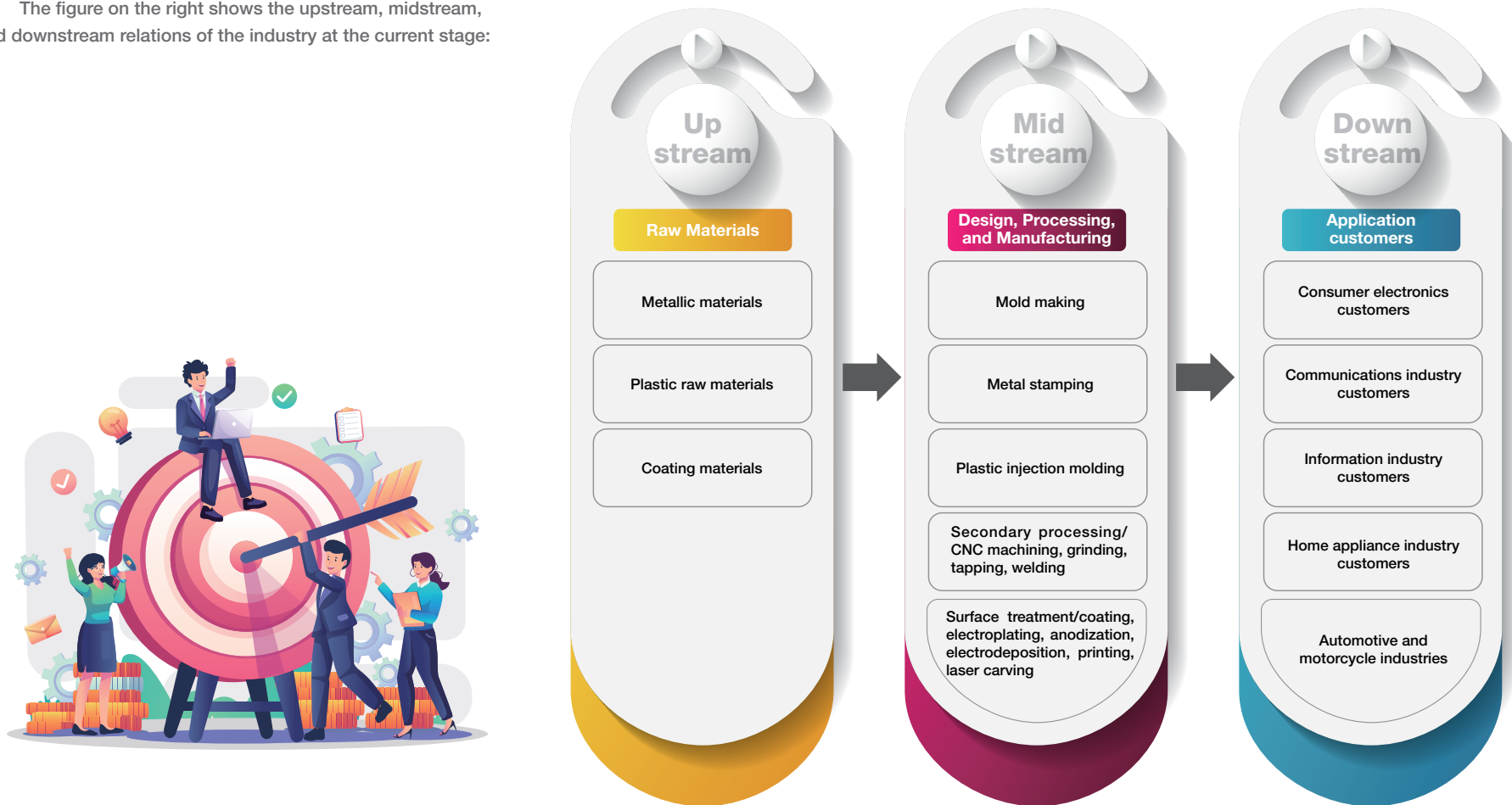
Proportions of Main Business Activities Unit: NT\$ thousand

Business Item	2024	
	Sales	Percentage (%)
Automotive mechanism	7,560,337	57.74%
Network communication mechanism	3,396,745	25.94%
Consumer electronics mechanism	1,875,900	14.32%
Others	261,349	2.00%
Total	13,094,331	100%

## Value Chain Overview

The Company is engaged in precision mold manufacturing, metal stamping, plastic injection molding, and other components products. Upstream raw materials are supplied by well-known domestic and foreign manufacturers and downstream customers are internationally renowned manufacturers. The Company's long-term stable operation management has established excellent partnerships with upstream and downstream manufacturers, and can obtain first-hand information to facilitate decision-making.

The figure on the right shows the upstream, midstream, and downstream relations of the industry at the current stage:



Downstream Customers

ESON is engaged in precision mold manufacturing, metal stamping, plastic injection molding, and other components products. In 2024, the Group’s downstream customers in the server and consumer industries were mainly system manufacturers engaged in complete system assembly. The markets include North America, Europe, and Asia. In addition, for some communications industry customers, their products are directly delivered to the end-manufacturer, Space X. It is a low-earth orbit (LEO) satellite manufacturer. LEO satellites possess advantages such as lower latency, being unaffected by terrain and weather conditions, and communication coverage without dead zones. End products have been sold in 68 countries, including Europe, Asia, and Africa, and are under continuous development.

Suppliers

In 2024, Kunshan ESON cooperated with more than 170 suppliers. There is a total of 9 main procurement categories, including raw materials, purchased components, chemicals, packaging materials, equipment, and surface treatment. Key suppliers were then identified based on conditions such as the procurement amount and criticality of each category. “Key Suppliers,” defined as direct material suppliers with the top 78% of procurement amount, totaled 140, representing approximately 82.3% of all suppliers. In 2024, the total procurement amount was approximately RMB 330 million (equivalent to NTD 1.488 billion, based on a yearly average currency exchange rate of 4.509922). The category with the highest procurement expenditure was automobile.



Supplier Category	Number of Suppliers	Supplier Location	Procurement Amount (RMB 100 million)	% of Procurement
Raw materials	32	China, Czech Republic, Mexico	1.3	41
Purchased components	108	China, Malaysia, USA, Mexico	1.2	37

Supplier Category	Number of Key Suppliers	Number of Non-key Suppliers	Grand Total
Raw materials	20	12	32
Purchased components	85	23	108

## 1.2 Stakeholder Identification and Engagement

To fulfill corporate social responsibility, we must value the rights and interests of stakeholders. While pursuing sustainable operations and profitability, we should address environmental, social, and corporate governance issues, incorporating these considerations into the Company's management policies and operational activities to achieve the goal of sustainable development. Through the following effective communication platforms with stakeholders, ESON manages to understand the reasonable expectations and needs of stakeholders. Regardless of whether inquiries, grievances, or suggestions arise from internal or external issues related to economic, social, or environmental aspects, the Company, guided by the principle of integrity, addresses them appropriately and provides feedback or improvement plans to ensure effective communication.

### Stakeholder Identification and Communication

The topics of concern and communication details with stakeholders in 2024 are as follows:

Category	Significance to ESON Precision	Issues of Concern	Communication Channels and Frequency		2024 Communication Details and Results	Point of Contact
Employees	Employees are an important component of the Company and the cornerstone of sustainable development. They are the core drivers for the continuous growth of the Company. Therefore, only by providing a friendly working environment and reasonable labor conditions can the Company foster a motivated team that is empowered to unleash their full potential and passion, thereby creating better business performance and value for the Company.	<ul style="list-style-type: none"> <li>Talent Development</li> <li>Employee Care and Labor Protection</li> <li>Occupational Health and Safety</li> </ul>	Employer-employee meetings	Quarterly	Employee opinions are heard and responded to through labor representatives. In 2024, the Taiwan Branch held its first employer-employee meeting in December, and will be held quarterly every year.	speakout@eson.tw Deputy General Manager Tsai
			Kunshan Plant's union	When necessary	Employee opinions are heard and responded to through the union. Number of union meetings held by the Kunshan plant in 2024: 3 meetings.	
			Performance evaluations and meetings	Annually	Regular performance meetings help both supervisors and employees assess goal attainment. All performance evaluations were completed in 2024.	
			Employee grievance mailbox	Real-time	The Company provides diverse, open, and transparent communication channels, continuously strengthening two-way and real-time communication with employees. Number of grievances/reported cases in 2024: 0.	
			Internal announcements	When necessary	The Company announces and disseminates its important internal policies or implementation measures for employees' compliance.	
			Annual employee health examinations	Annually	Each year, the Taiwan Branch works with contracted health management institutions to organize health examinations for employees to monitor their own health conditions. Number of employees receiving health examinations in 2024: 28.	
			Employee training	When necessary	The Company provides relevant training courses to improve employees' expertise and general competencies. <ul style="list-style-type: none"> <li>In 2024, the Taiwan Branch conducted training for 86 people, totaling 86 hours.</li> <li>In 2024, the Kunshan Plant conducted training for 7,219 people, totaling 13,875.5 hours.</li> </ul>	
			Safety production meetings	Monthly	Number of safety production meetings: 12. Number of occupational health and safety training sessions: 21. Number of participants: 630. Number of emergency drills: 13. Number of drill participants: 1,300.	

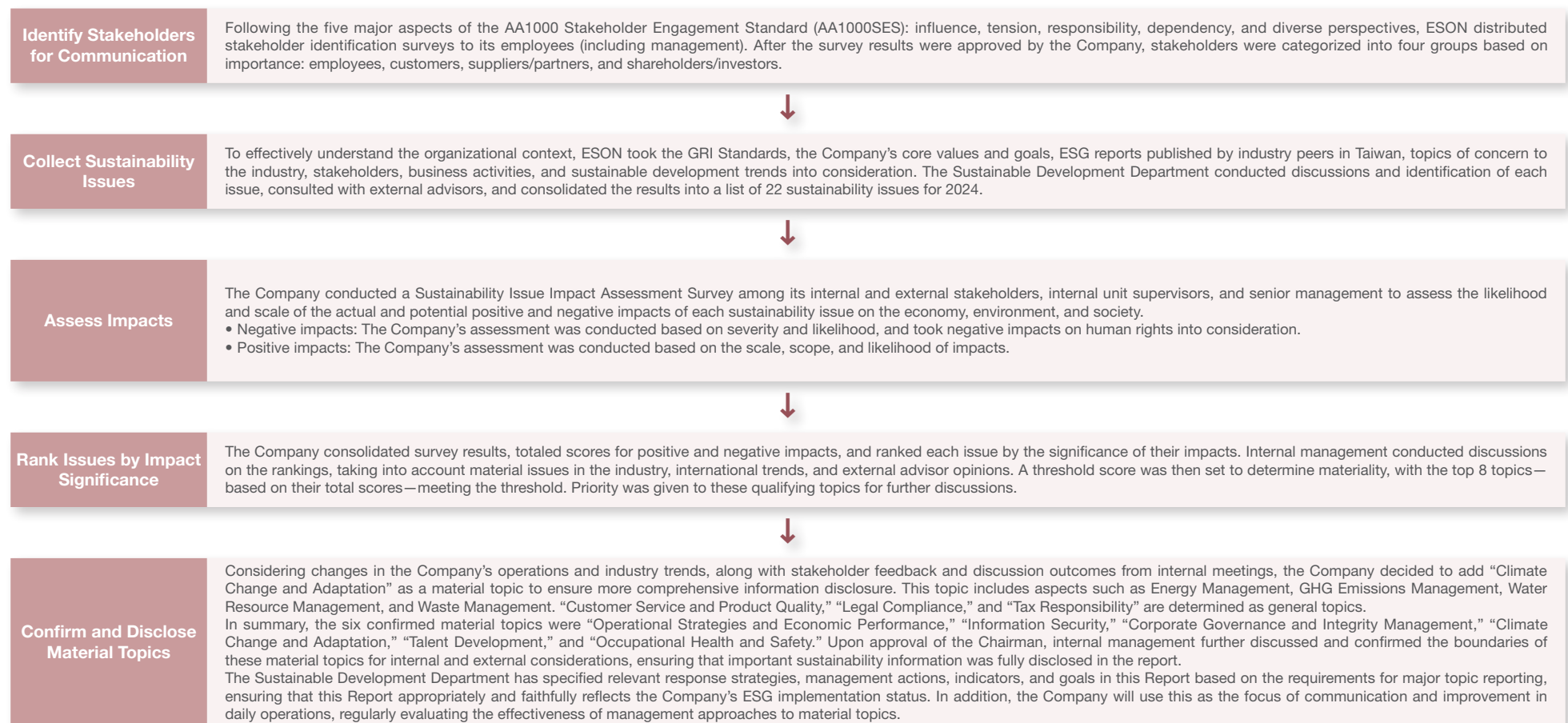


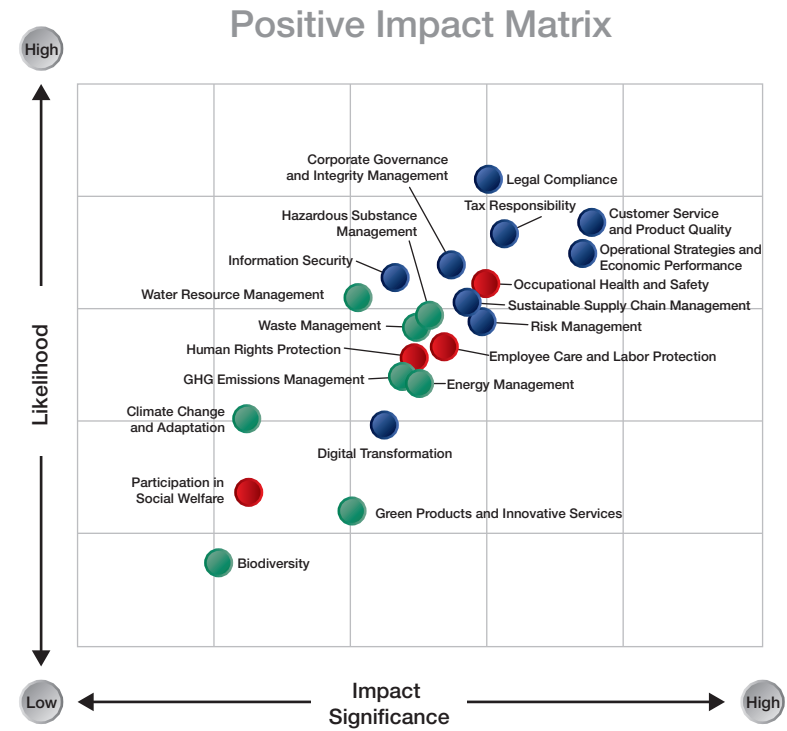
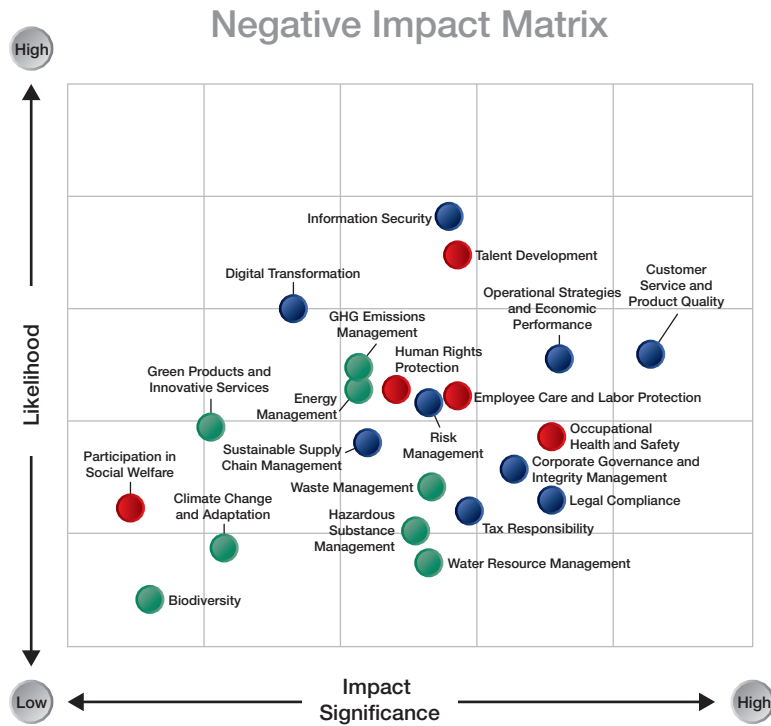
Category	Significance to ESON Precision	Issues of Concern	Communication Channels and Frequency		2024 Communication Details and Results	Point of Contact
Customers	Customers are the most influential stakeholders in the development and manufacturing of ESON's products. They also follow ESON's efforts in the promotion of economic, environmental, and social issues.	<ul style="list-style-type: none"> <li>Operational Strategies and Economic Performance</li> <li>Risk Management</li> <li>Information Security</li> <li>GHG Emissions Management</li> <li>Water Resource Management</li> <li>Customer Service and Product Quality</li> </ul>	Business meetings	Quarterly	In 2024, 12 customer meetings were held to stay informed of their development directions and jointly create economic performance.	eson-ir@eson.tw Manager Liu
			Customer-submitted GHG emissions reporting	Annually	The Company reported GHG emissions in the Impact of Environmental Information Disclosure once a year. In 2024, approximately 11,197 tons of wastewater from production was generated, with 11,197 tons discharged in compliance.	
			Customer quality monthly meetings	Monthly	The Company completed monthly quality reports for 21 customers in 2024.	
Suppliers/ partners	Good suppliers and partners can provide a reliable supply of materials and services, ensuring ESON Precision to maintain stable production operations and achieve optimal business performance.	<ul style="list-style-type: none"> <li>Legal Compliance</li> <li>Operational Strategies and Economic Performance</li> </ul>	Supplier evaluations	Annually	The Company evaluated 23 suppliers in 2024.	services@eson.tw Ms. Shih
			Interviews (on-site, telephone, fax, email, etc.)	When necessary		
Shareholders/ investors	The opinions and suggestions from shareholders and investors serve as important indicators for the management team when making operational decisions.	<ul style="list-style-type: none"> <li>Operational Strategies and Economic Performance</li> <li>Customer Service and Product Quality</li> <li>Information Security</li> <li>Occupational Health and Safety</li> <li>Hazardous Substance Management</li> </ul>	Shareholders' meetings	Annually	<ul style="list-style-type: none"> <li>The Company held 1 shareholders' meeting, 6 board meetings, and 2 investor conferences to communicate market conditions, future trends, growth strategies, and profitability with investors.</li> <li>In addition, an IR mailbox has been set up as a communication channel with investors. All investors' calls or e-mails received a response in 2024.</li> <li>The Company published a total of 29 pieces of material information in 2024.</li> </ul>	eson-ir@eson.tw Manager Liu
			Investor conferences	Annually		
			Interviews (telephone, fax, email, etc.)	When necessary		
			Release of financial reports	Quarterly		
			Market Observation Post System (MOPS)	When necessary		
			Mailbox for investors	When necessary		
			Company website	When necessary		
			Government reporting	When necessary	Kunshan ESON submitted reports on an irregular basis regarding hazardous waste inbound and outbound activities in the government-regulated system. A total of 29 tons of hazardous waste was generated in 2024, all of which was removed for treatment in accordance with the law.	

## 1.3 Identification of Material Topics

### Material Topic Identification Process

In accordance with the reporting principles outlined in the GRI Standards (2021), ESON conducted materiality analysis to identify sustainability issues that have significant impacts on the economy, environment, and society (including impacts on people and human rights). The analysis served as the foundation for information disclosure in the report, ensuring effective communication with stakeholders. In 2024, ESON conducted stakeholder communication and material topic identification through the following five steps:



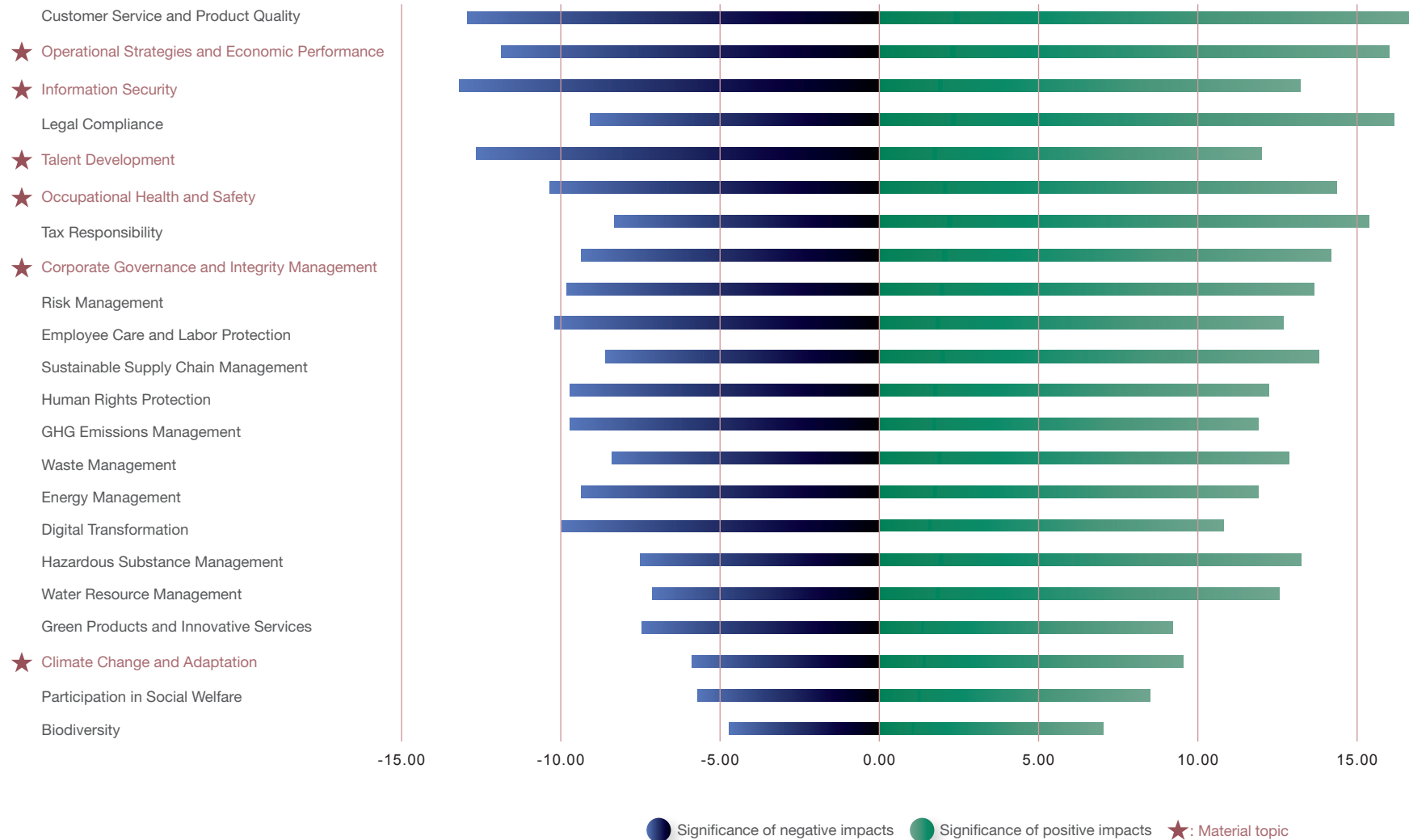


## Aspects of Sustainability Issues

Environment	Society	Governance/Economy
<ul style="list-style-type: none"> <li>Green Products and Innovative Services</li> <li>Energy Management</li> <li>GHG Emissions Management</li> <li>Waste Management</li> <li>Water Resource Management</li> <li>Hazardous Substance Management</li> <li>Climate Change and Adaptation</li> <li>Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Employee Care and Labor Protection</li> <li>Talent Development</li> <li>Human Rights Protection</li> <li>Participation in Social Welfare</li> <li>Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Operational Strategies and Economic Performance</li> <li>Tax Responsibility</li> <li>Corporate Governance and Integrity Management</li> <li>Legal Compliance</li> <li>Risk Management</li> <li>Information Security</li> <li>Digital Transformation</li> <li>Customer Service and Product Quality</li> <li>Sustainable Supply Chain Management</li> </ul>



## Assessment of the Significance of Positive and Negative Impacts of Sustainability Issues



## Material Topics and Value Chain Boundaries

Corresponding SDGs	Aspect	Material Topic	Value Chain Boundary Impact		
			Upstream	ESON Operations	Downstream
  	Governance/Economy	Corporate Governance and Integrity Management	●	●	●
		Operational Strategies and Economic Performance		●	
		Information Security		●	●
   	Environment	Climate Change and Adaptation	●	●	●
    	Society	Talent Development		●	
		Occupational Health and Safety Management	●	●	

● Direct impact    ● Indirect impact