

04

Climate Change and Adaptation

4.1 Climate Change and Adaptation Management

4.2 Energy Management

4.3 Greenhouse Gas and Emissions Management

4.4 Water Resource Management

4.5 Waste Management

| Climate Change and Adaptation

4.1 Climate Change and Adaptation Management

Material Topics Management - Climate Change and Adaptation

Description of Impact	Actual positive impact: The Company has the potential to reduce operational costs and greenhouse gas (GHG) emissions by reducing the use of high-carbon emission fossil fuels and transitioning to solar power generation. Real-time monitoring of carbon emissions can help optimize production processes and establish effective emission reduction measures. Along with obtaining GHG system accreditation, companies can enhance energy efficiency, reduce environmental pollution, build a green and environmentally friendly corporate image, and boost competitiveness. This aligns with the expectations and requirements of both the government and the public for environmental protection.		
	Potential negative impact: The Group's product sales may face additional costs due to the introduction of carbon fees domestically and carbon tariffs imposed by other countries, which could cause consumers to bear some of these costs. In addition, if the Group fails to meet customer requirements regarding environmental protection and carbon reduction, it may risk losing orders, which could adversely affect its production management and harm the interests of investors/shareholders.		
Policy/Commitment	1. According to the "Sustainable Development Roadmap" published by the FSC, the parent company should complete the GHG inventory by 2026 and complete assurance by 2028. Subsidiaries should complete their inventory by 2027 and complete assurance by 2029. The Company will conduct GHG inventory and assurance in accordance with the ISO 14064-1:2018 standard, and will continuously monitor the status of GHG inventory and track the disclosure timeline of assurance in accordance with the relevant guidelines of the competent authority. 2. Management regulations are established to directly control the use of raw materials that have an impact on the environment at the source of production. 3. A rigorous hazardous substance control system are established to strengthen control and management of hazardous substances used in products.		
Actions Taken	1. In 2023, we rolled out the carbon inventory at the Mexico subsidiary. Since 2024, the implementation of carbon inventory has been expanded to the entire Group. Third-party verification bodies have been engaged to conduct carbon inventory verification in accordance with the ISO 14064-1:2018 standard. 2. The Group's current carbon reduction strategy is mainly based on the use of low-carbon energy. Kunshan ESON has begun to use solar power generation, and the Vietnam Plant has completed an assessment of the benefits of solar power generation. 3. The Company actively cooperates with the carbon inventory requirements of supply chain partners by responding to relevant questionnaires and providing necessary information. 4. The Company has implemented an environmental safety department responsible for the supervision of matters related to environmental management and industrial safety. The established "Management Standards for Environmental Substances" stipulate that all raw materials shall comply with regulations such as RoHS and REACH, ensuring direct control of the use of raw materials that have an impact on the environment at the source of production. By obtaining an IECQ Certificate of Conformity, in addition to establishing rigorous systems to control hazardous substances, the Company further reinforces the control and management of hazardous substances used in products.		
Tracking and Evaluation Mechanism	1. Carbon inventory progress is periodically reported to the Board of Directors ("Board"). An evaluation mechanism is established by obtaining statements from engaged third-party verification bodies in accordance with the ISO 14064-1:2018 standard. 2. To implement an effective environmental management system, the Company has obtained the certification for ISO 14001:2015 - Environmental management systems, ensuring that plant operations comply with relevant regulations.		
Management Goals	Short-term Goals (Within 3 Years)		Long-term Goals (5 Years or More)
	1. Phase out old and outdated equipment with high energy consumption and replace it with low energy or new process, new energy models. 2. Encourage employees to use green energy transportation for commuting and travel.		1. Achieve carbon neutrality across the Group. 2. Encourage more supply chain partners to join our sustainability efforts, working with them to achieve carbon neutrality.
Annual Performance	1. In September 2025, the Group completed its annual carbon inventory for 2024 and engaged a third-party verification institution to conduct verification. The overall schedule was completed one quarter earlier than the previous fiscal year, and the verification statement was obtained in December 2025. 2. A 5MW distributed solar power plant was installed at the Kunshan Plant. In 2025, total solar power generation amounted to 4,727,524 kWh, saving approximately RMB 740,000 in electricity costs, and reducing the original electricity consumption by 1,551 tons of standard coal equivalent, 6,146 tons of clean water, 4,713 tons of carbon dioxide, 142 tons of sulfur dioxide, and 71 tons of nitrogen oxides. 3. In 2025, the Group completed GHG-related questionnaires for 4 customers and provided the required information.		
Stakeholder Involvement	1. Government agencies: Regularly publish sustainability information on ESGgenplus built by the TWSE, including GHG emissions data, climate-related issue management, energy management, water resource management, and waste management. 2. Customers: Investigate GHG emissions data, hold irregular meetings to share knowledge on energy and carbon reduction technology applications, promote energy-saving measures in the industry, and refine environmental protection and sustainable development strategies.		

Task Force on Climate-related Financial Disclosures (TCFD)

Governance

In response to the high uncertainty in climate conditions, rapid changes in policies and markets, and to timely keep abreast of and estimate the potential impacts of climate change, the Group holds regular meetings with senior executives from various departments to jointly identify material climate risks and opportunities. Additionally, the Group conducts further assessments of the risks potentially caused by floods, droughts, typhoons, and extreme high temperatures at each operational site, in hopes of staying informed of climate changes in the external environment and market dynamics, thereby enabling more comprehensive planning for operational strategies.

Board of Directors

The Group's Board of Directors is the highest governing body for addressing climate change, and is responsible for overseeing and guiding climate-related policies.

Sustainable Development Committee

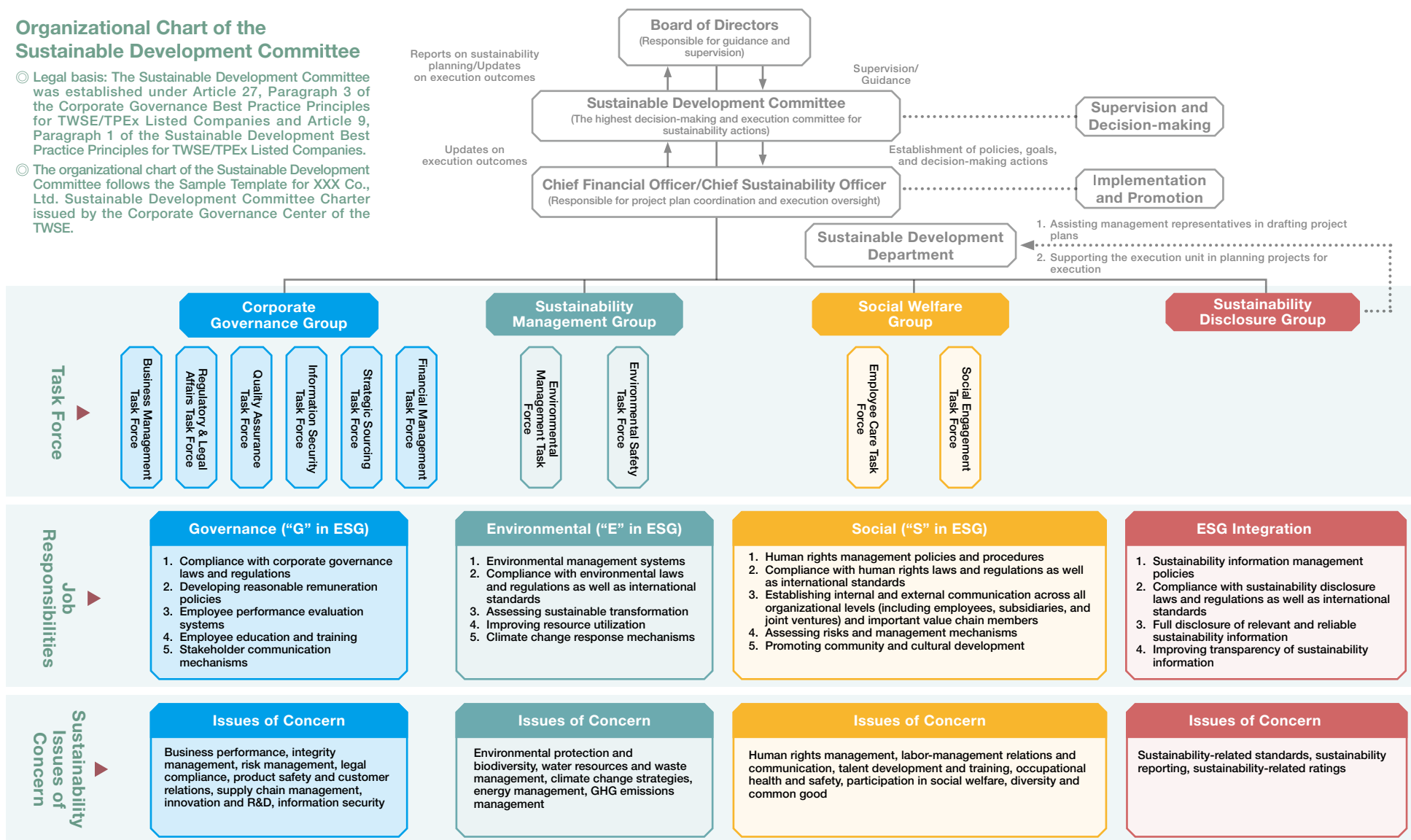
The Board has established the Sustainable Development Committee, consisting of 3 members from the Board who possess professional knowledge and competence in corporate sustainability and are authorized by the Board. The Committee is responsible for calling meetings, setting targets, and implementing and strengthening action plans and capital expenditures related to crucial sustainability policies (including climate issues) for each company under the Group. It also reviews, follows up on, and revises the implementation status and outcomes of sustainability initiatives, reporting them to the Board of Directors every six months. In 2025, a total of 2 meetings were held in August and November, during which the Board of Directors reviewed the 2024 ESG Report, the timeline for the 2025 ESG Report preparation, and the timeline for the introduction of the TCFD and SASB Standards.

Sustainable Development Department and Working Groups

The Committee is led by the Chief Sustainability Officer and a dedicated unit, the Sustainable Development Department, has also been established, including various working groups, such as the Sustainable Environment Group, which is responsible for the environmental management system, compliance with environmental regulations and international standards, assessment of sustainable transformation, improvement of resource utilization, climate change response mechanisms, and identifying climate-related risks and opportunities. Irregular cross-departmental meetings are held for exchanges, discussions, and coordination, working together toward the achievement of environmental sustainability. The Sustainable Development Department (Chief Sustainability Officer) reported separately to the Sustainability Development Committee in June and October on the review of the 2024 ESG Report, the timeline for the 2025 ESG Report preparation, and the timeline for the introduction of the TCFD and SASB Standards.

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.



Risk Management

The Board serves as the highest decision-making body for risk management of the Group and oversees the overall risk governance framework of the Group. To strengthen risk management and sustainable governance mechanisms, the Board of Directors passed a resolution to establish the Sustainable Development Committee in 2024 and appointed the Chief Financial Officer to concurrently serve as the Chief Sustainability Officer. At the same time, a dedicated Sustainable Development Department was established to oversee affairs related to sustainable development and risk management.

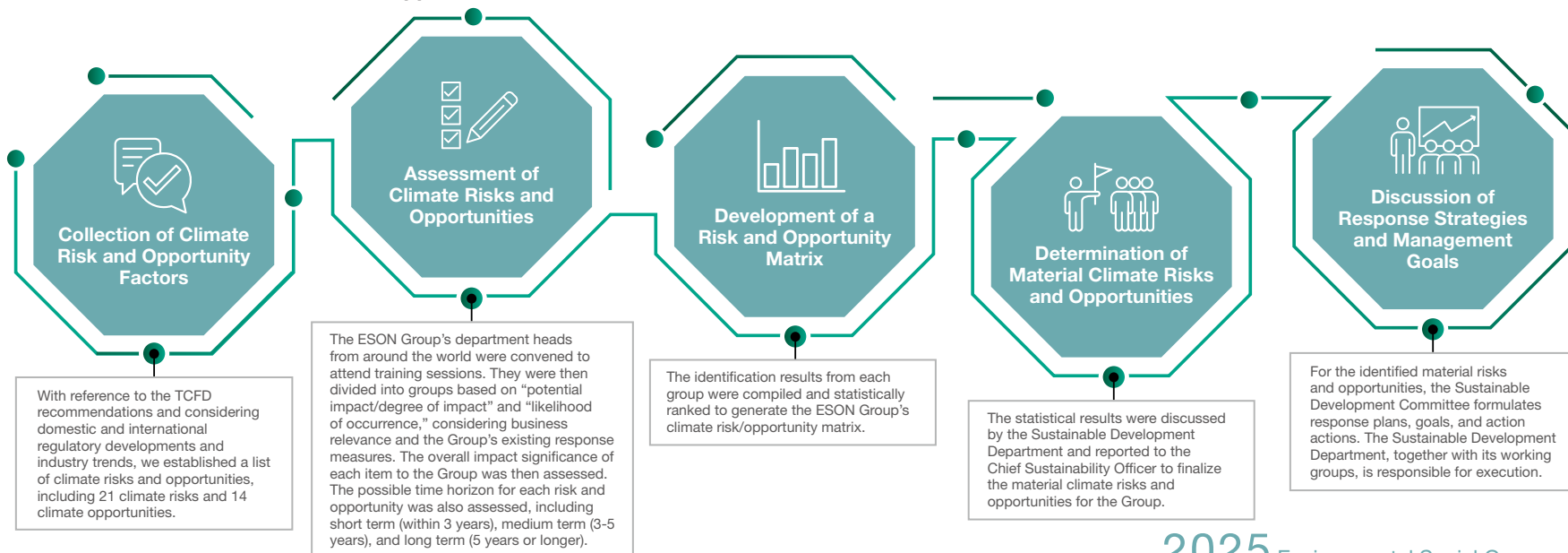
Regarding everyday risk management, each department conducts risk identification, assessment, monitoring, and response measures based on their responsibilities and business characteristics, with climate-related risks taken into consideration. When a major risk event occurs or a major risk issue is discovered, the relevant departments will devise response strategies and management measures, which are reported to the Sustainable Development Committee and the Board of Directors. The Sustainable Development Committee is responsible for supervising the implementation of the aforementioned strategies and management measures, and shall review and track their effectiveness every six months and report to the Board of Directors. The Board of Directors assesses the overall risks at the group level based on the Sustainable Development Committee's reports in order to ensure that major risks are taken into account in corporate governance and strategic decisions.

The Company implements risk management operations through the existing management mechanisms of each department. In the future, we will continue to build more comprehensive risk management frameworks and mechanisms to improve the effectiveness of risk governance.

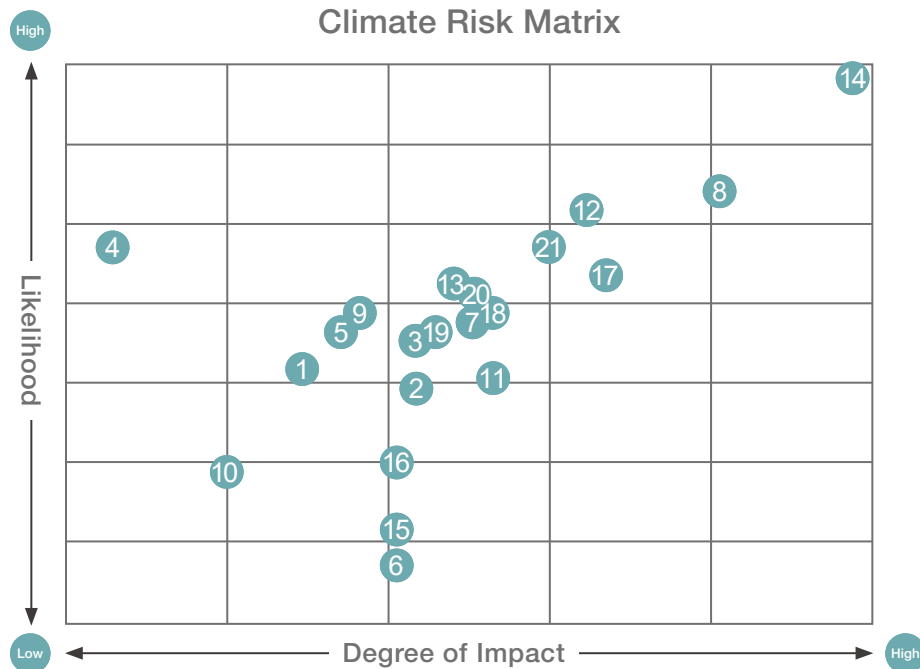
Identification of Climate Risks and Opportunities

With the support of senior executives, climate-related risks and opportunities are identified in accordance with the TCFD framework. For material risks and opportunities, response measures are proactively developed to reduce the operational and financial impacts caused by climate change, enhancing the organization's climate resilience. According to the climate change risk and opportunity assessment methodology, the "short-term" is defined as a period within 3 years, the "medium-term" as 3 to 5 years, and the "long-term" as 5 years or more. These periods are used to evaluate the potential impact duration, with risks categorized into transition risks and physical risks.

Identification Process for Climate Risks and Opportunities



Climate Risk and Opportunity Matrix



Climate-related Risks

Transition risk

Regulations and policies

- Domestic government carbon fee collection
- Increased pricing of GHG emissions
- Carbon taxes imposed by foreign governments on carbon emissions (e.g., CBAM)
- Strengthened emissions reporting obligations
- Requirements and supervision over existing products and services
- Exposure to climate-related litigation
- Regulations related to renewable energy development

Technology

- Increased cost of purchasing renewable energy
- Replacement of existing products and services with low-carbon alternatives
- Failed investment in new technologies
- Costs of low-carbon technology transition

Market

- Increased awareness of sustainability or carbon reduction issues among customers or consumers, leading to changes in purchasing behavior
- Uncertainties in market information
- Rising raw material costs

Business reputation

- Industry stigmatization
- Climate change-related reputational risks arising from failure to meet stakeholder expectations, increased negative public sentiment, and damage to corporate reputation

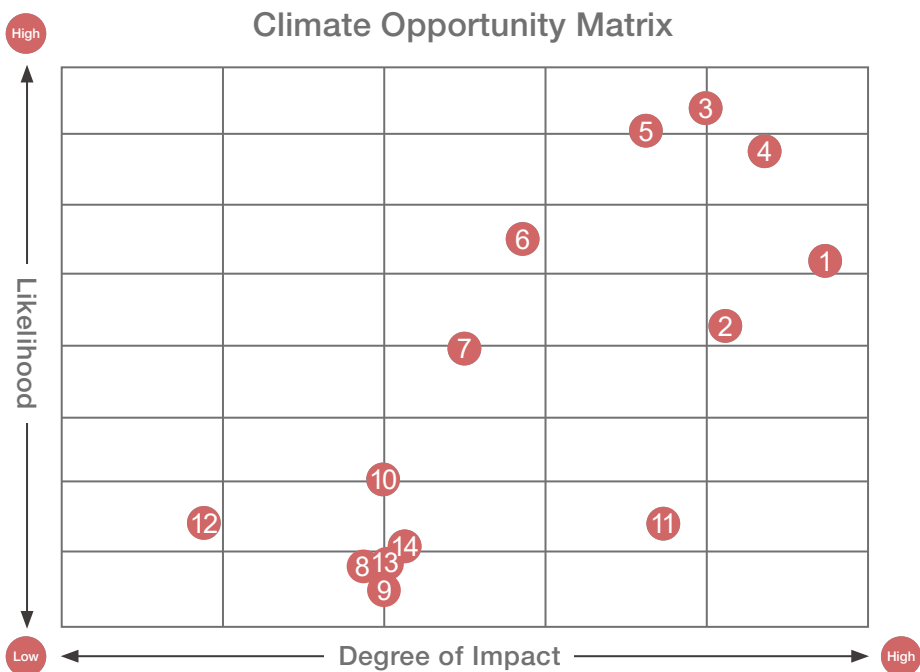
Physical risk

Immediate

- Increased severity of extreme weather events, such as typhoons and floods
- Flooding (heavy rainfall)

Chronic

- Changes in rainfall (precipitation) patterns and extreme changes in climate models
- Water scarcity
- Rising average temperatures



Climate-related Opportunities

Resource usage efficiency

- 1 Adoption of more efficient transportation methods
- 2 Use of more efficient production and distribution processes
- 3 Recycling and reuse
- 4 Reduced water withdrawal and water consumption

Energy sources

- 5 Use of low-carbon energy
- 6 Use of new technologies that reduce carbon emissions
- 7 Participation in carbon trading markets

Products and services

- 8 Development and/or expansion of low-carbon products and services
- 9 Development of new products and services through R&D and innovation
- 10 Changes in consumer preferences

Market

- 11 Entry into new markets
- 12 Utilization of government incentive programs

Resilience

- 13 Participation in renewable energy projects and adoption of energy-saving measures
- 14 Energy substitution and diversification

The Group convened department heads from major subsidiaries to discuss and identify climate risks and opportunities through training and group evaluation sessions. The statistical results were discussed by the Sustainable Development Department. As a result, 3 of the 21 climate risks (including 16 transition risks and 5 physical risks) were identified as material climate risks, and 3 of the 14 climate opportunities were identified as material climate opportunities. The final results were submitted to the Chief Sustainability Officer for approval.

Risk/Opportunity Item				Time Horizon
Risks	Physical risk	Immediate	Increased severity of extreme weather events, such as typhoons and floods	Short-term
	Transition risk	Market	Rising raw material costs	Short-term
			Increased awareness of sustainability or carbon reduction issues among customers or consumers, leading to changes in purchasing behavior	Short-term
Opportunities	Energy sources		Use of low-carbon energy	Short-term
	Resource usage efficiency		Adoption of more efficient transportation methods	Short-term
			Reduced water withdrawal and water consumption	Short-term



Strategy

Assessment of Climate Risks and Opportunities

Risk Category	Risk Aspect	Risk Description (Risk Factors)	Duration of Impact	Impact on the Group's Strategy, Operations, and Finances	Response Plan	Financial Impact and Performance
Physical risk	Immediate	Increased severity of extreme weather events, such as typhoons and floods	Short-term	The increasing severity of extreme weather events (e.g., typhoons, heavy rainfall, and flooding) not only threatens the safety of employees, but also results in higher port warehousing costs, production interruptions, supply chain disruptions, and reduced capacity, thereby further affecting costs and revenue. In addition, the increased risk of damages caused by disasters may lead to higher insurance premiums, and additional manpower and overtime costs will be needed to resume production after a disaster, which will put greater burden on operations.	1. The facility team inspects areas that may be affected by extreme weather and performs necessary preventive repairs and maintenance to ensure reliable equipment operation. 2. Establish and regularly conduct drill emergency SOPs for typhoons and floods to strengthen employees' response abilities. 3. In the event of flooding, an emergency response team is activated to ensure essential personnel remain on standby, conducting inspections to maintain the normal operation of critical equipment. Disaster insurance is procured to mitigate the impact of such disasters. 4. Provide elevation or waterproof protection for important machinery and equipment to reduce damage caused by flooding. 5. According to the typhoon intensity, plant managers assess and determine whether to declare typhoon leave to ensure employee commuting and workplace safety. 6. Require suppliers to conduct risk assessments and formulate contingency plans to reduce the possibility of supply chain disruptions.	• In September 2025, disaster insurance procurement was completed, with total premiums amounting to NTD 8.87 million. • Conducted inspections of inner and outer ditches before the rainy season. Regularly cleaned the drainage pipes within the plant premises every 5 years. For areas outside the plant, any blockages are reported to the relevant authorities for further action. • A disaster response team is organized each year. To date, 24 internal training sessions have been conducted.

Risk Category	Risk Aspect	Risk Description (Risk Factors)	Duration of Impact	Impact on the Group's Strategy, Operations, and Finances	Response Plan	Financial Impact and Performance
Transition risk	Market	Rising raw material costs	Short-term	The Group mainly purchases high-energy-consuming raw materials, such as plastics and metals. The cost of related materials accounts for about 30%-70% of the total cost of manufacturing. Upstream processes involve high-temperature refining and the use of large amounts of energy, making them susceptible to impact from carbon tax, energy price fluctuations, and requirements to reduce carbon emissions, causing suppliers to pass on the additional carbon costs in raw material prices. Meanwhile, if the Group needs to adjust its product prices due to higher raw material costs, it may affect customers' willingness to place orders and further eat into profit margins. The decline in profits from server products in recent years reflects the impact of rising material costs on the Group's profitability.	- Supply Chain Strategy and Procurement Management - Diversify suppliers and production locations to reduce dependence on a single supplier or region, and also shorten transportation distances to reduce logistical risks and carbon emissions. - Establish safety stock levels, alternative logistics routes, and introduce flexible production methods to improve our ability to respond to fluctuations in raw material prices or supply disruptions. - Sign medium- to long-term procurement contracts or set pricing formulas with major steel, aluminum, and resin suppliers to mitigate cost risks from carbon taxes and energy price fluctuations in any individual market. - Integrate procurement needs, increase order size, and negotiate with suppliers in advance. - Improve process and equipment efficiency - Optimize the manufacturing process, improve productivity, and reduce material waste to effectively reduce raw material consumption and costs. - Upgrade existing high-energy-consuming or high-emission processes, introduce efficient equipment, reduce energy consumption and material loss, and improve overall operational efficiency.	To improve equipment efficiency, we purchased 9 electric molding machines and 19 mechanical punch presses in 2025, with a total investment of approximately NTD 101,921,772.
		Increased awareness of sustainability or carbon reduction issues among customers or consumers, leading to changes in purchasing behavior	Short-term	Approximately 72.68% of the Group's revenue comes from the European and Americas markets. In response to growing concern among end customers and consumers regarding sustainability and carbon reduction, the Group's products must comply with increasingly stringent sustainability requirements, including disclosure and inventory of the life cycle carbon footprint. If the Group's products fail to meet customers' sustainability requirements in a timely manner, we will face the risk of fewer orders and declining sales.	- Strengthen the understanding of market and customer needs: The Group regularly communicates with key customers to understand their latest requirements for environmental protection, carbon reduction, and product design. It continuously tracks the sustainability trends of the end market and international brands, and incorporates relevant ESG needs into the strategic planning of new product development and production capacity deployment. - Actively respond to climate-related issues and enhance sustainability capabilities: - In 2024, the Board of Directors passed a carbon reduction strategic plan, aiming to adopt low-carbon energy to reduce carbon emissions. - The Kunshan Plant began using green electricity in 2024, increasing customer recognition. - Mexico Plant 2 has transitioned from diesel power generation to natural gas power generation, successfully reducing carbon emissions. - An annual ESG Report is published and externally assured to ensure information transparency.	- Product lifecycle carbon inventories/carbon footprint assessments are completed in accordance with customer requirements. - In 2023, the Group completed its first Group-wide carbon inventory, four years ahead of schedule, and obtained third-party verification. The 2024 carbon inventory has also obtained certification. - In 2025, a total of 4,727,524 kWh of solar power was generated at the Kunshan Plant, accounting for 30.29% of total green electricity consumption. - In 2025, the Vietnam Plant completed the evaluation of the construction of PV systems. After the Phase II plant construction, we will jointly implement Phase I PV system projects. In addition, after comprehensive assessment, the Mexican plants temporarily postponed PV construction projects and will resume assessment according to their future energy policies.

Opportunity Type	Opportunity Description	Duration of Impact	Impact on the Group's Strategy, Operations, and Finances	Response Plan	Financial Impact and Performance
Energy sources	Use of low-carbon energy	Short-term	- Plants around the world are gradually using green electricity to reduce their reliance on traditional high-carbon fuels and improve the Group's image. - The Kunshan Plant provides rooftop space for a service provider's solar panel installation. In return, the plant receives a 15% discount on government electricity bills, reducing operating and production costs.	The Kunshan Plant has leased its rooftop space to a power group to install solar panels and has entered into a power purchase agreement with it. The plant also purchases green electricity from the power group for its own use.	- After solar panel installation, the Kunshan Plant is entitled to purchase electricity at 15% below the national grid price for the first 5 years, and 20% below the national grid price for the following 15 years. Total savings during the contract period are estimated at approximately NTD 67,737,258. - In 2025, the Kunshan Plant generated 4,727,524 kWh of solar power, reducing the original power consumption of 1,551 tons of standard coal, 6,146 tons of clean water, 4,713 tons of carbon dioxide, 142 tons of sulfur dioxide, and 71 tons of nitrogen oxides. - In 2025, a total of 4,727,524 kWh of green electricity was purchased by the Kunshan Plant, accounting for 30.29% of total green electricity consumption, up 3.86% compared to 2024. - In 2025, the Vietnam Plant completed the evaluation of the construction of PV systems. After the Phase II plant construction, we will jointly implement Phase I PV system projects. In addition, after comprehensive assessment, the Mexican plants temporarily postponed PV construction projects and will resume assessment according to their future energy policies.
Resource usage efficiency	Reduced water withdrawal and water consumption	Short-term	In areas with relatively scarce water resources (e.g., Mexico and Vietnam), relevant plants continue to evaluate water efficiency and implement appropriate measures to reduce water consumption and avoid excessive consumption of water resources, thereby protecting the environment and natural resources.	The Vietnam Plant has implemented several water-saving measures to improve water resource utilization efficiency and reduce process water usage, including: - Installing water-saving devices and throttle valves to reduce unnecessary consumption. - Regularly inspecting and maintaining pipelines and equipment to prevent leaks. - Optimizing production processes to reduce process water demand. - Recycling and reusing wastewater where feasible in processes. - Raising employees' awareness of water conservation to ensure that water is only used when necessary and to a reasonable extent.	- Flow-saving valves have been installed across the Vietnam Plant to eliminate unnecessary overflow and ineffective water consumption, achieving water consumption reduction management at the source. - The Vietnam Plant improves its water resource utilization efficiency per unit of product through process technology improvements and equipment optimization. In 2025, a total of NTD 863,686 was invested in the purchase of related equipment, saving an average of NTD 427,500 per month, indicating high return on investment and resource reduction benefits.
	Adoption of more efficient transportation methods	Short-term	The Group adopts the principle of meeting the demands of customers in proximity for global mass production and selects plants that are as close as possible to the main markets to reduce transportation distance and costs.	Currently, the global product development center is located in Kunshan. The Kunshan Plant possesses mass production capabilities and plays a key role in global production support. The remaining plants in China, Asia, and North America carry out mass production and delivery tasks based on the principle of serving customers nearby. The construction of a new plant in Monterrey, Mexico commenced in 2023. We integrated the resources of our locations worldwide, which support each other, to optimize production and supply and reduce transportation costs and mileage, further improving transportation efficiency.	Most of the works conducted at Mexico Plant 2 are near completion. The capital expenditures for plant construction in 2025 was NT\$584,001,400. In the future, we will leverage this base to acquire new customers in the Central U.S. eastward (including Texas) and central Mexico.

Transition Actions, Indicators, and Goals

In response to climate-related risks and opportunities, including transition risks arising from increased customer and consumer awareness of sustainability and carbon reduction, which may affect their purchasing behavior, as well as climate opportunities related to the adoption of low-carbon energy, the Board of Directors passed a carbon reduction strategic plan in 2024, focusing on reducing carbon emissions through the adoption of low-carbon energy.

Based on three consecutive years of GHG inventory results, the Company has identified Mexico Plant 1 as the Group's main source of emissions. However, as the regulations governing the installation of local solar energy are not yet clarified, in the short term, the Company will prioritize carbon reduction measures to improve the energy efficiency of the plant. At the same time, the Company continues to assess the feasibility of solar power generation at other plants.

Mid-term vision: Achieve net-zero emissions for Scope 1 and Scope 2 by 2040. Long-term vision: Achieve full net-zero emissions (including Scope 3) by 2050.					
Target	Achieve a 100% reduction in Scope 1 + Scope 2 emissions in 2040 compared to 2023 Achieve a 100% reduction in Scope 1 + Scope 2 + Scope 3 emissions in 2050 compared to 2023		90% reduction in emission intensity compared to 2023		50% green energy usage
Indicator	Scope 1, Scope 2, and Scope 3 emissions (tCO2e)	Natural gas usage ratio (%)	Emission intensity (tCO2e/revenue) (%)		Solar energy usage ratio (%)
Plan	Diesel conversion to natural gas		Energy efficiency improvement		
			1. Purchase energy-saving machines	2. Adopt ISO 50001 (energy management systems) across plants to improve energy efficiency and performance	
2025 Implementation Results	Mexico Plant 2 has completed 100% conversion from diesel power generation to natural gas power generation, reducing carbon emissions.		The Vietnam purchased 10 additional energy-saving machines to accommodate its increased production volumes and reduce carbon emissions per unit of product.	Feasibility assessments for ISO 50001 implementation were conducted at Mexico Plant 2 and Kunshan Plant.	Solar power generation system assessment Solar energy usage ratio A feasibility assessment of solar power generation at the Vietnam Plant has been completed. Following the completion of Vietnam Plant II construction, a comprehensive plant-wide plan and benefit evaluation will be conducted to maximize resource allocation and power generation efficiency. In 2025, a total of 4,727,524 kWh of green electricity was repurchased by the Kunshan Plant, accounting for 30.29% of total plant electricity consumption, up 3.86% compared to 2024. Solar energy usage across the Group reached 6.43%. Under evaluation

Physical Risk Scenario Analysis

Analysis Method

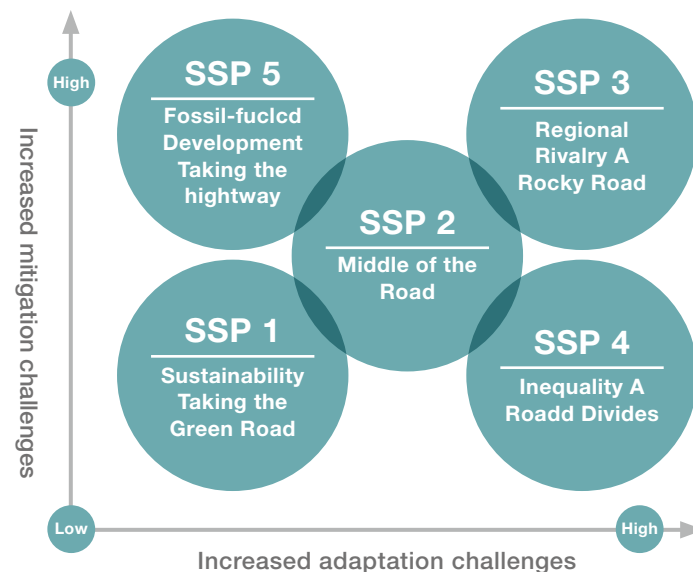
The Group employs scenario analysis to assess the resilience of its plants in China, Vietnam, and Malaysia against physical risks (floods).

Physical risks are mainly analyzed using the Aqueduct Floods tool developed by the World Resources Institute (WRI). The Aqueduct Floods model is an online platform developed by the WRI in collaboration with several research institutes in the Netherlands to evaluate risks of riverine and coastal flooding using an off-the-shelf modeling approach and estimate potential flood hazards for future periods (2030, 2050, and 2080). The platform also provides national-level cost-benefit analysis of flood protection infrastructure.

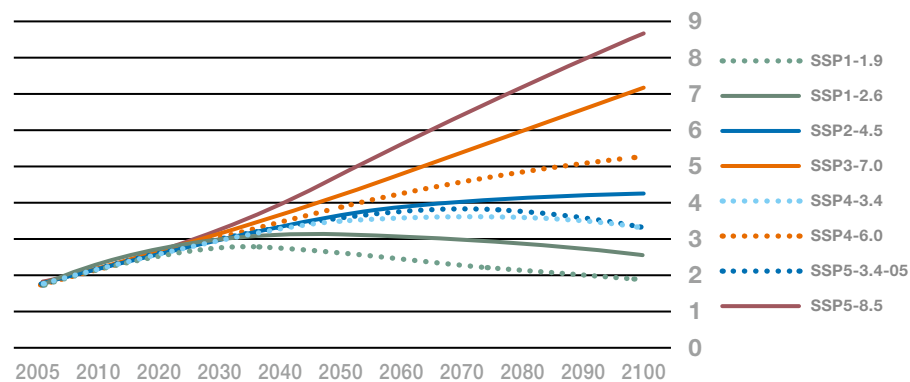
Aqueduct Floods adopts the GLOFRIS (Global Flood Risk with IMAGE Scenarios) modeling framework, which leverages hydrological, climate, demographic, and economic models to simulate flood risks under various years and scenarios. The modeling framework consists of four sub-modules: Hazard, Exposure, Vulnerability, and Risk. Specifically, Hazard is divided into riverine flooding and coastal flooding. Riverine flooding is simulated by modeling river discharge and applying a Volume-Spreading model to generate inundation depth maps at approximately 1 km resolution (30"x30"). Coastal flooding is assessed using global tidal and storm surge data to estimate extreme sea levels. The model incorporates sea-level rise and land subsidence effects, and applies GIS-based modeling to generate inundation depth maps. The Hazard module is supported by the other three modules and considers factors such as population, GDP, degree of urban development, flood prevention facilities, and losses to estimate economic losses under different scenarios and time horizons. These estimates are used to assess the revenue impact on the Group¹.

¹ Aqueduct Floods is used as a tool for countries to analyze flood risks. However, the model also has relevant limitations, mainly due to the uncertainty of global-scale datasets. The current model does not integrate compound flooding (combined riverine and coastal flooding effects), nor does it include indirect losses (e.g., transportation disruption, downtime). National vulnerability assessments only consider engineered levees and do not incorporate natural flood protection measures such as mangroves or coastal wetlands.

Mitigation and Adaptation Challenges under Shared Socioeconomic Scenarios



Radiative Forcing (W/m²)



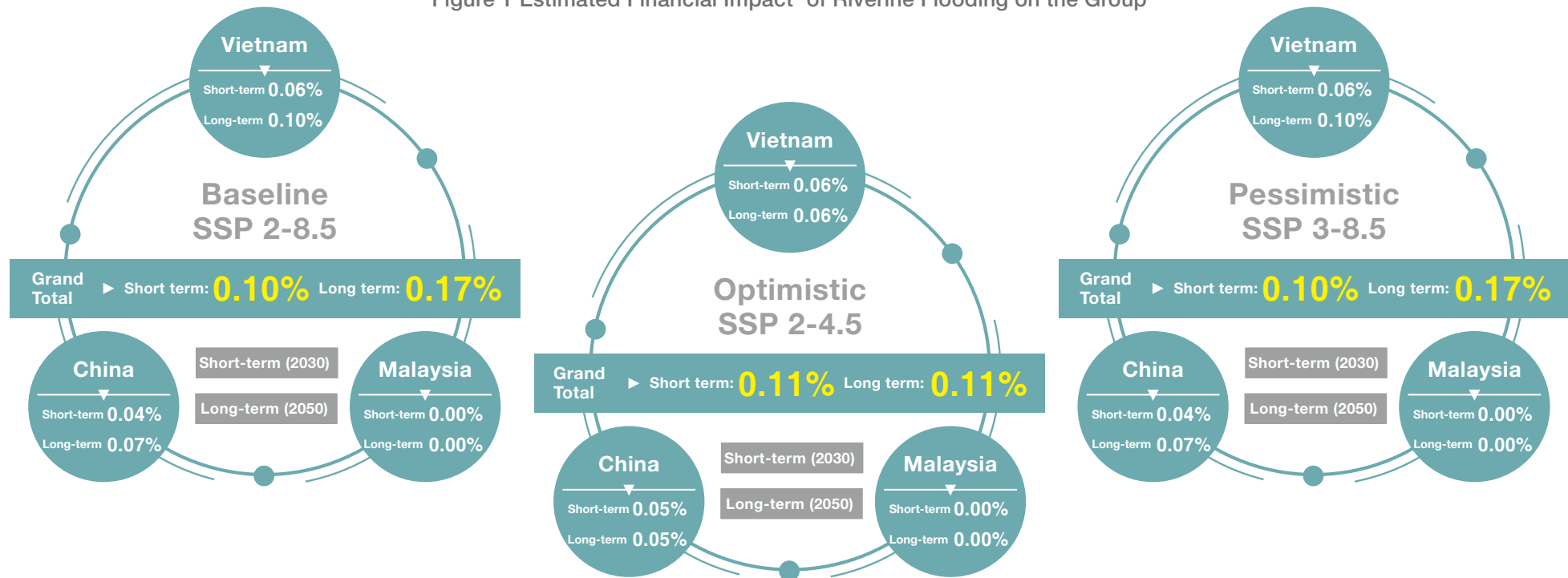
Radiative Forcing under SSP-RCP Scenarios (W/m²) (Solid lines represent Tier 1 scenarios; dashed lines represent Tier 2 scenarios.)

This scenario analysis uses three scenarios provided by the WRI for simulation, namely “Business as Usual,” “Optimistic,” and “Pessimistic.” The “business as usual” scenario adopts the SSP 2-8.5 scenario of the Intergovernmental Panel on Climate Change (IPCC). In the scenario, the world faces rising carbon emissions but economic development remains relatively stable. The “optimistic” scenario corresponds to the SSP 2-4.5 scenario of the IPCC. In the scenario, carbon emissions peak in 2040 and then begin to decline, while global economic development remains stable. The “pessimistic” scenario corresponds to the SSP 3-8.5 scenario of the IPCC, in which there is a divergence in climate policies among countries, global carbon emissions continue to steadily rise, and economic development is relatively imbalanced. We analyze response strategies for our locations worldwide when there are changes in flood risks, and test the potential financial impact on the Group through simulations of the three scenarios above.

Analysis Results

The analysis results distinguish between riverine and coastal flooding disasters. The figure below discloses the financial impact² on the three plants for 2030 and 2050 under different climate scenarios:

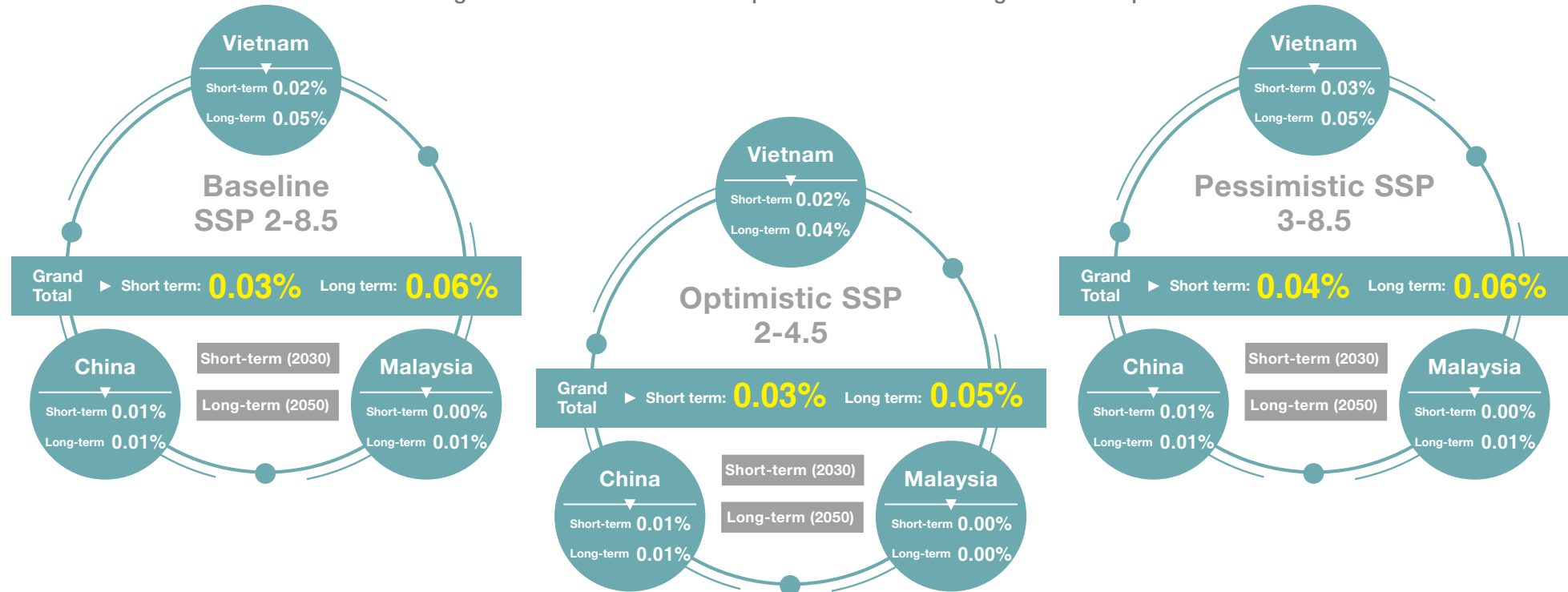
Figure 1 Estimated Financial Impact³ of Riverine Flooding on the Group



² The financial impact is calculated using the following formula: Plant Revenue x WRI Annual Expected Affected GDP/Total Group Assets

³ It is based on the Group's total assets in 2025 (NT\$13,695,553 thousand).

Figure 2 Estimated Financial Impact⁴ of Coastal Flooding on the Group

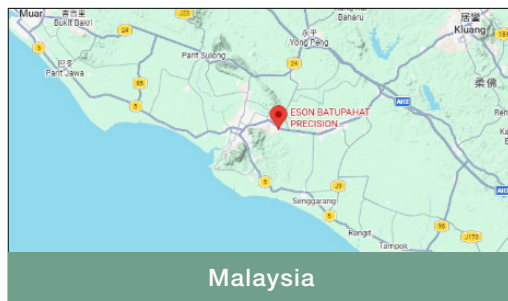
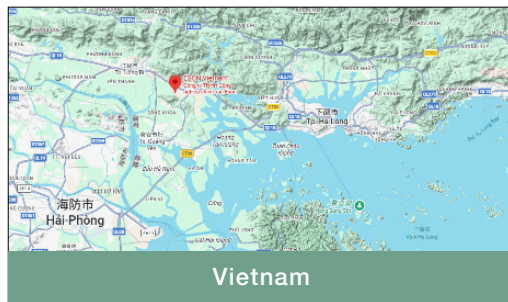


⁴ It is based on the Group's total assets in 2025 (NT\$13,695,553 thousand).

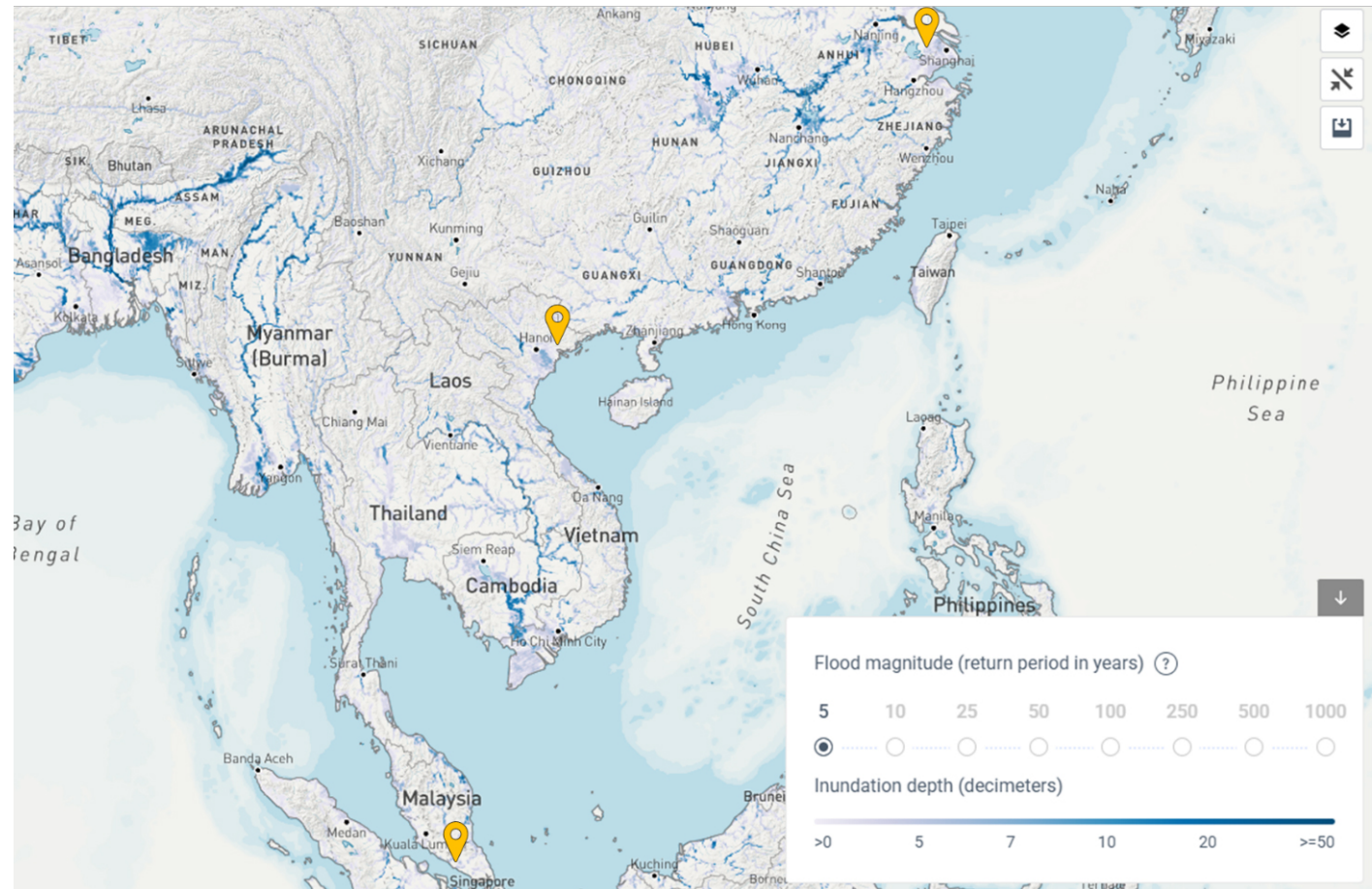
Based on the results of the financial impact analysis described above, we observed that the risk of riverine flooding is likely to have a greater impact on the Group than the risk of coastal flooding. In particular, the long-term risks faced by the Vietnam Plant might increase the most. Even under the most severe scenario, the impact of any risk on the Group is less than 1% of total Group assets. Hence, we determined that the Group's resilience capacity under extreme climate scenarios remains adequate.

Resilience Capacity and Response Plans

Based on the analysis results of the aforementioned projections, the potential financial and operational impacts of riverine and coastal flooding are relatively limited. However, the Group will continue to monitor and actively strengthen flood prevention and related measures based on the situation of global locations of operations, aiming to avoid losses from climate disasters. For example, we conduct at least one climate risk assessment annually. We also gradually strengthen the Group's Business Continuity Planning (BCP) framework to address physical risks, ensuring the Group's supply chain continuity, uninterrupted production, and employee safety. In doing so, the Group aims to enhance its resilience against flood disasters and maintain stable operations.



* Extracted from Google Maps; ESON's plant sites in Vietnam, Malaysia, and Mainland China were marked accordingly



WRI flood risk map (example shown: 2030 Business-as-Usual riverine flood scenario)

* Extracted from WRI; ESON's plant sites in Vietnam, Malaysia, and Mainland China were marked accordingly

Flood Prevention Measures at Plant Sites

Plant Site		Flood Prevention Facilities and Measures	Drainage System Maintenance Frequency	Emergency Response Procedures
Vietnam Plant		1. Regularly inspect drainage pipelines and clean rainwater collection wells. 2. Prepare sandbags to seal entrances and exits. During heavy rainfall, ensure that important equipment can be elevated whenever necessary.	Inspected every three months	1. Formulate emergency response plans. 2. Form an emergency response team. 3. Conduct at least one emergency drill annually.
Malaysia Plant		Ensure that all drainage systems operate properly every month and do not have any clogging; perform cleaning and dredging of drainage systems as needed to ensure proper discharge functionality.	Monthly inspection of drainage system functionality Cleaning and dredging of drainage systems as needed	1. Immediately notify relevant departments upon detection of drainage blockage for prompt cleaning and dredging. 2. Repair damaged or broken drainage systems upon management approval.
China	Kunshan Plant	1. Regularly inspect drainage pipelines and clean rainwater collection wells at Workshop Building A. 2. Prepare workshop-compatible flood barriers and sandbags to seal entrances and exits. During heavy rainfall, ensure that important equipment can be elevated whenever necessary.	Regular maintenance conducted from July to October each year	1. Formulate emergency response plans. 2. Form an emergency response team. 3. Conduct at least one emergency drill annually.
	Yantai Plant	1. Maintain drainage network in the plant area to ensure rapid rainwater discharge. 2. Prepare sandbags for flood prevention in advance.	Maintenance conducted based on rainfall conditions	1. Inspect hazardous areas. 2. Seal low-lying areas with sandbags. 3. Open drainage covers to accelerate discharge and set up warning signs. 4. Mobilize personnel to remove accumulated water, silt, and trash.

Preliminary TNFD Assessment

The Group used a questionnaire to conduct a preliminary TNFD applicability assessment in 2025. The questionnaire was designed with reference to the Taskforce on Nature-related Financial Disclosures (TNFD) LEAP framework and the GRI 101 Biodiversity disclosure requirements. It aims to assist the Group in examining its current status (such as natural resources material to the Group, policies on nature-related issues, management practices, and overall maturity) and provide a reference for determining whether to adopt the TNFD framework for deeper assessment and disclosure in the future.

Based on the preliminary self-assessment results, the natural resource interacted with and relied upon by the Group is water resources, and dependency is mainly concentrated at the Group's plant sites, including the Malaysia Plant, Kunshan ESON (Kunshan Plant), and Yantai Zhengyi (Yantai Plant). Among the operating activities of the Group and its supply chain, certain processes, including spray painting process, grinding operations, oven operations, boiler operations, and effluent used in the processes may have an impact on water resources, which have been identified as key focus areas for future water stewardship and reduction planning.

4.2 Energy Management

Energy Management

In 2025, the Company's main source of energy consumption was purchased electricity, totaling 179,907.08 GJ, accounting for 67.92% of total energy consumption. In 2024, the main source of energy consumption was purchased electricity, totaling 192,575.58 GJ, accounting for 67.76% of total energy consumption. The overall energy consumption in 2025 decreased compared to 2024, mainly due to a decline in revenue of NTD 1,014 million in 2025 compared to 2024. If revenue is used as the denominator for calculating total energy consumption, the energy consumption intensity in 2025 was 21.93 (GJ/million NTD), representing an increase of 0.22 (GJ/million NTD), or approximately 1.01%, compared to 2024. This increase is mainly due to the adjustment of disclosure boundaries during this fiscal year. In addition, the base-load energy consumption of certain facility equipment, air-conditioning systems, and public facilities does not easily decrease proportionally with revenue fluctuations. As a result, energy intensity did not decrease in proportion to changes in operational scale and reporting scope, resulting in fluctuations compared to the previous year.

In the future, we will continue to promote energy-saving improvement measures, optimize energy management mechanisms, and improve equipment operation efficiency to strengthen energy usage effectiveness, gradually reduce energy intensity, and improve overall energy management performance.

The Kunshan Plant has partnered with Jiangsu Mingxi New Energy to jointly invest in solar power generation projects. The Kunshan Plant provides idle spaces as the foundation for the construction and operation of facilities for solar power generation. Agreed upon with its partner, the plant enjoys preferential solar power pricing lower than utility power rates and is entitled to prioritize the use of electricity generated from solar power. This preferential agreement ensures that the Kunshan Plant has priority access to stable and sustainable power supply while reducing energy costs. In 2025, solar power generation totaled 17,022.96 GJ, with renewable energy use accounting for 6.43%. In 2024, solar power generation was 16,099.51 GJ, with renewable energy use accounting for 5.66%.

Energy Type	Unit	2024	2025
Gasoline	Gigajoules (GJ)	3,211.15	2,429.85
Diesel		9,724.70	2,082.84
Liquefied petroleum gas (LPG)		40,521.75	30,654.01
Natural gas		22,083.85	32,793.89
Electricity		192,575.58	179,907.08
Total non-renewable energy source consumption (A)		268,117.03	247,867.67
Solar power		16,099.51	17,022.96
Total renewable energy source consumption (B)		16,099.51	17,022.96
Total energy consumption within the organization (A+B)		284,216.54	264,890.63
Energy Intensity	GJ/million NTD in revenue	21.71	21.93
Share of energy consumption from purchased electricity	%	67.76%	67.92%
Share of energy consumption from renewable sources	%	5.66%	6.43%

Note 1: Energy (GJ) = Activity data (e.g., cubic meters, liters) × heating value (kcal/activity data unit) × 4.187 (kJ/kcal) / 1,000,000 (kJ/GJ).

Note 2: Energy heating value conversion is based on the "2024 Heat Content of Energy Products" published by the Energy Administration, Ministry of Economic Affairs: Automotive gasoline: 7,520 kcal/L; Diesel: 8,629kcal/L; LPG: 5,958kcal/L; Natural gas: 8,710 kcal/m³; Electricity: 860 kcal/kWh; 1 kcal = 4.187 kJ; 1 kJ = 0.000001 GJ.

Note 3: Energy intensity is calculated by dividing gigajoules (GJ) by million NTD in revenue. The Group's revenue in 2024 and 2025 was NTD 13,094 million and NTD 12,080 million, respectively.

Note 4: The data boundary includes the Taiwan Branch, China (Yantai Zhengyi, Kunshan ESON), Malaysia Plant, Vietnam Plant, Mexico (Mexico Plant 1, Mexico Plant 2), and Slovakia Plant. The remaining locations of operations either have no actual operations or have been leased out (Dongguan Yihong), therefore, the relevant data is 0.

Note 5: Since Kunshan Kangrui and Kunshan ESON share factories, the relevant information on Kunshan Kangrui has been included in the information scope of Kunshan ESON.

Note 6: Renewable energy refers to solar energy generated by photovoltaic power generation systems.

Note 7: The reporting boundary for 2025 is the entire Group, and the data for 2024 has been adjusted to the entire Group to improve comparability.

Reduction Actions and Results

To deepen green operations and optimize energy resource allocation, the Company actively promotes low-carbon transition. Through energy substitution measures, the Company replaced traditional diesel-powered forklifts with electric forklifts, effectively reducing diesel consumption by 412.76 liters. After conversion, the total energy savings reached approximately 14.91 GJ.

Item	Name of Energy-saving Project/Policy	Description	Implementation Site/ Unit	Energy-saving Results			
				2024	2025	Actual Reduction	Data Unit
1	Replacement of plant forklifts	Diesel-powered forklifts previously in use were replaced with electric forklifts in 2025.	Malaysia Plant	5,011.16	4,598.40	14.91	GJ

4.3 Greenhouse Gas and Emissions Management

In response to the challenges of global climate change, companies must continuously reduce their GHG emissions during operations to mitigate their negative impact on the climate. Therefore, since 2023, ESON has gradually built up its GHG inventory capacity and disclosed its GHG emissions. Each year, our Taiwan branch and all global manufacturing plants complete ISO 14064-1 certification and are verified by independent third-party verification bodies. Organizational boundaries are defined based on operational control. The total GHG emissions in 2025 was 166,066.3698 tCO₂e, an increase of 29,069.1132 tons (approximately 21.22%) compared to 2024. The increase was mainly due to the increase in the proportion of emissions from Scope 3 - Purchased Goods and Services. As of the publication date of this Report, the external verification of GHG emissions for 2025 has not been completed. Only data from the inventory conducted by the Group itself has been disclosed. Each subsidiary or branch of the Group has gradually reduced the consumption of utility power, increased the use of green electricity, and promoted the use of sustainable energy. At the same time, we encourage employees to commute by bus or electric bicycle and advocate for the use of green energy transportation to reduce carbon emissions. Additionally, we are phasing out energy-consuming old equipment and refrigeration equipment to reduce overall energy consumption and improve energy efficiency.

Scope of GHG Emissions	Category		2024		2025	
			Emissions (tons of CO ₂ e)	Intensity (tons of CO ₂ e/million NTD)	Emissions (tons of CO ₂ e)	Intensity (tons of CO ₂ e/million NTD)
Scope 1 emissions (tons of CO ₂ e)	Category 1	Stationary combustion	3,100.8877	0.39	2,800.0410	0.38
		Mobile combustion	1,791.4613		1,448.5791	
		Industrial processes	62.8712		67.9284	
		Fugitive emissions	200.1763		256.0677	
		Land use	-		-	
	Total		5,155.3965		4,572.6162	
Scope 2 emissions (tons of CO ₂ e)	Category 2	Electricity imported	27,104.8681	2.07	26,154.3656	2.17
		Energy imported	-		-	
	Total		27,104.8681		26,154.3656	
Scope 3 emissions (tons of CO ₂ e)	Category 3	Emissions from upstream transportation/ distribution	0.1213		0.2698	
		Emissions from downstream transportation/distribution	0.1293		0.2479	
		Waste-generated emissions	0.1947		0.1075	
		Emissions from employee commuting	14.9060		16.8141	
		Emissions from transportation of customers and visitors	-		-	
		Emissions from business travel	94.5230		127.5800	

Scope of GHG Emissions	Category		2024		2025	
			Emissions (tons of CO2e)	Intensity (tons of CO2e/million NTD)	Emissions (tons of CO2e)	Intensity (tons of CO2e/million NTD)
Scope 3 emissions (tons of CO2e)	Category 4	Emissions from purchased goods	79,766.0972	8.00	115,174.5253	11.20
		Energy procurement	11,570.7598		11,404.7889	
		Emissions from capital goods	12,737.9073		7,698.6918	
		Emissions from solid and liquid waste disposal	223.8362		842.0143	
		Emissions from asset use	1.9674		-	
		Emissions from the use of services not described in the above subcategories (such as consulting, cleaning, maintenance, mail delivery, and banking)	-		-	
		Water consumption	326.5498		74.3484	
	Category 5	Product use-phase emissions	-		-	
		Emissions from downstream leased assets	-		-	
		Product end-of-life phase	-		-	
		Emissions from investments	-		-	
	Category 6	Others	-		-	
	Total		104,736.9920		135,339.3880	
Grand Total			136,997.2566	10.46	166,066.3698	13.75

Note 1: The Taiwan emission factor is sourced from the 2025 annual electricity carbon emission factor published by the Energy Administration.

Note 2: The Slovakia emission factor is sourced from SimaPro 9.3.0.2.

Note 3: The Mexico emission factor is sourced from the 2024 electricity emission factor published by Mexico's National Emissions Registry (RENE).

Note 4: The Vietnam emission factor is sourced from the 2024 electricity emission factor published by the Ministry of Natural Resources and Environment.

Note 5: The Malaysia emission factor is sourced from the Energy Commission.

Note 6: The China emission factor is sourced from the 2025 regional grid emission factors published by the Ministry of Ecology and Environment.

Note 7: The inventory scope includes the Taiwan Branch and locations of operations in China, Mexico, Vietnam, Malaysia, and Slovakia.

Note 8: Only data from the inventory conducted by the Group itself has been disclosed. The report contents on the ESG Information Disclosure Platform will be updated after the third-party audit report is officially obtained.

Note 9: Intensity: Tons of CO₂e/million NTD in consolidated revenue of the Group. The Group's consolidated revenue in 2024 and 2025 was NTD 13,094 million and NTD 12,080 million, respectively.

Note 10: Restatements of information: The 2024 GHG statistics were revised upon verification. The updated total emissions were 136,997.2566 tCO₂e, a decrease of 13.43% compared to the originally disclosed 158,254.6293 tCO₂e. Emission intensity also decreased by 13.41%.

4.4 Water Resource Management

The Company employs the World Resources Institute (WRI) Aqueduct Water Risk Atlas to assess water stress levels at its major locations of operations and evaluate water-related risks. Currently, Yantai Zhengyi, Kunshan ESON, Vietnam Plant, Mexico Plant 1 are located in areas classified as high water stress, accounting for approximately 50% of the Group's main locations of operations. The Malaysia Plant, Mexico Plant 2, Taiwan Branch, and Slovakia Plant are not located in high water stress areas. ESON Group actively implements various water conservation measures, and also records and discloses information regarding water sources, receiving water bodies, and wastewater treatment units to ensure compliance with local regulatory discharge standards. In 2025, there were no incidents of non-compliance with discharge limits.

The Company's main source of water is municipal water. Water used in operations mainly consists of process water and domestic water. Industrial consumption is mainly to cleaning lines. Domestic water flows into septic tanks for sedimentation and separation before being discharged into the municipal sewage network. Wastewater from cleaning lines is collected and treated at the Company's internal facilities before being discharged to local wastewater treatment plants. In 2025, 310.39 million liters of water was withdrawn and 248.31 million liters of process water was discharged, including water losses from cooling towers in plastic molding processes, evaporation losses from product cleaning lines, and employees' domestic water use. Process water consumption totaled 62.08 million liters.

As Kunshan ESON is located in a high water stress area, it unwaveringly adopts a prudent approach to water resource management. To implement water-saving goals, the plant reports its projected water usage plan for the next fiscal year to the water authority at the end of each year, and assigns one qualified water-saving personnel to conduct annual water balance testing, preventing pipeline leakage. Furthermore, Kunshan ESON continues to optimize the recycling efficiency of water resources and passed an industrial water reuse rate verification conducted by Suzhou Wanhui Water Conservation Design & Consulting Co. Ltd. in November 2025, achieving a water reuse rate of 98.5%. In terms of water storage facility management, the plant has been equipped with a 5-ton elevated water tank to ensure stable water supply for dormitories and canteens. Additionally, a 20-ton fire water tank is installed for emergency firefighting. Regarding discharge management, wastewater from the plant is pretreated to meet regulatory standards before being discharged to the municipal wastewater treatment plant. Discharge data are compiled based on daily wastewater discharge reports recorded by the wastewater treatment plant's flow meters, ensuring water quality data transparency and compliance with environmental regulations.

The Vietnam Plant is located in a high water stress area. To meet environmental management system requirements and improve water utilization efficiency, the plant actively implements multiple water conservation measures. In terms of reduction management, we optimize the production processes by installing water-saving devices and flow control valves, and conduct periodic inspection and maintenance of pipeline systems to prevent leakage. Regarding discharge management, the wastewater generated by the plant undergoes multiple treatment stages, including pretreatment, physical treatment, chemical treatment, and biological treatment, to meet regulatory standards before being discharged to the wastewater treatment plant in the Dong Mai Industrial Park. In addition, monthly wastewater testing is conducted at the plant to ensure transparency of water quality data and compliance with environmental regulations.

Mexico Plant 2 is not located in a high water stress area. However, as the industrial park where it operates has not yet established a comprehensive public water supply system, the water used in the plant is transported through third-party water tanker delivery and stored in on-site water tanks to ensure the stability of water supply for production and employee domestic use. Total water withdrawal amounted to 9.25 million liters in 2025. Wastewater generated by the plant is centrally collected and treated by the industrial park authority and discharged via the dedicated wastewater network set up in the industrial park. Since the industrial park is responsible for wastewater downstream treatment and discharge monitoring, there is no independent wastewater treatment facility set up in the plant.

Unit: Megaliters					
Water Source	Water Quality Indicator	2024		2025	
		All Regions	Water-stressed Regions	All Regions	Water-stressed Regions
Third-party partners' water withdrawal	Fresh water	335.35	313.85	310.39	292.14
Total water withdrawal		335.35	313.85	310.39	292.14

Note 1: The disclosure boundary for water resource statistics includes the Taiwan Branch, China (Yantai Zhengyi, Kunshan ESON), Malaysia Plant, Vietnam Plant, and Mexico (Mexico Plant 1, Mexico Plant 2). The remaining locations of operations either have no actual operations or have been leased out (Dongguan Yihong), therefore, the relevant data is 0.

Note 2: Since Kunshan Kangrui and Kunshan ESON share factories, the relevant information on Kunshan Kangrui has been included in the information scope of Kunshan ESON.

Note 3: The water referred to in the data is all classified as fresh water ($\leq 1,000$ mg/L total dissolved solids).

Note 4: 1 million liters = 1,000 cubic meters (1,000m³).

Note 5: Water withdrawal is measured using water meters installed by each municipality and calculated on a monthly basis.

Note 6: The reporting boundary for the 2025 report covers the entire Group. To improve comparability, the data for 2024 has also been adjusted to the Group-wide scope.

Unit: Megaliters					
Wastewater Discharge Regions	Effluent Quality Indicator	2024		2025	
		All Regions	Water-stressed Regions	All Regions	Water-stressed Regions
Third-party partners' water discharge	Fresh water	268.28	251.08	248.31	233.71
Total water discharge		268.28	251.08	248.31	233.71

Note 1: The disclosure boundary for water resource statistics includes the Taiwan Branch, China (Yantai Zhengyi, Kunshan ESON), Malaysia Plant, Vietnam Plant, and Mexico (Mexico Plant 1, Mexico Plant 2). The remaining locations of operations either have no actual operations or have been leased out (Dongguan Yihong), therefore, the relevant data is 0.

Note 2: Since Kunshan Kangrui and Kunshan ESON share factories, the relevant information on Kunshan Kangrui has been included in the information scope of Kunshan ESON.

Note 3: The water referred to in the data is all classified as fresh water ($\leq 1,000$ mg/L total dissolved solids).

Note 4: 1 million liters = 1,000 cubic meters (1,000m³).

Note 5: The Company adopts a conservative approach for data estimation, setting the discharge factor at 80%. Considering evaporation losses from cooling towers in plastic molding processes, evaporation from product cleaning lines, and domestic water use by employees, the remaining 20% is recognized as process water consumption and loss.

Note 6: The reporting boundary for the 2025 report covers the entire Group. To improve comparability, the data for 2024 has also been adjusted to the Group-wide scope.

Unit: Megaliters				
Item	2024		2025	
	All Regions	Water-stressed Regions	All Regions	Water-stressed Regions
Total water withdrawal (a)	335.35	313.85	310.39	292.14
Total water discharge (b)	268.28	251.08	248.31	233.71
Total water consumption (a)-(b)	67.07	62.77	62.08	58.43

Note 1: The disclosure boundary for water resource statistics includes the Taiwan Branch, China (Yantai Zhengyi, Kunshan ESON), Malaysia Plant, Vietnam Plant, and Mexico (Mexico Plant 1, Mexico Plant 2). The remaining locations of operations either have no actual operations or have been leased out (Dongguan Yihong), therefore, the relevant data is 0.

Note 2: Since Kunshan Kangrui and Kunshan ESON share factories, the relevant information on Kunshan Kangrui has been included in the information scope of Kunshan ESON.

Note 3: The water referred to in the data is all classified as fresh water ($\leq 1,000$ mg/L total dissolved solids).

Note 4: 1 million liters = 1,000 cubic meters (1,000m³).

Note 5: The reporting boundary for the 2025 report covers the entire Group. To improve comparability, the data for 2024 has also been adjusted to the Group-wide scope.

Wastewater Management

Effluent Testing Results in 2025



4.5 Waste Management

The Company has established a dedicated management unit in accordance with the ISO 14001 management procedures to effectively monitor the sources, output, and management measures of waste. Additionally, the Company conducts a detailed analysis and response regarding the actual and potential impacts related to waste. In 2025, total waste generation was 24,211.49 tons, representing an increase of 1,098.84 tons (approximately 4.75%) compared to 2024. The increase was mainly due to industry characteristics, as waste generation fluctuates in line with revenue changes. In addition, due to a re-inventory and standardization of waste data collection methods at the Vietnam Plant and Mexico Plant 2 in 2025, the finalized waste generation data were higher compared with the previous fiscal year. None of the Group's plants directly dispose of hazardous industrial waste, non-hazardous industrial waste, or general waste. All generated waste is transported off-site and handled by licensed waste disposal providers. The Company enters into contracts with such waste disposal providers, clearly stipulating that all waste must be disposed of in accordance with applicable laws and regulations. In addition, the Company uses a Supplier Audit Checklist to verify whether its disposal service providers dispose of waste in accordance with the law. Information on the entire waste lifecycle, from generation to lawful disposal, is available on the government environmental protection website, ensuring the lawfulness and safety of the final treatment.



Unit: Tons (t)

	Hazardous Industrial Waste		Non-hazardous Industrial Waste		General Waste		Total	
	2024	2025	2024	2025	2024	2025	2024	2025
Waste generated	320.78	539.25	21,718.41	22,764.97	1,073.46	907.27	23,112.65	24,211.49
Waste directly disposed	258.58	310.25	2.08	2.92	1,073.46	907.27	1,334.12	1,220.44
Incineration (with energy recovery)	-	-	-	-	365.31	383.43	365.31	383.43
Incineration (without energy recovery)	38.85	33.79	2.08	2.92	150.28	71.98	191.21	108.69
Landfilling	62.50	92.30	-	-	557.87	451.86	620.37	544.16
Other disposal methods (e.g., chemical treatment, dumping, open burning, deep well injection)	157.23	184.16	-	-	-	-	157.23	184.16
Waste transferred for disposal	62.20	229.00	21,716.33	22,762.05	-	-	21,778.53	22,991.05
Recycled	62.20	229.00	21,716.33	22,762.05	-	-	21,778.53	22,991.05
Waste recycling rate (%)	19.39%	42.47%	99.99%	99.99%	0%	0%	94.23%	94.96%

Note 1: The disclosure boundary for waste statistics includes the Taiwan Branch, China (Yantai Zhengyi, Kunshan ESON), Malaysia Plant, Vietnam Plant, and Mexico (Mexico Plant 1, Mexico Plant 2). The remaining locations of operations either have no actual operations or have been leased out (Dongguan Yihong), therefore, the relevant data is 0.

Note 2: Since Kunshan Kangrui and Kunshan ESON share factories, the relevant information on Kunshan Kangrui has been included in the information scope of Kunshan ESON.

Note 3: Waste recycling rate: Waste diverted from disposal/Total amount of waste generated.

Note 4: The reporting boundary for the 2025 report covers the entire Group. To improve comparability, the data for 2024 has also been adjusted to the Group-wide scope.

Unit: Tons (t)

Hazardous Waste Category	Disposal Method	2024	2025
Waste oil	Incineration/off-site disposal	30.10	13.83
	Other/off-site disposal	-	35.16
	Landfilling/off-site disposal	0.19	-
Paint and coating waste	Incineration/off-site disposal	0.80	0.87
	Landfilling/off-site disposal	1.38	15.98
Liquid waste	Other/off-site disposal	135.87	143.15
Chemical solvents	Physical-chemical treatment/ off-site disposal	8.33	3.12
	Incineration/off-site disposal	1.08	0.90
	Other/off-site disposal	13.03	2.73
Contaminated waste	Incineration/off-site disposal	6.58	6.72
	Recycling/offsite disposal	20.66	15.26
Special hazardous substances	Incineration/off-site disposal	0.29	2.03
	Landfilling/off-site disposal	0.12	0.21
Metal scrap	Recycling/offsite disposal	28.18	213.74
Electronic Waste	Landfilling/off-site disposal	0.01	-
Solid waste	Recycling/offsite disposal	13.36	-
	Incineration/off-site disposal	-	9.44
	Landfilling/off-site disposal	60.80	76.11
Total weight of hazardous waste		320.78	539.25

Note 1: The data is compiled based on the hazardous industrial waste transfer manifests prepared by each plant.

Note 2: The disclosure boundary for waste statistics includes the Taiwan Branch, Yantai Zhengyi, Kunshan ESON, Malaysia Plant, Vietnam Plant, Mexico Plant 1, and Mexico Plant 2. The remaining locations of operations either have no actual operations or have been leased out (Dongguan Yihong), therefore, the relevant data is 0.

Note 3: Since Kunshan Kangrui and Kunshan ESON share factories, the relevant information on Kunshan Kangrui has been included in the information scope of Kunshan ESON.

Note 4: Processes used for physical-chemical treatment (e.g., evaporation, drying, neutralization, and precipitation) do not involve pre-treatment for landfill or incineration.

Note 5: The reporting boundary for the 2025 report covers the entire Group. To improve comparability, the data for 2024 has also been adjusted to the Group-wide scope.

The Company attaches great importance to the management of waste. As the volume of waste increases, incidents such as spillage and leakage during inbound/outbound processes may cause environmental pollution, higher disposal costs, and potential administrative penalties from government environmental protection authorities. In addition, excessive waste could lead to closer supervision from regulatory authorities and pose risks of groundwater pollution. Therefore, the Group not only needs to take effective measures to reduce waste generation but also to strengthen management, ensuring environmental safety and compliance. To address these challenges, we have formulated the following response measures.



Reducing Hazardous Industrial Waste Generation

1. Optimize production processes to improve the utilization rate of raw materials, thereby reducing waste generation.
2. Plan production schedules reasonably to avoid the excessive use of hazardous chemicals at once, thereby reducing waste generation.
3. Promote clean production and strengthen process control to reduce the use and emissions of hazardous substances during production.
4. Organize advocacy activities on waste reduction to raise employees' environmental protection awareness and encourage employees to participate in waste reduction initiatives.



Selecting Waste Disposal Service Providers

1. Check waste disposal service providers' business license.
2. Check waste disposal service providers' waste management permit to verify whether the types of waste permitted include the types of waste generated by the Company.
3. The procurement department is responsible for reviewing waste disposal service providers' quotes.
4. When differences in quotes are not significant, priority is given to selecting disposal service providers located near the operational sites to avoid potential cumbersome environmental protection procedures and transportation inconveniences that may arise during inter-provincial waste transfers.