

Eink

2022 CORPORATE SUSTAINABILITY REPORT



We Make Surfaces Smart and Green™

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About this Report

Editing Principles

This corporate sustainability report is published by E Ink Holdings Inc. (referred to as E Ink) and is available in both Chinese and English versions. The digital version of this report can be downloaded from E Ink's official corporate sustainability website. The scope of disclosure in this report covers the operations, production, and sales locations of E Ink and its consolidated subsidiaries. The relevant content on corporate governance, environmental and social aspects primarily focuses on the reporting of Taiwan (Hsinchu, Linkou, Zhongli), China (Yangzhou), and the USA (Billerica, Fremont, and South Hadley). Other sales offices in locations such as Tokyo, Japan, Seoul, Korea, and Shenzhen, China do not have a significant impact on the E Ink's economy, environment, and social aspects, may not be fully disclosed in this report. If there is disclosure of information pertaining to other regions, it will be specifically addressed and explained in the report.

Through this corporate sustainability report, E Ink aims to disclose the tangible efforts and accomplishments in areas such as corporate governance, product sustainability, green production, sustainable supply chain, enterprise care, projects, social engagement. E Ink strives to provide a deeper understanding of E Ink's sustainability practices and environmentally friendly products to stakeholders, while also inviting valuable feedback and guidance to support E Ink's continuous sustainable development towards becoming a global leader.

All monetary amounts disclosed in this report are presented in New Taiwan Dollars. If presented in other currencies, a separate note will be provided for clarification.

Report Period

This report discloses the performance of E Ink's corporate sustainability management policies, significant issues, responses, and actions from January 1, 2022, to December 31, 2022. In order to enhance readers' understanding of the report information, some content also includes retrospective information dating back to 2019.

Report Cycle

- E Ink issued first Corporate Social Responsibility (CSR) Report in 2015, which was renamed as the Corporate Sustainability Report in 2021. In the future, it will be published annually on a regular basis.
- Previous edition: The Chinese version was published in June 2022, and the English version was published in July 2022.
- Current edition: The Chinese version was published in June 2023, and the English version was published in July 2023.
- Next edition: The Chinese version will be published in June 2024, and the English version will be published in July 2024.

Report Compilation Guidelines

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards, 2021 edition and incorporated with the Sustainability Accounting Standards Board (SASB) Standards established by the IFRS Foundation to disclose relative information. Furthermore, the report also disclose climate-related risks and opportunities identified in accordance with the framework provided by the Task Force on Climate-Related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB).

Report Information Compilation Process

The information presented in this report is collected by respective departments and reviewed by department heads, then submitted to the E Ink Corporate Sustainability Committee for data consolidation, compilation, and internal auditing and external verification. Upon completion, the report undergoes final review and approval by the Chairman before being published.



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Verification and Assurance of the Report

This report has been verified by BSI Taiwan, a subsidiary of the British Standards Institution, in accordance with the spirit of AA1000 Assurance Standard, Type 2 - Moderate Assurance level. The financial information mentioned in the report is consistent with E Ink's 2022 consolidated financial statements and has been audited and certified by Deloitte Taiwan, a reputable accounting firm.

Verification/ Assurance Item	Standard Followed	Coverage	Verification/Assurance Institutes	Disclosure Location
The Sustainability Report	AA1000AS v3 Type 2 Assurance	Global sites	BSI Taiwan	Appendix XI: Third-Party Verification and Assurance Statement
Financial Information	Audited financial statements and Generally Accepted Auditing Standards	Global sites	Deloitte Taiwan	Official website financial information
Product Quality	ISO 9001:2015 Quality Management System Certification	Global sites	DQS, SGS, NSAI	Official website ESG webpage quality policy
Environmental Management	ISO 14001:2015 Environmental Management System Verification	Hsinchu site, Linkou site, and Yangzhou sites	SGS	Official website ESG webpage Environmental protection
	ISO 14064-1:2018 Greenhouse gas inventories and verification	Global sites	DNV	
	ISO 14067 Product carbon footprint	Global sites	BSI Taiwan	
Information Management	ISO 50001:2018 Energy management system verification	Hsinchu site and Linkou site	DNV	Official website ESG webpage Creating a Secure and Healthy Work Environment
	ISO/IEC 27001 Information security management system verification	Hsinchu site and Linkou site	AFNOR	
Workplace Safety	ISO 45001:2018 Occupational health and safety management systems verification	Hsinchu site and Linkou site	SGS	Official website ESG webpage Creating a Secure and Healthy Work Environment
	TOSHMS Taiwan Occupational Health and Safety Management System Verification	Hsinchu site and Linkou site	SGS	

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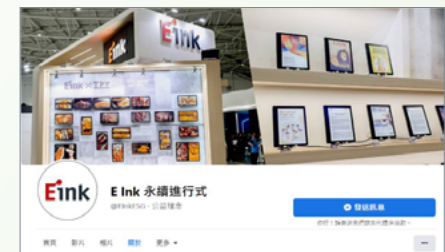
For more detailed information, please visit E Ink official website

Please download report from...

Following Latest E Ink's Sustainability Stories, Please Visit Following Channels



E Ink official ESG websites



"E Ink Sustainability in Progress" Facebook fanpage

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CEO Message

Environment, Social, and Governance (ESG) are global trends and essential indicators for sustainable business development. E Ink, with its ePaper technology, possesses inherent advantages in energy efficiency and low carbon emission, making it a truly green product. Based on the FTSE Russell's Green Revenues 2.0 data model in Energy Management Efficiency IT Process category, a remarkable 99.93% of E Ink's revenue is classified as green revenue, underscoring the significant environmental benefits of ePaper.

E Ink is dedicated to pursuing the goals of profitability and sustainability simultaneously. While actively driving corporate growth and profitability to benefit its shareholders, with the majority of its products generating green revenue, E Ink is committed to implementing its distinctive sustainability framework- PESG (Product, Environment, Social, Governance) and collaborating closely with ecosystem partners to diligently strive towards the goal of achieving net-zero carbon emissions.



Johnson Lee
Chairman & CEO

E Ink collaborates with ecosystem partners to achieve sustainable profitability

E Ink actively endeavors to build a comprehensive ePaper ecosystem, which is an important operational/ business strategy for expanding its business and promoting the adoption of ePaper applications. In addition to maintaining stable operations and improving profitability, E Ink also aims to ensure that ecosystem partners can benefit from the business growth and the resulting increase in profits. As a leading manufacturer in the ePaper industry, E Ink is committed to driving the sustainable prosperity of the ePaper ecosystem by collaborating with supply/ value chain partners. Together, we strive towards the goal of achieving sustainable growth and contribute to the realization of net-zero carbon emissions. This involves implementing actions to reduce energy consumption, greenhouse gas emissions, water usage, and waste generation, thereby providing the market with lower-carbon and energy-efficient ePaper products.

E Ink actively promotes the "eRead for the Future", eReaders mobile libraries establish project by using its core technology of ePaper. Since the project started, E Ink have collaborated with several supply chain partners in joint project initiatives. As the project has grown in scale, the number of engaging supply chain partners has increased each year, which enabling E Ink to leverage more corporate resources and contribute to social inclusion initiatives and creating positive impact to the society.

Global Sustainable Indices and Awards Recognition

After years of commitment to sustainability, we are delighted to receive international recognition through prestigious sustainability awards. In 2022, E Ink achieved a significant milestone by securing a place in the renowned Dow Jones Sustainability Indices (DJSI) World and DJSI Emerging Markets. Furthermore, in the "2023 Sustainability Yearbook" published by S&P Global, E Ink was not only recognized as one of the top 10% companies in the Electronic Equipment, Instruments & Components industry for the first time but also honored with the Best Progress Award.

Exceeded Targets, Achieving RE20 target Ahead of Schedule

E Ink has committed to achieving two significant environmental sustainability goals: Net Zero 2040 and RE100 2030 since December 2021. E Ink has conducted an environmental assessment of its global offices and manufacturing sites, evaluating greenhouse gas emissions and energy consumption to achieve environmental sustainability goals. It has proactively pursued the use of renewable energy, aligning with local government policies, regulations, and the dynamics of the green energy market. This has involved signing Power Purchase Agreements (PPAs) and procuring Renewable Energy Certificates (RECs) to expedite the integration of renewable energy sources. By the end of 2022, E Ink's global operations and sales locations have surpassed the initial target of RE10 and achieved the RE20 goal of using 20% renewable energy, marking the first milestone on E Ink's path to Net Zero.

Proactive Actions in line with Sustainable Development Goals and Initiatives

In addition to officially joining the "RE100 Initiative," signing "The Climate Pledge," and committing to the "Science Based Targets Initiative (SBTi)" for assessing and validating carbon reduction goals, we achieved a 13% reduction in greenhouse gas emissions (Scope 1 and Scope 2) and a 43% decrease in revenue intensity compared to the previous year in 2022.

In addition to joining the "RE100 Initiative," endorsing "The Climate Pledge," and committing to the "Science Based Targets Initiative (SBTi)" for carbon reduction assessment and validation, we achieved 13% reduction in greenhouse gas emissions (Scope 1 and Scope 2) and 43% decrease in revenue intensity in 2022 compared to the previous year.

E Ink is also committed to the "EP100 Initiative" for Energy Productivity, implementing a global energy management system to enhance energy efficiency and achieve "doubling of energy productivity." In 2022, we surpassed our target by doubling energy productivity compared to the baseline year of 2018.



Implementing Carbon Footprint Assessments to Realize Carbon Neutrality

E Ink is committed to improving energy efficiency and reducing carbon emissions in its product design and manufacturing processes. Through carbon footprint assessments, E Ink provides clear data on the carbon emissions generated by its ePaper products, serving as a basis for energy conservation and carbon reduction efforts. E Ink's 6.8" eReader module and 2.9" electronic shelf label module have achieved/verified by ISO 14067, which were the world's first ePaper modules to be verified against the carbon footprint standard.

Furthermore, regarding the solar-powered ePaper bus stop signs introduced in Puxi District, Shanghai, China in 2018, ISO 14064-1 Carbon Footprint Quantification Standard was implemented to verify that the operation of 1,500 ePaper bus stop signs emitted 42.9 metric tons of carbon dioxide equivalent annually. These carbon emissions can be offset by purchasing 50 metric tons of voluntary emission reductions (CCER) generated by solar photovoltaic systems. According to the PAS 2060 standard and on-site verification, the operation of the 1,500 solar-powered ePaper bus stop signs in Puxi District, Shanghai has achieved carbon neutrality.

Enhancing Governance Paves the Way for Sustainable Development

To enhance the effectiveness of sustainable development efforts and strengthen governance for monitoring their outcomes, E Ink's Board of Directors has established a dedicated "Sustainability Development Committee" at the board level. The committee's responsibility includes the development of environmental friendly products, green and sustainable production, climate change adaptation, employee development and occupational safety, corporate governance and business integrity, sustainable supply chain development, stakeholder communication, social engagement, and operational risk and opportunity management. The Sustainability Development Committee, operating under the Board of Directors, aligns with the existing operational-level "Corporate Sustainability Committee" to oversight and drive sustainable initiatives across product sustainability, green production, enterprise care, corporate governance, supply chain, stakeholder and social engagement, as well as risk management.

Integrity, transparency, and accountability form the essential foundation for E Ink's sustainable development and continuous growth. In 2022, we continued to enhance the role of the Board of Directors, completed external board performance evaluations, and strengthened governance on specific significant topics such as climate change, human rights, information and cyber security, occupational health and safety, supply chain, nature related and risk management. We developed risk management policies and procedures, fostered a culture of risk awareness, and obtained ISO/IEC 27001 certification for information security management. Additionally, we integrated sustainability and climate change metrics as compensation indicators of senior managers, aiming to achieve profitability and sustainability in tandem through ongoing improvements in corporate governance.

Empowering Vulnerable Communities to Enhance Social Inclusion and Cohesion

As a Taiwan-based company with a global presence, E Ink is actively engaged in community outreach and social responsibility. We dedicated in promoting social inclusion by engaging with worldwide communities, including the United States and China. In early 2022, when the Russia-Ukraine conflict broke out, resulting in the displacement of 2 million Ukrainian children and the disruption of essential public infrastructure such as water and sanitation facilities, E Ink promptly responded. The company donated \$150,000 to the Ukraine relief project of the United Nations International Children's Emergency Fund (UNICEF), offering vital humanitarian aid to alleviate the hardships faced by Ukrainian children affected by the ongoing military conflict.

Since 2017, E Ink has implemented the "eRead for the Future" project, establishing mobile libraries by eReaders. Through collaboration with partners and local implementation, the company engages in philanthropic activities to reduce the digital divide, enhance children's literacy, and minimize eyestrain. By donating eReaders with high-quality e-books, E Ink bridges the gap, empowering students with digital resources. This collective effort from our sites and partners has made a positive impact, benefiting 40,000 students. Achievements include sponsoring 154 schools/libraries, distributing 2,986 eReaders, and providing 272,000 e-books with cumulative market value of NT\$197 million in six years.

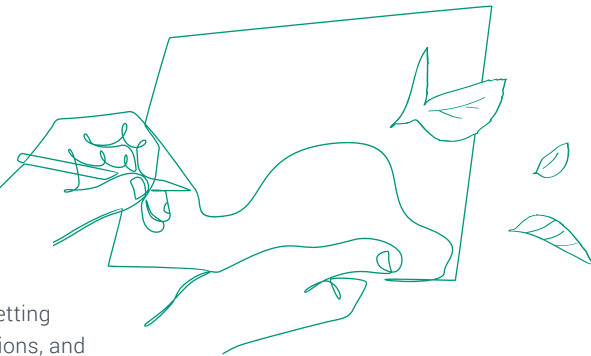
E Ink employees actively engage in philanthropic activities, assisting disadvantaged groups and making a societal impact. In the US, they donate to charity and support B1G1, funding over 100,000 global social projects. Meanwhile, employees in Yangzhou participate in the "SproutCare Plan," providing eReaders, paintbrushes, and art books to underprivileged children in Guizhou Province. In Taiwan, they collect food for stray dogs, donate items for charity sales, and participate in shoe donation projects, enriching the local community. Through the involvement of each volunteer, these efforts provide invaluable support to the communities they serve.

Actively Progressing Towards Net-Zero Carbon Emissions Target

In response to the undeniable impacts and risks of climate change on the global environment and economy, E Ink is committed to achieving comprehensive use of renewable energy by 2030 and reaching net-zero carbon emissions by 2040. In alignment with these targets, E Ink has embarked on a path towards net-zero carbon emissions, setting annual reduction and environmental goals in line with sustainable development and expansion plans. Through education and training that instills ESG principles in all employees, we work together with employees and ecosystem partners throughout the supply chain to practice the E Ink PESG sustainable approach in both personal and professional aspects.

Sustainable Column 01

We Make Surfaces Smart and Green



In line with the United Nations' 17 Sustainable Development Goals (SDGs), E Ink has been aligning its ePaper products with three SDGs since 2016 and setting sustainable development goals for its core technologies and products. With continuous advancements in ePaper technology, diversified product applications, and the expansion of the industry ecosystem, ePaper's bistable and low-power features contribute to the creation of low-carbon and environmentally friendly smart IoT devices in various smart spaces. This contributes to the development of sustainable smart cities, supporting the goals of low-carbon and sustainable living.

[For more information, please click to watch video](#)

Targets of SDGs

The contribution of E Ink's ePaper products



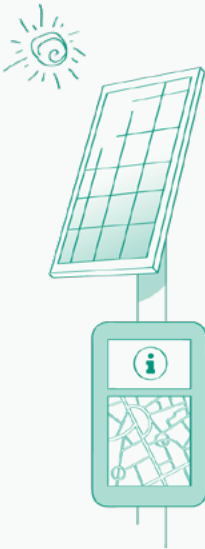
4.5
 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations

ePaper, a leading digital display technology, closely resembles traditional paper. It enables knowledge content delivery worldwide on screens that mimic the look and feel of paper. With approximately 150 million ePaper eReaders and eNote available, users can access digital content in a paper-like and immersive manner. E Ink's ePaper technology provides a gentle and eye-friendly visual experience, particularly in educational solutions. In 2021, the E Ink Kaleido™ Plus color ePaper display module achieved the "Paper Like Display" quality certificate and China-mark from TÜV Rheinland. As the world's first certified ePaper module, it excels in reading comfort and related parameters, with a Paper-like Index score of 86 (closer to 100 indicating a closer resemblance to paper). Color ePaper eReader and eNote offer a comfortable, eye-protective digital reading and writing experience. This technology helps bridge educational gaps, ensuring equal resource access and enabling powerful remote learning tools.



9.4
 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

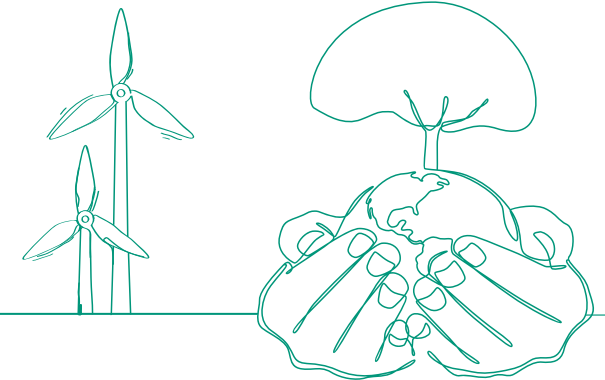
Driven by a commitment to innovation and sustainability, E Ink develops ePaper display technologies while reducing product carbon footprint. Through efficient design and manufacturing processes, we strive to provide environmentally friendly solutions for foundational public infrastructure applications. By combining low-power ePaper technology with renewable energy sources, we aim to deliver sustainable solutions. For example, the implementation of solar-powered ePaper bus stop signs. E Ink implemented 1,500 solar-powered ePaper bus stop signs in Puxi District, Shanghai, China. In 2022, E Ink declared carbon neutrality for these signs, following the PAS 2060:2018 standard and on-site verification. The integration of ePaper bus stop signs with solar panels supports the government's efforts for net-zero carbon emissions. FTSE Russell's assessment shows that E Ink's 2022 revenue consists of 99.93% green revenue. By fostering collaborative growth within E Ink's supplier and customer in the ecosystem, we are accelerating the adoption of green ePaper technology across diverse industries, reinforcing our commitment to a sustainable value chain.



13.3
 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

E Ink's ePaper, with its long-lasting, low-power consumption and non-energy-consuming bistable display, serves as a sustainable alternative to single-use paper in various applications, significantly reducing deforestation, carbon emissions, and greenhouse gases. Compared to TFT-LCD displays, ePaper does not emit light and consumes no power to maintain the image, allowing for environmentally friendly digital transformations that save energy, reduce light pollution, and mitigate environmental impacts associated with smart transitions.

Low-carbon Transformation to Achieve 2030 Green Energy Goals



The escalating impacts of climate change are a shared challenge and responsibility for the global community. Recognizing this shared responsibility, E Ink, as a leader of green display, made a commitment in December 2021 to achieve 100% renewable energy usage (RE100) by 2030 and reach net-zero carbon emissions by 2040.

To achieve the goal of powering all global operations and sales locations with 100% renewable energy by 2030, E Ink joined the global initiative RE100 in March 2022, led by The Climate Group and Carbon Disclosure Project (CDP). E Ink is the first display company committed to achieving RE100 by 2030, highlighting its dedication to renewable energy.

To achieve this, E Ink will purchase Renewable Energy Certificates (REC) or enter into Power Purchase Agreements (PPA) with electricity suppliers for its global facilities, gradually increasing the percentage of renewable energy usage at each location. In 2022, the global operations and sales locations have already achieved a 20% renewable energy usage, surpassing the initially set annual target of 10%. Notably, the business offices in the USA, Tokyo (Japan), and Seoul (South Korea) have already reached 100% renewable energy usage as part of the RE100 commitment.

In addition to actively adopting renewable energy usage, E Ink optimizes electricity consumption through efficient energy management measures. Not only has the company joined the global energy productivity initiative EP100, becoming the first electronics company in Taiwan to do so, but it has also committed to implementing the ISO 50001 energy management system in all global manufacturing facilities by 2030. E Ink aims to achieve a doubling of energy productivity compared to the 2018 baseline by 2040. By focusing on energy usage and low-carbon operations, E Ink strives to ensure the achievement of its two major environmental sustainability goals: RE100 by 2030 and Net Zero by 2040.

2022

▶ 10% Renewable Energy Usage



2025

- ▶ 40% renewable energy usage has been achieved
- ▶ The intensity of greenhouse gas emissions for category 1 and category 2 activities has been **reduced by 20%** compared to 2021

2030

- ▶ 100% renewable energy usage has been achieved
- ▶ ISO 50001 Energy Management System has been implemented in all global operations centers
- ▶ The intensity of greenhouse gas emissions for category 1 and category 2 activities has been **reduced by 70%** compared to 2021. The total greenhouse gas emissions for category 1 and category 2 activities have been **reduced by 80%** compared to 2021.

2040

- ▶ Energy efficiency has **increased by 100%** compared to 2018.
- ▶ Achieved **net-zero carbon emissions** for greenhouse gas ^{note} emissions from categories 1, 2 and 3

Note: Following ISO 14064-1:2018, greenhouse gas emissions are classified into Category 1 to Category 6, including both direct and indirect emissions.

Experience of Renewable Energy Implementation at Hsinchu site

Renewable Energy Usage

- The target for 2022 was 2% renewable energy usage, and the actual achievement was 4%
- The target for 2023 is 8% renewable energy usage

Sources of Renewable Energy

- The procurement of renewable energy emphasizes the concepts of additionality (newly added power sources) and environmental impact (non-agricultural land with minimal environmental impact). By procuring "additional" renewable energy from newly established sources, it aims to stimulate market demand and development while considering the reduction of negative effects on existing environments and ecological impacts. This approach aims to enhance the long-term environmental sustainability and benefits

Involvement in Renewable Energy

- The first industrial user in Taiwan to participate in the National Renewable Energy Certificate (T-REC) trading (December 2016)
- Participation in the first renewable energy transaction in Taiwan (April 2020)
- Involvement in the promotion of National Renewable Energy Certificates (Executive Director of the Taiwan Renewable Energy Development and Promotion Association)
- Independent assessment of renewable energy development technologies, including small wind power, solar power, geothermal, and biomass

Future Plans

- Diversification of renewable energy sources: Procurement of solar power and onshore wind power is underway, while discussions are ongoing for sources such as small hydropower, geothermal power, and offshore wind power
- Solar power generation base planning for the new office at the Hsinchu site



Mr. Watt (E Ink) Engages in the First Green Energy Transaction in Taiwan

Celebrate 30 Years of E Ink with Employee Care and Appreciation



Global Employee Satisfaction Survey

E Ink conducted a global employee satisfaction survey in 2022 to enhance engagement and cultivate a friendly work environment. The survey focused on six aspects: work content, work relationship, leadership and management, career development, compensation and benefits, and organizational identification. The analysis revealed 73.4% overall satisfaction rate. Over 70% of employees appreciated the company's compensation and benefits policies, while nearly 70% expressed a strong sense of belonging to the E Ink team. Listening to employee feedback allows E Ink to identify areas for improvement and develop targeted measures to strengthen satisfaction. This survey serves as a valuable reference for organizational management and enhancing employee dedication.

2022 Global Employee Satisfaction Survey



Celebrate 30 Years of E Ink, Employee Activities

In 2022, E Ink celebrates its 30th anniversary, a significant milestone. From humble beginnings in LCD production to the introduction of black and white ePaper displays and recent advancements in color ePaper, we reflect on the different stages of the past 30 years. We express heartfelt gratitude to all E Ink employees for their companionship and dedication throughout the journey. To celebrate this "Thirty and Thriving" milestone, the E Ink Welfare Committee planned festive activities to invite every E Ink employee to share in the joyful atmosphere.

E Ink, 30th Anniversary Party

Voice from Employee

"I've been working at E Ink for 24 years, and I absolutely love E Ink. I got married and had children while working at E Ink. What I love most about the company is the incredibly friendly environment and the kindness of colleagues. There is no internal competition; we all work together towards the company's goals. Being with E Ink for over 20 years, I've witnessed its continuous growth and progress. I feel honored and delighted to have the opportunity to grow with E Ink."

"The best thing about the company is that everyone is so nice and friendly. Our superiors take care of us like family, giving us a lot of room for experimentation and allowing us to try new things."

"It's such a privilege to celebrate E Ink's 30th birthday together. We are so lucky! Happy Birthday to E Ink!"



Master Chef E Ink

Voice from Employee

"I was pleasantly surprised to discover that our typically serious managers are actually skilled chefs. They prepared incredibly delicious dishes with amazing flavors. It completely changed my perception of them!"

"It was fascinating to see our managers reveal their cooking skills for the first time. It was such an enjoyable experience!"



Voice of E Ink

Voice from Employee

"I had no idea there were so many hidden gem singers within the company!"

"The talent of the participants is incredibly strong. If I were a judge, I would have a hard time choosing."

"I'm amazed by the exceptional singing voices of typically professional colleagues. They have such incredible talent that they could pursue a successful career in the music industry!"



Summary of 2022 E Ink Sustainable Performances

Corporate Governance

Top 5%
The 9th TWSE Corporate Governance Evaluation

100%
Attendance Ratio of the Board of Directors, Audit, and Compensation Committees

0
Zero Significant incidents of non-compliance reported

9 years
Record-breaking profitability for 9 consecutive years, with 2022's revenue reaching NT\$30 billion, operating profit of NTD 9.2 billion, and earnings per share of NTD 8.69

Corporate Governance (G)

Sustainable Supply Chain

100%
of significant suppliers response the ESG questionnaire

>94%
of suppliers sourced locally

100%
of customers who responded to the satisfaction survey were satisfied with E Ink' services

Product Sustainability (P)

>99%
Green Revenue

↓ 50 times
CO₂ emission from eReader compare TFT-LCD tablets

↓ 1.2 thousands times
CO₂ emission from 10" ESLs compare 10" TFT-LCD labels

↓ 20 thousands times
CO₂ emission from ePaper bus stop compare TFT-LCD

>6,000
Accumulated valid patents worldwide

↑ 30%
Research and development expenses increased by 30% compared to the previous year, with an investment of NT\$3.4 billion in 2022.

Social Engagement (S)

Enterprise Care

73.4% Employee satisfaction

>3,000 participants Participating in professional skills training programs

8 consecutive years of salary raise

Social Engagement and Stakeholders

Over NTD 3,636 million of investment on social engagement projects, including charitable donations, community investments, and commercial initiatives

10 partners
Collaborated with 10 ecosystem partners in the ePaper industry to initiate "eRead for the Future" project

11 years
Yangzhou sites has been participating in the SproutCare Plan for 11 consecutive years, donating resources to schools in rural areas. The cumulative donation amount has exceeded RMB 981 thousand, benefiting 19 rural schools

Achieved 100%
completion of greenhouse gas inventory and external verification in all global sites

↓ 43%
Reduced greenhouse gas intensity by 43% compared to the previous year

21%
of renewable energy usage

2 product
Completed 2 product carbon footprint assessments and verified external

↓ 39%
Decreased water intensity by 39% compared to the previous year

Joined the EP100 initiative
Achieving a 102% increase in energy productivity compared to 2018 in 2022

Commitment
to setting the Near-term target by 2030 and Net-zero carbon emissions target by 2040, all based on Science Based Targets (SBT)

B management rating
Submitted the first Climate Change questionnaire to CDP and achieved a B management rating

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01 Sustainable Management

Implementing Sustainable Management with PESG



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1-1 Company Overview

1-1-1 About E Ink

E Ink founded in 1992, is located in the Hsinchu Science Park in Taiwan. E Ink was the first Thin Film Transistor Liquid Crystal Display (TFT-LCD) manufacturing company in Taiwan. In 2002, E Ink established Transcend Optronics in Yangzhou, China, specializing in the production of backend of panel modules for the end-device manufacturers.

In the 1990s, during the early stages of digital publishing, the concept of the emerging display technology known as "ePaper" came into existence. E Ink, with its foresight in ePaper's future development, invested in research and production, becoming the leading manufacturer in ePaper technology. In 2005, E Ink acquired the ePaper division of Philips. Later, in 2009, it acquired Microcapsule based Electronic Ink Film, a significant material of ePaper. In 2012, E Ink acquired SiPix, a company specialized in Microcaps based electronic ink film production. These acquisitions enabled E Ink to integrate the ePaper production chain, covering the production and manufacturing of electronic ink to ePaper panels and modules.

E Ink has continuously cultivated ePaper display technology and has emerged as a global leader in the ePaper industry. ePaper employs bistability and reflective technology for a paper-like reading experience with eye-friendly features. It offers low power consumption, excellent sunlight visibility, and promotes a harmonious interaction between technology and our visual well-being. With its environmentally sustainable properties, ePaper serves as an ideal smart display interface, combining energy efficiency, ultra-low power consumption, and eye-friendly characteristics.

With the growth of the Internet of Things (IoT), there has been a proliferation of related products. The demand for low-power consumption in outdoor smart IoT devices has emphasized the distinct advantages of ePaper technology, including ultra-low power consumption, high visibility in sunlight or bright environments, and continuous display without power consumption. As a leading player in the ePaper industry, E Ink collaborates with supply chain partners, vertical application sectors, and brand customers to establish an ePaper ecosystem in various scenarios such as smart education, retail, transportation, office, logistics, manufacturing, healthcare, architecture, and home. Together with ecosystem partners, E Ink develops diverse product applications like eReaders, eNotes, Electronic Shelf Labels (ESL), signage, logistic tags, and ePaper bus stops.

In addition to actively expanding the application of diverse ePaper products, E Ink continues to invest in research and development. The company's team of researchers, specializing in materials, chemistry, electronics, electrical and mechanical engineering, continually enhances ePaper technology capabilities. From 2020 to 2022, E Ink upgraded its major color ePaper technologies: E

Ink Gallery™ (Advanced Color ePaper), E Ink Kaleido™ (Color Print ePaper), and E Ink Spectra™ series. The company accelerated commercialization and mass production, broadening ePaper's application scope. E Ink expanded four ePaper material production lines, with three operational in 2022 and the fourth scheduled for mass production in H1 2023. Additionally, construction of a new office building and multi-story parking lot began in December 2021 to accommodate increased manufacturing capacity and employee count.

In addition to assisting customers in achieving their environmental sustainability goals through its ultra-low power ePaper technology. In 2021, E Ink announced its commitment to achieving 100% renewable energy (RE100) by 2030, net-zero carbon emissions by 2040, and a doubling of energy efficiency^{Note1}. In 2022, the company also plans to achieve its RE20 goal of using 20% renewable energy^{Note2}. These initiatives demonstrate E Ink's dedication to using electronic paper technology and applications to promote low-carbon environmental sustainability^{Note3}.

Note 1: Energy usage efficiency compared to the baseline year of 2018.

Note 2: For details on E Ink's Net Zero Carbon Emission goals and plan, please refer to Chapter 3 of this report.

Note 3: For details on the development history of E Ink, please refer to the "Company History" of the [2022 Annual Report](#).

Company Name	E Ink Holdings Inc.
Company Headquarter	Hsinchu Science Park, Taiwan (No. 3, Lixing 1st Road, Hsinchu Science Park, Hsinchu City, Taiwan)
Product and Service	Research, development, manufacturing, and sales of materials and display products related to ePaper technology, such as Front Plane Laminate (FPL) and ePaper displays.
Major Countries or Markets Served	United States, Europe (Germany, France), Russia, Japan, China
Nature of Ownership and Legal Form of Company	E Ink is a company limited by shares founded in Taiwan in June 1992 and was officially listed on the Taipei Stock Exchange (TEPx: 8069) in March, 2004
Number of Global Employees	3,478
Total Assets	Total Equity NTD 44,263 million Total Liabilities NTD 20,862 million Total Assets NTD 65,126 million
Product Shipment	Domestic: 874 thousands units Export: 29,767K thousands units

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1-1-2 Worldwide Presence



For more detailed information, please visit our official website →

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1-1-3 Honors, Recognitions, and Initiatives

Awards Recognitions

2022

April



E Ink Spectra™ 3100 four-color ePaper won the Smart Display Application Awards - Smart Retail Award from Taiwan Display Union Association.



E Ink Driver IC with Dynamic and Interlaced Scan by AI Computing won the 20th COMPUTEX Best Choice Award - IC & Components Category Award.

May



Financial Times and Nikkei Asia Climate Leaders Asia-Pacific 2022.

July



Asia Responsible Enterprise Awards 2022, Green Leadership, Social Empowerment & Corporate Sustainability Reporting.

August



TSAA Taiwan Sustainable Action Award -

- "eRead for the Future" project has been awarded the SDG 4 Education Quality - Gold Award.
- "Diversified Green Energy Towards Net Zero" project has been awarded the SDG 7 Affordable and Clean Energy - Silver Award.
- "ePaper Enables Sustainable Retail" Project SDG 12 Responsible Consumption - Bronze Award.

August



Won the Best Companies to Work For in Asia 2022 and the WeCare™ - HR Asia Best Employee Care Award for two consecutive years.



Information Security Excellence Award from Taiwan Panel and Solution Association.

September



Ranked 49th among Top 100 Sustainable Companies- Large Enterprises and received Excellence in Corporate Social Responsibility Award from CommonWealth Magazine.

October



Bronze of Invention Contest of Taiwan Innotech Expo

November



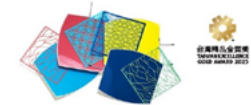
Ranked 24th as 2022 Best Taiwan Global Brands with a brand value of US\$ 78 million



Revised TCSA Taiwan Corporate Sustainability Awards for 6 consecutive years.

- Top 100 Corporate Sustainability Award.
- Platinum of Corporate Sustainability Report Award (Electronic Information Manufacturing- Category 1).
- Growth through Innovation Leader of Best Performance of Specific Categories.

November



E Ink Prism™ awarded 2023 Taiwan Excellence Gold Award from Ministry of Economic Affairs (MOEA).



E Ink Spectra 3100 Plus awarded 2023 Taiwan Excellence Award from Ministry of Economic Affairs (MOEA).



Foldable Color ePaper Technology received Silver Medal of 2022 SDIA Award from Smart Display Industrial Alliance (SDIA).

December



Excellent Enterprises in the Public Release of Occupational Health and Safety Performance Indicators awarded by Occupational Safety And Health Administration, Ministry of Labor.



E Ink Gallery™ 3, full-color ePaper awarded 2022 Hsinchu Science Park Innovative Product Awards from Hsinchu Science Park Bureau, National Science and Technology Council

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Certification and Evaluation



Listed in the MSCI Global Standard Index Constituents

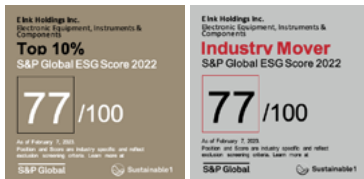
- ACWI Low Carbon Target Index
- ACWI ESG Universal Index
- Emerging Market Top ESG Select Index



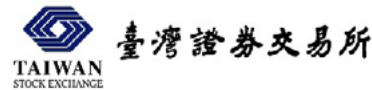
Powered by the S&P Global CSA



Listed in 2022 Dow Jones Sustainability World Index (DJSI-World) and 2022 Dow Jones Sustainability Emerging Markets Index (DJSI-EM).



The Sustainability Yearbook 2023 published by S&P Global Top 10% and Most Improved Award in the Electronics, Equipment and Components Industry.



The Corporate Governance Evaluation by Taiwan Stock Exchange's Corporate Governance Center Selected as **Top 5% of OTC-listed companies in 2023**



2022 CDP

- Climate Change Questionnaire: Rated as B management level
- Supply Chain Engagement Questionnaire: Rated as A- leadership level



Taiwan Index Plus Corporation (TIP)

- Special selected OTC ESG Electronics Elite Return Index
- Special selected OTC ESG Growth Return Index
- Special selected OTC ESG Sustainable High Dividend Return Index
- Special selected OTC ESG 30 Index



A-Level of Taiwan Intellectual Property Management System recognized by Industrial Development Bureau, Ministry of Economic Affairs.



E Ink Kaleido™ Plus color ePaper module received Paper Like Display Quality-mark and China-mark



Bronze Award of 2022 ecovadis Sustainability Rating



BBB of MSCI ESG Rating



Low ESG Risk assessed by SUSTAINALYTICS ESG Rating



AA rating in Taiwan's Sustainability evaluation



International Dark Sky Association Dark Sky Certification
The world's first display technology to be certified by the International Dark-Sky Association



ISO 14067: 2018 Product Carbon Footprint International Standard Certification

The 6.8-inch ePaper module for eReader and the 2.9-inch ePaper module for electronic shelf label received the ISO 14067: 2018 Product Carbon Footprint international standard certificate



Listed in FTSE4Good Emerging Markets Index in 2023

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Sustainability Initiative



The Climate Pledge
Initiative to achieve net zero carbon emissions before 2040. The world's first display manufacturer to join this initiative.



Low Carbon Initiatives
by the European Chamber of Commerce Taiwan



RACE TO ZERO Campaign by the United Nations Framework Convention on Climate Change (UNFCCC)
Initiative to achieve net zero carbon emissions before 2050. E Ink has committed to achieving net zero carbon emissions before 2040.



RE100
The Global Renewable Energy initiative has committed to achieving 100% use of green energy before 2050. E Ink has committed to achieving 100% use of renewable energy (RE100) by 2030.



EP100
E Ink has joined the EP100 (Energy Productivity) climate action initiative launched by the Climate Group.



Science Based Targets initiative (SBTi) for emissions reduction
Setting carbon reduction targets and achieving net-zero carbon emissions in a scenario where global temperature rise is limited to 1.5° C.



Business For Nature
A global alliance of influential organizations and forward-thinking businesses, pooling their efforts to advocate for ambitious policies and urging governments to take action to halt and reverse the loss of nature by 2030.



Task Force On Climate-Related Financial Disclosure Supporter
Initiative for voluntary Climate-Related Financial Disclosures.



The United Nations Global Compact (UNGC)
The world's largest corporate sustainability initiative follows the ten principles set by the United Nations as guidelines for corporate operations, covering areas such as human rights, labor, environmental protection, and anti-corruption. Since 2018, American companies have joined the organization as signatories for their commitments to sustainable development and outstanding performance.



TALENT, in Taiwan
E Ink committed to the six key indicators of the commitment to sustainable talent development, including "Meaning and Value", "Diversity and Inclusion", "Organizational Communication", "Reward and Incentives", "Physical and Mental Health", and "Talent Development," to maintain sustainable competitiveness.



Temperature Rising Index for Pathways
In cooperation with industry and academia, Commonwealth Magazine has launched Taiwan's first carbon disclosure platform. E Ink is a collaborative partner committed to carbon reduction targets.



Taiwan Nature Positive Initiative
Support and respond to the initiative platform proposed by the Taiwan Business Council for Sustainable Development to jointly respond to global nature goals.



SCIENCE BASED TARGETS NETWORK (SBTN) Corporate Engagement Program.
Early access into cutting-edge science and approaches to science-based targets for nature.

Industry Initiative

E Ink utilizes ePaper core technology with ecosystem partners to create diverse, environmentally-friendly devices, positively impacting the global display industry. To maintain industry influence, E Ink focuses on global sustainability, economic, and technological development. It actively participates in alliances, fostering cross-domain collaborations to promote industry and interdisciplinary exchanges. E Ink is committed to realizing the goal of achieving net zero carbon emissions.

Promotion of Industry and Participation in Establishing of Standard	Participation Status
Smart Display Industrial Alliance (SDIA) of the Industrial Development Bureau, Ministry of Economic Affairs	Serving as the convener of the Committee of Intelligent Healthcare, promoting cross-industry, cross-unit, and cross-disciplinary collaboration in display technology to enhance industry competitiveness.
The Digital Nation and Innovative Economic Development Program (DIGI+) of the Executive Yuan	Serving as a member of the Civilian Advisory Committee, providing suggestions and recommendations for the development of information and communication technology strategies, acting as a communication bridge between the government and industry.

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Participation in Associations

Under the development of IoT and Smart City, E Ink actively participates in international public associations, advocating for technology policies to promote ePaper as the best low-carbon display technology for digital reading and writing, as well as IoT applications. The company engages in various committees and association to further these goals.

 Vice Chairman Director Council Executive Director Member 		
Types	Associations	Roles
Industry Initiative	Taiwan Display Union Association (TDUA)	
	Taiwan Panel & Solution Association (TPSA)	
	Society for Information Display ^{Note 1} (SID)	
	Photonics Industry & Technology Development Association (PIDA)	
	E-paper Industry Alliance (EPIA)	
	The Allied Association for Science Park Industries (ASIP)	
	Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	
	Taipei Computer Association (TCA)	
	European Chamber of Commerce Taiwan (ECCT)	
	Taiwan Elderly Care Industry Association (TECIA)	
Sustainable and ESG Initiative	Taiwan Telematics Industry Association (TTIA)	
	Taiwan Renewable Energy Certification Association (TRECA)	
	The Institute of Internal Auditors-Chinese Taiwan (IIA)	
Technical Standard Establishment	CommonWealth Sustainability League (CWS)	
	International Dark Sky Association (IDA)	
	SEMI Flexible Hybrid Electronics Standards Committee (SEMI FHE)	
	Taiwan Digital Publishing Forum (TDPF)	
	Digital Stationery Consortium ^{Note 2} (DSC)	
	Digital Signage Multimedia Alliance Taiwan (DSMA Taiwan)	

Note 1: E Ink is a longstanding sponsor of Innovation Zone (I-Zone) at SID, encouraging the display industry to continuously pursue innovation and technological breakthroughs
 Note 2: Promoting digital ink and handwriting identified technologies, actively working to establish common standards that will accelerate the dissemination of digital handwriting technology

Actively Participating in Low-Carbon Initiatives and Lobbying Activities to Promote the Implementation of Net-Zero Policies

As a leading manufacturer of low-carbon display solutions, E Ink is committed to implementing the 2030 RE100 and 2040 Net Zero targets. The targets strive to limit global warming to within 1.5 degrees Celsius, which aligns with the Paris Agreement. E Ink actively engage in carbon reduction initiatives and lobbying activities led by business and industry associations to drive the formulation of relevant policies and legislation. The Green Production subcommittee will participate in lobbying activities and industry association memberships. Besides, the subcommittee will also regularly collect data and progress on climate-related commitments and greenhouse gas (GHG) reduction targets of its public policy engagement and report them to the Corporate Sustainability Committee, and the chairman will oversee the implementation results.

- In 2022, the Taiwan Panel & Solution Association (TPSA) advocated for "Net Zero Carbon and Circular Economy" in alignment with Taiwan's 2050 net-zero emissions goal ^{Note 1}. E Ink, a founding member of TPSA, actively participates as a committee member in the Occupational Safety and Environmental Protection Committee. Regular meetings focus on discussions of greenhouse gas inventories, energy-saving technology sharing, Taiwan's renewable energy progress, carbon pricing impacts, and concerns related to carbon-negative technologies and environmental sustainability.
- The European Chamber of Commerce Taiwan - Low Carbon Initiative (ECCT-LCI) ^{Note 2} was established to introduce the best low-carbon solutions and standards from the European Union (EU) and Europe to various industries. Its goals include enhancing awareness of sustainable development and encouraging the adoption of low-carbon solutions to reduce carbon emissions in Taiwan. E Ink actively participates in ECCT-LCI, collaborating with public sectors in legislative and policy discussions on renewable energy, resource circulation, and related topics. For example, E Ink contribute to the "Legislative Direction Workshop for the Promotion of Information Circulation Law" organized by the Environmental Protection Administration of the Executive Yuan, supporting the formulation of environmental sustainability legislation.

E Ink implements carbon reduction actions at its global presence, actively responding to the Paris Agreement and Taiwan's 2050 net-zero emissions pathway. Through the Green Production Task Force under the Corporate Sustainability Committee, the company executes initiatives for achieving net-zero carbon emissions and managing climate change impacts, overseen by the Chairman and regularly reported to the Sustainability Development Committee and the Board of Directors. Additionally, E Ink plans to strengthen its "E Ink Policy on Safety, Health, Environment, and Energy Management" in 2023, establishing comprehensive climate change management policies to manage lobbying activities and trade association memberships, and to contribute to the goal of keeping global temperature rise well below 2 degrees Celsius and striving for 1.5 degrees Celsius.

In addition, E Ink regularly reviews and monitors the progress of low-carbon initiatives, lobbying activities, and industry associations to ensure their initiatives are aligned with the Paris Agreement, E Ink also actively engages in dialogues and policy advocacy with business associations and stakeholders, aligning with E Ink's corporate goals. If any misalignment is found between the climate-related actions of these associations and E Ink's objectives, E Ink will make public statements distancing the company from the misalignment, engage with the trade association with clear timelines and an escalation process if unsuccessful, and consider leaving the trade association. Consider participation in other suitable business and industry associations.

Note 1: The Taiwan 2050 Net-Zero Emissions Pathway was established by the Taiwanese government to align with the objectives of the Paris Agreement. The goal is to achieve comprehensive net-zero emissions by 2050, in response to the challenges of global climate change.
 Note 2: The European Chamber of Commerce Taiwan (ECCT) - Low Carbon Initiative is promoting a low-carbon platform in Taiwan and comparing it with Europe's experiences and strategies, to protect the European stakeholders in Taiwan, Taiwan's companies, government and public interests platform

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1-2 Business Performance and Strategy

1-2-1 Business Performance

In 2022, the global economy faced challenges due to geopolitical uncertainties, economic recession caused by inflation, and climate disasters resulting from extreme weathers. The macroeconomic environment was characterized by high levels of uncertainty, posing challenges for business operations, manufacturing, and supply chain resilience. Despite these unfavorable factors, E Ink achieved significant accomplishments in its business, operations, and technological research and development in 2022.

In 2022, E Ink and its subsidiaries achieved a consolidated revenue of NTD 30,061 million, operating profit of NTD 9,199 million, net income after tax of NTD 9,912 million, and earnings per share of NTD 8.69. The financial performance in 2022 not only demonstrated significant growth compared to the previous year but also achieved historical highs in terms of operating profit, net income after tax, and earnings per share.

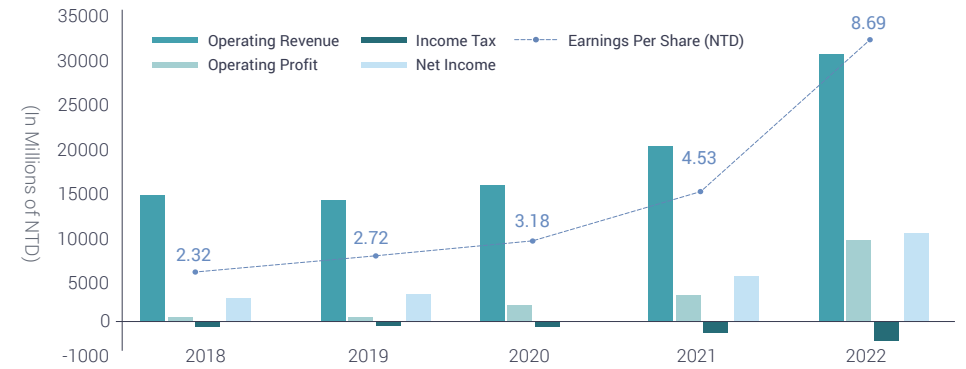
E Ink adheres to the business objective of "simultaneous pursuit of profitability and sustainability" and actively enhances its research and development capabilities while continuously expanding diverse ePaper application businesses.

Operational Aspects	Review of 2022 Operation Performances
Business Expansion	<ul style="list-style-type: none"> Consumer Electronics (CE) applications: Global brand customers continue to release color and large-sized eReaders and eNotes, despite the impact of a tightening end-consumer market. The sales of eReaders and eNotes in the business remain stable and continue to show steady growth. IoT applications of ePaper: ePaper displays provide continuous display without consuming power, reflective and non-self-emissive, replaces disposable paper for digital display. It has the environmentally friendly characteristics of low carbon and no light pollution, driving the growth of electronic shelf labels, ePaper bus station signs, commercial and public displays, ePaper signage for medical care, logistics labels, and other products.
Technology R&D	<ul style="list-style-type: none"> E Ink has comprehensively advanced its three major color ePaper technology platforms, introducing the E Ink Gallery™ 3 full-color ePaper, E Ink Kaleido™ 3 color printing ePaper, and E Ink Spectra™ 3100 Plus five-color ePaper. By utilizing different color ePaper technologies, E Ink is able to meet the diverse needs of various product designs and market demands, providing solutions that closely align with customer requirements ^{Note 1}.
Operation and Production	<ul style="list-style-type: none"> Respond to the diversified development of ePaper technology and the steady growth of product application business, it was announced that 4 ePaper material production lines would be expanded from 2020 to 2021, three of the production lines have entered operation in 2022, and the fourth line is expected to commence production in the first half of 2023.
Awards and Recognitions	<ul style="list-style-type: none"> E Ink won 4 significant technology awards, 13 significant sustainability awards, 2 corporate awards, was selected for 6 sustainability indices, and achieved 5 sustainability assessments ^{Note 2}

Note 1: About the latest developments in ePaper technology, please refer to [chapter 3 of this report](#).
Note 2: Regarding E Ink's 2022 Awards and Recognitions, please refer to [Chapter 1 of this report](#) for more details.

Financial Performance

Financial Performance in the Past 5 Years ^{Note 1-4}



Note 1: The financial data is sourced from the 2022 consolidated financial statements of E Ink Inc. and subsidiaries, which have been audited by Deloitte & Touche Taiwan.
Note: In 2022, E Ink applied for R&D investment tax credits of NTD 1,790 million in Taiwan under the "Company Research and Development Expenditure Applicable Investment Tax Credit Measures". It also applied for government subsidies of NTD 240 million in China.
Note 3: E Ink did not make any political donations or involve in any political/policy-influenced donations or activities from 2019 to 2022.
Note 4: For more detailed of financial information and performance, please refer to the [2022 annual report](#).

Direct Economic Value Generated and Distributed

Types	Items	Amounts In Millions of NTD
Generated Economic Value (A)	Operating Revenue	30,061
	Non-Operating Income	2,885
Distributed Economic Value (B)	Operating Costs	14,831
	Employee Salaries and Benefits	6,044
	Payment to shareholders ^{Note 1}	5,132
	Payment to government	2,145
Retained Economic Value (A-B)	Community investment	14
	Generated Economic Value - Distributed Economic Value	4,780

Note 1: The cash dividends distributed in the current year.

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Tax Governance

Tax Policy and Management Regulations of E Ink

E Ink has established "Tax Policy and Management Regulations" in response to the international trend of tax governance and tax management policies of sustainable development in order to implement legal compliance, fulfilling corporate social responsibility. E Ink proactively monitors changes in tax regulations and potential tax risks in each operating location.

The Location of the Subsidiary	Tax Management Policy of E Ink		Main Risk Content
	Aspect	Description	
Taiwan, United States, Japan, China, and South Korea	Tax Compliance	<ul style="list-style-type: none"> Calculate tax amount correctly in accordance with local tax laws, regulations and the legislative spirits, make tax filings and complete tax payments in accordance with the law and fulfill the social responsibility of a taxpayer. Process tax related matters in accordance with an ethical philosophy. Comply with internationally recognized transfer pricing guidelines and disclosure requirements published by the Organization for Economic Cooperation and Development ("OECD"). Disclosure of tax information in the financial reports in accordance with applicable regulations and guidelines. 	<ul style="list-style-type: none"> The ambiguity of tax regulations often gives rise to tax disputes. Changes in tax regulations may adversely affect a company's performance, resulting in an increased tax burden. The modifications of tax regulations or tax incentives may potentially affect a company's tax planning strategies. Engaging in cross-border investments and international trade activities can lead companies to a variety of transaction types that may be difficult to avoid. These different transaction types may face varying tax reporting and payment requirements based on the tax laws and regulations of different countries. In response to the OECD's implementation of anti-tax avoidance regulations, national tax authorities are taking active measures to strengthen their anti-tax avoidance policies and enforcement efforts, which may lead to increased compliance costs for taxpayers in terms of tax filing and regulatory compliance. The dynamic economic environment, such as the ongoing trade tensions between the United States and China, fluctuations in international investment competition and changes in investment destinations, come with accompanying tax implications.
	Tax Risk Management	<ul style="list-style-type: none"> Economically plan the tax structure and avoid positive tax measures. In engaging in daily business activities or making major operating decisions, consider relevant tax risk and tax impact. In case of change of tax legislation in any location, carefully assess the impact on the Company, establish corresponding measures and strengthen internal promotion. 	
	Interested Parties	<ul style="list-style-type: none"> Support government sustainable development policies such as promotion of industrial innovation, research and development and re-investment, etc. Maintain a relationship that is friendly, trusting and with honest communication with the tax authority. Establish good communication channels to ensure that both parties are able to cooperate in an efficient and effective manner 	

Tax Penalties and Improvement Approaches

E Ink has not incurred any significant penalties ^{Note} from 2019 to 2022. In 2022, E Ink received a total fine of NT\$15,913. Explanation and improvement measures approach are as follows:

Site	Items	Penalty	Improvement approach
Taiwan	Penalties incurred from automatic supplementary reporting of tax payment for foreign withholding tax	NTD 15,913	Strengthening employee education and training, including enhancing the concept of withholding taxes for payees, to prevent similar situations from happening again.

Note: Significant penalties refer to violations resulting in fines exceeding NTD 1 million.

Effective Tax Rate

Fiscal Year	Income Before Income Tax ^{Note 1}	Income Tax Expense ^{Note 1}	Effective Tax Rate (Before Adjustment)	Adjustment	Effective Tax Rate (After Adjustment)	Income Tax Paid ^{Note 1}	Cash Tax Rate
2022	12,084	2,145	17.75%	57	17.28%	1,151	9.53%
2021	6,548	1,336	20.41%	(135)	22.49%	915	13.99%
2020	4,239	566	13.36%	(565)	26.69%	233	5.51%

Note 1: Unit in Millions of NTD

Note 2: Due to the unique nature of its industry and the importance of maintaining technological leadership, E Ink has allocated significant resources and funding to continuously invest in critical and distinctive technologies. This commitment to research and development has resulted in substantial losses in the past. Additionally, E Ink declares relevant research and development achievements each year for tax deduction purposes, resulting in a lower cash tax rate for the E Ink Group compared to the industry average.

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1-2-2 Business Strategy

Looking ahead to the macroeconomic outlook for 2023, amidst operational challenges posed by international political and economic volatility, E Ink's management team will closely monitor market trends, maintain a cautious and steady pace of operations, and lead the company towards sustainable growth.



Operational Aspects	Focus and Approaches
Business Expansion	<ul style="list-style-type: none"> • Consumer Electronics (CE): In 2023, E Ink Gallery™ 3, full-color ePaper technology, enters mass production. Global brand customers will launch eReader and eNote devices utilizing this technology. Larger-sized eReaders and eNote products will also be introduced, further driving the growth of our consumer electronic paper business. • In 2022, the European Union updated energy labeling regulations, and from March 2023, sales of televisions with 4K and higher resolutions will be restricted. Displaying low-carbon and sustainable electronic products will be the future mainstream. ePaper, with its power-saving feature and no-refresh requirement, is the ideal smart and low-carbon display technology, with significant market potential for traffic signs and advertising billboards. • The retail labels and signage market will continue to grow with the introduction of more color products. IoT-related businesses are expanding into areas such as color and various sizes. Large-sized color ePaper signage meets the demand in healthcare, smart transportation, and smart factories. Small-sized ePaper tags cater to smart logistics and smart luggage tags, providing new growth opportunities for the company.
Technology R&D	<ul style="list-style-type: none"> • E Ink focuses on four key areas in ePaper technology development: ePaper films and materials, color technology, flexible displays, and modules, as well as ePaper ecosystem technologies. This includes wireless power supply technology, ePaper timing control chips, and product reference designs. With dedicated research and development resources, E Ink aims to establish a strong presence in the ePaper industry, accelerating technology transfer and mass production of ePaper solutions for end-user markets. • E Ink invests in its existing technological advantages of low energy consumption and environmental friendliness of ePaper. The company focuses on developing technologies that reduce stacking structure, use fewer materials, and have low energy consumption to minimize carbon emissions, conserve energy, promote recycling, and innovate products, thus achieving a lower carbon footprint.
Operation Management	<ul style="list-style-type: none"> • To achieve its 2040 Net Zero and 2030 RE 100 goals, E Ink focuses on improving manufacturing capacity of electronic paper through lean and efficient management and ensuring smooth shipment. The company also enhances low-carbon and green operations by improving energy efficiency, reducing greenhouse gas emissions, and promoting environmental protection in waste production to achieve the goals of Net Zero 2040 and RE 100 2030. • E Ink is concurrently committed to constructing a low-carbon supply chain, controlling and mitigating sustainability risks, enhancing supply chain resilience, and strengthening sustainable supply chain practices. These efforts aim to create a sustainable value chain within the ePaper industry, emphasizing the importance of sustainable development.

Future Prospects

E Ink is committed to actively investing in ePaper technology research and development while expanding its business in product applications. The company will work closely with ecosystem partners to strengthen and expand the ePaper industry, aiming to reduce carbon emissions and facilitate digital transformation. Guided by the brand vision of "We Make Surfaces Smart and Green," E Ink will seize opportunities in AIoT and sustainable development trends. By utilizing environmentally and visually friendly display technology, ePaper, E Ink will drive its adoption in smart retail, smart transportation, smart logistics, and other sectors, progressing steadily towards profitability and sustainable development.



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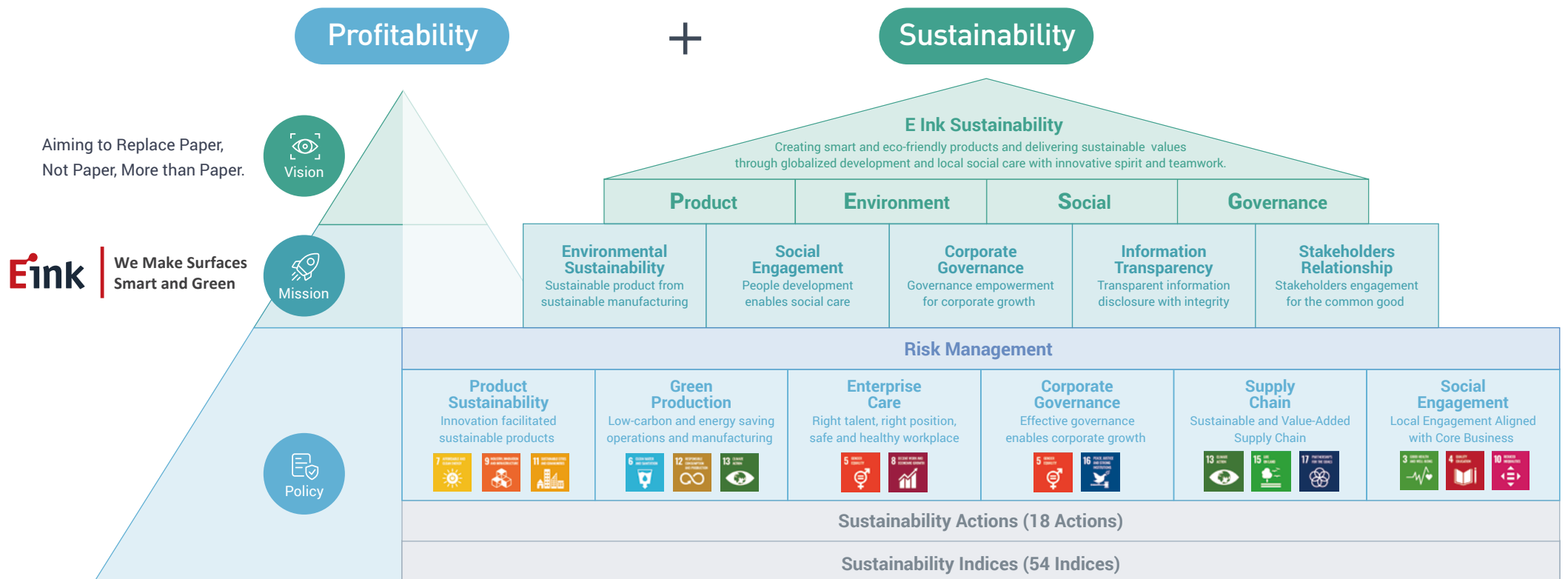
1-3 Sustainable Operations

1-3-1 Sustainable Vision, Mission and Policy

E Ink firmly believes that sustainable development and profitability are equally important missions. In the process of corporate survival, growth, and sustainable development, "profitability" and "sustainability" are inseparable. The company is responsible for pursuing profitability for shareholders and investors, as well as pursuing sustainable development for employees, society, and the environment in which it operates. Therefore, E Ink has set "Profitability + Sustainability" as its strategic goal and transformed its brand vision from "E Ink on Every Smart Surface" to "We Make Surfaces Smart and Green," demonstrating its commitment to simultaneous profitability and sustainability. This drives the company's continuous growth and implementation of sustainable development practices.

E Ink embraces a sustainable development vision of "Creating smart and eco-friendly products and delivering sustainable values through globalized development and local social care with innovative spirit and teamwork." This aligns with the corporate vision of "Aiming to Replace Paper, Not Paper, More than Paper," E Ink aims to lead continuous growth and profitability while delivering on its commitment to environmentally-friendly products. With a focus on innovation and collaborative teamwork, E Ink deepens sustainable value by consistently benefiting the company, society, and the environment.

E Ink's commitment to its sustainable vision encompasses various missions, including "Sustainable Products and Environmental Protection," "Human Resource Development and Social Care," "Effective Governance for Business Growth," "Integrity, Transparency, and Accountability," and "Harmonious Relationships and Positive Collaboration." Through policies focused on "Innovation-based Low-carbon Sustainable Products," "Low-carbon and Energy-efficient Operations and Production," "Right Talent, Right Position, Safe and Healthy Workplace," "Effective Governance," "Value-added Supply Chains," and "Local Engagement," E Ink strives to achieve sustainable development goals.



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Sustainability of E Ink and Framework for Sustainability

4 Scopes

E Ink integrates ESG aspects into its core of sustainable products, forming a comprehensive approach for corporate sustainability. This encompasses the environment, social, and governance dimensions, known as "PESG," the four scopes of sustainable development.

5 Pillars

In addition to "Environmental Sustainability" through sustainable products and environmental protection, "Social Inclusion" for human development and social care, and "Corporate Governance" for effective governance and business growth, "Integrity and Transparency" and "Stakeholder Engagement" are key pillars for achieving corporate sustainability. These pillars reflect E Ink's dedication to ethical practices, transparency, and building collaborative relationships with stakeholders, further strengthening its commitment to sustainable development.

6 Foundations

To effectively implement sustainability policy objectives, E Ink focuses on six key pillars: "Product Sustainability" for innovative, low-carbon products, "Green Production" for energy-efficient operations, "Enterprise Care" for right talent, right position, safe and healthy workplace, "Corporate Governance" for effective management, "Supply Chain" for value-added sustainability, and "Projects and Stakeholders" for local community integration. Additionally, "Risk Management" spans across all dimensions, identifying and mitigating risks to ensure successful execution of the six pillars.



18 Actions 54 Indices

Following the six foundations of sustainability, E Ink implements 18 sustainable actions and further defines 54 sustainability indices. Through the establishment, execution, and follow-up of practical action plans and indicators, we strive for the complete realization of E Ink's sustainability efforts.

For detailed information on the actions and indicators, please refer to the "Management Approach of Sustainable Topics" in each chapter and "Appendix I: E Ink Sustainability Performance Indicators."



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1-3-2 Committees of Sustainability Development and Corporate Committees

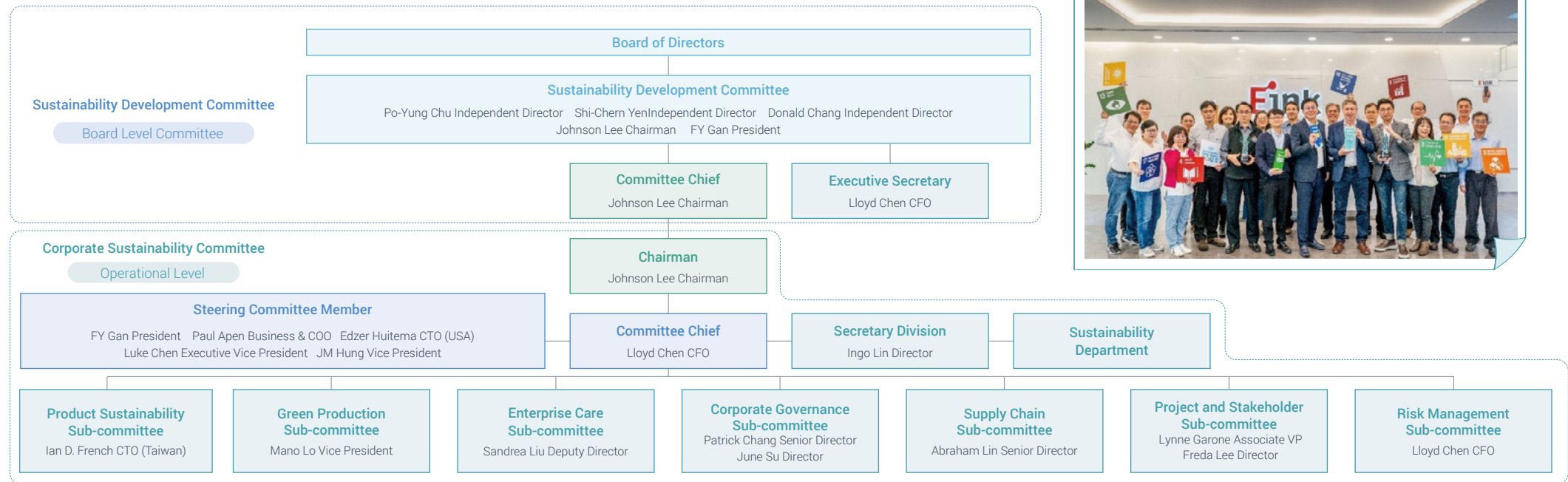
In accordance with E Ink's sustainable development vision and blueprint, the Board of Directors of E Ink has established a functional "Sustainability Development Committee" at the board level to strengthen the governance and oversight of our sustainability progress and performances. The Sustainability Development Committee, under the Board of Directors, will align with the existing "Corporate Sustainability Committee" at the operational level to oversee the advancement of sustainability work in areas such as product sustainability, green production, enterprise care, corporate governance, supply chain, project and stakeholder management, as well as risk management.

The "Corporate Sustainability Committee," which operates at the operational level, is composed of members from various functional departments who serve in a part-time capacity. The committee is oversight by the Chairman of the Board, who provides direct supervision, and led by the Chief Financial Officer as the Director. The committee establishes operational sustainability sub-committee to implement the pillars of the "Sustainable E Ink" framework, including "Product Sustainability," "Green Production," "Enterprise Care," "Corporate Governance," "Supply Chain," "Project and Stakeholder Management," and "Risk Management." Each sub-group is led by a director or above. Additionally, the committee has a "Secretariat" and a dedicated "Sustainability Management Department" to coordinate and drive relevant affairs, as well as an "Advisory Committee" composed of senior executives to provide guidance and assistance as needed.

The Corporate Sustainability Committee consists of 40-50 members, covering various departments in E Ink's global locations including Taiwan, China, the United States, Japan, and South Korea. The sustainability sub-committee hold monthly meeting to plan sustainable related objectives and blueprints, and confirm the progress of implementation. They report to the Chairman on a quarterly basis and provide annual reports to the Board of Directors in accordance with E Ink's "Sustainability and Social Responsibility Principles." In addition, to enhance the Board's oversight of sustainability-related efforts, a total of five reports on sustainability progress were presented to the Board in 2022.

Note: For more information about the Sustainability Development Committee, please refer to [Chapter 2- Functional Committees](#) of this report.

Sustainability Committee Structure



2016 ● The company established the "Corporate Social Responsibility Committee" to organize and promote the realization of the company's sustainable development vision.

2019 ● The Board of Directors approved the "Sustainability and Social Responsibility Guidelines" and received regular reports on them annually.

2021 ● In response to the increasing importance of ESG-related issues in the company's operations, E Ink actively strengthened its commitment to sustainable development. As part of this effort, the "Corporate Social Responsibility Committee" was upgraded and renamed as the "Corporate Sustainability Committee."

2022 ● A functional "Sustainability Development Committee" was established at the board level to enhance governance and oversight of sustainability development outcomes, with the first meeting of the Sustainability Development Committee held in 2023.



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1-3-3 Sustainable Approaches and Goals

In accordance with E Ink's sustainability policy and framework, the Corporate Sustainability Committee and its functional teams have formulated sustainability action plans, goals, and long-term strategic directions. These efforts align with the company's significant topics and the United Nations Sustainable Development Goals (SDGs).

Sustainability Sub-committee	Corresponding Material Topics	Goals in 2023	Long-term and Medium-term Strategies	Corresponding SDGs	Corresponding Chapters
Product sustainability	<ul style="list-style-type: none"> Market expansion Product research, development and innovation Green and sustainable product development 	<ul style="list-style-type: none"> Continuously generating new patents and achieving breakthroughs in innovative technologies. Sustaining the momentum of new technologies and products for revenue contribution. Maintaining the contribution of energy-efficient products and reducing product carbon footprint Improving the establishment of environmental indicators for products and implementing product life cycle analysis 	Innovation facilitated sustainable products	  	3-1 Research and Development for Products Innovation 3-1-3 Research and Development Performances and Open Innovation 3-2-1 Postive Environmental Impact
Green production	<ul style="list-style-type: none"> Climate change mitigation and adaption Energy management Resource management and circular economy 	<ul style="list-style-type: none"> Achieving 20% usage of renewable energy. Continuously promoting energy-saving projects across all sites to improve overall energy efficiency. Expanding greenhouse gas inventory of scope 3, continuously reducing greenhouse gas emissions, and exploring carbon-negative technologies. Continuously identifying climate-related risks and opportunities. 	Low-carbon and energy saving operations and manufacturing	  	4-2 Transformation to Net Zero 4-3 Energy Consumption and Management 4-5 Resource Circularity
Enterprise care	<ul style="list-style-type: none"> Occupational safety and health Talent attraction and retention 	<ul style="list-style-type: none"> Improving employee's skill sets and increasing the number of educational training hours. Initiating employee engagement surveys and implementing employee assistance programs. Receiving EEWL and LEED green building certifications for the planned construction of the new office building in Hsinchu. 	Right talent, right position, safe and healthy workplace	 	6-2 Talent Attraction and Retention 6-4 Health and Safety at E Ink
Corporate governance	<ul style="list-style-type: none"> Corporate governance Ethics and integrity Regulation compliance Information and cyber Security 	<ul style="list-style-type: none"> Strengthening the structure and operation of the Board of Directors, enhancing risk management mechanisms, and improving investor information transparency. Continuously identifying stakeholder needs and enhancing stakeholder communication. 	Effective governance enables corporate growth	 	2-1 Integrity and Sustainable Governance 2-2 Risk Management 2-3 Information and Cyber Security
Sustainable supply chain	<ul style="list-style-type: none"> Sustainable supply chain management 	<ul style="list-style-type: none"> Continuously deepening and optimizing the management system of the sustainable supply chain. 	Sustainable and Value-Added Supply Chain	  	5-1 Supply Chain Management
Social engagement	-	<ul style="list-style-type: none"> Continuously implanting core projects for social engagement Collaborating with ecosystem partners to assess and plan the donation of eReaders to a new city or count 	Local Engagement Aligned with Core Business	  	7-1 Concepts of Social Engagement 7-2 Educational Collaboration – "eRead for the Future" 7-3 Philanthropic Activities 7-4 Environmental Conservation
Risk management	<ul style="list-style-type: none"> Risk Management 	<ul style="list-style-type: none"> Identify and analyze short-term, medium-term, and long-term risks and opportunities in response to external environmental changes and internal operational conditions. 	Proactive and comprehensive governance of operational risks and opportunities	 	2-2 Risk Management

Note: The short-term, medium-term, and long-term goals of each functional team within the Corporate Sustainability Committee, please refer to [Appendix I](#) of this report.

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1-4 Material Topics and Stakeholders

1-4-1 Stakeholder Identification and Communication

Stakeholder Identification

E Ink values the expectations and needs of its stakeholders, following the five principles of "Accountability, Influence, Relevance, Diversity of Perspectives, and Dependence" outlined in the AA1000 Stakeholder Engagement Standard (AA1000 SES). The Corporate Sustainability Committee, in collaboration with representatives from various departments, has identified nine key stakeholder categories.



Stakeholder Categories and Relationship with E Ink

Ranking	Stakeholder Category	Relationship with E Ink
1	Customers	E Ink is committed to providing the highest product quality and service, aiming to offer customers the best solutions to their needs while mutually exploring market opportunities and growing together.
2	Employees	Employees are an important asset for E Ink to sustain innovation and progress. Building a strong labor-management relationship is essential to continuously create value.
3	Suppliers/Contractors/Outsourcing companies	E Ink collaborates with suppliers, contractors, and outsourcing companies to establish a sustainable value chain through ongoing management and interaction.
4	Community and Society	E Ink consistently cares for local communities, vulnerable groups, and schools, demonstrating its corporate responsibility and making positive contributions to society.
5	Shareholders	E Ink respects the opinions of shareholders and considers them as important references for driving continuous improvement.
6	Government Agencies	E Ink strictly adheres to relevant government regulations and actively cooperates with legal policies, fulfilling its corporate citizenship responsibilities
7	Media	E Ink actively responds to the public through the media and strives for information transparency.
8	Group and Affiliated Companies	E Ink maintains continuous interaction with its group and affiliated companies, adhering to relevant development policies.
9	Industry Peers and Associations	E Ink engages in ongoing interaction with industry peers and associations to promote industry development.

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The Effectiveness of Stakeholder Communication Channels and Engagement

E Ink's department representatives actively engage with stakeholders during daily business operations, identifying and compiling their concerns and expectations. This report will address stakeholder concerns in different chapters, following relevant GRI guidelines. Transparent and comprehensive information will be provided on specific topics, ensuring transparency and meeting stakeholder expectations.

Stakeholders	Concerned Issues	Communication Channels and Frequency	Specific Communication Achievements in 2022
Government Agencies	<ul style="list-style-type: none"> • Corporate Governance • Product Quality and Responsibility • Ethical Business Conduct • Climate Change Mitigation and Adaptation • Regulatory Compliance • Information Security Management 	<ul style="list-style-type: none"> • Correspondence (irregular) • Public Information Disclosure Platform (uploading/disclosing relevant content according to regulations) • Government website information collection (once per quarter) • Pollution prevention and control promotion meetings, regulatory briefings, on-site inspections (irregular) • Government routine/surprise inspections (irregular) 	<ul style="list-style-type: none"> • Participated in more than 17 regulatory promotion and briefing sessions organized by government agencies • Underwent 25 government inspections without any major violations
Employees	<ul style="list-style-type: none"> • Corporate Governance • Talent Attraction and Retention • Product Research and Innovation • Development of Green and Sustainable Products • Ethical Business Conduct • Resource Management and Circular Economy 	<ul style="list-style-type: none"> • Labor-management dialogue meetings between employees and management teams (once per quarter) • Labor-management meetings (once per quarter) • Staff welfare committee/union committee meetings (regular) • Performance evaluations (twice per year) • Employee education and training (irregular) • Various lectures, seminars (irregular) • Departmental supervisors' mailboxes, union suggestion boxes, audit mailboxes (irregular) • Employee health and wellness knowledge dissemination (twice per year) • Internal letters and announcements (irregular) 	<ul style="list-style-type: none"> • Held 2 employee dialogue meetings • Conducted 4 labor-management meetings with a consensus reached on 13 proposals • Held 4 staff welfare committee meetings with 18 resolutions made • Conducted 2 annual performance evaluations • Organized 837 internal employee education and training courses • Held 2 health-related seminars • Received 0 submissions and closed 0 cases from the employee suggestion box • Issued 60 employee lifestyle promotion announcements
Suppliers/ Contractors/ Outsourcing companies	<ul style="list-style-type: none"> • Ethical Business Conduct • Occupational Health and Safety • Corporate Governance • Development of Green and Sustainable Products • Regulatory Compliance • Sustainable Supply Chain Management 	<ul style="list-style-type: none"> • Supplier audits and visits (irregular) • Quality review meetings (regular, once a week) • Supplier guidance and audits (once a year) • Production and sales coordination meetings (weekly) • Cost Down Meetings (once a year) • Procurement contracts, occupational safety training, plant inspections (irregular) • Security daily work meetings (once a week) 	<ul style="list-style-type: none"> • Conducted monthly audits and visits to 4 suppliers • Held weekly quality meetings with major material suppliers, with participation from 14 companies • Conducted Quality Process Audits (QPA) on 27 existing major material suppliers (14 on-site audits, 13 document audits) • Conducted Quality System Audits (QSA) on 12 new material suppliers (6 on-site audits, 6 document audits) and Quality Process Audits (QPA) on 9 suppliers (3 on-site audits, 6 document audits) • Arranged on-site personnel from 7 suppliers to resolve raw material issues at the Yangzhou sites • Conducted business visits or work meetings at the Taiwan and Yangzhou sites with approximately 2-3 suppliers each month • Conducted 88 pre-construction safety trainings
Customers	<ul style="list-style-type: none"> • Corporate Governance • Product Quality and Responsibility • Product Research and Innovation • Development of Green and Sustainable Products • Ethical Business Conduct • Resource Management and Circular Economy 	<ul style="list-style-type: none"> • Visits from sales personnel and senior executives (irregular) • Business review meetings (once a week) • Quarterly Business Review (QBR) meetings with suppliers (every quarter) • Customer satisfaction surveys (annually) • Customer visits to the facility (irregular) • Customer questionnaire responses (irregular) • Orders • Seminars, trade shows (irregular) • Website public information (regular) 	<ul style="list-style-type: none"> • Organized 9 exchange forums • Held QBR (Quarter Business Review) meetings with 9 customers (5 in-person meetings, 4 online meetings), with participation from over 100 individuals Weekly phone conferences or visits were conducted with key customers to discuss and address real-time quality-related issues • Achieved a 100% response rate and an average score of 93.7 on the customer satisfaction survey

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Stakeholders	Concerned Issues	Communication Channels and Frequency	Specific Communication Achievements in 2022
Group and Affiliated Companies	<ul style="list-style-type: none"> • Ethical Business Conduct • Product Quality and Responsibility • Regulatory Compliance • Development of Green and Sustainable Products • Corporate Governance 	<ul style="list-style-type: none"> • Board of directors meetings (at least once per quarter) • Senior executive meetings (weekly) • Project meetings (irregular) 	<ul style="list-style-type: none"> • Held 5 board of directors meetings with a 100% average attendance rate
Shareholders	<ul style="list-style-type: none"> • Product Research and Innovation • Talent Attraction and Retention • Market Expansion • Water Resource Management • Regulatory Compliance • Sustainable Supply Chain Management 	<ul style="list-style-type: none"> • Board of directors meetings (at least once per quarter) • Shareholders' meeting (once a year) • Corporate briefing meetings (once per quarter) • Monthly revenue announcements (once a month) • Financial reports (once per quarter) • Investor relations section on the company website (irregular) • Public Information Disclosure Platform for disclosing significant information and financial reports (irregular) • Press releases for media relations (irregular) • Face-to-face and phone communication meetings (irregular) • Email communication (irregular) 	<ul style="list-style-type: none"> • Held 1 shareholders' meeting with an attendance rate of 85.14% of the total issued shares • Conducted quarterly corporate briefings, totaling 4 sessions, and attended 14 other corporate briefings in 88 face-to-face or phone meetings with investors, provided information on the company's financials and business-related matters • Submitted financial reports according to legal requirements 4 times • Released 53 significant information announcements in accordance with legal regulations • Responded promptly to investor inquiries
Media	<ul style="list-style-type: none"> • Product Research and Innovation • Talent Attraction and Retention • Corporate Governance • Energy Management • Market Expansion • Sustainable Supply Chain Management 	<ul style="list-style-type: none"> • Press releases for e-paper technology and applications, corporate operational strategies and layouts, and financial reports (irregular) • Media activities: press conferences (quarterly), shareholders' meetings (annually), exhibition visits (irregular) • Media interviews (irregular) • Immediate media service requests: using instant messaging software, telephone (office and mobile) and email as the primary media communication channels, and promptly handling the requests (irregular) 	<ul style="list-style-type: none"> • Published 31 press releases • Held 7 media events, including 1 press conference, 4 analyst meetings, 1 shareholders' meeting, and 1 media luncheon • Participated in 15 media interviews • Provided immediate media service in response to media requests
Industry Peers and Associations	<ul style="list-style-type: none"> • Corporate Governance • Occupational Health and Safety • Ethical Business Conduct • Development of Green and Sustainable Products • Product Research and Innovation 	<ul style="list-style-type: none"> • Taiwan Panel & Solution Association (TPSA) • Industry associations 	<ul style="list-style-type: none"> • Participated in 6 TPSA (Taiwan Panel & Solution Association) occupational safety and environmental protection committee meetings • Attended more than 24 meetings of industry association committees on occupational safety and environmental protection
Community and Society	<ul style="list-style-type: none"> • Corporate Governance • Talent Training and Career Development • Ethical Business Conduct • Climate Change Mitigation and Adaptation • Product Research and Innovation 	<ul style="list-style-type: none"> • Reporting to government agencies (as needed) • Complaint hotline (available anytime) • Seeking opinions from surrounding residents regarding construction projects (irregular) 	<ul style="list-style-type: none"> • Participated in occupational safety and environmental protection activities organized by the Science Park Administration • Did not receive any on-site or surrounding resident complaints

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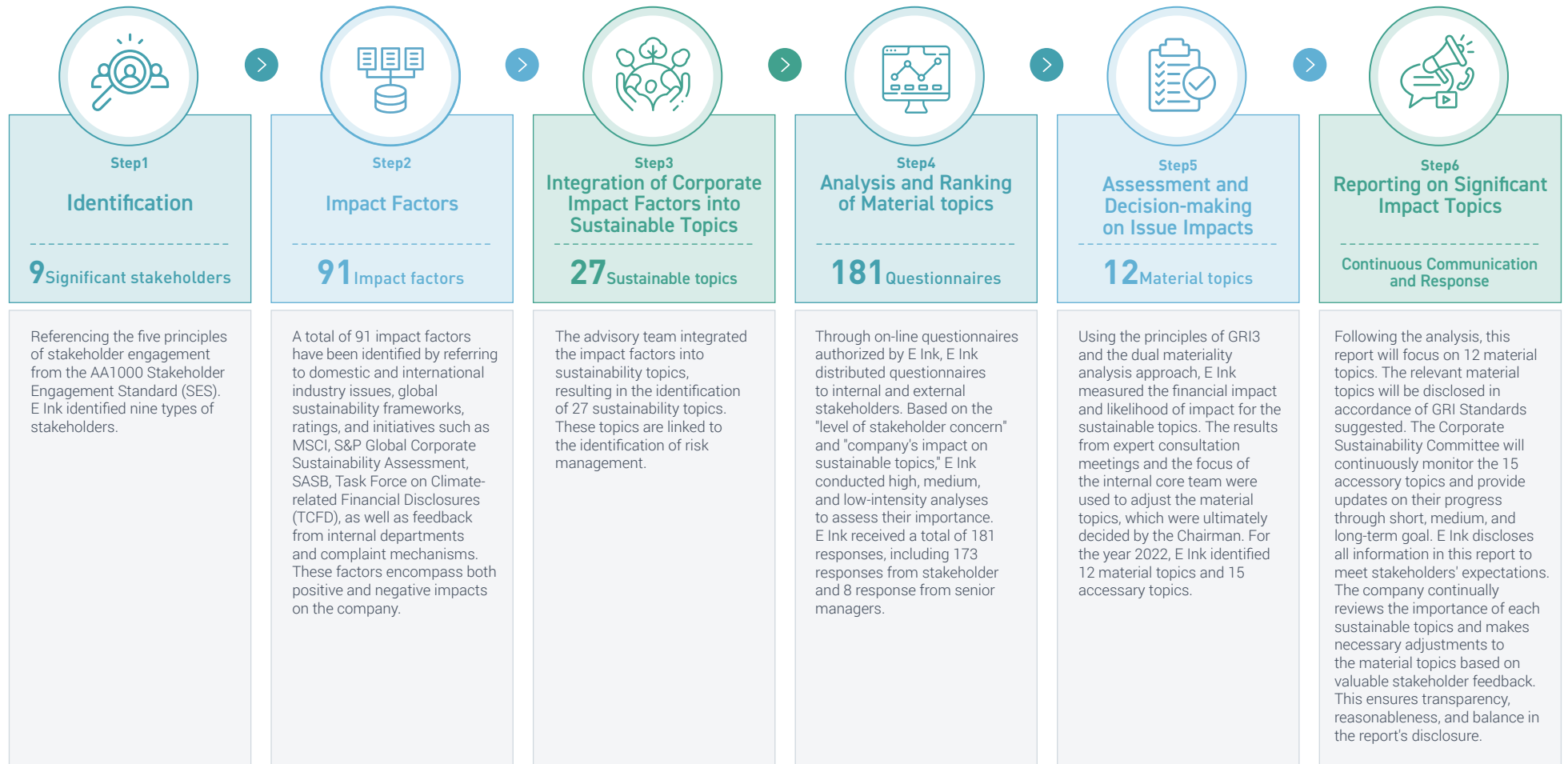
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1-4-2 Material Topics Identification

Analysis Process of Material Topics

E Ink conducts material topics identification based on stakeholder analysis and follows the principles of GRI 3 and dual materiality analysis. This identification process is performed annually to review the impacts of E Ink's operations on the environment, society, and governance (ESG), as well as the concerns and feedback from stakeholders. E Ink sets long-term sustainability goals based on the analysis results and maintains ongoing and effective communication with stakeholders. Newly added risk management as one of material topic, since it is linked to compensation indicators, such as product research and development, climate change, and market expansion.



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Identification Results for Material Topics

Disclosure and Reporting	Materiality	Economic/ Corporate Governance Dimension	Environmental Dimension	Social Dimension		
E Ink discloses the management approaches regarding topics that are of high or moderate stakeholder interest and have a significant operational impact on the company.	Material topics	1 Product Research, Development and Innovation	6 Resource Management and Circular Economy	3 Talent Attraction and Retention		
		2 Corporate Governance	7 Climate Change Mitigation and Adaption	5 Occupational Safety and Health		
		4 Green and Sustainable Product Development				
		9 Ethics and Integrity	12 Energy Management	8 Sustainable Supply Chain Management		
		10 Market Expansion				
		11 Information and Cyber Security				
		E Ink continues to monitor and provide updates on topics that have lower stakeholder interest and lower operational impact for E Ink.	Accessory Topics	15 Regulatory Compliance	16 Greenhouse Gas Management	13 Employee Training and Career Development
				17 Risk Management and Response	21 Water Resource Management	14 Product Quality Responsibility
				18 Operational Performance and Financial Results	24 Air Pollution Management	22 Labor-Management Relations Promotion and Communication
				19 Business Partner Management		23 Human Rights
				20 Brand Management	25 Biodiversity	27 Social Engagement and Community Involvement
26 Tax Compliance						

Note: The numbering is based on the significance ranking of the 27 sustainable topics

▼ E Ink's Material Topics Matrix



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Material Topics Impact Assessment and Value Chain Mapping

+ Positive - Negative

Priority	Material Topics	Business Impact	Type of Impact	Financial Impact ^{Note 1}	High-Risk Items ^{Note 2}	Value Chain Mapping (Cause/ Contribute to/ Directly linked to) ^{Note 3}			GRI Topic Guideline Mapping	Management Approach Disclosure Chapter
						Upstream	Operations	Downstream		
1	Product Research, Development and Innovation	Cutting-edge technologies development to enhance product competitiveness and market leadership	+ Strengthen market competitiveness - Lose market leadership position	High	✓	-	Cause	-	Custom Topic	3-1 Research and Development for Products Innovation
2	Corporate Governance	Diversify, professionalize, and enhance transparency of the Board of Directors to mitigate operational and reputational risks	+ Improve governance performance - Increase operational and reputational risks	High		-	Cause	-	Custom Topic	2-1-1 Board of Directors and Functional Committees
3	Talent Attraction and Retention	Enhance diversity in talent and ensure fair recruitment practices to improve human capital; promote welfare measures and safeguard rights to enhance employee performance	+ Enhance employee performance - Hinder talent recruitment	Medium	✓	-	Cause	-	401 Employment	6-2 Talent Attraction and Retention
4	Green and Sustainable Product Development	Incorporate lifecycle concepts into product design to minimize environmental impacts and align with industry trends	+ Reduce environmental impact - Decline in consumer demand for products	Medium	✓	-	-	Directly linked to	Custom Topic	3-1 Research and Development for Products Innovation
5	Occupational Safety and Health	Promote worker safety awareness and implement health promotion activities to reduce occupational hazards	+ Reduce occupational accidents - Cause harm to employee health	No		-	Cause	-	403 Occupational Health and Safety	6-4 Health and Safety at E Ink
6	Resource Management and Circular Economy	Effective waste management reduces costs and environmental responsibilities, enhancing corporate competitiveness; circular economy product design aligns with industry trends	+ Decrease cost - Cause environmental damage	Low	✓	-	Cause	Directly linked to	306 Waste	4-5 Resource Circularity
7	Climate Change Mitigation and Adaption	Join international climate initiatives to demonstrate climate commitments; disclose TCFD and climate risk issues to meet investor demands and further mitigate climate change impacts	+ Lower the impact of climate change - Face the transition and physical risk	Medium	✓	-	Cause	-	201-2 Financial implications and other risks and opportunities due to	4-2 Transformation to Net Zero
8	Sustainable Supply Chain Management	Product vulnerability to raw material shortages and conflict minerals; exposure in the industry supply chain due to poor labor standards and working conditions	+ Ensure a stable supply of materials in the supply chain - Expose the supply chain to risks.	Medium	✓	Contribute to	-	-	climate change	5-1 Supply Chain Management 2-1-2 Business Integrity Management
9	Ethics and Integrity	Combat corruption, bribery, and unethical policy lobbying to protect corporate reputation, employee morale, and business relationships	+ Enhance business ethics credibility - Affect the company's reputation	No		-	Cause	-	205 Anti-corruption 206 Anti-competitive Behavior	2-1-2 Business Integrity Management
10	Market Expansion	Expand product lines to meet the demands of growing markets	+ Meet the demands of growing markets - Potential market risks	High	✓	-	Cause	-	Custom Topic	3-1-3 Research and Development Performances and Open Innovation
11	Information and Cyber Security	Implement effective information security management to mitigate operational and reputational risks	+ Ensure the confidentiality of business operations - Risk of operational and reputational damage	High		-	Cause	-	Custom Topic	2-3 Information and Cyber Security
12	Energy Management	Manage carbon emissions to reduce costs and environmental burdens, enhancing corporate competitiveness; utilize clean energy sources to reduce carbon footprint	+ Reduce costs and environmental burdens - Increase costs	Low	✓	-	Cause	-	302 Energy	4-3 Energy Consumption and Management

Note 1: Financial Impact Levels: "High" indicates a financial impact on the organization/business ranging from TWD 100 million to 200 million; "Medium" indicates a financial impact ranging from TWD 100 million to 3,000 billion; "Low" indicates a financial impact ranging from TWD 3 million to 30 million, and "None" indicates a financial impact below TWD 3 million or no financial link.

Note 2: Please refer to [Chapter 2](#)

Note 3: "Cause" refers to an organization causing an impact through its own activities; "Contribute to" refers to an organization's activities leading to, promoting, or inducing another entity to cause an impact; "Directly linked to" refers to an organization not causing or contributing to negative impacts, but its operations, products, or services may generate negative impacts due to its business relationships.

02 Corporate Governance

Effective Governance to Promote Business Growth



Performance Achievements ▶▶▶

The board of directors has a total of **9** seats, including

3 independent directors

+

1 female director

with an average age of

62, in 2022.

The average meeting attendance rate of the board of directors is **100%**

Ranked in the **top 5%** of the 9th Corporate Governance Evaluation of OTC companies.

There are no violations of



anti-trust sanctions



personal privacy breaches



non-compliance issues in environmental, social, and governance aspects



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Management Approach of Sustainable Topics >>>

Strengthening Governance Structure

Corporate governance ✓ Material Topics

Comparison of GRI Sustainability Topics and Guidelines
3-3 Management of Material Topics

Policy Commitments
E Ink upholds the spirit of corporate governance and actively implements it, emphasizing operational and information transparency and prioritizing the rights of stakeholders.

Stakeholders Engagement
• The company holds annual shareholder meetings, quarterly result's conferences, and periodically discloses material information to provide transparent and open information for shareholders to stay updated on the latest company developments.

Sustainability KPIs	Management Objectives	Short-term Goals (2023)	Mid-term Goals (2025)	Long-term Goals (2030)
Board structure	Sound and diverse structure of Board of Directors	● Target proportion of independent directors 40% Increase the proportion of female directors by 20%	● Target proportion of independent directors 50% Increase the proportion of female directors by 25%	● Target proportion of independent directors 50% Increase the proportion of female directors by 40%
Corporate Governance Evaluation	Corporate Governance Evaluation indicators	● Clear policies regarding board diversity management target and implementation ● Ranking the top 5% of Corporate Governance Evaluation		

Ethics and integrity ✓ Material Topics

Comparison of GRI Sustainability Topics and Guidelines
205-1 Operations assessed for risks related to corruption
205-2 Communication and training about anti-corruption policies and procedures
205-3 Confirmed incidents of corruption and actions taken
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

Policy Commitments
E Ink acknowledges the crucial importance of conducting business with integrity and firmly adheres to the principles associated with it, including the establishment and adherence to professional codes of ethics and integrity, internal controls, insider trading policies, intellectual property management, personal data protection, strictly prohibits corruption and competitive behavior

Stakeholders Engagement
• Establish employees' awareness of Ethics & Integrity through education and training every year
• No incidents of corruption in 2022

Sustainability KPIs	Management Objectives	Short-term Goals (2023)	Mid-term Goals (2025)	Long-term Goals (2030)
Ethics and integrity	Ethics and integrity compliance Ethics and integrity awareness cultivation	● Zero cases of corruption incidents ● 100% completion rate for new employee training programs and comprehensive coverage of educational training	● Zero cases of corruption incidents	● Zero cases of corruption incidents
Ethics and integrity	Privacy	● Establishment of a group privacy policy for the overall data utilization and collection ● Zero cases of privacy infringement incidents	● Conducting regular compliance reviews	● Zero cases of privacy infringement incidents

Risk management enhancement

Risk Management and Response ✓ Material Topics

Sustainability KPIs	Management Objectives	Short-term Goals (2023)	Mid-term Goals (2025)	Long-term Goals (2030)
Risk identification.	Risk identification. Risk management awareness cultivation	● Regularly identify and adjust and adjust new risk items according to international trends and industry changes, including emerging risk	● 100% coverage of education and training of risk courses	● 100% coverage of education and training of risk courses
Risk analysis	Risk analysis	● Evaluating the probability of risk events and operational impacts by risk matrix	● Establishing crisis management and business continuity plans ● Executing major crisis event response and drills	● Reducing the proportion of high-risk items
Risk response	Risk response	● Summarizing the significance of risk management, risk assessments, and risk mitigation measures, and reporting to the Board of Directors twice a year	●	●

Implementation of ethics & integrity

Information and Cyber Security ✓ Material Topics

Comparison of GRI Sustainability Topics and Guidelines
Custom topics

Policy Commitments
To ensure the high availability and security of the Company's information and cyber system, protect the confidentiality of business secrets, and prevent unauthorized use, disclosure, alteration, and destruction of the Company's information and data. This is to maintain the Company's competitive advantage and earn the trust of customers, with the primary goal of achieving sustainable operation.

Stakeholders Engagement
• Receiving various official documents, letters, phone calls, emails, and evaluations from competent government agencies on an irregular basis every year
• In 2022, the information and cyber security management will comply with the regulations and requirements of the competent authority

Sustainability KPIs	Management Objectives	Short-term Goals (2023)	Mid-term Goals (2025)	Long-term Goals (2030)
Information security management	Information and cyber security	● Accomplishing regular review of ISO/IEC 27001:2013 at Taiwan sites	● Passing ISO/IEC 27001:2022 verification at Taiwan sites	●

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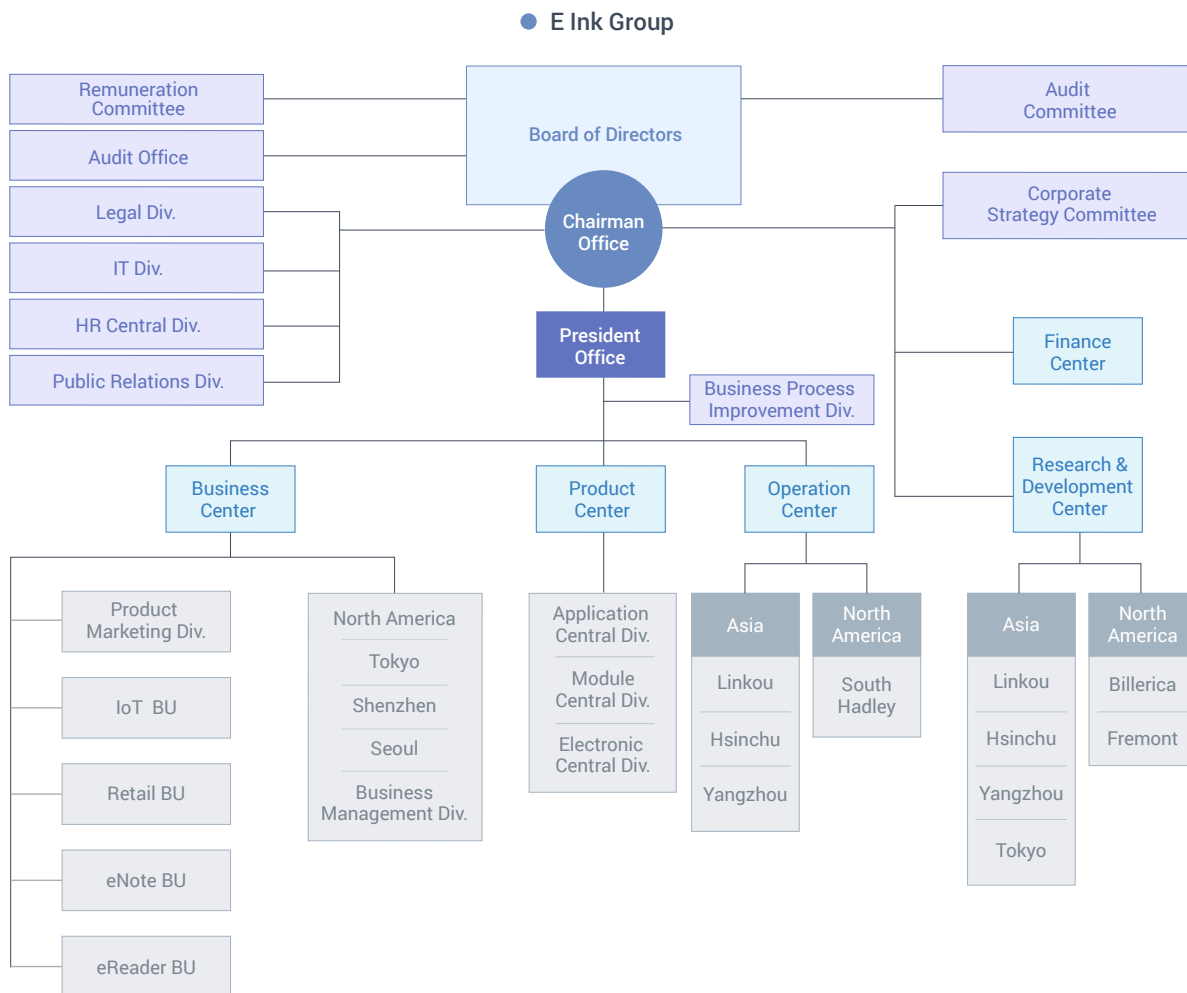
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2-1-1 Board of Directors and Functional Committees

Organization Structure



Overview of Organizational Structure

Department	Units	Business and Functions
Chairman Office	Corporate Strategy Committee, Legal Division, IT Division, HR Central Division, Public Relations Division, Research and Development Center, Finance Center, President Office, included subordinate units of President Office	<ul style="list-style-type: none"> Internal management: Planning and execution of internal control, overall planning and management of legal affairs and document control, master planning of the Company's finances External Relations: Building of the Company's external image and media liaison, overall planning and execution of PR activities such as international exhibitions and product promotion events Business planning: Planning the Company's business strategy, delegating authority to the President to carry out Board resolutions, planning and execution of human resource affairs, IT planning and introduction of new information technologies, and overseeing the direction of product R&D, design, and application
President Office	Business Center, Product Center, Operation Center and Business Process Improvement Division	<ul style="list-style-type: none"> Responsible for leading the Company's operational center, Business Center, Product Development Center, and Coordinate and operate subsidiary companies Lead the overall business development of the Company, makes decisions, promotes policies and assessments, and establishing operating regulations
Business Center	eReader BU, eNote BU, Retail BU, IoT (Internet of Things, IoT) BU, Product Marketing Division and Business Management Division	<ul style="list-style-type: none"> Business Planning: Responsible for global business management and strategy planning, global product planning and strategy planning, and establishing product development roadmaps. Business Execution: Collaborate with the Product Application Engineering department to provide customers with efficient product development schedules, shorten customer development time, achieve the Company's business performance goals, and execute the plan for building a new product and new market ecosystem for the Company
Product Center	Application Central Division, Module Central Division and Electronic Central Division	<ul style="list-style-type: none"> Responsible for the development of Consumer Electronic (CE) and IoT products Integrated Circuit Design Panel development, driving waveform, touch design, front light, module process, system development and other related technologies, and assist the business unit to smoothly transition to mass production and resolve customer issues
Operation Center	Operation Center based in Asia and North America	<ul style="list-style-type: none"> Integrate and plan global production sites, integrate processes and expand production capacity, and effectively utilize resources to achieve maximum efficiency Overall planning and execute procurement of raw materials, equipment, and construction required by products Planning raw material requirements, bonded warehousing, and logistics management Ensuring the quality and reliability of raw materials and products Manage and execute production plans Responsible for the planning and execution of product processes analysis and production management during the production process
Research & Development Center	Research & Development centers based in Asia and North America	<ul style="list-style-type: none"> Responsible for technological breakthroughs, expanding the scope of applications, and continuous improvement of ePaper products The scope of work includes types of ePaper, patent portfolio management, prototype panel design, new production technologies, metrology, new platform construction and module production technology, as well as the introduction of key materials, components, and assemblies.
Finance Center	Accounting Division, Finance Division, Sustainable Operations Management Division, General Affairs Department	<ul style="list-style-type: none"> Accounting bookkeeping and control Capital management and project investment analysis Sustainable operations management Planning and execution of public affairs

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Composition and Operations of the Board of Directors

Composition of the Board of Directors

E Ink is committed to upholding sound and effectively implementing corporate governance practices, while prioritizing operational and informational transparency and placing great importance on shareholder rights. E Ink establishes company act, governance framework, and implementation practices in accordance with relevant laws and regulations, including the Company Act, Securities and Exchange Act, regulations for listed and OTC companies, and regulatory interpretations and rules from competent authorities such as the Financial Supervisory Commission and Taiwan Stock Exchange. Besides, E Ink's Board Independence Statement complies with the rules of the Taiwan Stock Exchange. The Board of Directors of E Ink has established rules of procedure to ensure the proper functioning of the board and the exercise of its powers. The board convenes meetings in compliance with these rules, with a minimum of one meeting held each quarter. Its primary responsibilities include formulating company strategies and policies, making decisions on significant business matters, as well as selecting, supervising, and providing guidance to the management team.

E Ink has established the "Director Election Policy," which clearly defines the process of electing directors through a candidate nomination system. The qualifications of director candidates are evaluated in accordance with the provisions of the "Corporate Governance Principles" and the final election is made by the Shareholders' meeting from the nomination list of board of directors. The current members of the Board of Directors were elected individually through a Shareholder meeting in 2020, comprising a total of nine seats, including three independent directors and one female director. The average age of the board members is 62 years old. The current director's term of office is three years, which began on June 18, 2020 and will end on June 17, 2023. The board will be re-elected at the end of the term in 2023.

E Ink has established a policy for board member diversity, in accordance with the "Corporate Governance Principles." The composition of the board of directors should consider diversity, and it is recommended that the number of directors who also serve as company executives should not exceed one-third of the total board seats. In 2023, the target is to have independent directors account for over 40% of the board, taking into account the Company's operations, business model, and development needs. In order to enhance the diversity of perspectives, expertise, and experiences within the board of directors, following criterias are included but not limited to:

Title	Name	Gender	Independent director tenure (years)			Professional Knowledge and Skills							Age				Concurrent managerial positions within the Company	Simultaneously serving as director of several companies (Public companies) ^{Note 2,3}	Functional Committee Oversight and Governance Responsibilities	
			<3	3-9	>9	Leadership Decision	Business and Operations Management	Industry Experience	Financial Management	Risk Management	Sustainability Governance	Information Management and Cyber Security	<50	50-60	60-70	>70				
Chairman	Johnson Lee	Male				V	V	V	V	V	V	V	V					V	2	Convener of Sustainability Development Committee. Governance of risk management, information and cyber security, and the natural environment
Director	S.C. Ho	Male				V	V	V	V	V	V						V	5		
Director	Felix Ho	Male				V	V	V	V					V				3		
Director	FY Gan	Male				V	V	V		V	V			V			V	0	Governance of climate change, human rights, occupational safety and health, and supply chain	
Director	Chuan-Chuan Tsai	Female				V	V	V									V	0		
Director	Luke Chen	Male				V	V	V						V			V	0		
Independent Director	Po-Young Chu	Male	V			V	V	V	V									3	Convener of the Audit Committee	
Independent Director	Shi-Cheng Yen	Male	V			V	V	V										3		
Independent Director	Donald Chang	Male	V			V	V	V	V									2	Convener of Remuneration Committee	

Note 1: The major experience includes work experience, management roles, academic achievements, consulting experience, and conducting relevant research.
 Note 2: According to the Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies. Each independent director does not serve as an independent director concurrently for more than three listed companies.
 Note3: Information on the independence of directors, please refer to "3.2.2 Professional Qualifications and Independence Analysis of Directors and Supervisors" from 2022 Annual Report.

Diversity Criteria and Considerations	Gender, age, nationality, and culture, ethnicity, etc.
Professionalism	Professional background including business, technology, industry, law, finance, accounting and technical research, professional skills and industry experience ^{Note} .

In addition, E Ink's operational scope encompasses display technology, electronic products, electronic materials, chemical manufacturing, and operational strategies. Therefore, in accordance with E Ink's operational needs, individuals with expertise in business (including operational strategies), technology (including electronic products and materials), industry (including chemical manufacturing), business, law, finance or accounting, and technical research (including display technology) are delicately selected to serve as director.

Note: For more information regarding the board members' profiles and their professional backgrounds, please refer to [E Ink's official website](#).

▼ The Composition, Proportion, and Terms of the Board Members also Align with the Goal of Diversity Policy:

	Number of Directors	Number of Independent Directors	Director Concurrently Serving as a Company Officer	Female Director
Composition	9 seats	3 seats	2 seats	1 seat
Proportion in the total number of board members	-	33%	22%	11%
Consecutive Tenure of Independent Directors	1. The basic requirements and values are achieved. 2. All the directors have adequate experience and professional knowledge in relevant fields.			
Average Tenure of All Directors	8.3 years			

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Operation of Board

In order to enhance the effectiveness and performance of the Board of Directors, E Ink has set a target for each director to achieve a minimum attendance rate of 75% in annual board meetings. Additionally, in order to ensure the attendance of directors and surpass the attendance standards required by regulations^{Note 1}, the meeting date and time are arranged and scheduled in advance.

In 2022, there were a total of 5 board meetings, 5 Audit Committee meetings, and 3 Compensation Committee/ Remuneration Committee meetings. The average attendance rate of directors in the board meetings for the year 2022 was 100%^{Note 2}. There were 84 important decisions made in the 5 board meetings of 2022, including significant resolutions related to sustainability development. For detailed information regarding the attendance rate of directors and important decisions, please refer to "Operation of the Board of Director Meetings" in the 2022 Annual Report.

Note 1: According to the "Company Act" and "Regulations Governing Procedure for Board of Directors Meetings of Public Companies," it is required that at least half of all directors be present for a meeting to be legally convened.
 Note 2: The attendance rate mentioned above includes proxy attendance.

The average attendance rate of the Board of Directors was **100%**

Title	Name	The attendance rate of the Board of Directors (%)
Chairman	Johnson Lee	100%
Director	S.C. Ho	
Director	Felix Ho	
Director	FY Gen	
Director	Chuan-Chuan Tsai	
Director	Luke Chen	
Independent Director	Po-Young Chu	
Independent Director	Shi-Cheng Yen	
Independent Director	Donald Chang	

Conflict of Interest Clause of Board of Directors

E Ink has provisions in its meeting regulation of Board of Directors and Rules of Audit Committee regarding the avoidance of conflicts of interest by directors. If a topic discussed during the meeting is deemed to be potentially detrimental to the Company's interests and is related to a director's personal interests or interests of their represented legal entity, the director must recusals from the meeting for discussion and voting. They are also prohibited from acting as a proxy for other directors in exercising their voting rights.

The number of director recusals regarding to conflicts of interest in 2022 are as follows (for more detailed information, please refer to the 2022 Annual Report):

- Board of Directors: There were four occurrences of this situation in five meetings of the Board, resulting in a total of ten recusals.
- Audit Committee: None.

Sustainability Related Motion Reported to the Board of Directors in 2022

Board of Directors meeting session	Acknowledgement, Discussion, and Election Motions	Execution status
March 11, 2022 12th meeting of the 11th Board of Directors	<ul style="list-style-type: none"> • Report on the performance evaluation results of the Board of Directors, directors, and functional committees of E Ink for 2021 • Report on E Ink' ePaper product's energy-saving and carbon reduction performance. • Propose to the amount, distribution method, and recipients of employee compensation and director remuneration from E Ink' 2021 annual profits • Propose for E Ink' 2021 "Statement of Internal Control System" 	Has been complied
May 6, 2022 13th meeting of the 11th Board of Directors	<ul style="list-style-type: none"> • Propose to E Ink' salary adjustment plan for 2022 • Review the achievement of corporate goals in 2021, proposing to actually grant employee stock option certificates (ESOPs) to employees • Propose the Greenhouse Gas Inventory and Verification Plan for E Ink • Propose to the establishment of a Chief Information Security Officer and a dedicated Information Security department for E Ink • Propose to the removal of prohibition on director non-compete for E Ink 	Has been complied
August 5, 2022 14th meeting of the 11th Board of Directors	<ul style="list-style-type: none"> • Report on the current status and future plans of E Ink' Intellectual Property Management plan • Propose for E Ink' new Guanyin site project • Propose to increase and activation the budget for electromechanical and FPL production equipment in the factory and office building at Hsinchu site 	Has been complied
November 4, 2022 15th meeting of the 11th Board of Directors	<ul style="list-style-type: none"> • Report on the minutes of the 8th meeting of the 4th Remuneration Committee of E Ink • Report on the execution results of the Corporate Sustainability Committee of E Ink in 2022 • Report on the execution status of information security management for E Ink in 2022 • Report on the installation of two FPL production lines in the office building of Hsinchu site, including the calculation basis and rationale for the production capacity demand resulting from the growth of our related business operations • Propose to audit plan for E Ink in 2023 • Propose to establishment of significant internal information technology processing procedures for E Ink • Propose to revision of the management procedures for preventing insider trading in E Ink • Propose to revision of certain articles of the "Board Meeting Regulations" for E Ink Holding • Propose to establishment of the "Sustainability Development Committee" for E Ink Holding • Propose to establishment of the "Risk Management Policy and Procedures" for E Ink • Propose to appointment of the first members of the Sustainability Development Committee of E Ink 	Has been complied
December 2, 2022 16th meeting of the 11th Board of Directors	<ul style="list-style-type: none"> • Report on the execution status of conduction of business integrity management for E Ink in 2022 • Report on the installation of two FPL production lines in the office building of our Hsinchu site, including the calculation basis and rationale for the production capacity demand resulting from the growth of our related business operations • Report on the safety and spatial planning layout for the new plant and office building in Guanyin, including the calculation basis and rationale for the production capacity demand resulting from the growth of our related business operations 	Has been complied

Note: The above is an excerpt of sustainability related motion report to the Board of Directors in 2022. For a comprehensive list of the key decisions made by the Board of Directors in 2022, please refer to the please refer to "Operation of the Board of Director Meetings" in the 2022 Annual Report.

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Performance Evaluation of Board of Directors

E Ink has established "Rules for Board of Directors Performance Assessment", which stipulates that the Board of Directors conducts a regular self-assessment through a questionnaire every year. Furthermore, the policy requires the Company to commission an external professional and independent organization to perform an external evaluation every three years. In 2022, E Ink commissioned the Taiwan Investor Relations Institute to conduct the external evaluation once every three years. The overall results of the internal and external evaluations for E Ink were positive. The 2020-2021 internal board performance evaluation results of E Ink' Board of Directors and Functional Committees and the 2022 external performance evaluation of the Board of Directors and Functional Committees are as follows:

Performance Evaluation Board of Directors by External Organization ▼

Year	2022	Evaluation Period	From 2021/11/1 to 2022/10/31
Evaluation Method	1. Self-Assessment Questionnaire of Member of Board of Directors (Association Version) 2. Interview of Member of Board of Directors (Online Interview)		
Scope of Evaluation	Board of Directors		Functional Committees
Evaluation Criteria And Dimensions	<ul style="list-style-type: none"> Board of Directors Composition and Professional Development The quality of decision-making of Board of Directors The operational efficiency of the Board of Directors Internal controls and risk management The level of the Board of Directors' participation in corporate social responsibility 		<ul style="list-style-type: none"> Level of involvement in company operations Awareness of the roles and responsibilities of Functional Committees Enhancing the quality of decision-making in Functional Committees Functional Committee Composition and Member Selection Internal Controls
External Evaluation Committee Member	Kevin Wang, The Vice Chairman of Taiwan Investor Relations Institute Jack M. Chang, the director of Taiwan Investor Relations Institute, Alex Su, Managing Partner of A Law Firm The detailed experience of the external evaluation committee, please refer to the official website under the "Board Performance Evaluation" section.		
Requirements for the Independence of the Institution and the Members	External organizations and evaluation committees are responsible for the evaluation process with a fair and objective attitude, free from any influence that may affect their independence, we hereby declare as follows: <ul style="list-style-type: none"> Executive committee members, their spouses, and dependents do not have the following circumstances: <ol style="list-style-type: none"> Having direct or indirect significant financial interests with the evaluated company. Commercial relationships with the rated company or its directors that can affect independence. Gifts or presents of significant value to the evaluated company, its directors, managers, or major shareholders (The value of which does not exceed the standards of general social etiquette for gifts or presents). The Executive committee member does not have any spousal, direct blood-related, direct kinship-related, or second-degree collateral blood-related relationship with the directors or managers of the evaluated company. The Executive committee member, their spouse and dependent family member do not hold positions as directors or managers of the evaluated company or positions that have a direct and significant impact on the evaluation. 		

For more information, please visit the website [↗](#)

Implementation of Continuing Education of Board Members

To enhance the professional competence of the board of directors, E Ink ensures that each member of the Board participates in continuing professional education (CPE) related to corporate governance, management, and corporate sustainability development on an annual basis. These courses aim to provide an understanding of the latest international trends in line with E Ink's core business model and the four major sustainability dimensions of PESG. In the year 2022, each director exceeded 6 hours^{Note} of continuing education, as detailed in the 2022 Annual Report.

Implementation Rate of Continuing Education of Board Members

100%

Note: According to Article 4 (Continuing Education Hours)of the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies," directors and supervisors of such companies are obligated to undertake a minimum of 6 hours of educational training per year.

Internal Board of Directors Performance Evaluation Results ▼

Year	2020	2021
Evaluation Method	Self-Assessment Questionnaire for Directors	
Evaluation Period	From 2020/1/1 to 2020/12/31	From 2021/1/1 to 2021/12/31
Date of Submission to the Board of Directors	5 th meeting of the 11th Board of Directors 2021/3/16	12 th meeting of the 11th Board of Directors 2022/3/11
Scope and Results of Evaluation	Overall Board of Directors	In the self-assessment results of the Board of Directors performance evaluation, all Board members were positively evaluated across the five dimensions assessed ^{Note 1} .
	Individual Board Members	In the self-assessment results of individual board members' performance evaluations, all board members were positively evaluated across the five dimensions assessed ^{Note 2} .
	Audit committee	In the self-assessment results of the Audit Committee's performance evaluation, all committee members were positively evaluated across the five dimensions assessed ^{Note 3} .
	Remuneration Committee	In the self-assessment results of the Remuneration Committee's performance evaluation, all committee members were positively evaluated across the four dimensions assessed ^{Note 4} .

Note 1: The self-assessment questionnaire for the overall Board of Directors evaluates five dimensions, including "Involvement in Company Operations", "Decision-Making Quality of Board", "Composition and Structure of Board", "Selection and Continuing Education of Directors" and "Internal Controls".
 Note 2: The self-assessment questionnaire for individual board members evaluates five dimensions, including "Understanding of Company Goals and Mission", "Awareness of Director Responsibilities", "Involvement in Company Operations", "Management of Internal Relationships and Communication" and "Professionalism and Continuing Education of Directors".
 Note 3: The self-evaluation questionnaire for the Audit Committee evaluates five dimensions, including "Participation in Company Operations", "Understanding of the Duties of the Audit Committee", "Enhancing the Decision-Making Quality of the Audit Committee", "Composition of the Audit Committee and Selection of Members" and "Internal Controls".
 Note 4: The self-evaluation questionnaire for the Remuneration Committee evaluates four dimensions, including "Level of Participation in Company Operations", "Understanding of the Responsibilities of the Remuneration Committee", "Improvement of Decision-Making Quality of the Remuneration Committee" and "Composition and Selection of Members of the Remuneration Committee".

Survey Evaluation Results ▼

Scope of Evaluation	Evaluation Indicators	Scores ^{Note}
Board of Directors	A. Board of directors composition and professional development	4.70
	B. Decision-making quality of of Board of Director	4.78
	C. The operational efficiency of the Board of Directors	4.75
	D. Internal controls and risk management	4.71
	E. The level of the Board of Directors' participation in corporate social responsibility	4.75
Functional Committee	A. Level of involvement in company operations	5
	B. Awareness of the roles and responsibilities of Functional Committees	4.92
	C. Enhancing the quality of decision-making of Functional Committees	5
	D. Functional Committee composition and member selection	4.88

Note: The Taiwan Investor Relations Institute, an external evaluation organization, conducts performance evaluations for the Board of Directors and functional committees. Each evaluation questionnaire is rated on a scale of 1 to 5. Please refer to the following table:

Ranging	1	2	3	4	5
Scale	Quite Dissatisfied	Dissatisfied	Acceptable	Satisfied	Quite Satisfied

For more information on internal performance evaluations and external performance evaluations of Board of Directors, please refer to the "Board of Directors Performance Evaluation" section on [E Ink's official website](#).

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Functional Committees

Audit Committee

To strengthen audit oversight and enhance management effectiveness, E Ink is assisted by the Audit Committee in fulfilling its supervisory responsibilities and exercising the powers stipulated by "Securities and Exchange Act", "Company Act", and other relevant laws and regulations. The Audit Committee engages in regular communication and exchange with the external auditors (Certified Public Accountant), and conducts reviews regarding their appointment, independence, and performance. Additionally, the internal audit office submit periodic audit summary reports to the Audit Committee based on the annual audit plan. The Audit Committee also conducts regular assessments of E Ink's internal control system, internal audit personnel, and relative work.

The Audit Committee of E Ink comprises of three independent directors, all of whom meet the professional, independent, experiential, and concurrent directorship requirements stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".

The Operations of Audit Committee in 2022 ▶

Objectives					
		<ul style="list-style-type: none"> Ensuring appropriate presentation of the Company's financial statements Selection or Discharge of certified public accountant and independence and performance 	<ul style="list-style-type: none"> Effective implementation of internal controls within the Company The Company complies with relevant laws and regulations Managing and controlling of existing or potential risks within the Company 		
In 2022, a total of five meetings were held, and the Audit Committee achieved an average attendance rate of 100%. For more details, please refer to the 2022 Annual Report.					
Title	Name	Number of Meetings (A)	Actual Attendance (B)	Proxy Attendance	Attendance Rate (B/A)
Convener	Po-Young Chu	5	5	0	100%
Independent Director	Shi-Cheng Yen	5	5	0	
Independent Director	Donald Chang	5	5	0	

Average attendance rate of the Audit Committee is **100%**

Remuneration Committee

The main purpose of establishing a Remuneration Committee is to leverage the expertise of external professionals to make decisions regarding executive compensation based on industry competition, benchmark market conditions, and the Company's operational performance. The aim is to strengthen the Company's management strategy, operational performance, internal control and auditing systems, and jointly supervise the reasonable compensation of directors and senior executives. The goal is to attract, retain, and motivate top talent, enhance the Company's overall competitiveness.

The primary objective of the Remuneration Committee is to establish a fair, equitable, and competitive compensation strategy through the expertise of external professionals. This strategy takes into account factors such as the industry's competitive environment, benchmark market conditions, and the Company's operational performance. The committee aims to strengthen the Company's management strategy, operational performance, internal control and auditing systems, and to collectively oversee the reasonable remuneration of directors and senior executives. By doing so, the committee expects to attract, retain, and motivate outstanding talent, ultimately enhancing the overall competitiveness of the Company.

The Operations of the Remuneration Committee in 2022 ▶

Title	Name	Number of Meetings (A)	Actual Attendance (B)	Proxy Attendance	Attendance Rate (B/A)
Convener	Donald Chang	3	3	0	100%
Member	Po-Young Chu	3	3	0	
Member	Shi-Cheng Yen	3	3	0	

Average attendance rate of the Remuneration Committee is **100%**

For more details, please refer to the 2022 Annual Report.

Sustainability Development Committee

To effectively promote the execution of sustainable development initiatives and strengthen governance and oversight of sustainability performance, E Ink's Board of Directors approved the establishment of a functional committee, "Sustainability Development Committee" at the board level in November 2022. The scope of work of the Sustainability Development Committee includes the development of environmentally friendly products, green and eco-friendly production, climate change adaptation, employee development and occupational safety and health, corporate governance, ethics and integrity, sustainable supply chain development, stakeholder communication, social engagement, and operational risk and opportunity management. The Sustainability Development Committee, under the Board of Directors, will coordinate with the existing "Corporate Sustainability Committee" at the operational level to oversee the promotion and execution of sustainability initiatives in each sub-committee, including Product Sustainability, Green Production, Enterprise Care, Corporate Governance, Supply Chain, Project and Stakeholders, and Risk Management. The first meeting of the Sustainability Development Committee was held on May 4, 2023.

Members and Background of Sustainability Development Committee in 2022 ▶

Title	Name	Professional Qualifications and Work Experiences	Responsibilities
Convener	Johnson Lee	Work experience in business, law, finance, accounting or necessary for company operation	Sustainability development, risk management, information security and nature-related governance
Member	FY Gan	Work experience in business, law, finance, accounting or necessary for company operation	Climate change, human rights, occupational safety and health, and supply chain governance
Member	Po-Young Chu	Qualified and experience as lecturer or above of commerce, law, finance, accounting, or any subject relevant to the Company's operation in public or private tertiary institution	
Member	Donald Chang	Work experience in business, law, finance, accounting or necessary for company operation	
Member	Shi-Cheng Yen	Work experience in business, law, finance, accounting or necessary for company operation	

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Remuneration Policy

Executive Compensation

Compensation Policy

The compensation of E Ink's Chairman/ CEO, President, Vice President (senior executives) includes salary, bonuses, employee dividends, and long-term and short-term retention incentives. The fixed compensation is determined by the Compensation Committee, taking into consideration the position, responsibilities, and contribution to the Company's operational goals. It also considers the Company's annual performance, future risks, and industry standards for similar positions. The variable compensation, in addition to ensuring competitiveness and the motivational effect of various reward mechanisms in the industry, is linked to the organizational goals and performance of the senior executives. It primarily focuses on financial metrics such as revenue and achievement rate of operating profit before tax. At the end of each fiscal year, the compensation plan is developed based on the Company's performance indicators and other necessary management considerations. It emphasizes performance-based variable compensation tools such as employee incentives and deferred retention bonuses. The plan is subject to review by the Remuneration Committee and approval by the Board of Directors.

Long-term Incentive Policy

To attract and retain key talents and achieve the Company's medium and long-term goals, E Ink implements an Employee Stock Ownership Plan (ESOP). The performance period is set for one year, and upon reaching the expiration of the rights vesting period, employees are eligible to exercise their stock options in stages based on a predetermined proportion. The total vesting period spans five years. Every year, the Company establishes goals of organizational performance and operational project. These objectives are integrated with the employee stock options. The allocation of stock options to team members is determined based on the strategies implemented by their respective supervisors and the impact of their contributions on organizational performance. This approach aims to motivate employees and the management team to work together, driving towards the achievement of the Company's operational objectives and creating enhanced value for both the Company and its shareholders.

Clawback Policy

In cases where executive managements are involved in illegal activities, violate professional ethics, demonstrate negligence or misconduct, or their improper actions result in business risks that cause financial or reputational losses to the Company, the Board of Directors may approve adjustments to the distribution proportion of rewards or initiate a clawback of previously granted incentives.

Payment Status of Remuneration

Ratio of annual compensation of highest-paid individual to the mean annual compensation of employees in 2022 ^{Note 1}	Ratio of the highest-paid individual's salary to employee median salary in 2022	Ratio increased of compensation of highest-paid individual to the median compensation of employees in the Company ^{Note 2}
23 to 38.4 times	27.6 to 45.9 times	7.1 times

Note 1: Annual Total Compensation Ratio = Annual Total Compensation of the Highest-paid Individual in the Organization / Median Annual Total Compensation of all Employees, Excluding the Highest-paid Individual
 Note 2: [The total compensation of the highest individual in the organization is based on the reported income provided to the tax authority for tax assessment (using the average of the three-year change rates)] / [The median annual income of full-time non-managerial employees (using the average of the three-year change rates)]

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Business Integrity Management

Company Policies and Regulations

Integrity and honesty are fundamental core values for E Ink. The Company conducts all its business activities with integrity and remains vigilant in upholding the principles of honesty, fairness, accuracy, and transparency in all actions and communications. Under the operational procedure framework at E Ink, relevant policies and guidelines have been established for different regulatory compliance areas. These include codes of conduct, prevention of sexual harassment, financial reporting, internal controls, insider trading, intellectual property management, and personal data protection. The implementation of these specific policies and regulations helps improve operational efficiency, promote regulatory compliance consistency, and elevate professional ethics. For more information on E Ink's company policies and regulations, please refer to the "[Company Policies and Regulations](#)" section on the Company's official website.



Item	Policies and Regulations	Focus of Policies and Regulations
1	Corporate Governance Principles	To promote the sound development of the Company and establish a good corporate governance system, E Ink has established the Company guidelines by referring to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".
2	Business Integrity Code of Conduct	In order to maintain a corporate culture of integrity and promote the sound development of E Ink, Business Integrity Code of Conduct was established by referring to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".
3	Sustainability and Corporate Social Responsibility Principles	In order to fulfill its corporate social responsibility and advance sustainable development in the economic, social, and environmental domains, E Ink has established its principles by referring to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies".
4	Rules for Board of Directors Performance Assessment	To enhance corporate governance and strengthen the function of the board of directors, E Ink has established an assessment framework by referring to Article 37 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies". This framework includes setting performance targets to improve the efficiency of the board's operations.
5	Organizational Regulations of the Audit Committee	E Ink has established its regulations for the operation of audit committees of public companies by referring to Article 3 of the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies".
6	Internal Significant Information Processing Procedures	E Ink has established procedures to establish a sound mechanism for processing and disclosing important internal information, prevent improper information leakage, and ensure the consistency and accuracy of information released to the public. These procedures will be followed accordingly.
7	Prevention of Insider Trading Management Procedures	In accordance with Article 157-1 and Article 157-1 paragraphs 5 and 6 of the Securities and Exchange Act, as well as the Regulations Governing the Scope and Method of Public Announcement of Material Information, procedures must be followed for trading of stocks or other equity securities by insiders.
8	Risk Management Policy and Procedures	To strengthen corporate governance and implement a comprehensive risk management framework for business operations, E Ink has established systematic and institutionalized procedures for risk management. These procedures aim to identify operational risks and assess the feasibility of risk mitigation and adjustment strategies. Risk management is integrated into daily operations and management processes to achieve corporate goals, enhance management performance, provide reliable information, and allocate resources effectively.
9	Organizational Regulations of the Sustainability Development Committee	E Ink has established regulations to strengthen corporate governance and sustainability development, fulfill corporate social responsibility, and promote sustainable development in the economy, society, and environment. These regulations were established with reference to the "Sustainability and Corporate Social Responsibility Principles" and Article 34 of the "Corporate Governance Principles" of the Company. The Company will adhere to these regulations to ensure compliance and promote responsible and sustainable practices.
10	Safety, Health, Environment, and Energy (SHEE) Management Policy	E Ink is committed to formulating strategies, management objectives, and quantifiable performance indicators for important goals related to green production and waste reduction, mitigation and adaptation to climate change, safe operations and worker health, as well as energy conservation and innovation. The company effectively manages these goals through appropriate systems, methods, and tools. Solutions are proposed and implemented into the daily operational controls of E Ink's business operations and production.

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2-1-2 Ethics and Integrity

E Ink is committed to operating with integrity and has established a robust corporate governance framework and risk management mechanisms. The Company follows a management cycle of "prevention, detection, and improvement and tracking" to ensure the implementation of ethical and integrity business practices and create a sustainable operating environment.



1 Prevention Establishing Business Integrity Cultural

■ Business Integrity Code of Conduct, building the Foundation for Operations

To maintain a culture of business integrity and promote sustainable development, E Ink refers to the " Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" to establish the "E Ink Business Integrity Code of Conduct", which applies to E Ink and its consolidated subsidiaries.

In accordance with the " E Ink Business Integrity Code of Conduct," E Ink has developed prevention programs to address the risks of unethical conduct within the operational scope. These programs analyze business activities that are more susceptible to unethical behavior and strengthen relevant preventive measures, establishing a comprehensive management mechanism for prevention, detection, improvement, and tracking. The preventive measures against unethical behavior include, but are not limited to, the following:

1. Offering and acceptance of bribes
2. Illegal political donations
3. Improper charitable donations or sponsorship
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights
6. Engaging in unfair competitive practices
7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services

In 2022, E Ink did not receive any reported cases related to violations of the "Business Integrity Code of Conduct." Additionally, no incidents involving corruption, bribery, fraud, insider trading, anticompetitive behavior, antitrust and monopoly practices, or legal disputes and penalties related to market manipulation were reported.

■ Building a Culture of Integrity by Training and Education

E Ink requires all employees to strictly adhere to "Business Integrity Code of Conduct" and also requires all in-service and new employees in Taiwan to complete education and training of "Business Integrity Code of Conduct". The training program covers topics including anti-corruption, anti-trust, and code of conduct guidelines, roles and responsibilities, whistleblower procedures and protection of trade secrets. As of the end of December 2022, a total of 1,010 employees completed the training on the Code of Ethics for Business Integrity.

■ Anti-Corruption Training and Risk Assessment

In 2022, an online training program on anti-corruption policies was launched, which explained corruption cases and regulations to remind employees to follow the principles of anti-corruption in daily works and reduce the occurrence of corruption incidents. In 2022, a total of 1,497 employees of global sites participated in relevant training courses, with a training participation rate of 87%. In recent years, E Ink has been committed to anti-corruption practices with regards to the Company's suppliers. We require our collaborative suppliers to sign the "E Ink Supplier Code of Conduct" which incorporates our anti-corruption principles. Since 2021, we have implemented anti-corruption processes that require all new collaborative partners to sign a statement on integrity and ethical conduct. This ensures that our partners operate with integrity and honesty, and prevents any violations of anti-corruption laws and regulations in our business relationships. Regarding suppliers, E Ink has been implementing anti-corruption principles and requires cooperative suppliers to sign the "E Ink Supplier Code of Conduct." Since 2021, a robust anti-corruption process has been introduced, requiring all newly collaborated suppliers to sign "Clean Transaction Commitment", ensuring that business partners adhere to the principles of integrity in their operations and that no incidents of corruption occur in the business relationships.

The Results of E Ink' Training on Anti-Corruption Policies and Procedures Communication in 2022 ▶

Region	Taiwan Sites			China Sites			US Sites		
	Management Level	Employees	Suppliers	Management Level	Employees	Suppliers	Management Level	Employees	Suppliers
Number of Employees or Companies ^{Note}	162	717	476	78	229	341	66	245	0
%	92	91	100	99	97	100	40	92	0

Note: The anti-corruption education and training for suppliers is calculated based on the number of companies.

The topic of anti-corruption is classified under the significant topic of ethics and integrity in E Ink's risk management framework. In the current risk assessment ^{Note 2}, ethics and integrity are considered low-risk items, and a global-scale evaluation of anti-corruption risks has not yet been conducted. Although anti-corruption is classified as a low-risk area in the ethics and integrity risk management, E Ink is dedicated to enhancing practices in ethics and integrity. Therefore, plans will be developed to assess and mitigate anti-corruption risks as part of ongoing efforts to strengthen the management of ethics and integrity.

Note: Regarding "Risk Management" at E Ink, please refer to the "Risk Management" section in this chapter for more details.

■ Anti-Trust Compliance- Training and Education

As a global leader in ePaper technology, E Ink is committed to conducting its business activities with integrity, ethics, and adherence to anti-trust regulations. A comprehensive anti-trust compliance policy and educational training program have been implemented at E Ink, providing employees at all levels (from executives to general staff) with essential concepts and behavioral guidelines related to anti-trust laws in their respective job roles and business responsibilities. Through regular and repeated educational training sessions, E Ink aims to ensure that employees not only comply with the law but also develop a deep understanding of it, enabling them to proactively avoid any potentially illegal activities. In 2022, E Ink organized internal online anti-trust courses that were attended by employees from different regions, including E Ink Taiwan, E Ink China and Sales Offices in Japan and South Korea. These courses facilitated online discussions and broke geographical barriers, allowing employees to gain a concrete understanding of anti-trust regulations and address business-related concerns. This enhanced understanding has significantly contributed to preventing potential violations of anti-trust provisions within their respective business operations.

■ Prohibition Advocacy of Insider Trading and Anti-Corruption and Insider Trading Declaration

In 2022, E Ink conducted an internal online training program on the prevention of insider trading within the organization. The program provided a clear and comprehensive introduction to the relevant regulations on insider trading and offered practical dos and don'ts. The objective was to ensure that employees understand the key aspects of insider trading to avoid legal violations. The training sessions used practical examples to explain the civil and criminal liabilities associated with insider trading, as well as instruct employees on how to prevent and avoid such activities. E Ink also required employees to sign an insider trading prevention commitment statement, aiming to ensure that employees fully understand the Company's operational and management policies, and to establish a unified organizational consensus. In 2022, a total of 482 employees completed the signing process, achieving a coverage rate of 99%. Additionally, E Ink has established regulations for handling material internal information and communicated these guidelines to directors, managers, and employees. This ensures that they do not engage in insider trading by violating internal protocols for handling significant internal information.

■ Protection for Confidential Information and Date

As a global leader in ePaper display technology, E Ink recognizes the value of confidential information and the importance of protecting it to maintain the Company's competitive advantage. In order to safeguard confidential information, E Ink continuously ensures the effectiveness and optimization of the management of key technologies, information and data, and technology transfer. Additionally, the Company places emphasis on educating and training employees to enhance their understanding and awareness of the importance of protecting confidential information, thereby reducing the risk of information leaks. E Ink also establishes confidentiality agreements with customers and suppliers involved in business transactions to jointly enforce the protection of confidential information. This ensures that the best interests of the Company, shareholders, employees, customers, and suppliers are preserved. Currently, E Ink has implemented a Privacy Policy to ensure appropriate and effective protection of confidential information. In 2022, there were no privacy breaches reported at E Ink.

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2 Detection Ensuring Compliance with Management Mechanisms

■ Conducting Internal Control Procedures to Ensure Zero Compliance Violations

E Ink adheres to the principles of integrity and ethical conduct in corporate governance practices, and compliance with applicable laws is considered fundamental. In terms of regulatory compliance, each unit within E Ink operates within their respective jurisdictions and abides by the regulations set forth by local regulatory authorities. These regulations are internalized as operational guidelines and daily operating procedures, ensuring strict adherence and compliance in all aspects of the Company's operations.

E Ink's internal audit office conducts annual audit procedures in accordance with regulations and internal operational guidelines to prevent various illegal activities and ensure the Company's sustainable operations. The audit scope and items are periodically revised to stay ahead of potential compliance risks and safeguard the Company's integrity. Additionally, each department regularly identifies and evaluates regulations to assess their applicability and potential impact on the Company. Any instances of non-compliance are promptly and transparently disclosed in accordance with the requirements and regulations set forth by regulatory authorities, with no tolerance for concealment.

■ Establishing Whistleblowing Program

E Ink is committed to promoting a culture of ethical conduct and transparency. To support this, the Company provides an open whistleblowing channels where both employees and external individuals can submit reports through various medium such as email (Appeal@eink.com), postal mail, and the Company's website. Upon receiving a report, the Human Resources Department conducts a comprehensive investigation while maintaining the confidentiality of the reporter's identity and the details of the case. If a reported case is substantiated, appropriate and severe actions are taken to prevent any occurrences of corruption or unfair practices. In 2022, the Company did not receive any reports related to violations of E Ink Business Integrity Code of Conduct, and there were no legal lawsuits or penalties involving violations of ethical conduct, corruption, bribery, fraud, insider trading, anti-competitive practices, antitrust and monopoly activities, or market manipulation.

3 Improvement and Tracking Continuous Refinement Measures for Improvement

In order to enhance the effectiveness of ethics and integrity management, E Ink expanded the online anti-corruption training program to global sites, such as the Yangzhou sites, in 2022. The Company required employees from overseas locations to participate in the online training program and successfully complete the anti-corruption online assessment.

Moreover, E Ink strengthens the protection of confidential information through access control management and strict controls. To ensure appropriate filing methods and related protective measures for various classified documents, E Ink implemented the Taiwan Intellectual Property Management System (TIPS) in 2021. Based on this system, E Ink formulated the Confidential Document Management Guidelines, classifying confidential documents into two levels: "Confidential" and "Highly Confidential." Each responsible personnel manages the documents according to corresponded designated confidentiality level, ensuring clear compliance with the guidelines.

Furthermore, E Ink conducts internal audits annually in accordance with the TIPS guidelines to ensure that employees comply with and protect the Company's trade secrets throughout their operational activities. In addition, E Ink not only adheres to the practice of having employees, customers, and business partners sign non-disclosure agreement, but also emphasizes the importance of confidentiality obligations during the recruitment for new employees and resignation procedure for employees. E Ink places strong emphasis on promoting awareness and understanding of the obligations regarding trade secrets. In 2022, no incidents related to violations of the code of conduct were reported, resulting in no further follow-up actions required.

Access Control Management	Strict Control
Monitor and control the entry and exit of personnel and vehicles, take measures to prevent the possibility of unauthorized removal of confidential information from the Company using personal devices	<ul style="list-style-type: none"> For any severe violation of confidential information protection, the Company will take appropriate and strict actions in response Ensures the signing of confidentiality agreements with customers and suppliers engaged in business transactions



A-Level Certificate of 2022 TIPS

Privacy Protection

E Ink not only values the protection of personal data but also strives for departments to adopt sufficient measures when collecting, processing, and utilizing personal data. The Legal Division, specifically the personal data protection executive team, serves as the coordinating unit on an annual basis. The executive team regularly request relevant departments that handle personal data to provide feedback on data protection checklists. This process aims to review if the business processes involve personal data and to propose preliminary approaches for handling such data. This information is then consolidated by the executive team for further review and conduct internal audit to ensure the immaculate implementation of E Ink's Personal Data Protection Regulation processes, as well as proposing improvement plans when necessary.

In compliance with the General Data Protection Regulation (GDPR) of the European Union and the California Consumer Privacy Act (CCPA), E Ink has updated "E Ink Privacy Policy" and Terms of Use for both the Chinese and English versions on the Company's official website. The Company has also established a Cookie Policy and continuously monitors and plans for the control and management of internal and external personal data flows to ensure compliance with regulations. To date, there have been no instances of secondary use of customer data, and in 2022, there were no incidents reported related to the breach of personal privacy.

E Ink places great emphasis on educating and training all employees regarding the responsibility and obligation to protect trade secrets and intellectual property. Employees are regularly required to sign the Code of Ethics and Confidentiality Agreement, affirming their commitment to confidentiality and intellectual property protection. The Company conducts group-wide online training on trade secrets and intellectual property protection, ensuring that employees understand their obligations and enhancing their awareness of the importance of protecting trade secrets and intellectual property rights to the Company. This ensures the implementation of relevant confidentiality agreements and measures.

Note: Departments such as Legal Affairs, General Administration, Occupational Safety and Health, Finance, Information Technology, Human Resources, Records Management, Operations Management, and Internal Audit, etc.

For more detailed information, please visit our official website

Corporate Governance Evaluation

In recent years, the Financial Supervisory Commission (FSC) has prioritized strengthening corporate governance and has included "Corporate Governance Evaluation" as a key initiative. This aligns with the long-standing goal of E Ink, which has implemented board meeting regulations and established independent directors to enhance the functioning of the board. The establishment of an Audit Committee, which regularly convenes meetings with the participation of certified public accountant and internal audit managers, ensures the effective oversight function of the committee and promotes sound corporate governance.

In the 9th Corporate Governance Evaluation conducted by the TWSE and TPEX, a total of 928 listed and OTC companies underwent assessment. The evaluation criteria were categorized into four major dimensions for assessment.

E Ink has achieved an outstanding performance in the 9th Corporate Governance Evaluation, ranking among the top 5%. However, there are still dimensions for improvement that require continuous assessment to enhance feasibility and actively implement measures to improve scores, thereby enhancing the overall image of the Company. The priority dimensions and measures for enhancement are as follows:

- 01 Comprehensive promotion of sustainable development | 02 Enhancing information transparency for investor
- 03 Strengthening board structure and operations

The Results of the 9th Corporate Governance Assessment

- Ranking of OTC Companies: Top 5%
- Industry: Ranking Categories for Electronic Companies with a market capitalization of over NT\$ 10 Billion: 21% - 40%

Key Measures and Performance of Corporate Governance in 2022 of Corporate Governance in 2022

- Enhancing the professionalism and qualifications of internal audit personnel.
- Updating the risk management policy.
- Establishing functional committees beyond the statutory requirements.
- Compiling and uploading the sustainability report in English.
- Reporting on sustainability issues and implementation performance to the Board of Directors.

Goals and improvement Measures in 2023

- Setting and implementing diversity goals for the Board of Directors.
- Enhancing shareholder rights: Providing shareholders with access to audio recordings of general meetings on the Company's website and recording important shareholder remarks in the meeting minutes.
- Continuously promoting sustainable development.



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2-1-3 Internal Audit

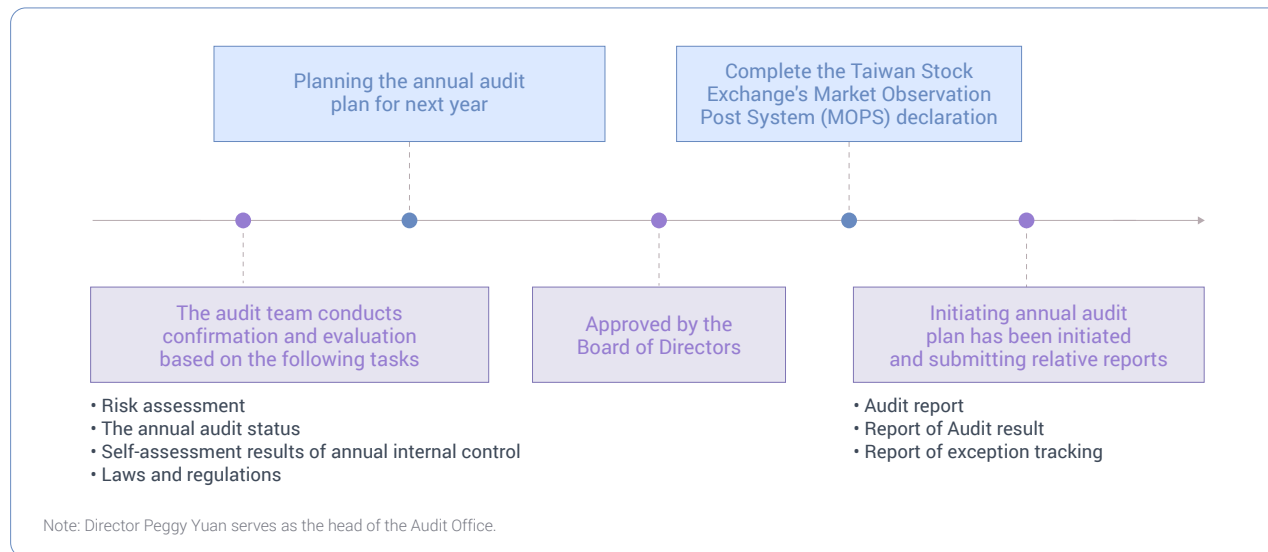
E Ink has established an Audit Office^{Note} directly under the Board of Directors, responsible for internal auditing of E Ink and its subsidiaries in the areas of finance, sales, operations, and management. The Audit Office of E Ink conducts regular assessments of company risks and develops audit plans. The audit office executes relevant audits according to the audit plans and periodically or as needed, reports the results to the Board of Directors and the Audit Committee. This ensures that the management is informed and enables the effective implementation of internal control systems to achieve management objectives and ensure their continued effectiveness.

Note: A dedicated team of seven audit professionals in the Audit Office.

Communication Between Independent Directors and the Head of Internal Audit

In 2022, E Ink conducted six communication meetings, which were meticulously recorded and diligently implemented. For specific details and outcomes of these meetings, please refer to the [2022 Annual Report](#) or the [official website](#).

1. E Ink prepares monthly reports summarizing the findings and improvements made in the previous month's audits, which are then submitted to the independent directors for review. The independent directors provide their comments, instructions, or other suggestions regarding the reports.
2. The internal audit supervisor of E Ink regularly presents the audit activities and results, as well as the progress made in addressing them, to the Audit Committee during quarterly meetings. This provides an opportunity to explain the audit processes and outcomes to the independent directors.
3. During each quarterly Board of Directors meeting, both the independent directors and the internal audit supervisor of E Ink are in attendance. The internal audit supervisor reports on the internal audit activities during these meetings.
4. During the review of the semi-annual and annual financial reports, the external auditors attend the Audit Committee meetings to provide explanations on the audit process, scope, and relevant regulatory updates. They engage in thorough discussions with the independent directors. The external auditors also attend the Board of Directors meetings to communicate and explain relative topics to the directors.
5. The internal audit supervisor and the external auditors maintain smooth communication channels with the independent directors, allowing for direct contact whenever necessary.



Status of Internal Auditing

In 2022, E Ink conducted a total of 43 audits at its Taiwan sites and Yangzhou sites. Within the four major internal audit areas, a total of 31 deficiencies or recommendations were identified. The subsequent improvement rate reached 74%. E Ink will continue to monitor the progress of these deficiencies or recommendations to further mitigate potential operational risks. Additionally, in 2023, E Ink plans to incorporate audits related to ethics and integrity into internal audit plan.

Audit Scopes	Number of Finding or Recommendation (A)	Number of Improvement Completion Regarding Finding or Recommendation (B)	Ratio of Finding Improvement (B/A)
Operations Management	20	13	65
Financial Management	1	0	0
Legal Compliance	6	6	100
Subsidiary Supervision	4	4	100



2-2 Risk Management

The highly dynamic and rapidly changing global economy and political landscape, coupled with the escalating effects of climate change, present environmental, social, and managerial risks to business operations. To strengthen corporate governance and effectively manage risks in business operations, E Ink follows the principles and guidelines of "ISO 31000 Risk Management System" and the Financial Supervisory Commission's "Practical Guidelines for Risk Management in Listed and OTC Companies." The Company has developed a comprehensive "Risk Management Policy and Procedure," which was approved and implemented by the Board of Directors in November 2022. By integrating risk management into operational activities and daily management processes, E Ink is able to achieve various objectives such as realizing corporate goals, enhancing management performance, providing reliable information, and effectively allocating resources.

2-2-1 Risk Identification and Management

In response to dynamic environmental changes, E Ink considers the economic, industry, political, and environmental aspects, as well as the goals of corporate sustainable operation and the principle of materiality, compliance with laws and regulations, past business experience, and stakeholder concerns to identify relative risk. That includes strategic risks, operational risks, financial risks, information and cyber security risks, compliance and integrity risks, as well as emerging risks related to our operational activities. Risk identification, analysis, response, mitigation, adoption, as well as risk supervision, review, and disclosure are conducted.

E Ink continuously monitors internal and external operations, external environments, and changes in issues. Through analysis of the impact on its operations and identification of corresponding risks and opportunities, the Company develops risk and crisis management plans, as well as business continuity plans. Training and execution of these plans are ensured to effectively control, mitigate, or eliminate risks, increase risk tolerance and resilience, and reduce the proportion of high-risk projects. The focus is on implementing risk governance and management to fulfill the commitment to sustainable business and safeguard the best interests of stakeholders.

Risk Management Organization

E Ink's risk management is overseen by the Sub-committee of Risk Management of the Corporate Sustainability Committee, with the objective of "Comprehensively and Proactively Governing Operational Risks And Opportunities". Following the risk management policy and procedures, E Ink maintains a robust and proactive risk management framework to fulfill its commitment to sustainable business practices and safeguard the best interests of stakeholders.

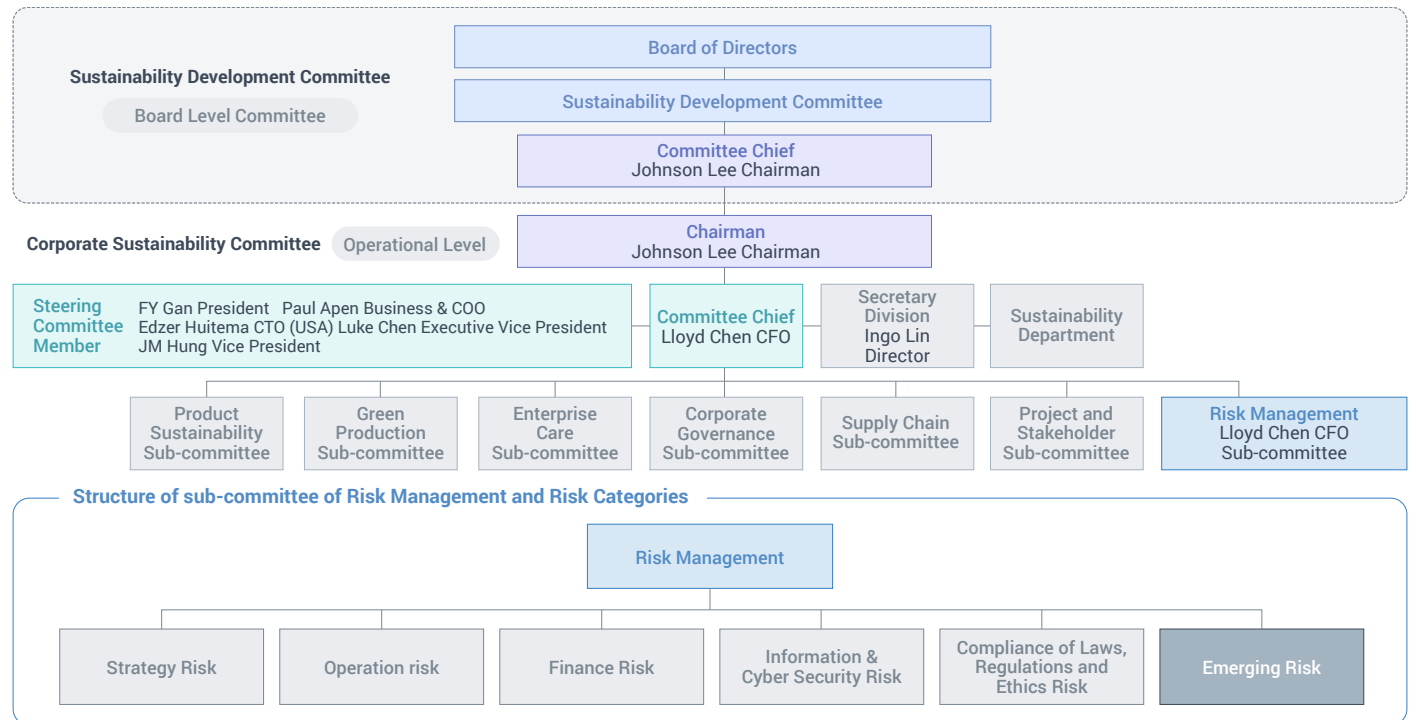
The Board of Directors of E Ink is the highest governing committee in risk management, with oversight of risk governance falling under the purview of the Chairman. The CFO is the highest ranking person responsible for risk management at operation level. He is responsible for supervising operational-level risk management and works closely with the sub-committee of Risk Management, which operates under the Corporate Sustainability Committee. Quarterly meetings are conducted, involving multiple departments and regions, to analyze risk sensitivity and perform stress testing. Internal audit plays a crucial role in auditing the effectiveness of practices and performances of risk management. The Sustainability Development Committee of the Board of Directors conducts regular reviews^{Note 1} to assess the implementation of risk management and provides necessary recommendations for improvement. The results of risk management are periodically reported to the Board of Directors.

Sub-committee of Risk Management manages six categories of material risks, including strategy, operation, finance, information and cyber security, compliance of laws, regulations and ethics, and emerging risks. Each functional unit is responsible for assessing risks within respective areas of expertise and enhancing the comprehensiveness, foresight, and integrity of risk identification through the risk management process. Sub-committee of Risk Management develop mitigation and adaptation strategies to reduce the potential impact of risks on operations and ensure the achievement of business goals.

Moreover, to effectively manage risks that may impact business goals, a comprehensive risk management system and organizational structure have been established. Members of the Board of Directors, as the highest governing body, continuously participate in risk-related education^{Note 2} and training to achieve the goal of enhancing risk management practices.

Note 1: Frequency: at least once a year.

Note 2: For details regarding the participation of board members in risk-related courses, please refer to the [2022 Annual Report](#).



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Risk Management Procedure

E Ink's risk management process encompasses five key procedures: risk identification, risk analysis, risk assessment, risk response, and risk monitoring and review. These procedures are conducted in a cyclical manner to ensure effective risk management.



The risk management procedures also includes the implementation of risk mitigation and adaptation measures, as well as risk reporting and disclosure policies, which are as follows:

Risk Mitigation
 Material risks are addressed through risk response plans to ensure sustained control, mitigation, or elimination of the risks.

Risk Adaptation
 For material risks, necessary adjustments are made based on sensitivity analysis or financial impact assessments from stress testing, aiming to enhance the Company's risk management resilience and capacity.

Risk Documentation
 The process and results of risk management activities are recorded, reviewed, reported, and retained for future reference.

Risk Reporting
 Different stakeholders' specific information needs and requirements, reporting frequency and timeliness, reporting methods, and the relevance of information to the Company's goals and decision-making are considered in risk reporting.

Information Disclosure
 Relevant risk-related information is disclosed on the Company's website or Market Observation Post System, a public information platforms, providing external stakeholders with reference and ensuring continuous updates.

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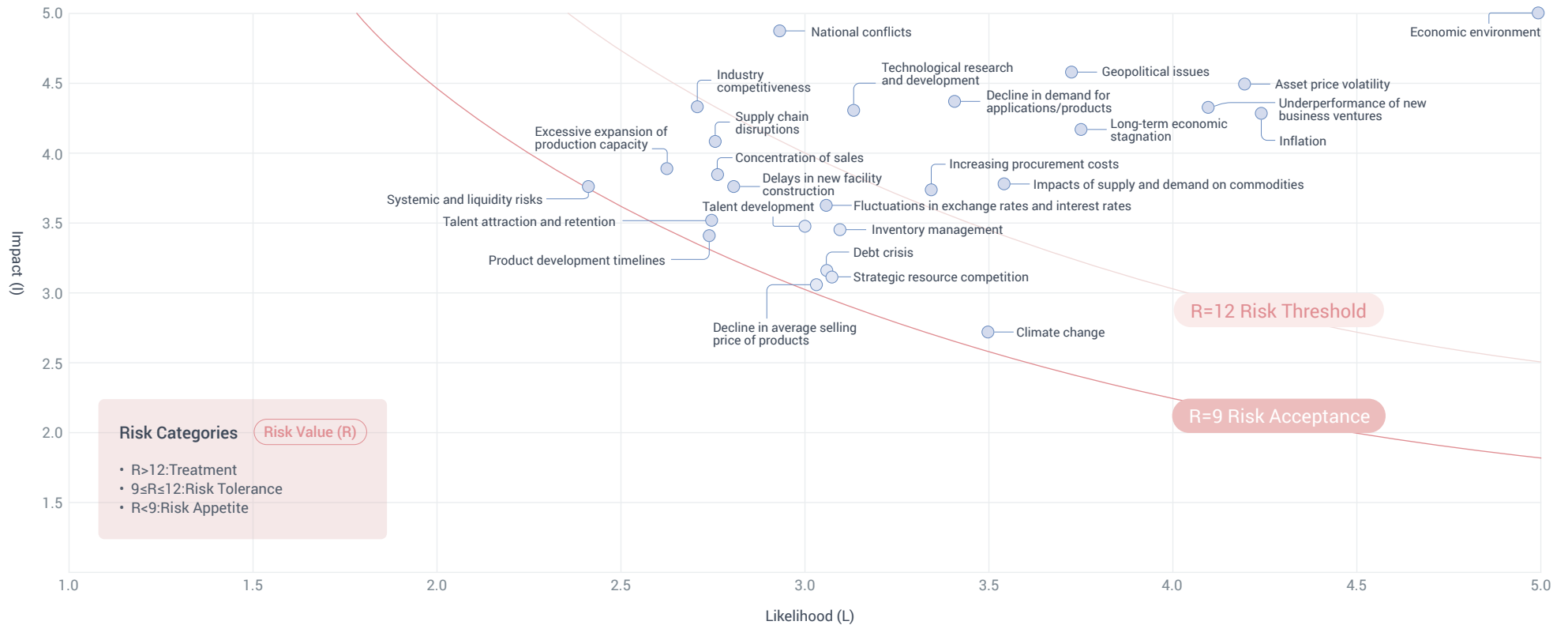
2-2-2 Identification of Corporate Risk

In accordance with "Risk Management Policy And Procedures", E Ink identifies a total of 75 potential risk items that could prevent the Company from achieving corporate goals or result in losses or negative impacts. These risks encompass strategic, operational, financial, information and cyber security, compliance and integrity, as well as emerging risks.

Subsequently, detractor level and above in business centers, product centers, and other units assess the potential impacts of these risk items on E Ink's operations based on their roles and responsibilities, considering factors such as financials, strategies, and operations. Risks with a risk value (R) greater than 9 are considered high-risk items, resulting in the identification of 27 high-risk items. These items are further categorized into seven risk categories, including strategic, operational, and financial, with 14 material risk items requiring risk management.

Additionally, for emerging risks that may have potential long-term impacts but are currently difficult to identify as important, E Ink refers to the "2023 Global Risk Report" by the World Economic Forum (WEF). Based on this, E Ink analyzes and identified four material emerging risk items with long-term impact related to the Company's operations.

Risk Matrix



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Risk Identification and Countermeasures of Strategic, Operational and Financial Risks

Risk Categories	Risk Items	Descriptions	Countermeasures	
Strategy	Economic fluctuations and geopolitical conflicts	Economic fluctuations	The overall economic environment can impact the electronics industry, leading to a decline in sales, affecting the Company's revenue and profitability.	To address these challenges, E Ink closely collaborates with customers to monitor market conditions and develop appropriate strategies. Cost control measures and efforts to reduce production costs are implemented to mitigate the impact of economic uncertainties on operations.
		Geopolitical	Geopolitical tensions, particularly between the U.S. and China, create uncertainties for future operations. Increased tariffs, for example, can affect production costs and end-user demand.	E Ink maintains a proactive approach by monitoring external changes, including global regulations, political dynamics, and economic conditions. This allows the Company to make timely adjustments to production allocation and capacity expansion plans to mitigate potential risks associated with geopolitical factors.
	Market sales fluctuations	Declining demand for applications and products	Declining demand for certain application products can pose risks to E Ink's operations. The risk of a global economic downturn in 2023 due to inflationary pressures may lead to a decline in the consumer electronics market, impacting sales of products such as eReaders and eNote, and creating price pressures.	Despite the impact on consumer electronics, the electronic shelf label(ESL) market continues to grow. E Ink aims to compensate for the decline in eReader and eNote sales by strengthening sales in the retail sector through enhanced applications.
		Concentration of sales	Sales concentration on few customers account for a significant portion of sales, can significantly impact the Company's operations if their demands change.	To mitigate this risk, E Ink seeks to expand ePaper ecosystem partnerships and develop a broader range of applications for ePaper products. This includes targeting potential customers beyond the existing customer base, diversifying the customer portfolio, and reducing reliance on a few key customers.
	Research and development of products and technologies	Technology development	If the Company is unable to anticipate technological changes and develop innovative technologies rapidly, it will gradually lose its industry-leading advantage.	E Ink continuously invests in relevant technologies such as ePaper Films and materials, color, flexibility, and the ePaper ecosystem. The Company also strategically positions itself by acquiring and developing a comprehensive portfolio of ePaper-related patent technologies.
		Timeliness in product development	It is crucial to meeting market demands and mitigating the risk of losing customers and market share.	E Ink proactively monitors market trends and customer needs in terms of technology and applications. By shortening the product development cycle and accelerating technology transfer and mass production for end-market applications, E Ink aims to respond swiftly to market demands and maintain its competitive position.
Operation	Supply chain management	Increase in procurement costs	The escalation of material procurement prices and associated costs such as transportation and storage can lead to increased production and manufacturing expenses.	E Ink assesses alternative materials and establishes a diversified supply chain system to mitigate the impact of rising material and transportation costs.
		Material shortages	The risk of material shortages arises from concentrated procurement sources, such as supplier capacity constraints or unexpected incidents and natural disasters that can lead to supply disruptions.	To mitigate this risk, E Ink conducts regular reviews of raw material inventory levels and implements optimal inventory planning. The Company also carefully evaluates suppliers and actively develops alternative sources to ensure a stable and uninterrupted supply.
	Green production and capacity expansion	Delay in new facility construction	Expanding production capacity to meet future market growth forecasts can result in increased operational costs. If product sales fail to keep pace with the expanded capacity, it can have a negative impact on the Company's operations.	To address the risk of excessive capacity expansion, E Ink continuously monitors market demand fluctuations and collaborates closely with customers to timely adjust the schedule for capacity expansion plans.
		Green production	Failure to properly handle waste or exceed regulatory standards for pollutant emissions can result in penalties and damage to the Company's reputation.	E Ink strives to enhance the efficiency of waste and pollutant treatment to minimize pollution emissions and ensure compliance with environmental regulations.
	Human resources	Talent attraction and retention	The timely recruitment and retention of high-quality talent are essential for the Company's success.	E Ink actively invests in talent development, competitive compensation and benefits, and creating a supportive work environment to attract and retain top talent.
		Talent development	Keeping pace with evolving skills and knowledge is crucial to maintaining the Company's competitive advantage and growth momentum.	Since 2020, E Ink has established the E Ink University, offering diverse and foundational training programs. These initiatives ensure continuous on-the-job training and certification systems that enable employees to enhance their job skills and stay up-to-date with the latest industry developments.
Finance	Financial and investment risks	Exchange rate fluctuations	The Company's primary foreign transactions are conducted in foreign currencies, and unfavorable exchange rate fluctuations can have a negative impact on revenue and profitability.	E Ink adopts a prudent foreign exchange strategy, dynamically adjusts the Company's foreign exchange assets and liabilities, and continuously utilizes hedging tools to mitigate the impact of exchange rate fluctuations on overall operations.
		Underperformance of new business	Investing in new business carries the risk of encountering changes in the business cycle, technological challenges, production quality issues, and other factors that may lead to underperformance.	E Ink remains vigilant in monitoring market demand and technological advancements in new business areas. Through internal evaluation processes, the Company can make timely adjustments to investment directions, maximizing the benefits of these ventures.

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Risk Identification and Countermeasures of Emerging Risk

Risk Categories	Risk Impact	Impact to E Ink	Countermeasures
Failure to mitigate climate change	The increasing intensity and frequency of natural disasters may result in water scarcity, infrastructure damage, or disruptions in energy resource supply, causing operational interruptions and losses for the Company	<ul style="list-style-type: none"> • Severe natural disasters such as typhoons, floods, and storms occur annually, leading to flooding of factories and power outages, resulting in operational disruptions. • In response to international trends, the electricity market strongly advocates for renewable energy generation. In the domestic market, large electricity consumers are required to install renewable energy with a contracted capacity of 10% within five years. Failure to meet the capacity requirements may result in substantial penalty payments. 	<ul style="list-style-type: none"> • Continuous analysis of the risks posed by natural disasters and the development of appropriate response strategies, including disaster response plans for highly impactful events such as typhoons and chemical leaks, are in place to mitigate potential risks. • Actively utilizing renewable energy sources and considering the diversification and decentralization provided by renewable energy options, such as rooftop solar power, onshore wind power, and biomass energy generation. The Company has already achieved the goal of 20% renewable energy usage (RE20) by 2022. For more information on E Ink's Net Zero Carbon Emissions target, please refer to Sustainability Column 02 – Green Transformation for Achieving RE100 by 2030 of this report. • Implementing the Task Force on Climate-related Financial Disclosures (TCFD) framework and conducting scenario analysis to address future climate risks and identify opportunities for sustainable development in the face of climate change. For more information on TCFD, please refer to Chapter 4-2 Transformation to Net Zero of this report.
Failure to information and cyber security protection	Cyberattacks and data breaches have the potential to disrupt systems and lead to the leakage of valuable business secrets, impacting the Company's operations and competitive position	<ul style="list-style-type: none"> • Improper use or unauthorized disclosure of company confidential information can result in a decline in competitiveness and pose significant operational and financial risks to E Ink. • The emerging trend of technological advancements and widespread use of information data creates opportunities for hackers to launch attacks, steal, disrupt, ransom, and engage in fraudulent activities through various information or IoT devices. 	<ul style="list-style-type: none"> • Continuous monitoring of external cyber threats and the utilization of external threat intelligence rating systems to promptly assess the severity of external threats. • E Ink conducts an annual inventory and arranges disaster recovery testing for critical systems to ensure rapid system recovery in the event of a disaster. Redundant backup structures are also established for systems that are critical to business operations, ensuring swift system recovery in the event of a major disaster. For more information on related measures, please refer to Chapter 2-3 Information and Cyber Security.
Cost-of-living crisis	Shortages in energy and food supply, as well as rising living costs due to extreme weather events and national conflicts, can result in inflation and scarcity, impacting the overall cost of living	<ul style="list-style-type: none"> • Persistent disruptions in the supply chain can lead to sustained high core inflation, especially in the food and energy sectors, posing a risk of prolonged economic stagnation. • Inflation and economic downturn can decrease the purchasing power of the population, negatively affecting the Company's sales and operations. 	<ul style="list-style-type: none"> • Continuously monitoring economic conditions and staying informed about market sales trends to develop appropriate strategies for response. • Implementing cost controls, reducing production costs, and adjusting capital expenditure plans and capacity planning in a timely manner to mitigate the impact of economic downturn and price increases on operations.
Biodiversity loss and ecosystem collapse	Human and corporate activities can disrupt biodiversity and ecosystems, leading to ecosystem imbalances and loss of biodiversity, with long-term negative impacts such as food shortages, water scarcity, and climate disasters, affecting human health and the environment	<ul style="list-style-type: none"> • Site selection and construction processes for new facilities may pose risks of impacting local habitats and causing biodiversity loss. • Increasing the use of renewable energy sources may have negative impacts on natural habitats and biodiversity, resulting in long-term negative consequences for ecosystems. • Maintaining ecosystem balance and obtaining ecologically friendly renewable energy sources will require increased investment in natural resource management and operational costs. • Ecosystem imbalance can lead to water scarcity, which can have significant operational impacts on water resource availability. 	<ul style="list-style-type: none"> • In addition to implementing the "Biodiversity and Non-Deforestation Commitment," E Ink will utilize methodologies such as and LEAP (Locate, Evaluate, Assess, Prepare)^{note} of TNFD (Task Force on Nature-related Financial Disclosures) to identify nature-related risks and opportunities and collaborate with stakeholders for nature-related actions. • E Ink ensures that the energy sources for its operational facilities do not impact biodiversity and constructs new facilities with green building principles. Additionally, E Ink aims to increase the revenue share of environmentally friendly products. • E Ink ensures that the Company's supply chain or value chain's access to renewable energy sources does not impact biodiversity and that its operational facilities do not disrupt ecosystems. For more details, please refer to Chapter 7-4 Environmental Conservation - Nature and Environment Preservation of this report. <p>Note: TNFD's LEAP aims to assist businesses in assessing their nature-related risks and opportunities to develop corresponding management strategies and plans.</p>

2-3 Information and Cyber Security

2-3-1 Information and Cyber Security Management

In order to address the increasing importance of information and cyber security management and mitigate related risks, particularly in the face of large-scale cyberattacks that could lead to data breaches, ransomware threats, and severe operational disruptions, E Ink recognizes the need for comprehensive security measures. Additionally, the application of emerging technologies, protection of personal information, intellectual property rights, and ethical risks pose additional challenges in safeguarding the Company's systems.

To proactively enhance information security management and prevent relative risks, E Ink has established the "Information Security Management Committee." This committee is oversight by the Chairman^{Note} of the Board and comprises members of director level from cross-functional units within the Company. In 2022, dedicated security units, namely the "Information Security Department" and the "Emergency Response Team," were established and led by Chief Information Security Officer (CISO), the Assistant Manager of the Information Technology Division.

The Information Security Department is responsible for driving the implementation of governance blueprint, policies and procedures of the Information Security Management System (ISMS). Following the Plan-Do-Check-Act (PDCA) quality management approach, the department establishes, implements, maintains, and improves information security management tasks. The Information Security Department regularly reports the performance of ISMS implementation to the Information Security Management Committee. Additionally, the committee reports annually to the Board of Directors on the effectiveness of information security management and the direction of information security strategies, ensuring regular reviews and adjustments. E Ink did not experience any incidents of regulatory fines resulting from security violations in 2022. Furthermore, there were no reported events of information security breaches, hence there were no events for clients, customers, or employees affected by such breaches in 2022.

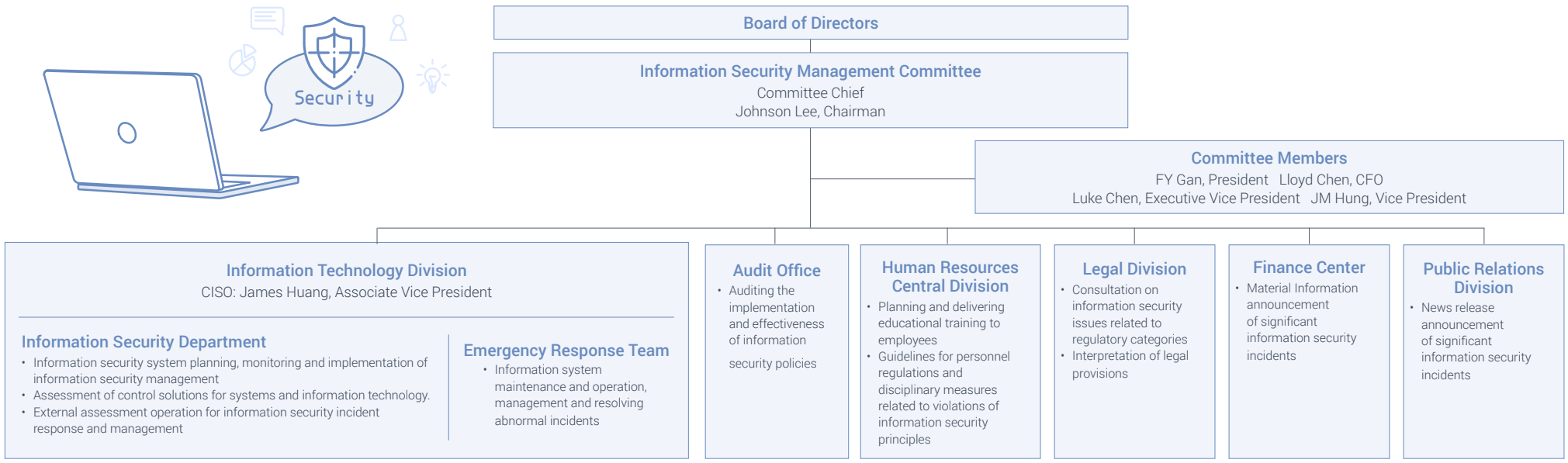
To enhance information security management, E Ink implemented the ISO/IEC 27001:2013 Information Security Management System at Hsinchu and Linkou site in 2022. In the same year, the Company received a recommendation from AFNOR, a French Standardization Verification Association to apply for ISO/IEC 27001:2013 certification. In December of that year, E Ink successfully received the ISO/IEC 27001:2013 verification.

Note: From 2019 to present, Johnson Lee, Chairman of E Ink, acts as the leader of the Information Technology Division at E Ink Group. He oversee the Information Security Department, Infrastructure Systems Department, Application Systems Department, ERP Systems Department, and Manufacturing Systems Department. During the tenure, he has led and supervised the enhancement of information and cyber security management at E Ink, which includes the establishment and supervision of the Emergency Response Team in 2020. Also established the Board-level "Information Security Management Committee" and established a dedicated "Information Security Department" responsible for information and cyber security management. These measures aim to prevent security risks and comprehensively enhance the capabilities of information and cyber security management.



Certificate of ISO 27001

● Organizational Structure and Responsibilities of the Information Security Management Committee



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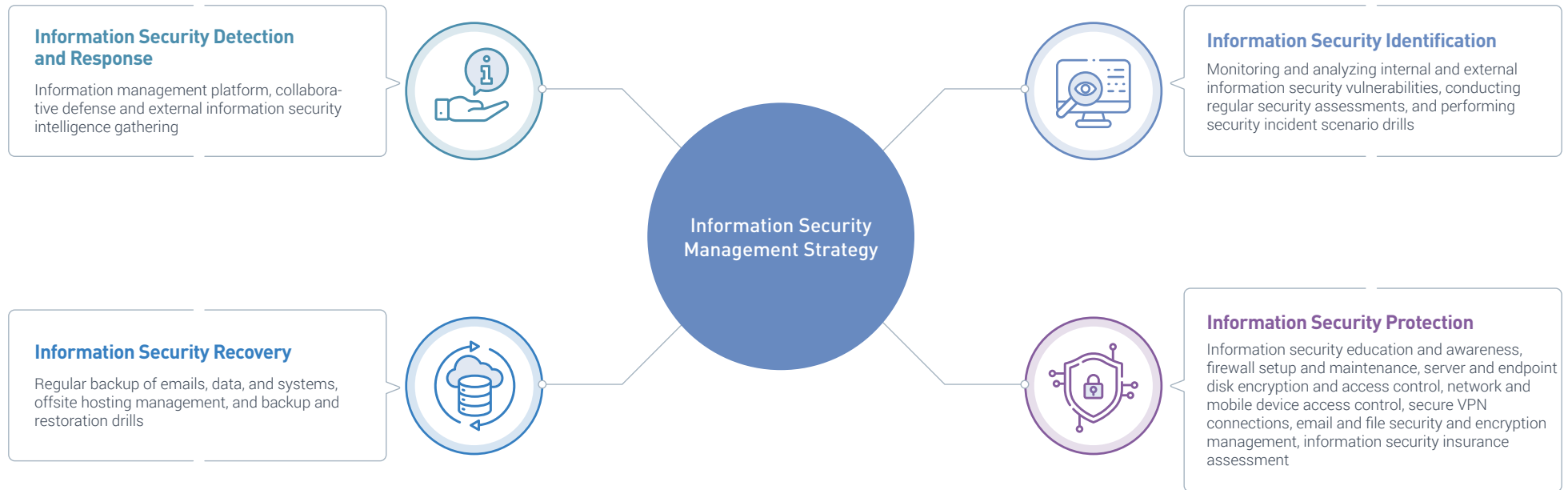
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Information Security Management Strategy

E Ink is committed to the goals of "reducing information security risks and ensuring continuous business operations". The Company follows the ISO 27001:2013 ISMS standard for information security governance, focusing on three key dimensions: organization, processes and people. Taking guidance from the Cybersecurity Framework (CSF) developed by the National Institute of Standards and Technology (NIST) in the United States, E Ink has formulated five major information security strategies: "Identify", "Protect", "Detect", "Respond" and "Recover." These strategies serve as a foundation for further planning of information security systems and management tasks.



2-3-2 Information Security Insurance Planning

E Ink plans to conduct an assessment project for information security insurance in 2023, specifically targeting high-risk items. Currently, domestic and international insurers have been invited to provide introductions and proposals. Given the increasing severity of external information and cyber threats, many businesses have experienced various degrees of malicious activities. With the ease of obtaining malicious tools, the frequency of intentional or unintentional malicious behavior against businesses is on the rise. If such external malicious attacks lead to operational disruptions, the resulting losses to the Company can be difficult to estimate. To mitigate the impact of major security incidents, enhance information security resilience, and have additional resources and external assistance in reducing the impact of accidents, the feasibility of information and cyber security insurance is being evaluated. The actual cost of the insurance will be determined after assessing the insurable assets. Considering the relatively high cost associated with information security insurance, the initial focus of coverage is expected to be on information system-related assets. The final determination will be made after a comprehensive evaluation and presentation to the board for approval. The planning for information security insurance began in the fourth quarter of 2022, and it is anticipated that a report will be submitted to the board in the fourth quarter of 2023.

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2-3-3 Increasing Awareness of Information and Cyber Security

Projects	Implementation Details	Implementation Results in 2022															
 Education and Training of employees	<ul style="list-style-type: none"> Regularly conducting training of information security awareness, along with explicitly informing employees of the obligations to uphold information security and confidentiality through contract agreements. This can significantly enhance the overall awareness of information and cyber security of employees from IT Division and all employees. In 2021, all employees received training on basic information security knowledge. In the following years, it was mandated that new employees undergo information security literacy training as part of their new employee education program. In 2022, the information technology department achieved a 100% training rate for all its staff members. In 2023, two social engineering drills are planned to assess the information security literacy and daily practices of employees. In 2023, the entire group of employees is scheduled to participate in five online information security education and training courses. 	<table border="1"> <thead> <tr> <th rowspan="2">Trainees</th> <th rowspan="2">Training Course</th> <th colspan="2">Performance in 2022</th> </tr> <tr> <th>Number of trainees</th> <th>Completion rate</th> </tr> </thead> <tbody> <tr> <td>Information Security Department</td> <td>ISO 27001</td> <td style="text-align: center;">39</td> <td style="text-align: center;">100</td> </tr> <tr> <td>2022 the newly hired indirect employees</td> <td>Orientation and training for new employee</td> <td style="text-align: center;">159</td> <td style="text-align: center;">100</td> </tr> </tbody> </table>	Trainees	Training Course	Performance in 2022		Number of trainees	Completion rate	Information Security Department	ISO 27001	39	100	2022 the newly hired indirect employees	Orientation and training for new employee	159	100	
Trainees	Training Course	Performance in 2022															
		Number of trainees	Completion rate														
Information Security Department	ISO 27001	39	100														
2022 the newly hired indirect employees	Orientation and training for new employee	159	100														
 Network Security Management	<ul style="list-style-type: none"> Implemented endpoint and wireless network security control systems to prevent unauthorized access to the Company's internal network by non-company devices. Outsourced network exposure monitoring and external vulnerability scanning, regularly updating firewall firmware and patching software vulnerabilities to prevent hacker intrusions, data theft, and disruptions. Integrated Windows AD authentication to identify user internet activities and malicious threats, facilitating network forensics and audit trail tracking. Integrated cloud-based big data analytics and machine learning to consolidate malicious software community databases, enabling real-time global collaborative defense against known and unknown types of attacks. 		<ul style="list-style-type: none"> In 2022, an external threat intelligence system was implemented to assess the Company's external threat levels, track risk levels, risk coefficients, exposure monitoring, and vulnerability analysis reports. Efforts were made to direct and monitor system administrators in implementing risk mitigation measures and vulnerability patching. As a result, E Ink's risk coefficient improved from 57 to 95, and the risk level rose from F to A. Continuous optimization of various information security measures was also pursued. 														
 Device Security	<ul style="list-style-type: none"> Both personal computers and servers are equipped with reliable and robust antivirus software. 		<ul style="list-style-type: none"> Antivirus software has been installed on over 95% of the Company's internal computers. Special operational requirements are addressed through other security control measures to ensure the security of personal computers and servers. 														
 Email Security Management	<ul style="list-style-type: none"> Utilized advanced features such as external credit rating and sandbox simulation in email protection systems to enhance filtering and defense capabilities against new forms of business fraud, multi-layered URL-based phishing, and diverse malicious attachments in emails. 		<ul style="list-style-type: none"> External malicious emails were effectively blocked, resulting in zero security incidents caused by external emails in 2022. 														
 Information System Backup, Verification and Restoration	<ul style="list-style-type: none"> Implemented a comprehensive backup system and monitoring mechanism to regularly back up all information systems and report on their status. Established robust system disaster recovery drills and validated data mechanisms to ensure the accuracy of backup data and familiarity with employees' operations. Implemented off-site redundancy systems for critical information systems, such as SAP ERP and important databases 		<ul style="list-style-type: none"> The existing backup system and monitoring mechanism have achieved their objectives. Annual backup and restoration drills are conducted for important systems to ensure effective recovery in the event of an unexpected information system failure. The achievement rate of the 2022 goal was 100%. An off-site backup system is established for critical information systems such as SAP ERP and important databases. This ensures the continuity of business operations in the event of a cybersecurity incident by leveraging the off-site backup system. 														
 Emergency Handling of Abnormal Events	<ul style="list-style-type: none"> Established effective management protocols to guide employees on reporting and response procedures in the event of abnormal information system conditions or significant security incidents. (Consistency: The management protocols provide a consistent framework for employees to follow.) 		<ul style="list-style-type: none"> ISO 27001 certification was implemented in 2022, enabling the establishment of standardized procedures for handling security incidents based on international standards. A security incident reporting team was established to develop procedures and assign responsibilities for reporting incidents of different severity levels. 														

03

Product Sustainability

Innovation for Low-Carbon Sustainable Products



Performance Achievements ▶▶▶

Green revenue
Over 99%

Carbon footprint (CFP) of a 6.8-inch e-book module is 3.3 KgCO₂e/pc ;
2.9-inch ePaper label module is 0.59 KgCO₂e/pc

New product contributed in over
51% in the past 4 years.

Invested **NT\$3.5 billion** in R&D expense, accounting for 12% of revenue

200 thousand tons less CO₂ emission from ePaper bus stop signs than from TFT-LCD

12 thousand times less CO₂ emission from 10-inches ePaper ESLs than from TFT-LCD ESL

6 open collaborations with external organizations and enterprises

345 new patents added, with over **6,000** cumulative valid patents worldwide

50 times less CO₂ emission from eReader than from Thin Film Transistor Liquid Crystal Display, TFT-LCD tablets

13 technology prospects

5 representative new products with significant technological advancements.

307 R&D employees in Taiwan, accounting for **21%** of total workforce

Taiwan sites received **A-level certification** in the Taiwan Intellectual Property Management System (TIPS)

Completion of over **56** new technology applications and product developments

"Energy Saving", "Carbon Reduction", "Circularity", and "Innovation" as the 4 sustainability design dimensions, encompassing 17 product design technologies

Management Approach of Sustainable Topics ▶▶▶

Product realization & technology innovation

Market Expansions ✓ Material Topics

Comparison of GRI Sustainability Topics and Guidelines
 Custom topics

Policy Commitments
 E Ink aims to replace single-used printing paper with its environmentally-friendly and visually-friendly ePaper technology. Collaborating with ecosystem partners, E Ink is actively developing and innovating various ePaper applications in retail, healthcare, education, office, transportation, aviation, industrial, logistics, and consumer electronics. These applications include Electronic Shelf Labels (ESL), eNote, logistics tag, and signage, among others.

Stakeholders Engagement

- Regular customer visits are conducted to provide the latest technology and products, as well as discuss new product development and implementation processes.
- Annual research and development schedules are established internally, with periodic reviews of product development progress.
- Business updates and progress are communicated to shareholders through quarterly result's conferences.

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
New product and technology	New product development contribution to revenue in the past 3 years	Accounts for 9% of total revenue	Accounts for 18% of total revenue	Accounts for 26% of total revenue

Product research, development and innovation ✓ Material Topics

Comparison of GRI Sustainability Topics and Guidelines
 Custom topics

Policy Commitments
 E Ink is actively expanding the application of ePaper products, providing high-quality products and services, and promoting the use of ePaper as a sustainable alternative to single-used paper. By reducing the need for paper, E Ink aims to minimize deforestation and lower CO₂ emissions. The reflective nature of ePaper ensures that it does not emit harmful direct light, including High Energy Visible Light (HEV), which can be damaging to the eyes.

Stakeholders Engagement

- Internal key performance indicators (KPIs) and patent applications are set on an annual basis, with regular reviews of the effectiveness of patents and research and development secrets.
- Campus recruitment and online community promotion are utilized to showcase the company culture and forward-looking research and development, attracting talented individuals to join E Ink.

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
IP and trade secret	Number of effective patents and proposals for trade secrets	Accumulated 170 trade secret proposals	Accumulated 220 trade secret proposals	Accumulated 280 trade secret proposals
Development resource	Recruitment of R&D workforce	Addition of 300 effective patents annually		
	Investment in R&D expenses	21-27% R&D employees of total workforce		
		Accounts for 10-15% of total revenue		

Green and sustainable product development ✓ Material Topics

Comparison of GRI Sustainability Topics and Guidelines
 Custom topics

Policy Commitments
 E Ink actively produces ePaper as its primary product, which stands out from similar display technologies due to its sustainability features. It contributes to energy conservation, carbon reduction, and promotes healthy eyesight. Moving forward, E Ink will continue to prioritize sustainability in its product design, aiming to minimize any adverse environmental impact caused by its products.

Stakeholders Engagement

- Social media communication: Facebook (2-3 posts/week) and WeChat (1 post/week), with 46,824 likes on Facebook and 6,893 followers on WeChat.
- Major exhibitions: 6 per year (Taiwan, USA, China x2, Japan, South Korea), routine meetings, and social media promotion
- Supplier conferences (1/year) and Sustainable booth decoration by utilizing modular and reusable materials at and major exhibitions (6/year).
- Active involvement in associations: Committee members in 6 associations, participating in board meetings (~2/year), promoting ePaper applications, expanding the ePaper ecosystem, and contributing to global ePaper standards.

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
Sustainable products	Sustainable product development	1 new product development	1-2 new products development	2-3 new products development
	Upgrading existing products for sustainability	1 product upgrading	1-2 products upgrading	2-3 products upgrading
	Optimization of product packaging materials	Reduction of packaging tray usage by 13%	Reduction of packaging tray usage by 10% (compared to 2023)	Reduction of packaging tray usage by 10% (compared to 2025)
Green Revenue	FTSE Russell Green Revenue	> 99% account as green revenue of total revenue		
Ecosystem	Value chain of ecosystem	Accumulated 135 partners	Accumulated 150 partners	Accumulated 200 partners

Expansion of low carbon products



3-1 Research and Development for Products Innovation



3-1-1 ePaper Technology Principal Overview

E Ink's core product, ePaper, derives its inherent advantages from the "reflective display technology" and "bistable principle," which enable features such as ultra-low power consumption, outdoor visibility, absence of backlighting, lack of blue light emission, and a comfortable reading experience.

▼ The Operating Principle of ePaper

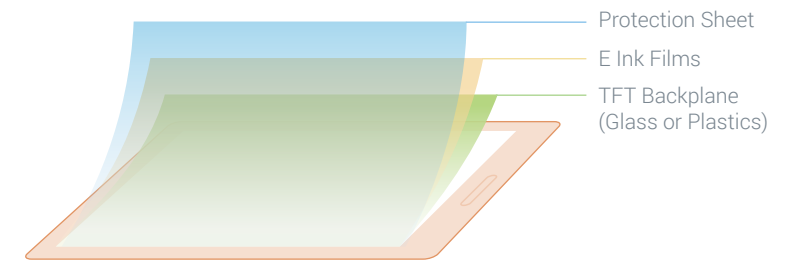
Reflective Display Technology	<ul style="list-style-type: none"> The display relies on ambient or external light sources, eliminating the need for a continuous power-consuming backlight. This reduces power consumption, lowers carbon emissions, and promotes environmental friendliness. It is non-emissive and free from harmful blue light, providing a comfortable reading experience without straining the eyes. It offers excellent visibility under sunlight, with the display quality improving as the external light source becomes stronger.
Bi-stable Principle	<ul style="list-style-type: none"> The black and white or color electronic ink of ePaper, driven by an electric field, remains stable and fixed in place without consuming power. ePaper consumes minimal power only during displayed image changes, and when the display is static, it requires no power at all. This makes it more energy-efficient and environmentally friendly compared to conventional displays.

Bi-Stable / Reflective / Flexible



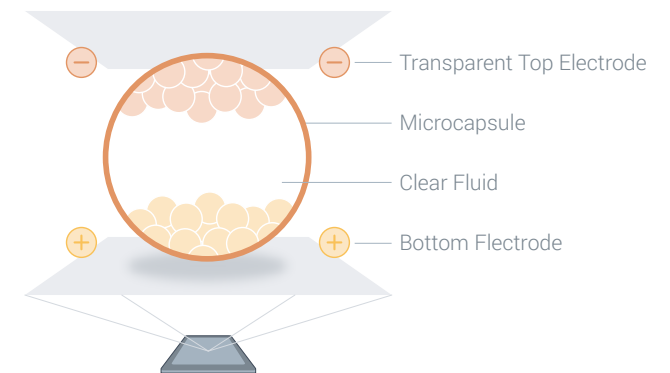
ePaper Paper Like Display

The ePaper module is composed of E Ink Films, thin-film transistor (TFT) backplane, and protective sheet(PS)



For more information, please click to watch video

Technology Principle of Electronic Ink



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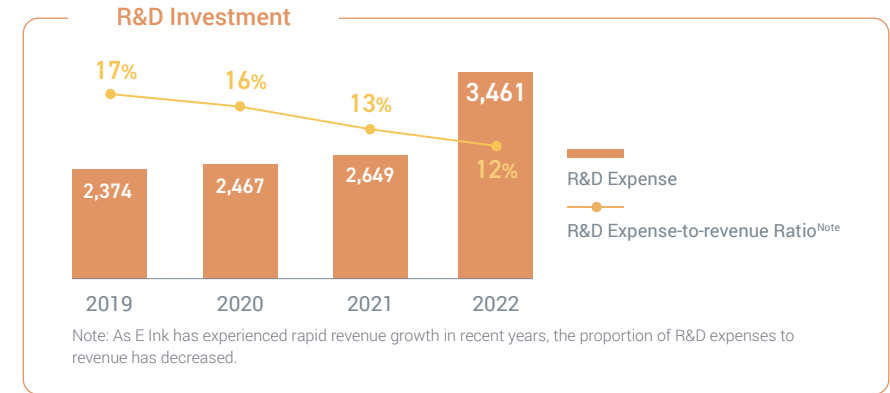
3-1-2 Technology Development and Patent Advancement

Investment In Research and Development Resources

E Ink commits to continuously researching and developing ePaper technology and related products. In 2022, the company invested approximately NTD 3.46 billion in R&D expenses, which represented 12% of its revenue. In addition to enhancing black and white ePaper module products, E Ink actively invests in commercializing color ePaper applications. By integrating technologies like ePaper timing control chips, wireless power supply, touch, and handwriting, the company launches new products in the ePaper field, receiving positive market responses. E Ink also expands production capacity to solidify its leading position in the ePaper market and sustain advanced development in the competitive display industry.

In 2022, E Ink had a total of 307 R&D employees in Taiwan, representing 21% of its workforce. These employees were located in various regions including Taiwan, the United States, China, and Japan, contributing to global R&D collaboration. The educational qualifications of E Ink's Taiwan-based employees were impressive, with 1% holding doctoral degrees and 12% holding master's degrees. This high level of qualification played a vital role in the company's exceptional technology development efforts.

E Ink is dedicated to expanding its research and development efforts, as evidenced by the growth in its R&D workforce, the higher percentage of highly educated R&D employees, and the increased R&D budget. These investments align with the company's long-term goals for growth and strategic approaches. By continuously allocating resources to R&D, E Ink aims to maintain its leadership in technology and product innovation, while also contributing to sustainable development through the creation of advanced, innovative, and environmentally friendly products for society.



▼ R&D Employees- by Region

Location	Taiwan sites		USA sits		China sites		Other- Tokyo site ^{Note 1}	
	Number of employees	Ratio ^{Note 2}	Number of employees	Ratio ^{Note 2}	Number of employees	Ratio ^{Note 2}	Number of employees	Ratio ^{Note 2}
2022	307	21%	222	52%	35	4%	5	42%
2021	295	27%	190	49%	24	3%	10	56%
2020	307	35%	193	51%	44	6%	17	68%
2019	303	34%	161	42%	44	6%	18	56%

Note 1: E Ink has four global R&D centers worldwide. In addition to the reporting scope, the data also includes the employees from the R&D center located in Tokyo, Japan.
 Note 2: Ratio = R&D employees/ total number of employees in the location*100

▼ R&D Employees in Taiwan- by Education Background

Education Background	Doctoral degree		Master degree		Bachelor degree		High school graduated	
	Number of employees	Ratio ^{Note}	Number of employees	Ratio ^{Note}	Number of employees	Ratio ^{Note}	Number of employees	Ratio ^{Note}
2022	21	1.4%	177	12.1%	100	6.9%	9	0.6%
2021	19	1.7%	164	14.9%	102	9.2%	10	0.9%
2020	20	2.2%	175	19.3%	101	11.1%	11	1.2%
2019	20	2.2%	168	18.5%	102	11.2%	13	1.4%

Note : Ratio = R&D employees/ total number of employees in Taiwan sites *100

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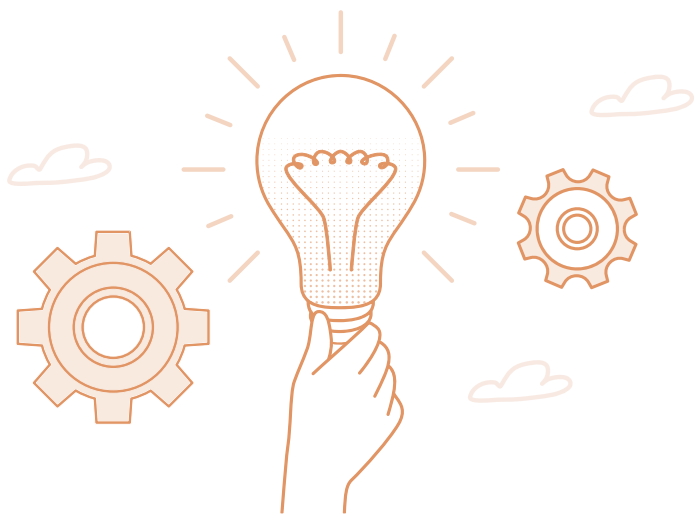
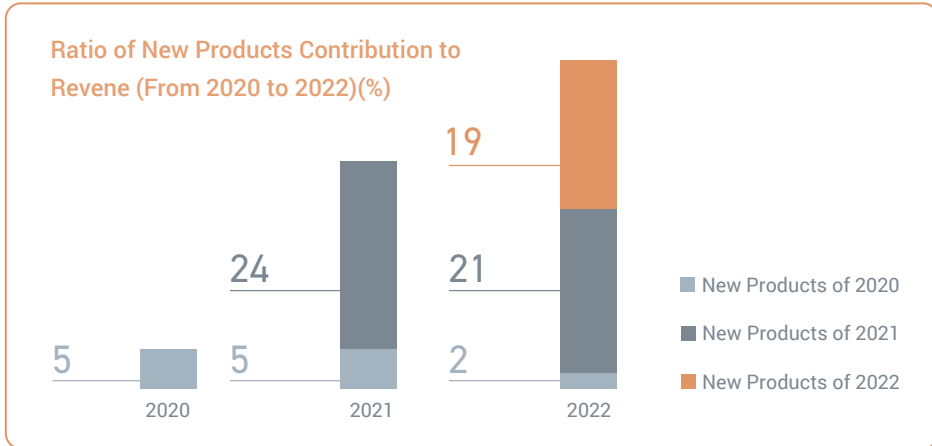
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Contribution of New Products

New product development is a significant growth driver for E Ink, with new products contributing significantly to the company's revenue. In 2022, 42% of the total revenue was derived from new products developed within the past three years, including 2% from products developed in 2020, 21% from products developed in 2021, and 19% from products developed in 2022. Therefore, E Ink have to continuously invest in research and development resources, collaborating with customers to create innovative applications and explore new markets, thus fostering sustainable revenue growth.



Patent and Intellectual Property Strategy

E Ink recognizes the significance of patent portfolio management in strengthening its technological competitiveness amid the development of new technologies and products. The company's global patent management is overseen by a Patent Committee consisting of executives at or above the department level. This committee implements reward systems for patents and trade secrets, conducts regular patent review meetings, and evaluates high-value patent and trade secret proposals. Approved proposals are incentivized with bonuses to foster innovation. Additionally, E Ink collaborates with patent agencies to facilitate the external filing of patent applications.

In 2022, E Ink achieved a total of 345 new patents, further strengthening its patent portfolio. The company received the "Taiwan Intellectual Property Management System (TIPS)" A-level certification in early 2021 and successfully maintained it throughout 2022. E Ink is committed to maintaining this A-level certification in the long term to enhance its management of intellectual property rights. The company consistently demonstrates excellence in patent proposals and grants each year. With over 6,000 valid patents globally, E Ink has established a robust patent portfolio in various fields, including Basic Principles, Optical Layers and Imaging Film, Electrical and Layer, Display Module Design and Manufacturing, Driving Algorithms and Waveforms, as well as Device and Application. This extensive patent portfolio solidifies E Ink's position as a leader in the electronic paper products industry.



New Patens Added in Year	2019	2020	2021	2022
Domestic	29	26	28	32
Oversea	402	354	391	313
Total	431	380	419	345

◀ A-level certification of 2022 "Taiwan Intellectual Property Management System (TIPS)"

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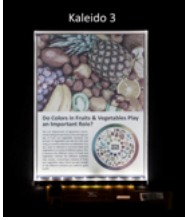
3-1-3 Research and Development Performances and Open Innovation

Significant Technology and R&D Performance

In 2022, E Ink successfully developed over 56 new technologies and products, which required substantial R&D investment ranging from one to five years. These developments involved close collaboration with customers for commercialization. The company focused its technical R&D efforts on three main areas: color electronic paper, Front Plane Laminate (FPL) ePaper Film, and ePaper module and related application technologies. The following provides a brief overview of the key technologies and advancements in these areas:

For more information, please click to watch video

▼ Overview of Key Products and Technologies Launched in 2022

No.	Product	Application	Technology Features	Product Images
1	E Ink Gallery™ 3	eReader and eNote	Utilizing a combination of cyan, magenta, yellow, and white inks, this technology achieves vibrant color display similar to printed paper.	
2	E Ink Spectra™ 3100 Plus	Electronic Shelf Label (ESL), signage and logistic Tag	With black, white, red, and yellow ink particles, combined with a five-color ePaper waveform, it enables the display of a fifth color, orange. When paired with E Ink Sparkle™ partial refresh technology, it creates eye-catching localized animation effects.	
3	E Ink Kaleido™ 3	Signage, eReader or smart education and digital reading devices	By using E Ink Print Color Technology to print color filters onto black-and-white ePaper to realize color display capabilities.	

▼ Open Collaboration Projects in 2022

Collaboration Partners	Projects	Achievements
Academic Institutions (Domestics)	Video Halftoning Algorithm Design for Color ePaper	Development of a dithering algorithm for E Ink Kaleido™ series to reduce flickering.
	Art Wall Created by ePaper	Integration of approximately 800 ePaper panels to form an artistic wall display.
Research Institutions (Domestics)	Improvement of Optical Performance in Front Light System	Successful developed a coating that enhances light transmission and reduces scattering of ineffective light in the front light system, resulting in a 10% increase in contrast and improved color saturation.
Corporation (Domestics)	Smart Shelves 2.0	Integration of thin-Film solar cell technology on both sides of ePaper shelf labels to enable renewable energy-powered ePaper displays, prolonging product charging cycles and overall lifespan.
	eBadge 2.0	Utilization of wireless charging technology to both transmit data and power the ePaper display, eliminating the need for an embedded battery in the eBadge. Integration with contactless IC cards, such as the EasyCard, is also possible.
Multinational Corporations	ePaper Modules with Indium Gallium Zinc Oxide (IGZO) Backplane	Utilization of IGZO backplane technology in large-size ePaper signage applications, such as retail and transportation displays.



2022 Technological Innovation Products Overview

01

E Ink Spectra 6

Technology Overview

The ePaper Film consists of millions of Microcup® coated on a conductive layer. These Microcup are arranged in a specific array and filled with electronic ink. Each Microcup is approximately the size of a human hair's diameter. Depending on the application, Microcup can be filled with differently colored charged electronic inks, enabling the display of six colors (black, white, red, yellow, blue, and green) or even more shades of color.

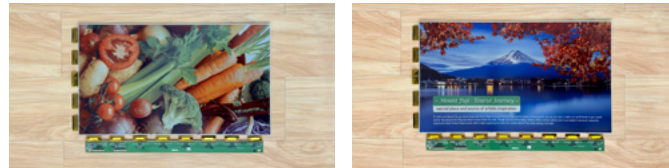
Technology Advantages

- Compared to E Ink Spectra™ Plus, the new E Ink Spectra™ 6 offers even more stunning visual display effects. Its notable improvements over the previous generation include:
- Technological innovation: Through particle and material layer optimization, the operating temperature has been increased to 50° C, allowing the simultaneous presentation of six colors (black, white, red, yellow, blue, and green) or even more shades of color on high-resolution (200 dpi) ePaper displays.
 - Savings in raw materials and process optimization: The film thickness has been reduced, leading to increased process stability and efficiency.
 - Environmental friendliness: The product complies with the requirements of the Restriction of Hazardous Substances (RoHS) directive, which restricts the use of harmful substances in green products.

Application

- ESL Indoor signage

For more information, please click to watch video



02

E Ink ComfortGaze™ +

Technology Overview

By developing in-house coatings combined with a light guide, the inefficiency of light scattering in the front light can be mitigated, thereby improving the penetration of effective light and enhancing contrast and color saturation when viewing ePaper devices for extended periods.

Technology Advantages

- Compared to current light guide designs, this new technology significantly increases the dot conversion rate, resulting in a noticeable improvement in contrast (10% increase) and color saturation between the front and back light systems.
- The use of UV curing for coating treatment and high-contrast performance helps reduce power consumption in the front light system. This distinctive feature of the new technology contributes to a reduction in carbon emissions, aligning with sustainability goals.

Application

- eReader eNote

03

eBadge 2.0

Technology Overview

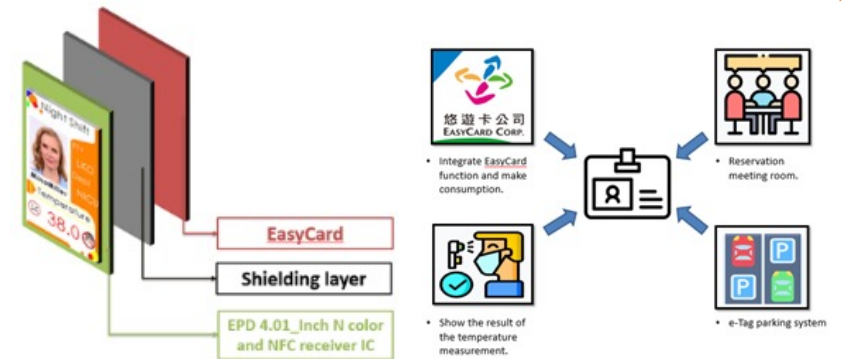
Integrating small-size ePaper and contactless IC card functions, such as the "EasyCard," using Near-Field Communication (NFC) wireless charging technology. This enables simultaneous power supply and data transmission for refreshing the ePaper display.

Technology Advantages

By combining ePaper with energy harvesting technology, the display device can refresh the ePaper display without the need for a battery. This integration allows for greater versatility and flexibility in the display content of identification cards.

Application

- eBadge and I identification card



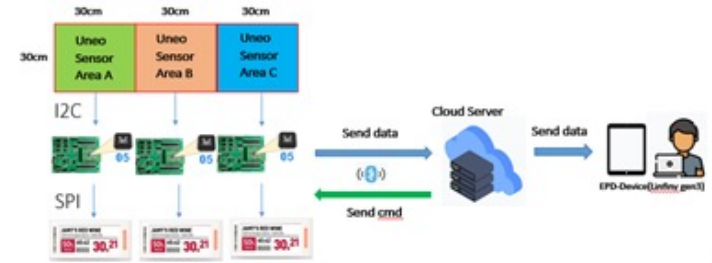


Smart Shelves 2.0

Technology Overview Smart Shelf 2.0 is an integrated solution that combines ePaper shelf labels with product shelving. By incorporating weight sensors into the product shelves, it can detect the weight of displayed products and determine changes in product quantity. This information is then transmitted to the backend system, providing retailers with valuable sales data. Leveraging this data, retailers can dynamically optimize and update product prices and promotional advertisements from backend, ensuring the latest product information is updated on the ePaper shelf labels. This enables retailers to meet the demands of precise sales and provide consumers with up-to-date product information.

Technology Advantages Smart Shelf 2.0 integrates thin-film solar cell technology for indoor use, utilizing renewable energy to power the ePaper shelf labels. This integration extends the charging cycle and lifespan of the products, while taking advantage of the energy-saving features of ePaper design. With the ability to wirelessly update content remotely, ePaper shelf labels eliminate the need for customers to rewire their stores, offering advantages in both price and performance in product layout.

Application ESL



04

Foldable color ePaper features E Ink Gallery™ 3

Technology Overview Based on the E Ink Gallery™ (Advanced Color ePaper) technology, the integration of foldable materials, front light, and touch, along with folding simulation and stack construction adjustments, has enabled the development of foldable color ePaper.

- Technology Advantages**
- **Portability:** The foldable full-color ePaper combines the low power consumption and paper-like display characteristics of ePaper with the foldable feature. This not only allows for product designs resembling paper books with open and close functionality but also provides the convenience of carrying large-sized display.
 - **Ultra-low power consumption:** By utilizing indium gallium zinc oxide (IGZO) instead of traditional amorphous silicon, which offers higher mobility and lower leakage current, more efficient refresh rates and lower power consumption can be achieved. This enables the creation of energy-saving and environmentally friendly ePaper applications.
 - With these advancements, the development of foldable color ePaper not only enhances portability but also ensures high energy efficiency and low carbon footprint through the use of IGZO technology.

Application Foldable eReader Foldable eNote

For more information, please click to watch video



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Technology Outlook

E Ink continuously drives technological development and fosters innovation, particularly in low-power reflective display technologies. The ePaper Film, an exclusive and foundational technology developed by E Ink, plays a central role in E Ink's technical advancements. E Ink actively collaborates with ecosystem partners and manufacturers to integrate various elements of the ePaper ecosystem, including TFT display backplanes, driver IC, and waveforms for ePaper. These collaborative approaches allows E Ink to expand product capabilities and explore new applications, moving beyond the company's previous focus on black and white ePaper to embrace the possibilities of color ePaper.

No.	Goals	Approaches	Plans	Products/ Applications
1	Expansion of ePaper Film business	Collaborating with ecosystem partners to explore diverse applications	Developing reference designs for various types of ePaper Films to optimize partner's applications	Retail, logistics, and signage
2	Enhancing performance of black-and-white ePaper displays	Continuing to improve performance for black-and-white ePaper displays, which are still widely used, including E Ink Kaleido™	Integrating black-and-white ePaper Films, TFT backplanes, and various component designs for continuously optimization of display products	eReader, eNote, retail, logistics, and signage
3	Enhancing performance of E Ink Spectra™	Improving product performance to meet the needs of applications beyond retail	Integrating color ePaper Films of E Ink Spectra™, TFT display backplanes, and various component designs for continuously optimization of display products	Retail, and signage
4	Enhancing performance of E Ink Gallery™	Improving product performance for applications such as electronic signage and new applications	Integrating color ePaper Films of E Ink Gallery™, TFT display backplanes, and various component designs for continuously optimization of display products	eReader, eNote, signage
5	Enhancing performance of E Ink Kaleido™	Applying rapid colorization technology based on existing black-and-white ePaper technology	Thinning black-and-white ePaper Films and continuously optimizing ePaper driving waveforms to achieve better color performance	eReader, eNote, logistics, and signage
6	ePaper Films with low-voltage and low-temperature operation	Suitable for passive driving and low-temperature refrigerator applications	Continuously optimizing the operating feature of ePaper Films	Retail, logistics, and Internet of Things (IoT)
7	E Ink Kaleido™ for outdoor display	Developing ePaper suitable for outdoor wide-temperature display environments	Integrating E Ink Kaleido™ color ePaper Films, TFT backplanes, and various component designs for continuously optimization of display products	Signage
8	Improving display module performance	The multi-layer stack structure of display modules has a certain impact on display performance	Simplifying and narrow bezel design of display module stack structure	eReader, eNote, retail logistics, and signage
9	Enhancing performance and cost improvement of flexible displays	Improving product performance and reducing costs to explore for new markets development	Enhancements in materials, product structures, and manufacturing processes	eReader, eNote, signage
10	Development of foldable ePaper	Portable displays	Development of materials and structures	eReader, eNote
11	Development of front light modules with reduced eyestrain	Improving the potential harm of prolonged display reading to human eyes and enhancing reading comfort	Reducing the harmful visible light spectrum from traditional front light modules	eReader, eNote
12	Development of front light modules with improved color and contrast	Enhancing product color and contrast ratio while improving performance	Integrating designs of color ePaper Films of E Ink Kaleido™, front light modules, and more to continuously optimize display products	eReader, eNote
13	Development of thinning technology for front light modules	Thinning front light modules reduces material usage, thickness, and weight of the products	Developing thin front light modules and improving optical performance after thinning modules	eReader, eNote

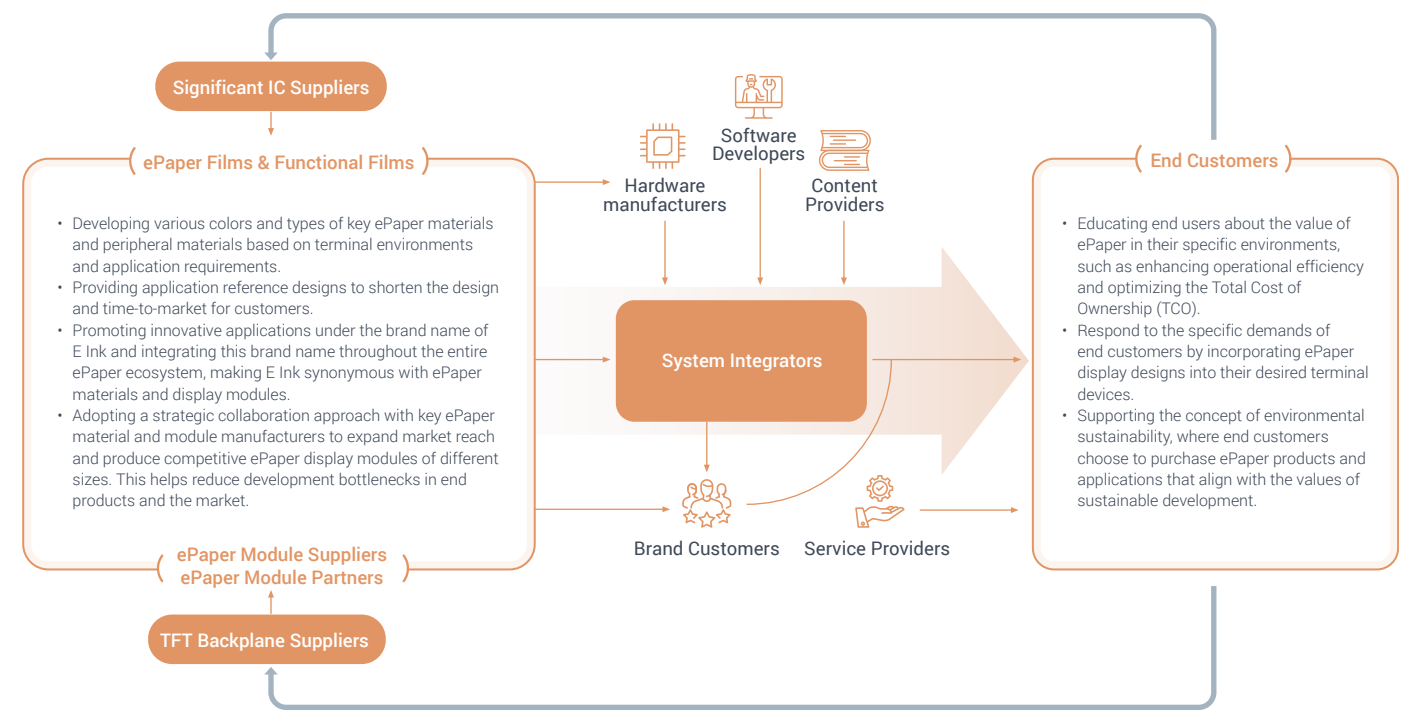
3-2 Sustainable Value of Products

ePaper Ecosystem

Through continuous innovation and expansion in ePaper technology and product applications, E Ink actively strives to collaborate with hardware and software manufacturers, as well as stakeholders across various industries in the supply chain. The goal is to establish an ePaper ecosystem that addresses the challenges faced by end customers and enables a wide range of smart applications. E Ink is dedicated to progressing towards the vision of smart living and sustainable cities by actively pursuing partnerships and advancements in ePaper technology.

In order to accelerate the widespread adoption and diverse development of low-carbon ePaper applications, the E-paper Industry Alliance (EPIA) was established in December 2020. By the end of 2022, the alliance had grown to include 129 members, marking a new milestone in the ePaper industry. This achievement demonstrates the cohesive and collaborative force of companies within the industry ecosystem, with a focus on green and low-carbon ePaper technologies. Aligned with the needs of digital economy development strategies, the ePaper industry continues to drive growth momentum. It will further deepen its applications in various sectors such as e-book reading, new retail, education, transportation, healthcare, industrial, aviation, logistics, and office environments.

Overview of E Ink's ePaper Ecosystem



Keynote speech at the 2022 ePaper Industry Ecosystem Development and Trends Summit



IOTE 2022 in Shenzhen



Involvement in the inaugural forum of the "Shared Management Requirements for Green Packaging in Consumer Electronics."

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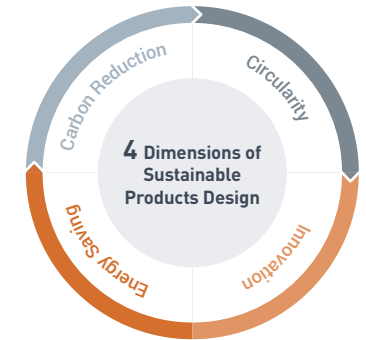
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3-2-1 Positive Environmental Impact

Sustainable Products Design

E Ink continuously strives to enhance its electronic paper display products, aiming to provide even more environmentally friendly solutions. While these products are already recognized as energy-efficient and carbon reducing, E Ink remains committed to constant improvement. "Innovation" is a core value that drives the company's efforts to develop innovative, environmentally friendly products. To achieve this, E Ink incorporates sustainable concepts, elements and criteria in its product design and materials selection, and also focuses on four dimensions: "Energy Saving", "Carbon Reduction", "Circularity", and "Innovation", a total of 17 product design technologies are continuously developed to reduce the carbon footprint of products and improve energy efficiency.



Energy Efficiency
 Implementing energy-saving designs to enhance product efficiency.

Product Technology	Features	Environmental Benefits
Passive Driving Technology	Utilizing near field communication (NFC) or ultra-high frequency (UHF) technology, the ePaper display can be updated wirelessly without the need for a battery, achieving a battery-free passive driving technology.	ePaper displays can be updated with minimal power consumption. Almost without power consumption.
Idle Mode of Touch Panel	Implementing design of idle mode and sleep mode for touch panels to reduce power consumption when not in use.	Reducing 10-70% of energy consumption of electronic products.
Idle Mode with Low Voltage Gate	Utilizing gate driving technology with lower voltage during the display driving process to reduce energy consumption.	Expecting an energy reduction of 40-50% depending on the specific product.



Carbon Reduction
 Incorporating low-carbon designs to minimize carbon footprint.

Product Technology	Features	Environmental Benefits
Slim Boarder Design	By improving the waterproof properties and materials of the ePaper Film, the amount of waterproof adhesive used can be reduced through a slim boarder design.	Reduces frame adhesive usage by 8%-32% depending on the product. The products adopting this design were estimated to contribute more than 33% to the revenue and were expected to reduce carbon emissions by approximately 5.2 metric tons of CO ₂ e in 2022.
Integrated Electronic Module Materials	Streamlining production processes and reducing plastic materials by integrating materials used in ePaper module stacking.	48% reduction in plastic materials and 50% simplification of production processes. The products adopting this design were estimated to contribute more than 8% to the revenue and were expected to reduce carbon emissions by approximately 4.6 metric tons of CO ₂ e in 2022.
Integrated Power Control IC	Integrating electronic component functions into a single power control IC to reduce the number of components used.	Reduces the number of system components by 65%, from 274 to 98, for consumer electronic products.
Testing Jig for Integrated Module	Consolidating multiple testing jigs into a single system board for testing during ePaper display module production.	Integration of four system boards into a single board, reducing the unit of system boards used by 75%.
Process Automation	Introducing robotic automation to achieve automated calibration of ePaper driving waveforms.	Shortens the calibration time for ePaper driving waveforms by 46.2%, resulting in 40% of energy savings.
Design and Implementation of Recyclable Packaging Materials	Developing packaging materials suitable for different sizes of ePaper modules to reduce carbon footprint and development costs associated with packaging materials. Additionally, incorporating recyclable protective sheets.	Optimized packaging materials for electronic consumer products, reducing the unit of packaging material developments from 120 to 100 annually. This has resulted in a 20% decrease in the number of components and an annual reduction of 18.4 metric tons of plastic waste.

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Circularity

Promoting recycling and circular economy principles.

Product Technology	Features	Environmental Benefits
Recyclable Plastic Materials of Product Components	Using recyclable materials such as plastic, polycarbonate (PC), and polymethyl methacrylate (PMMA) for components such as the cover lens, light guide, and touch panel.	Promotes the use of recyclable materials in products, reducing negative environmental impact.
Using Recyclable Trays for Materials	Using recyclable trays for display driver IC.	Promotes the use of recyclable materials in products, reducing negative environmental impact.
Packaging Material Reduction	Optimizing packaging tray designs to achieve the same product protection by reducing thickness of packaging.	Reduces the usage of packaging trays by 13%
Reuse of Packaging Materials	Utilizing recycled packaging materials for sample shipments to promote material recycling and reuse.	Implemented 103 units in 2022, totaling 1,033 units.
Improved Product Repairability and recyclability	Using new types of raw materials in the production of electronic modules, enabling the reuse of good components for repairing defective and recycling products, such as thin-film transistor (TFT), integrated circuits (IC), and flexible printed circuit (FPC).	When repairing defective and recycling products, this helps minimize the waste of TFT, IC, and FPC components, reducing environmental pollution.



Innovation

Fostering technological advancements and innovative solutions.

Product Technology	Features	Environmental Benefits
Microcup ePaper Film Structure Innovation	Continuously reducing the depth of the micro-cup structure in the ePaper Film to reduce the usage of electronic ink, thereby reducing the carbon footprint of materials.	The microcup structure depth reduced by 42% from E Ink Spectra™ 3000 to E Ink Spectra™ 3100, resulting in reduced usage of electronic ink.
Enhanced Efficiency in Microcup ePaper Film Production	Increasing the coating speed in the production of microcup ePaper Film to achieve higher unit output and reduce unit use of energy consumption.	Improved coating speed by 33%, leading to 30% increase in production yield and reduced unit energy consumption. The products with enhanced efficiency were estimated to contribute more than 46% to the revenue and were expected to reduce carbon emissions by approximately 1,364 metric tons of CO ₂ e in 2022.
Integration of E Ink Kaleido Technology	Optimizing TFT, color printing technology, and material combinations to reduce the usage of optical clear adhesive (OCA) and minimize material waste through nearly 100% utilization of printed ink.	The optical adhesive usage for E Ink Kaleido™ technology is only 33% compared to traditional glass color filters, and the inkjet ink utilization is 10 times higher than that of photolithography materials used in glass color filters.

Assessment of Carbon Footprint of Products

In order to reduce the negative impact of E Ink's products on the environment, in 2021, E Ink referenced to the management concept of "Life Cycle Assessment (LCA)" and in accordance of ISO 14067:2018 standard for product carbon footprint. E Ink conducted LCA based carbon footprint assessment for the 6.8-inch e-book module and the 2.9-inch electronic paper label module. In 2022, the 6.8-inch e-book reader module and the 2.9-inch electronic shelf label module passed the ISO 14067:2018 international standard certificate for product carbon footprint, and are the world's first ePaper modules to pass the carbon footprint standard verification. The carbon footprint of each 6.8-inch ePaper module for eReader is 3.3 kg CO₂e, and that of each 2.9-inch ePaper module for electronic shelf label (ESL) is 0.59 kg CO₂e. The assessment revealed that raw materials (such as TFT and FPL) and manufacturing energy consumption were the main product emission hotspots. To reduce the overall carbon footprint of its products, E Ink plans to increase the use of renewable energy and select raw materials with lower carbon footprints in the future.

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Green Technology and Application

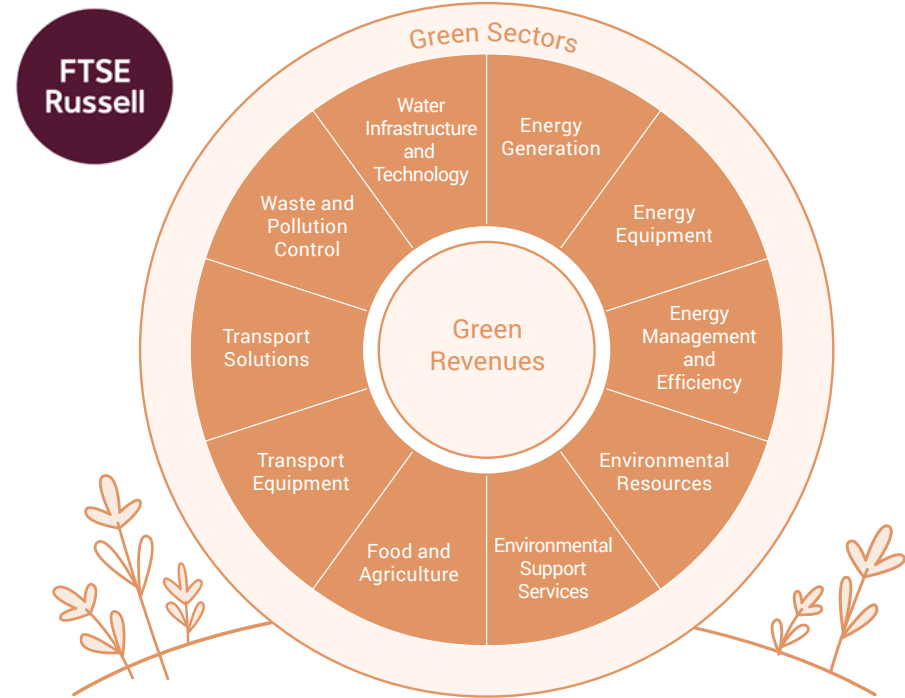


Green Revenues

E Ink's ePaper technology offers energy-efficient and low-carbon features, making it an ideal solution for developing products that contribute to carbon reduction. According to the FTSE Russell Green Revenues Classification System (GRCS) 2.0 Data Model, which assesses green revenues, 99.93% of E Ink's revenue in 2022 falls under the category of green revenues, indicating a positive environmental impact. In addition to the environmental benefits offered by ePaper products, they also exhibit better energy efficiency and lower power consumption compared to conventional TFT-LCD displays. E Ink's green revenues are classified under the Energy Management & Efficiency category of the Information Technology (IT) sector, specifically falling under Code EM 5.0, which refers to revenue generated from activities directly related to the design, development, manufacture, or installation of energy-efficient information technology products and services. The analysis using the GRCS 2.0 Data Model demonstrates that E Ink's 99.93% green revenues align with the European Union Taxonomy for the Information and Communication Technology (ICT) sector as well as the EU Taxonomy Regulation's classification (NACE) under J63.1.1, which pertains to data-driven climate change monitoring solutions.

FTSE Russell Green Revenue 2.0 Data Model

- The FTSE Russell Green Revenues Classification System utilizes the Green Revenues 2.0 Data Model to assess companies and their value chains based on their adherence to green sustainability standards in providing products or services.
- The Green Revenues 2.0 Data Model categorizes industries into three levels: Clear Significant, Net Positive, and Limited, along with 10 categories, 64 subcategories, and 133 microcategories. It evaluates the environmental impact of a company's operations across seven environmental sustainability themes.
- The seven environmental sustainability themes used in the Green Revenues Classification System align with the framework of the six environmental objectives outlined in the European Union Taxonomy Regulation. This demonstrates a high level of consistency between the model and the EU Taxonomy Regulation's sustainability classification standards. Specifically, Code EM 5.0 in the Green Revenues Classification System corresponds to the Information and Communication Technology (ICT) sector- NACE J63.1.1 under the EU Taxonomy Regulation.





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Green Products and Applications

01

eReaders

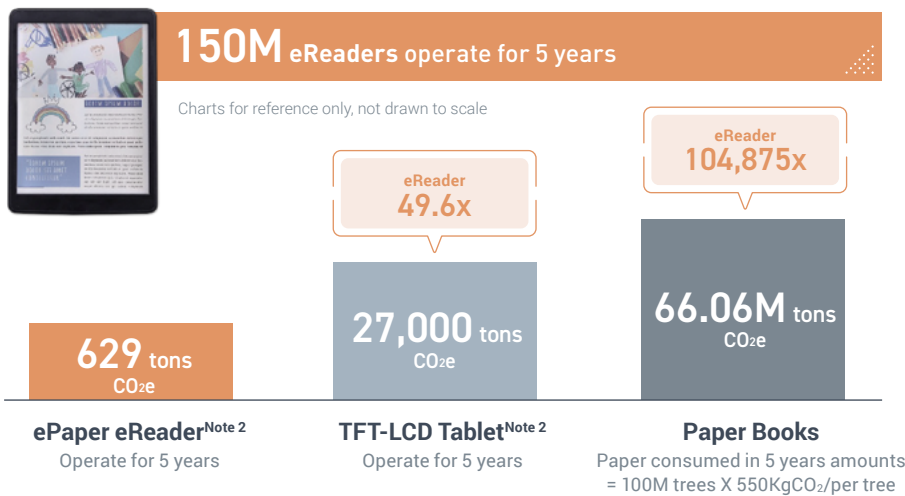
Replacing traditional paper reading, the more you read, the more you save.

Assumption of Environmental Benefits

Over the past five years, approximately 150 million eReaders have been used worldwide, replacing the purchase and reading of printed books with digital reading. Assuming an average of ten book downloads per eReader per year, using eReaders results in significantly lower carbon dioxide emissions compared to reading printed books or using LCD tablets. The emissions reduction is estimated to be 100,500 times lower compared to printed books and 49.6 times lower compared to LCD tablets, since using ePaper eReader can reduce about 30,000 metric tons of CO₂^{Note1}.

Note1: In a reading scenario, assuming the consumption of 10 books per year, each consisting of 300 pages, and considering the following energy consumption values: downloading via WiFi: Each book consumes 1.5x 10⁻⁴ kWh; reading on a tablet: Each page consumes 2.68 x 10⁻⁶ kWh; reading on an eReader (ePaper): Each page consumes 0.005 x 10⁻⁵ kWh. Taking into account a carbon emission factor of 0.509 KgCO₂/kWh, we can calculate the carbon emissions associated with the energy consumption in this digital reading scenario. By choosing eReaders over physical books, it is estimated that approximately 120 million trees can be saved. Considering the carbon sequestration potential of a camphor tree, the use of 150 million eReaders worldwide instead of physical books would result in a reduction of approximately 66.06 million metric tons of CO₂ emissions.

For more information, please click to watch video



Note 2: Scenario, 10Books/Year (300Pages/Book), Power Consumption Download (WiFi) 1.5X10⁻⁵KWH/Book, Reading (72Secs/Page) Tablet 2.68X10⁻⁶KWH/Page, eReader 0.005X10⁻⁵KWH/Page, Carbon Emission 0.509Kg CO₂/KWH

02

ESL

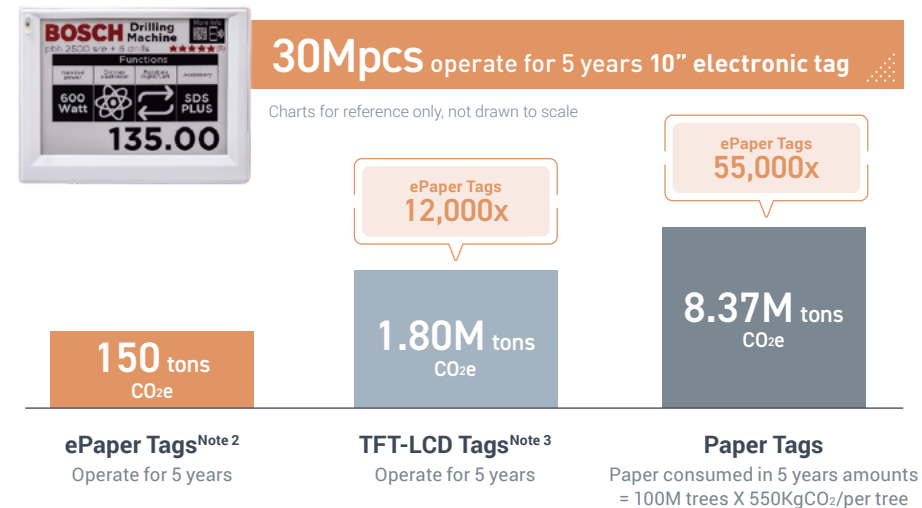
Replace paper price label, enable smart retail

Assumption of Environmental Benefits

If there are 30 million 10-inch ePaper tags used as promotional billboards worldwide, with each tag updating its display four times per day, it would save approximately 30 million sheets of 10-inch paper over a span of 5 years. This reduction in paper usage is equivalent to saving around 15.2 million trees from being cut down. It would contribute to approximately 8.37 million metric tons of CO₂ emissions being offset, compared to the use of traditional paper labels. This represents a reduction of approximately 55,381 times in CO₂ emissions. By using ePaper tags instead of TFT-LCD labels, it would further reduce CO₂ emissions by approximately 1.8 million metric tons, equivalent to a reduction of 12,000 times in CO₂ emissions^{Note1}.

Note 1: Scenario- 10-inch TFT-LCD shelf labels operates for 5 years, the total power consumption would be 118 kWh (based on a current of 450mA, operating for 12 hours per day, 365 days per year). However, in the case of using a 10-inch ePaper shelf labels, the power consumption over a 5-year battery lifespan would be 0.01 kWh. Assuming a carbon emission factor of 0.509 KgCO₂/kWh (based on the carbon emission coefficient announced by the Energy Bureau, Taiwan in 2021), the use of ePaper shelf labels instead of paper labels would help preserve approximately 15.2 million trees. Taking into account the carbon sequestration potential of a camphor tree with a diameter of 47 cm and a height of 11.01 meters, which is equivalent to 550.5 kilograms of CO₂ emissions, the global adoption of 30 million ePaper shelf labels would result in a reduction of approximately 8.37 million metric tons of CO₂ emissions.

For more information, please click to watch video



Note 2 : 1 piece 10" ePaper ESL Scenario, Power Consumption (for 5 years) 0.01KWH (with Batteries), Carbon Emission 0.509KgCO₂/KWH
 Note 3: 1 piece 10" TFT-LCD ESL Scenario, Power Consumption for 5 years = 118KWH (450mA, 12Hrs/Day, 365Days/Year), Carbon Emission 0.509KgCO₂/KWH

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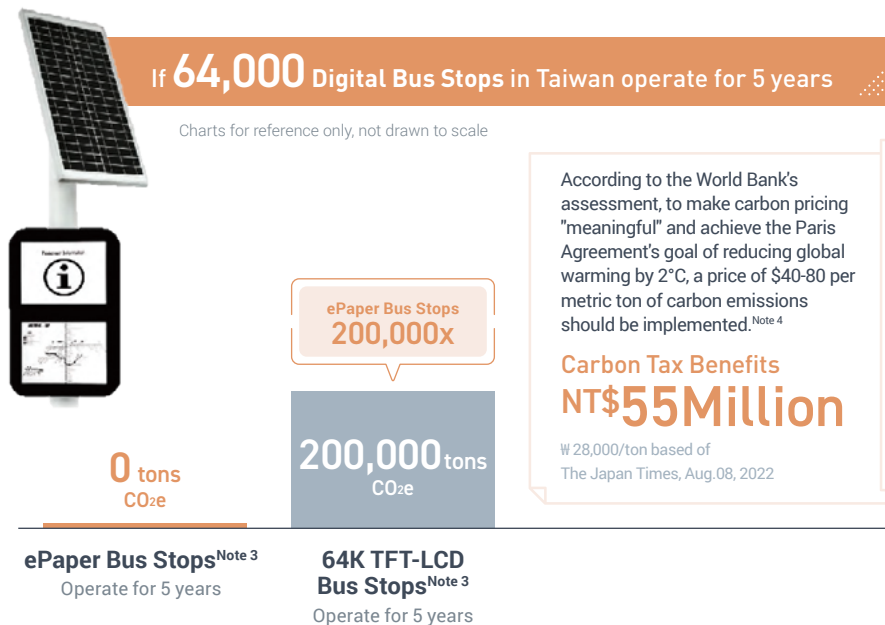
Green Products and Applications

03 ePaper Smart Bus Stop Displays
Replacing TFT-LCD displays to enable smart city transportation.

Assumption of Environmental Benefits

Considering the estimated 64,437 bus stops in Taiwan spanning across 22 counties and cities^{Note1}, utilizing 32-inch ePaper displays as the interface for smart bus stop signs is projected to result in a significant reduction of approximately 200,000 metric tons of CO₂e emissions over a 5-year period when compared to the usage of 32-inch TFT-LCD displays^{Note 2}. The adoption of ePaper technology, characterized by its ultra-low power consumption and its ability to provide clear visibility in outdoor environments, not only actively contributes to carbon emission reduction efforts but also minimizes light pollution, thereby fostering the development of a clean and sustainable smart city.

Note 1: Referring to Public Transport data eXchange platform
Note2 : Scenario- For signage applications, the energy consumption of a 32" TFT-LCD display is 3.4 kWh per day. Considering a carbon emission factor of 0.509 KgCO₂/kWh (as per the announcement by the Energy Bureau, Taiwan in 2021), the carbon emissions associated with this energy consumption can be calculated.



Note 3: Scenario, Power Consumption 3.4KWH/day (32" TFT-LCD), carbon Emission 0.502KgCO₂/KWH, 64,344Bus Stops (in Taiwan)
Note : Environmental Information Center

E Ink has introduced the world's first carbon-neutral bus operation system

Since 2018, E Ink and ecosystem partner have installed 1,500 solar-powered ePaper bus stop signs in Puxi District, Shanghai, China, which have been operating reliably for four years. In 2022, they implemented a carbon accounting system based on ISO 14064-1 to evaluate the carbon emissions of the 1,500 ePaper bus stop signs and the operation system of real-time bus arrival information transmission. The system emits only 42.9 metric tons of CO₂e per year, significantly lower than bus stop signs using TFT-LCD displays. By purchasing 50 metric tons of voluntary emission reductions (CCER) generated by solar photovoltaic power to offset all carbon emissions. Following the PAS 2060:2018 standard and undergoing on-site verification, it is officially declared that the 1,500 solar-powered ePaper bus stop signs in Puxi District, Shanghai, China have achieved carbon neutrality.





3-2-2 User Friendly Experiences

Digital Reading and Education: Vision Care for Readers

Features

- ePaper features ultra-low power consumption and a paper-like texture, making it suitable for prolonged reading sessions.
- The display principle of ePaper differs from self-illuminating displays such as TFT-LCD and OLED. It is non-emissive and does not flicker during long reading sessions, reducing eye fatigue and the risk of eye-related ailments and physiological health issues associated with blue light. It offers the education sector a non-harmful smart learning and teaching experience.

Effectiveness and recognition

- In 2021, the international testing and certification organization, TÜV Rheinland conducted scientific testing and evaluation in terms of reading comfort and visual health safety. It confirmed that ePaper is the display technology that most closely resembles paper and provides comfortable and eye-friendly reading experiences. It achieved a high Paper-like Screen Index (PSI) score of 90 (on a scale of 0-100, with higher scores indicating a closer resemblance to the reading experience on paper) and received the Quality-mark certification and the China-mark certification from TÜV Rheinland.
- In March 2023, E Ink and the Harvard School of Public Health jointly published a peer-reviewed study on the impact of displays on human retinal cells. The results revealed:
 - Spectra of light from displays is a leading trigger for stress on retinal cells.
 - Retinal cells stressed by blue light produce "reactive oxidative species" (ROS), which can accumulate during prolonged times of viewing, thereby leading to photo-oxidative retinal damage.
 - Devices including E Ink's ComfortGaze™ front light were up to three times less stressful for retinal cells than LCD devices.
 - Color temperature settings can impact stress levels on retinal cells, but LCD color adjustments to day or night mode are less effective than using lighting solutions with spectra engineered for eye safety.
 - E Ink devices without a front light do not emit any blue light to stress retinal cells.

Products and Applications

eReader

eNote

For more information, please click to watch video

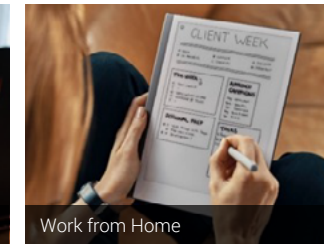
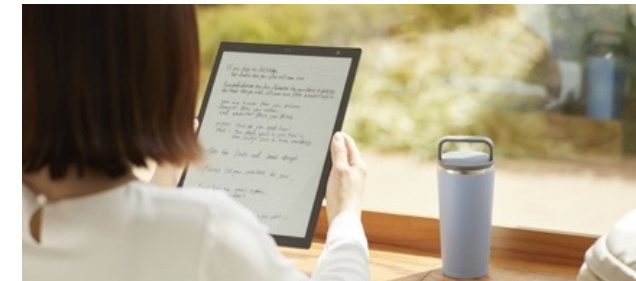


Promoting Sustainable Paperless Offices Reducing the Carbon Footprint of the Workplace

In 2022, E Ink collaborated with ITOCHU Corporation, a comprehensive trading company in Japan, to target the Japanese corporate market. E Ink and ITOCHU we launched the ALTERIC NOTE eNote, aiming to assist businesses in transitioning from paper-intensive office environments to digitally efficient and sustainable workplaces.

Taking a financial institution with 125 branches as an example, the adoption of eNote resulted in an annual reduction of 16.5 million A4 paper sheets and an indirect decrease of 1,100 metric tons of CO₂ emissions.

As an example, a financial institution with 125 branches saves 16.5 million A4-sized paper sheets each year when they adopt an eNote using E Ink's technology, and contributes approximately 1,100 tons of CO₂ reduction each year.



For more information, please click to watch video



Smart Healthcare: Decentralized Healthcare Ecosystem

The future of smart healthcare is transitioning towards a decentralized model, extending medical care services beyond the confines of hospitals. Hospitals or medical centers will primarily focus on treating critically patients, while general disease treatment can be provided at local clinics, and chronic disease management relies on long-term care facilities or home-based care (Hospital at Home). To sustain this comprehensive healthcare system, healthcare professionals will rely on various digital healthcare display technologies and wearable devices integrated with IoT, big data, and artificial intelligence (AI) to monitor patients' health conditions in real-time. Additionally, specialized telemedicine teams and home care providers will be essential in creating a decentralized healthcare ecosystem.

For more information, please click to watch video

Features

- ePaper, unlike TFT-LCD and OLED displays, consumes less energy and can maintain information display even without power. It offers non-emissive display, eliminates blue light hazard, and minimizes disruption to patients' rest. Additionally, ePaper exhibits features such as easy installation, excellent visibility, lightweight design, durability, and effortless cleaning. These features position ePaper as an optimal display solution for IoT healthcare products, as well as wearable and portable smart medical devices.

Products and Applications

Smart Healthcare Management: Bedside cards, door access cards, medical care information displays, identification cards, mobile epidemic information displays, electronic medical records, and consent form signing systems.

Telemedicine or wearable medical devices: Blood glucose monitors, physiological monitoring smartwatches, AI digital stethoscopes, and fall prevention systems.

Effectiveness and recognition

- In 2019, the world's largest 42-inch medical care information exchange board and 13.3-inch ePaper bedside cards were installed in the geriatric ward of National Cheng Kung University Hospital to comprehensively validate the system and strengthen the integration of research and education through practical field verification.
- In 2022, the introduction of ePaper applications in bedside cards, room access cards, bus station signs, and shuttle station signs at the Biomedical Park Hospital of National University Hospital, Hsinchu Branch helped create a paperless, low-carbon, and environmentally friendly smart hospital.

The non-emissive nature of ePaper ensures that it does not disturb patients' rest and tranquility. With no blue light emissions, it eliminates the potential harm caused by blue light. These characteristics make ePaper highly suitable as a digital display solution in medical and healthcare settings.



Door Access Card

Bedside Card

eNote: Evaluation and Agreement Form



Bedside Card / Room Sign

Consent Form/ Evaluation Form

Intravenous Drip Card

Mobile Epidemic Prevention Information Board

Waiting Sign

Badge

Medical Care Information Board

Mobile e-nursing Cart

Abbott Free Style Blood-glucose Meter

Health Care Smart Watch

Sonavi Labs AI Digital Stethoscope

Medicine Cart Kit Label

Palarum PUP® Fall Prevention System



Palarum PUP® Fall Prevention System

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3-2-3 Applications for Smart Life

Smart Aviation: Paperless Transportation Process

In recent years, the impact of the pandemic has prompted airlines to move towards digitization. They have introduced Electronic Bag Tags (EBTs), utilizing wireless transmission and battery-free ePaper technology, along with flexible ePaper. Through airline apps and cloud-based authorization, electronic baggage tags are generated, and smartphones with built-in NFC function are used to acquire power, enabling data communication and display updates. This approach not only reduces the waste of single-used baggage tags but also significantly enhances overall efficiency for airport ground staff while minimizing contact opportunities. It facilitates effective control of airport health measures.

Features

- Wireless transmission and battery-free ePaper in conjunction with flexible ePaper
- The ePaper display allows for clear visibility of logistics information and barcodes. Through testing, the ePaper EBT barcode scanning error rate was found to be less than 1%, which is lower than the 3% error rate of printed paper labels.
- It effectively improves luggage handling speed, reduces waiting time for passengers at the airport, significantly minimizes personnel contact, increases the probability of retrieving luggage, and lowers error rates.

Products and Applications

Smart luggage tags

Pictures



Smart Logistics: New Model for Sustainability

In recent years, governments and consumers worldwide have actively promoted the use of recyclable or shared logistics containers to reduce the excessive consumption of disposable packaging. By utilizing green technology such as ePaper as the information display interface for reusable packaging and logistics containers, and integrating smart green packaging, information technology, and digital platforms into logistics packaging solutions, a sustainable and low-power ePaper-based electronic waybill interface can be developed. This enables the reuse of packaging and labels, leading to the development of a shared logistics business model that reduces the consumption of natural resources.

Features

- By using green technology, ePaper as the information display interface for reusable packaging and logistics box, the usage of paper labels can be effectively reduced.
- Wireless transmission technologies such as NFC or UHF can be used to power and drive the ePaper for updating the display content, eliminating the need for batteries or additional power sources.
- It enables real-time status updates, reduces labor costs, lowers error rates, and improves operational efficiency.
- Reduces paper waste.

Products and Applications

Smart ePaper reusable logistics box

Smart ePaper logistics box

Pictures



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Smart Retail: Low-carbon Digital solutions

Global retailers are actively embracing digital transformation to adapt to the evolving consumer landscape driven by technological advancements and e-commerce. The COVID-19 pandemic has further accelerated the integration of online and offline channels, creating an omni-channel retail environment. Concurrently, retailers are aligning themselves with the global sustainability trend, striving to achieve net-zero carbon emissions. By employing electronic shelf labels with dynamic pricing display capabilities, they eliminate the need for single-used paper labels and manual replacements, resulting in improved environmental sustainability, enhanced labor efficiency, and increased accuracy. This innovative solution empowers retail establishments to expedite their journey towards sustainable, zero-carbon operations.

Features

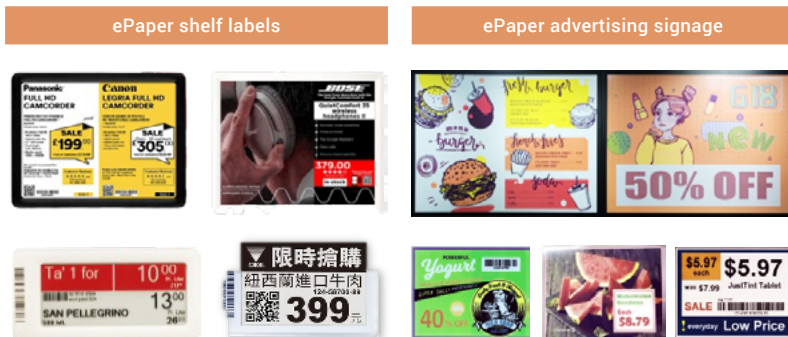
- ePaper consumes negligible power when displaying static content, making it a highly energy-efficient display technology compared to other alternatives in similar applications. For instance, a 10-inch LCD advertising panel used in retail stores consumes nearly 12,000 times more power over a 5-year period compared to a ePaper advertising signage, resulting in significant energy savings.
- With a wide viewing angle of nearly 180 degrees, ePaper remains highly readable under various lighting conditions, akin to traditional paper.
- Offering high contrast and vibrant colors, capturing the attention of consumers and enhancing visual appeal.
- Electronic shelf labels, integrated with software systems, enable wireless and rapid content updates, reducing the need for manual labor, minimizing human contact, and lowering the error rate associated with manual label replacements.

Products and Applications

Black and white or color ePaper shelf labels

Black and white or color ePaper advertising signage

Pictures



Smart Transportation: Energy Saving Display

As smart cities continue to develop, providing the public with real-time information and convenient smart communication experiences while balancing ecological conservation and urban aesthetics becomes a key challenge for sustainable smart cities. Cities are committed to ensuring that the public can access information through safe and reliable modes. However, it is also important to consider the carbon footprint generated by smart city solutions and the power consumption for lighting. Using e-paper as a display solution becomes the most energy-efficient and sustainable option.

Features

- Reflective ePaper exhibits features of non-emissive light and ultra-low power consumption. ePaper signage devices can be integrated with solar panels or renewable energy power systems, eliminating the need for additional electrical connections and overcoming the limitations of wired installations. The ePaper signage is a digital solution that provides benefits of human-friendly, non-light-polluting, and zero-carbon-emission.

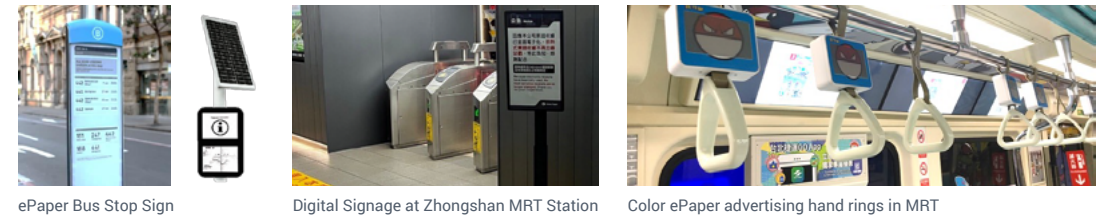
Products and Applications

ePaper signage: Smart bus stop signs, public information display, parking fee displays, parking signage, fuel price boards, carriage information sign, crowd control smart display boards.

Advertising signage: Mass transit color advertising hand rings, full-color ePaper advertising signage

Public information display: Epidemic prevention and awareness boards, airport home quarantine taxi boards

Pictures



E Ink, in collaboration with multiple partners, has introduced ePaper bus stops worldwide

As of December 2022, a total of 16,835 ePaper bus stop displays have been implemented globally, with 1,263 in Taiwan, 1,005 in the United States, 7,717 in Europe, and 6,850 in the Middle East. ePaper displays consume minimal power only during screen refresh, making them a low-carbon and environmentally friendly infrastructure. In the era of digital transformation, ePaper bus stop signs assist governments in achieving their net-zero carbon emission goals and accelerate the transition towards a sustainable future.

3-3 External Engagement and Recognition

3-3-1 Awards and Recognitions

2023 Taiwan Excellence Gold Award

E Ink Prism™ Color Changing ePaper

By utilizing a dual-color electronic ink system, which consists of white ink particles and another color ink particles, color-changing ePaper can display gradients or flashing effects through programmed control. E Ink Prism™ can be cut to fit different surface shapes, offering industrial designers, interior designers, architects, and artists the ability to transform static objects such as vehicle bodies, products, building facades, and artworks into dynamic smart surfaces, creating unique atmospheres and interactive experiences. The BMW iX Flow concept car introduced by BMW utilizes E Ink Prism™ variable-color ePaper, allowing the exterior color of the car to transition from black to white in a flowing manner. With minimal power required for screen updates, products designed with E Ink Prism™ can be paired with solar-powered systems, providing designers with a digitally advanced and environmentally friendly material.



For more information, please visit the website [↗](#)

Smart Display Application Awards - Smart Retail Award

E Ink Spectra 3100 Four-Color ePaper

E Ink Spectra™ 3100 features vibrant black, white, red, and yellow colors. It reduces the display refresh rate and expands the temperature range for optimal display of yellow and red colors, catering to the diverse environmental requirements of ESL (Electronic Shelf Label) applications in retail stores. Furthermore, the E Ink Spectra™ 3100 ePaper module, paired with the latest All-in-One Driver IC, enables support for various sizes, high quality, and high-resolution ESL.



For more information, please visit the website [↗](#)

2022 Taiwan Innotech Expo Invention Competition - Bronze Medal

Battery-free Color ePaper Device

Battery-free color ePaper Devices combine the features of color ePaper with wireless power technology. These devices utilize the low power consumption of ePaper displays and operate without batteries, thanks to wireless power transmission. When a display update is required, the wireless power transmitter module supplies power to the device's control IC, enabling Bluetooth data transmission between the device and an application program on a computer or mobile phone. This allows for the update of the color ePaper display. Once the update is completed, the wireless power transmitter module can be removed, creating a battery-free application. The advantage of wireless power in battery-free applications is that it provides power only when necessary, saving energy during long standby periods. This solution is an excellent alternative in situations where battery usage is not feasible.



For more detailed information, please visit E Ink official website [↗](#)

2022 SDIA Award- Silver Medal

Foldable Color ePaper Technology

E Ink's flexible and foldable full-color ePaper, E Ink Gallery™ 3, offers improved black and white text page-turning speed of up to 350 milliseconds. In fast color display mode, the refresh rate is 500 milliseconds, while the standard mode ranges between 750 and 1,000 milliseconds. When using the best color display mode, the screen can be updated in as little as 1,500 milliseconds. It achieves a full-color gamut display effect, and the writing latency is controlled to approximately 30 milliseconds. Additionally, it incorporates E Ink ComfortGaze™ anti-blue light technology to reduce the impact on visual health.



For more information, please visit the website [↗](#)

For more information about E Ink's award-winning achievements in 2022, please visit "Awards" at E Ink official website.

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3-3-2 Participation in Exhibition and Events

CES 2022

In 2022, E Ink collaborated with BMW, Premium Automaker, to showcase the concept car, BMW iX Flow, at the Consumer Electronics Show (CES 2022) in the United States. The concept car featured E Ink Prism™, the color-changing ePaper technology, allowing for customizable patterns and materials through programmed design. In addition to personalization, a variable exterior also contributes to the efficiency of the vehicle. By nature, a white exterior on hot days would reflect sunlight and conversely, a black exterior on cold days would absorb the sunlight. This could reduce the amount of energy the vehicle uses for heating and cooling the interior. This unique technology enabled the concept car to change its appearance with minimal power consumption, aligning with the mission of sustainable development in electric vehicles.



For more information, please click to watch video [▶](#)

For more information, please visit the website [↗](#)

HIMSS 2022

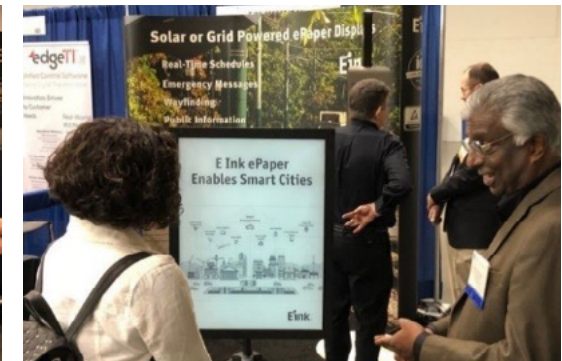
E Ink collaborated with its ecosystem partner, Avalue, to showcase the ePaper application in smart healthcare at the Healthcare Information and Management Systems Society (HIMSS) in the United States. Due to its non-emissive and low-power characteristics, ePaper is used in various applications such as bedside cards, medical information boards, and ward door cards, reducing medication information errors and alleviating the workload of healthcare professionals. This enables patients to receive more comprehensive care and improves overall healthcare efficiency.



For more information, please visit the website [↗](#)

Smart Cities Connect

ePaper's clear visibility under bright outdoor conditions makes it a suitable choice for public information displays and bus stop signs. Its low power consumption advantage enables ePaper to operate using solar panels and batteries, eliminating the need for power grid connection. This contributes to the sustainable goals of smart cities by reducing energy consumption and promoting environmentally-friendly solutions.



For more information, please visit the website [↗](#)

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AONL

At the American Organization for Nursing Leadership (AONL) conference, E Ink showcased the applications of ePaper in smart healthcare. Due to the advantages of low power consumption, easy installation, and absence of blue light emissions, ePaper is well-suited as a interface for communication between healthcare providers and patients.

For more information, please visit the website [↗](#)



K-Display 2022

At iMiD K-Display 2022, the largest display exhibition in South Korea, E Ink showcased its latest generation of color ePaper technologies and a range of low-carbon and energy-efficient ePaper applications. In order to increase market penetration in South Korea and create more collaborative opportunities.

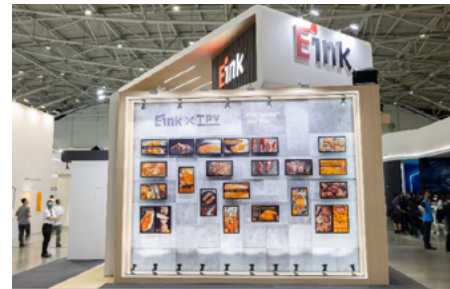
For more information, please visit the website [↗](#)



Touch Taiwan 2022

With the theme "We Make Surfaces Smart & Green," E Ink actively participated in the Touch Taiwan 2022 held from 27th to 29th, April, 2022. The exhibition showcased the latest advancements in three major color ePaper technologies, including flexible, rollable, and foldable full-color ePaper technologies. Furthermore, the exhibition demonstrated the company's continuous development of power-saving technologies for ePaper modules and application systems.

For more information, please click to watch video [▶](#)



SID 2022

At the Society of Information Display's Display Week (SID) 2022 held in San Jose, USA, E Ink showcased its latest ePaper technologies and smart healthcare applications. The highlights included the innovative ePaper Film technology, E Ink JustTint™, with adjustable transparency; the dynamic and smart display technology, E Ink Prism™, used on the surface of the BMW iX Flow concept car; and the E Ink Spectra™ 3100 Plus, a five-color ePaper designed for the retail sector. Additionally, the event featured the E Ink Gallery™ 3, a full-color ePaper that enables sustainable digital reading, the next-generation print-color ePaper, E Ink Kaleido™ 3, coupled with the new front-light technology, E Ink ComfortGaze™, providing a blue light-safe reading experience.



For more detailed information, please visit our official website [↗](#)

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FLEX Taiwan 2022

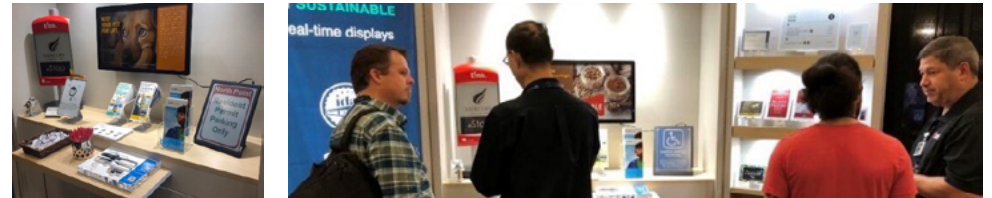
E Ink showcased its latest color flexible ePaper and applications at FLEX Taiwan 2022, organized by SEMI. The company also participated in physical forums to share insights on flexible electronic ink displays and applications that are suitable for thin, durable, and bendable formats, as well as rollable displays.



[For more information, please visit the website](#)

IoT World 2022

At IoT World in Austin, Texas, USA, E Ink showcased the diverse ePaper applications of IoT scenario. This included smart retail advertising displays, ESL, digital license plates, eReader, and eNote devices. The exhibition highlighted the versatility and potential of ePaper technology in various IoT applications.

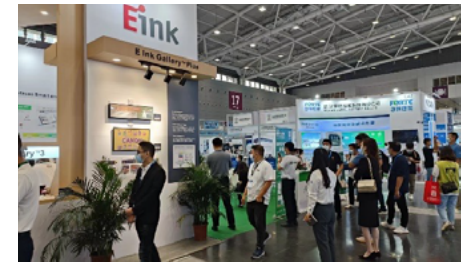
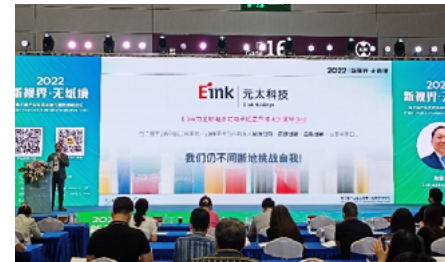


[For more information, please visit the website](#)

IOTE 2022

At the IOTE 2022 exhibition in Shenzhen, E Ink actively showcased its color ePaper technology and a variety of low-carbon, energy-efficient IoT ePaper applications. During the summit, they delivered a presentation titled "Current Status and Trends in the Development of Color and Flexible ePaper Technology," highlighting the advancements in ePaper technology. This marked the first time that numerous strategic partners of the industry alliance came together in the ePaper zone to collectively shape the future prospects of ePaper.

[For more information, please click to watch video](#)



CEATEC 2022

At the CEATEC 2022 exhibition in Tokyo, Japan, E Ink showcased its latest generation of three major color ePaper technologies and a variety of low-carbon and energy-efficient ePaper applications. The company also invited numerous partners to join its booth, demonstrating the evolution and diverse applications of ePaper technology.

[For more information, please visit the website](#)



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Green Production

Low-Carbon and Energy Saving Operations and Manufacturing



Performance Achievements ▶▶▶

Achieved **100%** completion of greenhouse gas inventory and external verification in all global sites

Completed **2** product carbon footprint assessments and verified external



Achieved a renewable energy usage rate of **21%**



Decreased greenhouse gas emissions by **↓13%** compared to the previous year



Reduced greenhouse gas intensity by **↓43%** compared to the previous year



Decreased water intensity by **↓39%** compared to the previous year

Joined the EP100 initiative, achieving a **↑↑102% increase** in energy productivity compared to 2018

Submitted the first Climate Change questionnaire to CDP and achieved a **B management rating**

Completed identification, analysis, evaluation, and mitigation measures for climate-related risks and opportunities following the Task Force on Climate-related Financial Disclosures(TCFD) framework

Commitment to setting the **Near-term target** by 2030 and **Net-zero carbon emissions** target by 2040, all based on Science Based Targets (SBT)

Management Approach of Sustainable Topics ▶▶▶

Response to Climate Change

Climate Change Mitigation and Adaption ✓ Material topics

Comparison of GRI Sustainability Topics and Guidelines
201-2 Financial implications and other risks and opportunities due to climate change

Policy Commitments
E Ink has established its "E Ink Policy on Safety, Health, Environment, and Energy Management" (the following is referred to as the SHEE management policy) and utilizes the Task Force on Climate-related Financial Disclosures (TCFD) to assess risks and opportunities associated with climate change. This enables us to set reduction targets and consistently promote initiatives and measures for energy conservation and carbon reduction.

Stakeholders Engagement
Stakeholders: Customer, supplier, government agency

- E Ink has established a clear path towards achieving net-zero carbon emissions and conducts regular performance reviews to assess its progress
- E Ink complies with legal requirements by conducting annual greenhouse gas emission inventories and reporting
- Every year, E Ink conducts an inventory of the group's greenhouse gas emissions and energy usage in accordance with ISO 14064-1. These figures are verified by third parties to ensure accuracy and serve as validation of its reduction efforts.
- E Ink annually completes the CDP climate change questionnaire and review the rating received. This process allows us to continuously enhance its climate change management practices.

Sustainability KPIs	Management Objectives	Short-term Goals (2023)	Mid-term Goals (2025)	Long-term Goals (2030)
SHEE policy	SHEE policy management	Publishing revised version of SHEE management policy	Reviewing SHEE management policy annually	
Environmental initiatives	Environmental related initiatives	Targets pass sbti verification Achieving leadership level (A- score) on climate change questionnaire by CDP	Achieving leadership level (A score) rating on climate change questionnaire by CDP	Achieving RE100 Implement of iso 50001 energy management system verification to global operation sites
Risks and opportunities	Management of climate related risks and opportunities	Completing financial impact of climate-related risks and opportunities by TCFD framework	Completing the identification, analysis, assessment, and mitigation of climate-related risks and opportunities	Reviewing financial impact of climate-related risks and opportunities
Internal carbon pricing	Internal carbon pricing framework	Implementing internal carbon pricing	Implementing internal carbon pricing continuously	Planning internal carbon pricing mechanism

Transformation Path to Net Zero

Energy Management ✓ Material topics

Comparison of GRI Sustainability Topics and Guidelines
302-1 Energy consumption within the organization
302-3 Energy intensity
302-4 Reduction of energy consumption
305-3 Other indirect (Scope 3) GHG emissions

Policy Commitments
In addition to implementing the SHEE management policy, E Ink is also committed to achieving the goal of 100% renewable energy usage across all global sites by 2030 as part of the RE100 initiative. Furthermore, we aim to reach net-zero carbon emissions by 2040

Stakeholders Engagement
Stakeholders: Customer, supplier, government agency

- E Ink has established a clear path towards achieving net-zero carbon emissions and conducts regular performance reviews to assess its progress.
- E Ink complies with energy reporting requirements mandated by law and have implemented ISO 50001 management system standards. This allows us to establish systematic procedures and continuously improve through the PDCA (Plan-Do-Check-Act) cycle.
- E Ink strives not only to comply with but also to surpass government energy regulations. For electricity consumption above a certain threshold, we are committed to purchasing a specific quota of renewable energy. By 2030, our goal is for renewable energy to account for 100% of our total electricity consumption
- Through its sustainability reports, E Ink regularly discloses information on energy usage and energy-saving initiatives. Additionally, E Ink provides additional details on the carbon footprint of its products, enhancing product visibility and strengthening overall energy and carbon management.

Sustainability KPIs	Management Objectives	Short-term Goals (2023)	Mid-term Goals (2025)	Long-term Goals (2030)
Energy & electricity	Energy productivity	USD 10 thousand/ MWh	USD 10 thousand/ MWh	USD 10.5 thousand/MWh Implement of ISO 50001 energy management system verification to Global operation sites
Renewable energy	Renewable energy consumption percentage	25%	40%	100%
Greenhouse gas	Absolute target of GHG emission	GHG emission (Scope 1 and 2): 42,600 ton. CO ₂ e	GHG emission (Scope 1 and 2): 55,000 ton. CO ₂ e	GHG emission (Scope 1 and 2): 4,000 ton. CO ₂ e
		GHG emission (Scope 1): 3,600 ton. CO ₂ e	GHG emission (Scope 1): 4,000 ton. CO ₂ e	GHG emission (Scope 1): 4,000 ton. CO ₂ e
	Carbon emission intensity (Scope 1 and 2)	10% reduction compared to the baseline year	30% reduction compared to the baseline year	70% reduction compared to the baseline year

Note: The baseline year is 2021

Water Resources ✓ Accessory topics

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
Water resources	Water consumption	3% reduction compared to the baseline year	5% reduction compared to the baseline year	10% reduction compared to the baseline year
	Recycling rate of water consume during production	50%	55%	60%
	Intensity of water consumption	10% reduction compared to the baseline year	20% reduction compared to the baseline year	30% reduction compared to the baseline year

Resource Management and Circular Economy ✓ Material topics

Comparison of GRI Sustainability Topics and Guidelines

- 306-1 Waste generation and significant waste-related impacts
- 306-2 Management of significant waste-related impacts
- 306-3 Waste generated
- 306-4 Waste diverted from disposal
- 306-5 Waste directed to disposal

Policy Commitments

E Ink actively implements the SHEE management policy to proactively audit the flow of waste, reduce environmental pollution, conserve production raw material resources, implement process recycling and waste reduction measures, and foster a circular economy model

Stakeholders Engagement

Stakeholders: Customers, suppliers, government agencies, communities, and society

- E Ink establishes a group-wide reduction plan and conducts regular performance reviews to assess its implementation
- E Ink continuously adheres to the ISO 14001 management system, setting waste reduction and resource utilization goals. Through the PDCA cycle, E Ink strives for ongoing improvements
- E Ink strictly adheres to environmental regulations, conducting regular audits and updating relevant information. E Ink also conducts periodic environmental monitoring and reporting to ensure real-time emission information is captured

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
Production and waste reduction	Chemical usage per unit of product	3% reduction compared to the baseline year	5% reduction compared to the baseline year	10% reduction compared to the baseline year
	General waste recycling rate	Achieving a waste recycling rate of 50%	Achieving a waste recycling rate of 55%	Achieving a waste recycling rate of 60%
Waste	Implementation of product recycling/circular economy project	Achieving implementation of 1 product recycling project	Cumulatively achieving implementation of 3 product recycling/circular economy projects	Cumulatively achieving implementation of 5 product recycling/circular economy projects

Air Pollution ✓ Accessory topics

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
Air pollution	Reduction of VOC (volatile organic compounds) emissions	10% reduction in VOC emissions compared to the baseline year.	20% reduction in VOC emissions compared to the baseline year.	30% reduction in VOC emissions compared to the baseline year.

Note: The baseline year is 2021



4-1 Environmental Protection

SHEE (Safety, Health, Environment, and Energy) Management Policy

E Ink is a global leader in electronic paper display technology, dedicated to developing advanced technologies, providing revolutionary products, and delivering superior user experiences while also creating positive environmental impacts. Through the establishment of the "E Ink Policy on Safety, Health, Environment, and Energy Management" (the following is referred to as the SHEE management policy), E Ink commits to proactively setting strategies, management goals, and quantifiable performance indicators for sustainability issues including environmental protection, occupational safety and health, climate change, water resources, waste management, and energy consumption. By utilizing appropriate systems, methods, and tools, E Ink ensures effective management, proposes solutions, and implements them into the daily operations and production controls of the organization. This approach aims to achieve important objectives such as clean production and waste reduction, climate change mitigation and adaptation, safe operations and the well-being of workers (including employees, contractors, subcontractors, and relevant external stakeholders), as well as energy efficiency and innovation. E Ink also maintains regular disclosure of its environmental, occupational health and safety, and energy management performance to facilitate communication and engagement with stakeholders.

For more detailed information, please visit our official website →

► Driving Organizational Structure

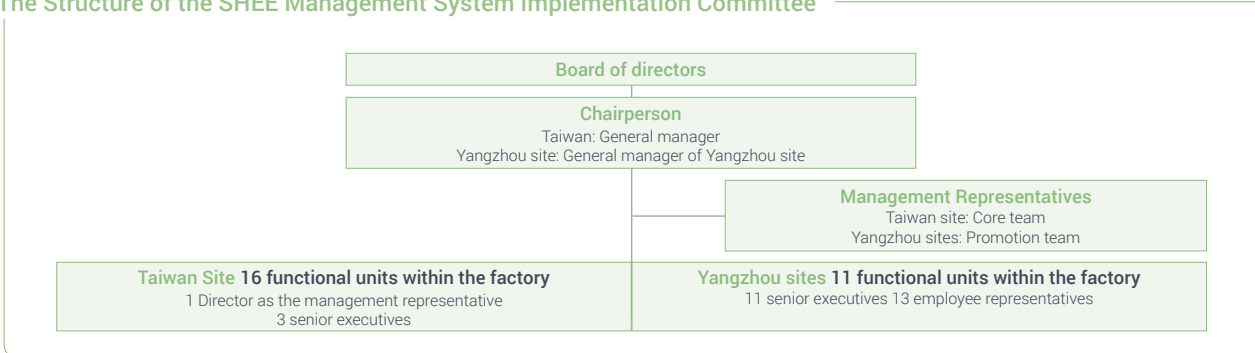
E Ink has established the SHEE Management System Implementation Committee and formed safety, health, environment, and energy promotion teams at each of our sites, who are responsible for driving the related initiatives, facilitating communication and coordination across departments, and managing relevant matters, including interactions with government agencies and industry associations.

Furthermore, E Ink has elevated the SHEE management policy to the level of board approval and governance, enhancing its governance framework. This ensures that our commitment to environmental protection, occupational safety and health, and energy management is reinforced at the highest level of decision-making within the company.

Responsibilities of the SHEE Management System Implementation Committee



The Structure of the SHEE Management System Implementation Committee



Establishment of International Environmental Management Systems

► Environmental Management System Implementation

Since 2002, E Ink's various sites have gradually adopted various international environmental management systems to establish systematic procedures and continuously improve environmental, health, safety, and energy management through the Plan-Do-Check-Act (PDCA) cycle. In 2022, E Ink not only conducted carbon footprint assessments for two product modules according to ISO 14067 but also conducted greenhouse gas inventories for all sites according to ISO 14064-1. Third-party verification statements were obtained to identify key sources of greenhouse gas emissions and provide a basis for future emissions reduction efforts in achieving net-zero carbon emissions transformation.

International Environmental Management Systems	Target			
	2022	2023	2025	2030
ISO 14001:2015 Environmental management system external verification coverage ^{note1} (%)	75 ^{note2}	100	100	100
ISO 50001:2018 Energy management system external verification coverage ^{note1} (%)	50	75	100	100
ISO 14064-1:2018 Greenhouse gas inventories external verification coverage (%)	100	100	100	100
ISO 14067:2018 Product carbon footprint categories	Cumulative two product categories	Cumulative two product categories	Cumulative two product categories	Cumulative two product categories

Note 1: Scope covers global operations centers, including the Hsinchu, Linkou, Yangzhou, and South Hadley sites in the USA.

Note 2: Completed system implementation includes the Taiwan and Yangzhou sites.

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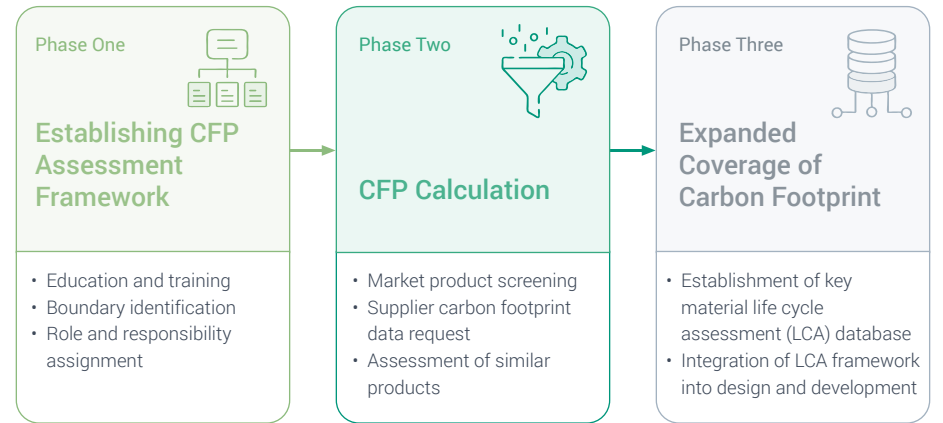
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Continuously Expanding the Coverage of Carbon Footprint (CFP)

E Ink, as an upstream company in the ePaper product ecosystem, works hand in hand with suppliers and customers to produce environmentally friendly and low-carbon products. Green manufacturing has always been a key focus for E Ink. In addition to implementing greenhouse gas assessments and reduction measures within the organization, E Ink also promotes a three-stage plan for Carbon Footprint (CFP) assessments of its products. This plan aims to drive carbon reduction efforts across the value chain, in order to explore the carbon reduction potential throughout the product life cycle and achieve the goal of reducing product carbon footprints.

E Ink's products encompass ePaper materials, films, and modules, which are supplied to downstream customers through a Business to Business (B2B) business model. These components are further assembled into end products featuring ePaper displays. E Ink's product assessment boundary extends from cradle to gate, encompassing the calculation of carbon emissions during the material sourcing and manufacturing stages. However, the responsibility for end-product recycling does not fall within E Ink's scope. Nonetheless, E Ink actively collaborates with downstream customers to facilitate the potential for end-product recycling.

In 2022, E Ink adhered to the ISO 14067 standard for Product Carbon Footprint. In addition to establishing a CFP assessment framework, E Ink successfully completed CFP assessments for two products, achieving the objectives of stages one and two. E Ink is now advancing towards stage three, aiming to incorporate carbon footprint parameters of raw materials into material selection considerations for the future.



The Boundary of E Ink's CFP Assessment



The Results of the 2022 Assessment

Product Name	Carbon Footprint Data	Carbon Footprint Composition		The Future Direction for Optimization will Focus on Reducing Carbon Emissions in these Identified Areas
		Raw Material Acquisition	Manufacturing	
6.8-inch ePaper Reader Module	3.30kg CO ₂ e per unit	66.5%	33.5%	The main energy hotspots identified for optimization are as follows: Raw Material Stage: TFT (Thin-Film Transistor) substrate of the component Manufacturing Stage: Energy consumption related to power usage
2.9-inch Electronic Shelf Label Module	0.59kg CO ₂ e per unit	37.8%	62.2%	

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4-2 Transformation to Net Zero

4-2-1 E Ink's Net Zero Carbon Emission Commitment and Pathway to 2040

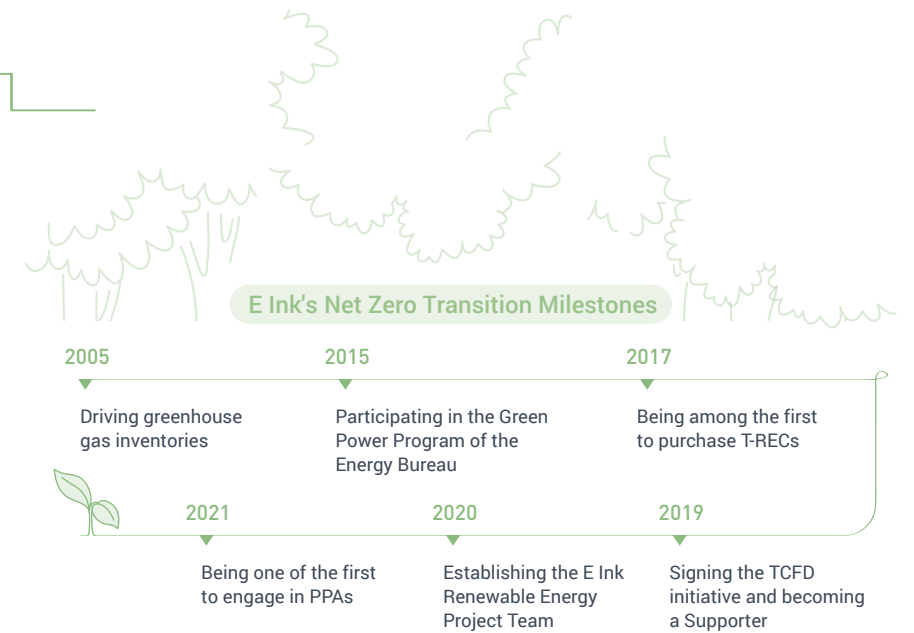
Participating in Climate Change Initiatives and Aligning with the International Community

E Ink's carbon management framework outlines the company's commitment and strategies to address global climate change and carbon-related issues. Since 2005, E Ink has conducted greenhouse gas inventories and third-party verifications, while also promoting ISO verification for internal environmental and energy management systems. Starting in 2019, E Ink has disclosed climate change-related financial information in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework.

In 2022, E Ink joined various global initiatives including RE100, Science-Based Targets initiative (SBTi), The Climate Pledge, and EP100, declaring the company's determination to achieve net-zero carbon emissions by 2040. E Ink is dedicated to collaborating with its value chain to reach this goal.

Climate Change Initiatives and Actions in 2022

Climate Change Initiatives and Actions	Commitment
Integration and revision of SHEE management policy	-
Establishment of committees and task groups for the implementation of integrated SHEE management systems	-
The first display company to join RE100	Commitment to achieving 100% renewable energy by 2030
Joining SBTi	E Ink commits to following the SBTi methodology and setting near-term reduction targets for greenhouse gases (Scope 1, 2, and 3) by 2030, aligned with the global warming scenario of 1.5° C. Additionally, we will establish a Net-zero carbon emission target by 2040 for the same scope.
The world's first display company to join "The Climate Pledge"	Commitment to achieving net-zero carbon emissions by 2040
The first electronic industry in Taiwan to join EP100 for energy efficiency improvements	Commitment to implementing ISO 50001 energy management system in all global manufacturing sites by 2030. Commitment to doubling energy productivity by 2040 compared to the baseline year of 2018.
Filling out the CDP climate change questionnaire for the first time	-



E Ink became the first company in Taiwan's electronics industry to join the EP100 initiative

In 2022, E Ink became the first electronic company in Taiwan to join the EP100 climate initiative, launched by the Climate Group. E Ink committed to improving energy efficiency and pledged to implement ISO 50001 energy management systems in all its global operating centers by 2030. Furthermore, E Ink aims to double its energy productivity by 2040 compared to the baseline year of 2018.

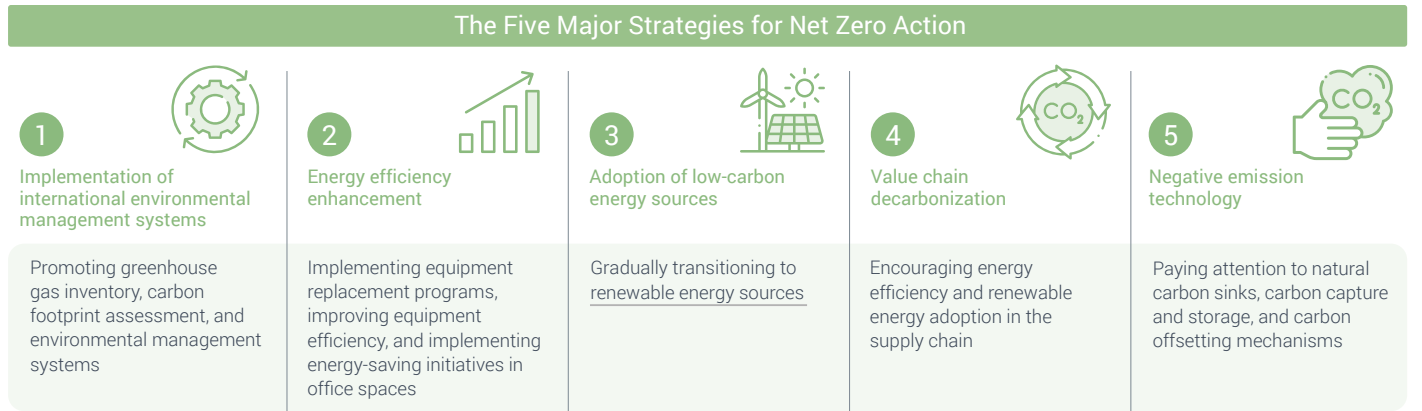
Since transitioning from LCD display manufacturing to ePaper film and display manufacturing, E Ink has achieved significant revenue growth while keeping energy usage relatively stable. This led to a substantial increase in energy productivity, with E Ink reaching 9.9 thousand USD/MWh in 2022, a 102% improvement compared to the 2018 baseline of 4.9 thousand USD/MWh. E Ink successfully accomplished its interim energy productivity target.

EP100 is an initiative that calls on global companies to actively respond through three approaches: "doubling energy productivity," "implementing energy management systems," and "net-zero carbon buildings." Currently, more than 120 companies worldwide have committed to EP100. The initiative encourages businesses to enhance productivity by adopting smarter and more efficient energy use practices. It requires committed members to submit annual energy savings reports, aiming to reduce greenhouse gas emissions and mitigate the impact of climate change. Ultimately, EP100 envisions businesses reducing long-term operational costs and climate-related risks while contributing to the global efforts of mitigating global warming.

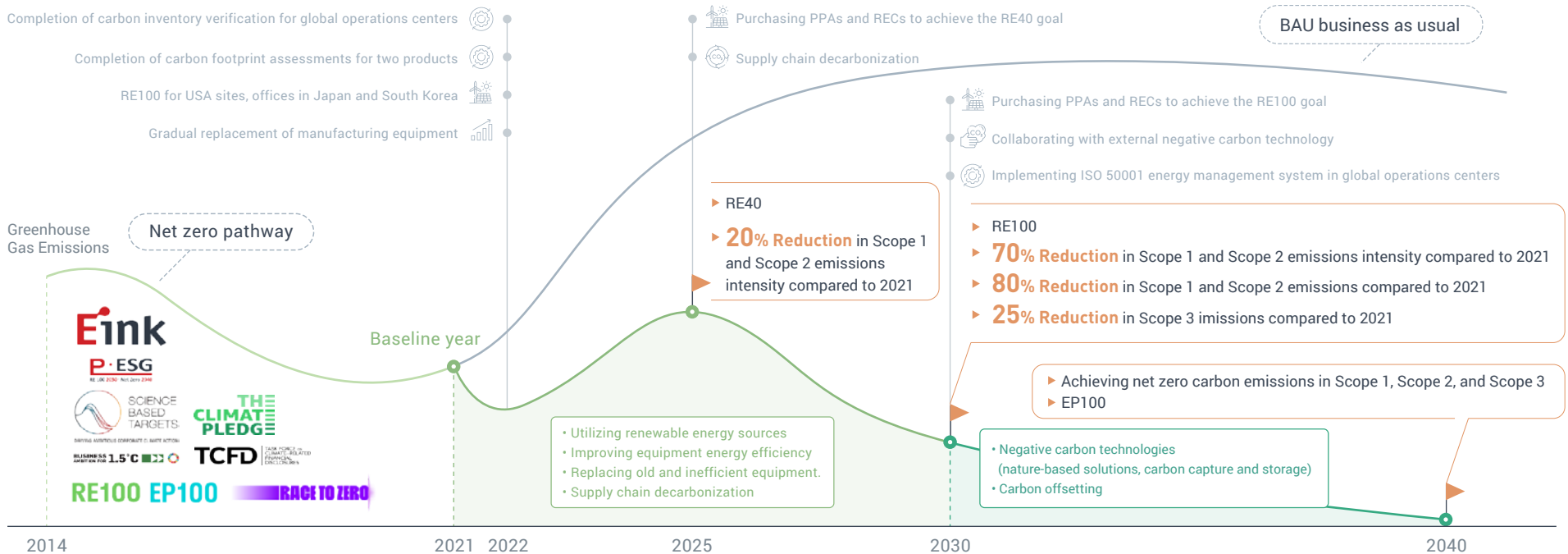
Strategy to Achieve the Goals

In order to make net zero not just a slogan but also align with the international net zero emission goals, E Ink has developed five major reduction strategies and a net zero carbon emission pathway based on the year 2021 as a baseline. With a continuous expansion of production capacity, E Ink is committed to achieving carbon peak by 2025 and gradually reducing the total emissions along the value chain each year, aiming to reach the net zero emission target by 2040.

In 2022, E Ink implemented various carbon reduction measures based on the Net-zero pathway. These measures included conducting carbon inventory and verification for global operations centers, conducting carbon footprint assessments for two products, using 17.25 million KWh of renewable energy, and improving equipment efficiency. Moving forward, in addition to reviewing the progress of net zero carbon emission on an annual basis, E Ink will also focus on natural carbon sinks, carbon capture and storage, permanent carbon removal, and carbon offsetting mechanisms to further mitigate emissions beyond our value chain and achieve our long-term mitigation goals.



E Ink's Net Zero Pathway





4-2-2 TCFD Climate-Related Financial Disclosures

The World Economic Forum annually releases the "Global Risks Report," identifying the key risks that the world will face in the future. In the latest report, "Climate action failure" has risen to the top position, highlighting the increasing importance of addressing climate change risks. "Extreme weather events" have also consistently ranked as the highest probability risk for the past five years. The risks associated with climate change are too significant to ignore. In the face of the uncertainties of climate change and the transformation of the global energy landscape, E Ink is actively implementing energy and water conservation projects, developing policies and strategies that integrate economic development, environmental protection, and sustainable development, and identifying and mitigating climate change-related risks. E Ink is also developing energy-efficient products and services, strengthening climate resilience, and fostering a culture of environmental sustainability.

E Ink aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB). In October 2021, E Ink became a supporter of the TCFD, embracing their framework for identifying climate-related risks and opportunities. E Ink deepens its understanding of the impacts of climate change and utilizes climate risk and opportunity assessment tools to analyze risks and opportunities in accordance with policies, regulations, international initiatives, technological advancements, market transitions, reputational risks, and short-, medium-, and long-term substantial risks. Based on this analysis, E Ink develops effective management measures, implements adaptation and mitigation strategies, and enhances climate resilience with the support and participation of senior executives. By doing so, E Ink aims to strengthen its ability to respond to climate change.

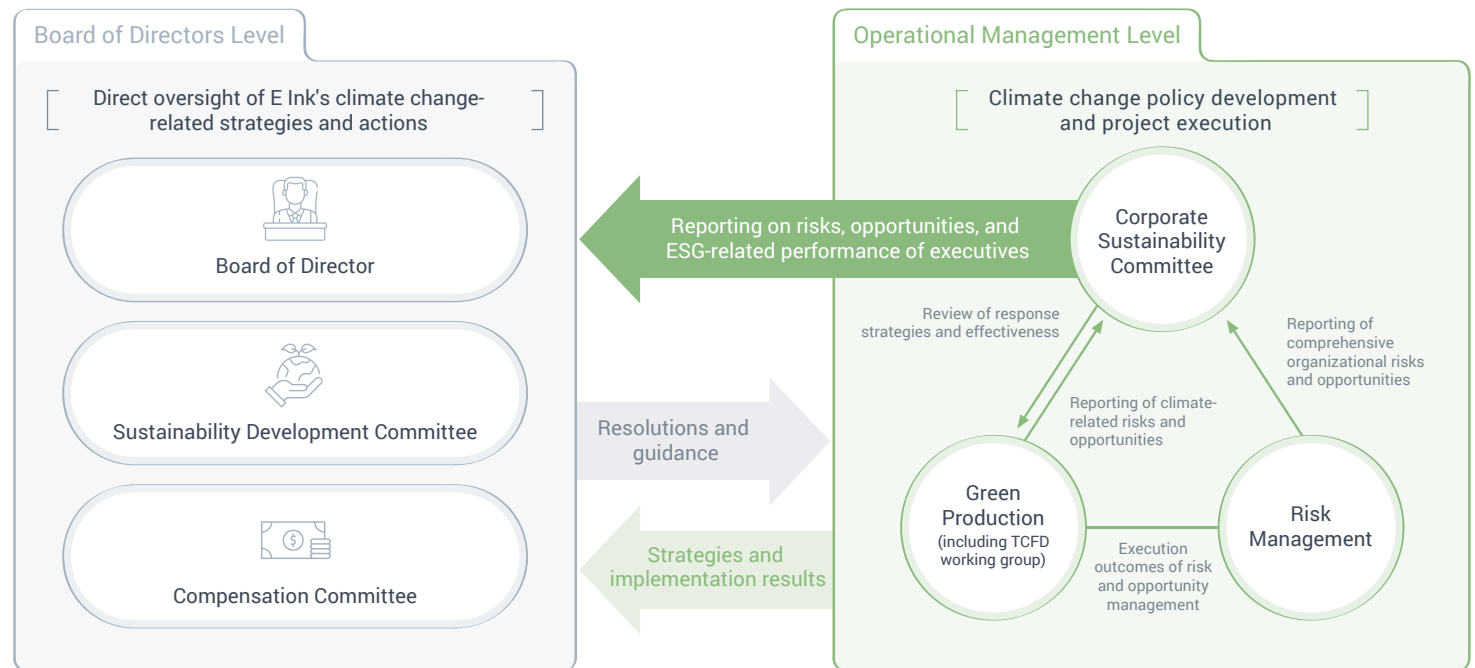


TCFD Disclosure Framework and Management Practices: Organizational Response and Management

► Governance

The board of directors is responsible for developing strategies and setting annual goals to address climate change at the organizational level. They oversee the implementation of these strategies and goals and assess the performance of climate-related issues, linking them to executive compensation. The Corporate Sustainability Committee is responsible for driving the implementation, with the Chairman of the Board serving as the chairperson. They provide quarterly reports to the board of directors. Climate change governance and risk management are primarily driven by the sub-committee of Green Production, which continuously assesses and manages the impact of climate change on operations. They arrange meetings in various units to discuss annual implementation tasks and promote sustainable development. Additionally, significant climate-related risks and opportunities are integrated into the company's risk management mechanism, allowing the Risk Management Team to oversee comprehensive risk management throughout the organization.

Corporate Governance Framework Diagram



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Key Matters Related to Climate Risk and Opportunity Management in 2022

Number	Description of Key Matters
1	The TCFD Working Group examines and implements the identification of climate-related risks and opportunities, as well as the financial impact assessment of transition risks, physical risks, and opportunity assessments
2	Develop a blueprint of sustainable strategies for climate change and formulate short, medium, and long-term goals and action plans
3	Participate in the international RE100 initiative for renewable energy. Aim to achieve 100% renewable energy use in global sites and offices by 2030. Exceeded the interim target of 21% renewable energy use ahead of schedule in 2022
4	Participate in the SBTi initiative. Submitted for review in September 2022 and expected to be approved in 2023
5	Participate in the CDP (Carbon Disclosure Project) climate change questionnaire. Achieved a management rating of B in 2022 and set a goal to achieve a leadership rating of A- in 2023
6	The Board of Directors approved the greenhouse gas inventory and verification plan. E Ink will follow ISO 14064-1:2018 to complete greenhouse gas inventories and third-party verification for subsidiaries and operational locations within the scope of financial reporting. Continued disclosure will be made in the sustainability report
7	Established the "Sustainability Development Committee" with the chairman serving as the chairperson to oversee sustainability-related matters.
8	Passed the "Risk Management Policy and Procedures" to establish an effective risk management mechanism and enhance risk response and management capabilities
9	Planned the implementation of an internal carbon pricing mechanism in 2022 and scheduled to launch a pilot project in Taiwan sites in 2023

► Strategy

Based on the TCFD framework, E Ink conducted cross-departmental risk and opportunity identification and assessment, as well as the evaluation of potential financial impacts, for short, medium, and long-term risks and opportunities throughout the value chain (including internal operations, upstream, and downstream). The company analyzed the significant climate-related risks and opportunities and their implications for business, strategy, and financial planning. Different scenarios, such as [SSP1-1.9](#), [SSP1-2.6](#), [RCP 8.5](#), and [IEA STEPS](#), were used to assess the impacts and specific financial implications on the company's value chain.

Climate Risk and Opportunity Assessment

E Ink identified potential risks and opportunities related to climate change, considering various categories within transition risks, such as policy and legal (legal, current and emerging regulations), technology, market, and reputation. In the case of physical risks, both acute and chronic categories were considered. Opportunities were assessed in categories such as resource efficiency, energy sources, market, products & services, and resilience. In 2022, E Ink identified a total of 17 transition risks, 5 physical risks, and 11 opportunities, totaling 33 climate change factors.

Subsequently, the responsible units and the TCFD workgroup evaluated the risk values (Risk, R) for each potential risk and opportunity. Risks with an R value greater than 9 were considered as high-risk items, leading to the identification of 12 high-risk projects. These projects encompass areas such as "Net Zero Emission Energy Transition," "Low-carbon Product Development," and "Building a Sustainable Supply Chain," and serve as the basis for the company's climate-related management strategies.

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Climate Change Risk and Opportunity Matrix



Note: The climate change risk and opportunity matrix chart only presents factors with a risk value of 8 or higher

Transition risks

- 1 Increase in fuel costs for electricity companies
- 2 Overall higher cost of capital
- 3 Implementation of carbon pricing or carbon taxes
- 4 Requirements for a higher proportion of renewable energy usage
- 5 Costs associated with transitioning to low-carbon technologies
- 6 Rise in raw material costs
- 7 Continued increase in ESG transition costs
- 8 Environmental management requirements from customers
- 9 Legal and litigation risks

Physical risks

- 10 Increased severity of extreme weather events (such as typhoon and floods)
- 11 These events can cause physical damage to infrastructure, disrupt operations, and result in financial losses.

Opportunities

- 1 Exploring new market applications for electronic paper products
- 2 Constructing green buildings
- 3 Increasing the proportion of renewable energy usage
- 4 Enhancing the capacity for developing low-carbon products
- 5 Promoting low-carbon and green production practices
- 6 Growing demand for environmentally friendly products in the market.

Climate Change Risks and Opportunities Impact and Response in the Value Chain

Risk Factors	Scope of Impact	Potential Financial Impact (+Positive, -Negative)	Strategies	Management Response Measures
<h4>Net Zero Emission Energy Transition</h4>				
<ul style="list-style-type: none"> 1 Increase in fuel costs for electricity companies-Market 2 Overall higher cost of capital-Reputation 3 Implementation of carbon pricing or carbon taxes-Policy and legal 4 Requirements for a higher proportion of renewable energy usage-Policy and legal 10 Increased severity of extreme weather events (such as typhoon and floods)- Acute 	<ul style="list-style-type: none"> Upstream/ Company Operations/ Downstream 	<ul style="list-style-type: none"> - Increase in electricity costs increases operating expenses - Higher loan interest rates increase capital costs - Carbon taxes impose additional operating costs - High fees and charges increase operating expenses - Disruptions in operations due to value chain integration + Improving energy efficiency reduces operating costs 	<ul style="list-style-type: none"> Plan a net-zero pathway Improve equipment operational efficiency Increase the proportion of renewable energy use Enhance equipment stability 	<p>Derived Opportunities</p> <ul style="list-style-type: none"> 2 Constructing green buildings-Resource efficiency 3 Increasing the proportion of renewable energy usage-energy sources 5 Promoting low-carbon and green production practices-Resource efficiency <ul style="list-style-type: none"> Develop a comprehensive strategy and roadmap for achieving net-zero carbon emissions, and regularly monitor and evaluate the effectiveness of emissions reduction measures Allocate a budget of NTD24 million from 2023 to 2025 to replace outdated facility equipment, aiming to reduce electricity consumption Continuously increase the proportion of renewable energy use and strive to achieve the RE100 goal of 100% renewable energy use in global sites by 2030. Promote the adoption of renewable energy in the supply chain to reduce the carbon footprint of products Actively participate in domestic and international sustainability assessments to gain recognition from institutional investors and stakeholders. Qualify for issuing green bonds and meet the ESG Lending performance indicators set by banks to enhance the company's funding capabilities Allocate an additional budget of NTD10 million for the planning of the new office building, incorporating the nine assessment indicators of the EEWH (Eco-friendly Equipment and Water and Energy Saving) system and aiming for LEED Gold certification. Green buildings can achieve a 20% reduction in carbon emissions compared to conventional buildings, leading to savings of approximately NTD10 million in energy resources and future carbon fees Regularly maintain and update equipment, and install uninterruptible power supply (UPS) systems for critical production machinery to mitigate the risk of power outages 7. By strengthening emergency response drills, E Ink continuously enhances its emergency preparedness to effectively address potential disaster scenarios
<h4>Low-carbon Product Development</h4>				
<ul style="list-style-type: none"> 5 Costs associated with transitioning to low-carbon technologies-Technology 	<ul style="list-style-type: none"> Upstream/ Company Operations/ Downstream 	<ul style="list-style-type: none"> - Capital expenditure for purchasing software and hardware + Increase in demand for low-carbon products leading to revenue growth 	<ul style="list-style-type: none"> Collaborate with industry, government, and academia to develop more energy-efficient products 	<p>Derived Opportunities</p> <ul style="list-style-type: none"> 1 Exploring new market applications for electronic paper products-Market 4 Enhancing the capacity for developing low-carbon products-Products & services <ul style="list-style-type: none"> E Ink invests over NTD 3.4 billion annually in product research and development to increase the number of patents and market applications Allocate NTD 500,000 to establish an LCA software application and coefficient database to serve as a basis for selecting low-carbon raw materials Promote collaboration among industry, government, and academia to jointly develop new products and low-carbon components in a mutually beneficial manner, reducing R&D expenses
<h4>Net Zero Emission Energy Transition</h4>				
<ul style="list-style-type: none"> 6 Rise in raw material costs-Market 10 Increased severity of extreme weather events (such as typhoon and floods)- Acute 	<ul style="list-style-type: none"> Upstream/ Company Operations 	<ul style="list-style-type: none"> - Increase in raw material costs resulting in higher capital expenditure - Disruption in operations due to inability to supply materials 	<ul style="list-style-type: none"> Implement supply chain management and carbon reduction requirements Manage climate risks in the supply chain Restructure the supply chain to reduce lead times 	<p>Derived Opportunities</p> <ul style="list-style-type: none"> 5 Promoting low-carbon and green production practices-Resource efficiency <ul style="list-style-type: none"> Conduct regular supplier conferences to communicate E Ink's sustainable supply chain management strategy and goals, strengthen supply chain carbon management, and proactively address supply shortage risks Invite suppliers to complete ESG questionnaires to understand their climate adaptation and mitigation measures in the supply chain Introduce a certain proportion of second sourcing to diversify the potential for supply chain disruptions Transform the supply chain from a long chain to a short-block chain to reduce transportation distances and lower greenhouse gas emissions

Physical Risk Assessment: Daily Operation Interruption, Supply Chain Disruption

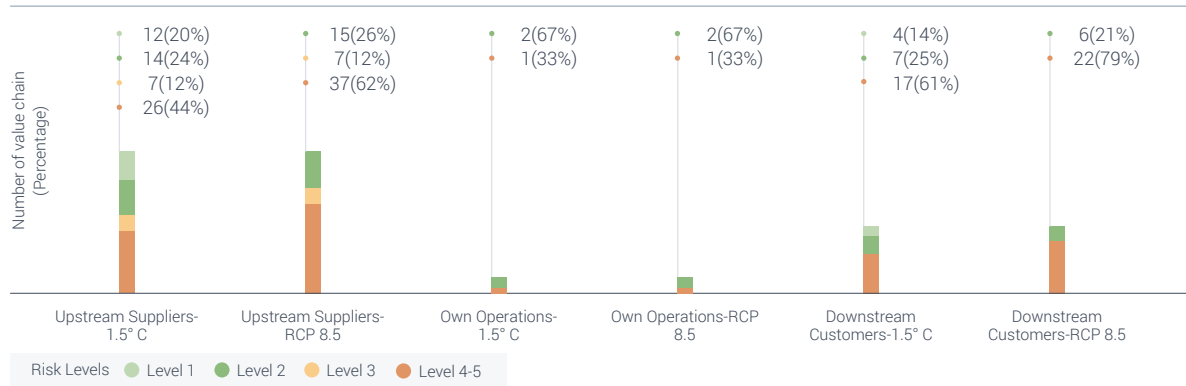
Based on the research conducted by the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) of the Ministry of Science and Technology, the frequency of typhoon occurrence is projected to decrease in the future, but the intensity of rainfall associated with each typhoon is expected to increase. This pattern of extreme rainfall poses a more severe risk of typhoon disasters, which can result in facility flooding, power outages, and casualties. Transportation may also be affected by road collapse and landslides, leading to difficulties in parts distribution and supply chain disruption.

E Ink conducts physical risk assessments considering the preventive measures against potential operational disruptions caused by abnormal extreme weather events due to climate change. The National Science and Technology Center for Disaster Reduction (NCDR) has published flood risk information for various regions in Taiwan under 1.5° C and RCP 8.5 scenarios. E Ink utilizes the flood risk information overlaid with vulnerability maps to assess the future flood risk levels in the locations of upstream suppliers, its own operations (including future planned office buildings and sites), and downstream customers along the value chain. E Ink identifies high-risk areas (Risk Level 4-5) within the value chain and plans subsequent risk mitigation measures accordingly.

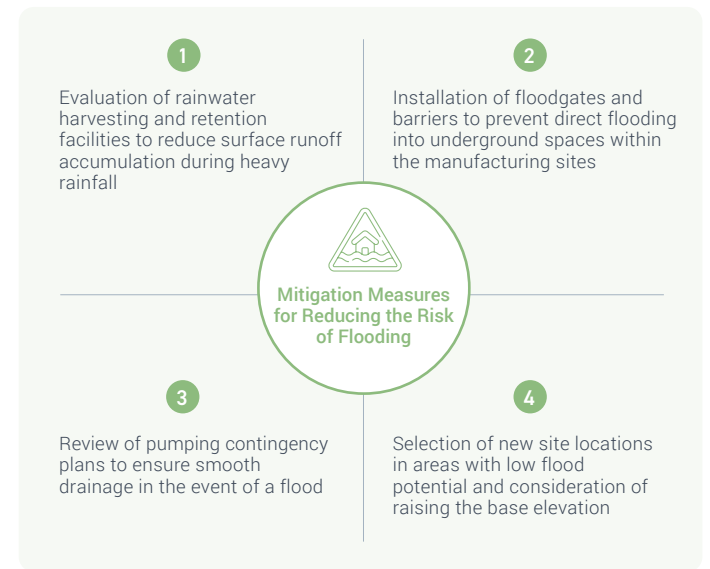
According to the analysis results under the RCP 8.5 scenario, there is an 18% increase in the number of upstream suppliers and downstream customers located in high-risk areas compared to the 1.5° C scenario. E Ink will analyze flood risk assessment within the value chain using the worst-case climate scenario, RCP 8.5, to facilitate proactive planning for mitigation measures. E Ink focuses on analyzing flood risk for 59 major upstream suppliers and 28 downstream customers in Taiwan. Among the analyzed upstream suppliers, 37 companies (62%) are located in high-risk Level 4-5 areas, while 22 customers (79%) are in high-risk Level 4-5 areas. In order to reduce the potential for supply chain disruptions due to extreme rainfall and flooding, E Ink examines the flood disaster response plans of suppliers and customers in high-risk areas and establishes response plans through the "Business Continuity Management Measures." These plans include measures such as managing product delivery flexibility and establishing emergency response teams to assist suppliers and customers in resolving issues, thereby reducing potential supply chain risks.

Regarding its own operations, E Ink's headquarters and existing site in Hsinchu are located in Level 5 high-risk areas, including future planned office buildings. The Linkou and Guanyin site are situated in Level 2 low-risk areas. To address the potential operational disruptions caused by flooding in high-risk areas, E Ink has developed disaster response plans that address the impact of typhoons and chemical leaks, standardized response procedures, and regularly conducts employee education and training to mitigate the risks of operational interruptions caused by disasters.

Value Chain Flood Risk Assessment under 1.5° C and RCP 8.5 Scenarios



In addition to analyzing the flood risk in the value chain in Taiwan sites, E Ink also assesses the potential for flooding in its global manufacturing sites (including existing and new operations) and external roads. It examines drainage and flood prevention facilities and develops emergency response procedures to enhance its resilience and reduce the impact of climate risks, ensuring continuous business management. E Ink also plans four mitigation measures to reduce the risk of flooding, aiming to achieve zero operational disruptions due to flooding in its global manufacturing sites by 2025.



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Transition Risk Assessment: Domestic and International Decarbonization

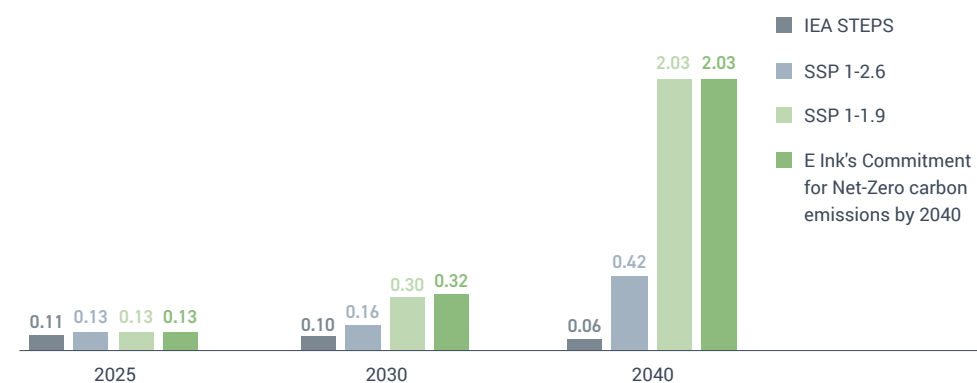
In order to achieve the goal of net-zero carbon emissions by 2050, countries around the world have begun developing carbon trading markets. According to the World Bank's "2022 State and Trends of Carbon Pricing" report, carbon taxes increased by approximately USD6 per unit in 2021, with many countries setting new records for carbon pricing. Taiwan has also officially announced its goal of achieving net-zero carbon emissions by 2050 and will begin carbon fee collection as early as 2024. This wave of carbon impact is affecting businesses worldwide. E Ink has already assessed the potential financial impacts of various decarbonization actions, such as green energy procurement, carbon fee payments, equipment replacement, and energy-saving initiatives, for its global manufacturing and office locations in 2025, 2030, and 2040. These assessments were conducted based on the targets of achieving net-zero carbon emissions by 2040, SSP1-1.9 scenario and SBTi 1.5° C targets, SSP1-2.6 scenario and SBTi 2° C targets(IEA B2DS scenario), and the greenhouse gas reduction goals of IEA STEPS scenario. The results of the scenario simulations indicate that the potential financial impact of climate-related risks on E Ink's revenue ranges from 0.1% to 2.1%. To mitigate the potential impact of high carbon fees in the future, E Ink will continue to plan the use of low-energy-consuming equipment and implement decarbonization projects in its production processes. In terms of energy consumption, E Ink will continue to purchase green energy and consider expanding the installation of solar panels at its manufacturing sites to increase the proportion of renewable energy use and reduce carbon emissions, thereby minimizing its environmental footprint.

Scenario	Parameters Calculation
E Ink's Commitment for Net-Zero carbon emissions by 2040	<ul style="list-style-type: none"> • Achieve RE100 by 2030; Achieve net-zero carbon emissions by 2040 • Carbon fee or tax price range: NTD 9,110-16,386 per metric ton of CO₂e
SSP1-1.9	<ul style="list-style-type: none"> • Average annual emission reduction of 4.2% compared to the baseline year to meet SBTi 1.5° C targets • Commitment to an 80% reduction in Scope 1 and Scope 2 emissions by 2030 compared to the baseline year and achieve net-zero carbon emissions by 2040 • Carbon fee or tax price range: NTD 9,110-16,386 per metric ton of CO₂e
SSP1-2.6	<ul style="list-style-type: none"> • Average annual emission reduction of 2.5% compared to the baseline year to meet SBTi 2° C (IEA B2DS) targets • Carbon fee price range: NTD 264-2,153 per metric ton of CO₂e
IEA STEPS	<ul style="list-style-type: none"> • Use the greenhouse gas emission trend based on the STEPS scenario to estimate the company's emission trajectory

Note 1: The baseline year is 2021
 Note 2: Global emissions include Scope 3 emissions, covering the entire value chain



The Financial Impact of Carbon Reduction Actions on Revenue Share(%)



In addition, to accelerate the low-carbon transformation of the company, E Ink adopted an internal carbon pricing (ICP) approach based on the recommendations from the Grantham Research Institute on Climate Change and the Environment's report on carbon pricing options for Taiwan, released in 2019. The ICP starting price for Taiwan was set at NTD280 per metric ton of CO₂e, taking into account Taiwan's policy regulations and industry characteristics. In 2022, E Ink increased the ICP for the Taiwan region to NTD300 per metric ton of CO₂e, taking into consideration the international carbon trading market and projected prices for renewable energy procurement. The ICP price is regularly reviewed and adjusted, aiming to drive low-carbon investments, improve energy efficiency, and enhance carbon management awareness among company employees.

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► **Risk Management**

E Ink has implemented a risk management framework based on the Task Force on Climate-related Financial Disclosures (TCFD) framework. Every three years, E Ink assesses existing and emerging climate-related risks and opportunities in accordance with industry assessments and relevant climate change regulations. The identified significant risks and opportunities are incorporated into the company's risk management mechanism. The sub-committee of Green Production is responsible for coordinating the development of adaptation and mitigation strategies in response to these risks and opportunities.

The sub-committee of Green Production conducts semi-annual reviews of significant climate-related risks and the financial impacts associated with these risks. They report on their management status to the Corporate Sustainability Committee on an annual basis. This ensures ongoing monitoring and proactive management of climate-related risks within the organization.



► **Metrics and Targets**

E Ink, based on the temperature scenarios that align with the Intergovernmental Panel on Climate Change (IPCC) to control the average temperature rise to 1.5° C or even more stringent, initially sets annual targets for its Taiwan sites. Subsequently, these efforts will be expanded to all major global production sites, in collaboration with international efforts, to reduce the impact of climate change. Additionally, E Ink's executive performance bonuses are linked to indicators related to climate-related risks and opportunities to strengthen the company's climate management.

Domain	Metrics	Targets	
		2025	2030
Net Zero Emission Energy Transition	Intensity of carbon emissions (Scope 1 and Scope 2)	30% reduction compared to the baseline year	70% reduction compared to the baseline year
	Reduction in water consumption and increase in wastewater recycling	Total water recycling rate of 35%	Total water recycling rate of 40%
	Percentage of renewable energy use	40%	100%
	Percentage of waste recycling and resource utilization	55%	60%
Low-carbon Product Development	Investment in research and development expenses	●..... Research and development (R&D) expenditure accounts for 10-15% of total revenue	
	Number of annual sustainable upgrades for existing products	Add 1-2 items	Add 2-3 items
Building a Sustainable Supply Chain	Collaborative energy-saving projects with suppliers	Accumulate a total of 6 items since 2023	Accumulate a total of 15 items since 2023
	Number of suppliers using renewable energy	Accumulate a total of 35 significant suppliers	Accumulate a total of 40 significant suppliers
	Diversified sourcing options for raw materials	●..... The proportion of materials supplied by significant suppliers with a second source reaches 60%	
	Enhancement of supply chain resilience	●..... Hold 1 supplier conference per year	

Note: The baseline year is 2021.

4-3 Energy Consumption and Management

4-3-1 Energy Consumption

Energy Consumption Status

Given the global warming and domestic adjustments in power structure, energy management and energy conservation and carbon reduction have become hot topics in various sectors of society. In response to E Ink's commitment to achieving net-zero carbon emissions, we integrate energy-saving and carbon reduction strategies and initiatives across all our manufacturing sites. E Ink holds regular review meetings to track the progress of implementation and continuously adjust our reduction targets and strategies. In 2022, E Ink achieved a 25.3% reduction in energy consumption intensity, with an energy consumption density of 12.2 GJ per million NTD. The total energy consumption in 2022 was 365,918.7 GJ, with electricity accounting for approximately 82.1%, steam 3.1%, natural gas 14.6%, and a combined total of 0.2% for diesel and gasoline. The proportion of renewable energy use increased from 0.2% last year to 17% in 2022.

Electricity serves as the main supply source for process equipment and facility systems. Steam is primarily supplied to the Yangzhou sites for process equipment. Natural gas is the supply source for process equipment at our USA sites. Diesel is used for generators and transportation vehicles, while gasoline is used for company vehicles. As its overall energy consumption shows an upward trend, improving equipment efficiency and utilizing low-carbon energy sources will be our primary strategies for future emissions reduction. Additionally, E Ink promotes and implements energy-saving management programs in offices and public areas, accompanied by related promotional activities and educational training, to enhance employees' awareness and habits of energy conservation and carbon reduction.

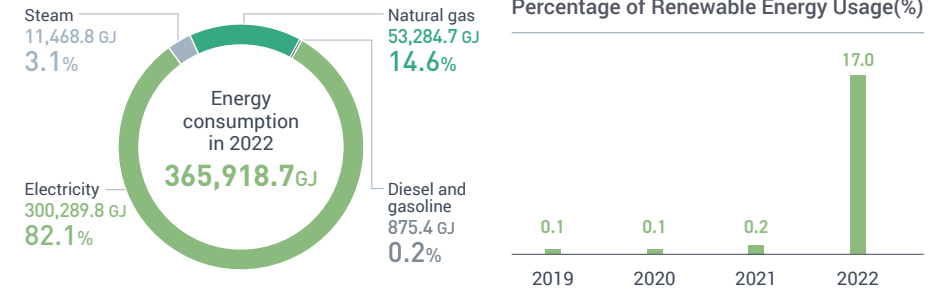
Note 1: Energy consumption includes subsidiaries and global manufacturing sites within the scope of the annual report.

4-3-2 Greenhouse Gas Emissions

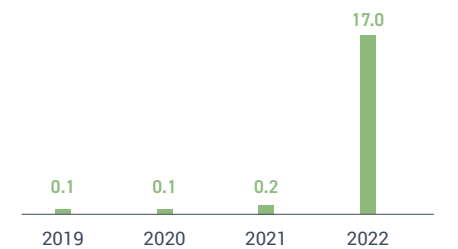
Greenhouse gas reduction has become a global environmental trend, and in order to manage greenhouse gases, it is necessary to understand the company's greenhouse gas emissions. The basic task of implementing greenhouse gas inventory is to identify and calculate greenhouse gas emissions.

Since 2005, E Ink has been gradually conducting inventory and third-party verification of greenhouse gas emissions in accordance with ISO 14064-1. In 2022, E Ink's total greenhouse gas emissions amounted to 39,903.5 metric tons of CO₂e, a decrease of 13% compared to the previous year. Scope 2 emissions from purchased energy accounted for 36,334.5 metric tons of CO₂e, representing 92% of the total greenhouse gas emissions. The majority of emissions came from the sites in Taiwan and Yangzhou, as the USA sites achieved the RE100 target.

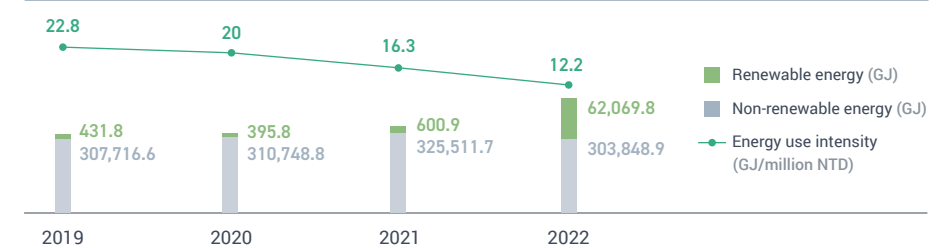
Note 2: Scope 2 greenhouse gas emissions for 2019-2022 are calculated based on market-based approach.
Note 3: Energy usage includes Scope 1 and Scope 2 greenhouse gas emissions from subsidiaries and global sites within the scope of the annual report.



Percentage of Renewable Energy Usage(%)

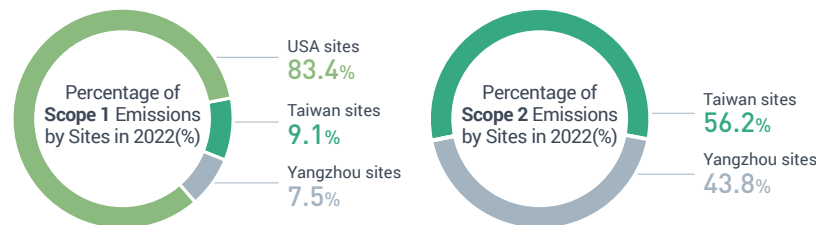
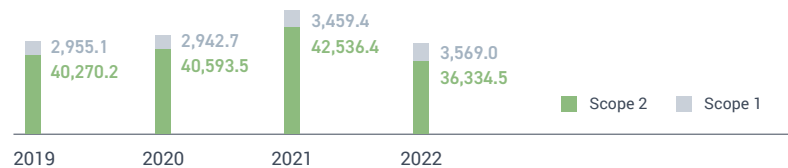


Energy Consumption



► Scope 1 and 2 GHG Emissions Status

Scope 1 and 2 GHG Emissions(Metric tons of CO₂e)



► Scope 3 Inventory Status

E Ink follows the guidelines and requirements outlined in ISO 14064-1:2018 and the Greenhouse Gas Protocol for the disclosure of indirect emissions sources, also known as Scope 3 emissions. Based on the principles of materiality and identification, criteria such as carbon management scope, stakeholder requirements, data availability for activities, accuracy of activity data, availability of emission factors, and risks and opportunities are used to identify the significance of indirect greenhouse gas emissions sources. In 2022, additional indirect emission categories were included for precise management of greenhouse gas emissions. These categories include emissions from upstream transportation and distribution of goods, emissions from downstream transportation and distribution of goods, and emissions from business travel. Other indirect emission categories that were not inventoried are those that are not directly related to E Ink, or for which data and information are difficult to obtain.

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2022 Indirect Greenhouse Gas Emissions

Categories	GHG Protocol Categories ^{note 1}	Explanation	Emissions (metric tons CO ₂ e)	
			2021	2022
Category 3: Indirect Greenhouse Gas Emissions from Transportation				
Upstream transportation and distribution ^{Note 2}	4	Transportation emissions from procurement of raw materials and consumables	Not evaluated	1,603.0
Downstream transportation and distribution of goods ^{Note 3}	9	Transportation emissions from product shipments	Not evaluated	1,103.1
Employee commuting ^{Note 4}	7	Emissions from employee commuting, including transportation from home to the workplace	961.3	6,023.7
Transportation of customers and visitors	-	Related, but data and information are difficult to obtain, therefore not included in calculations	-	-
Business Travel ^{Note 2}	6	Transportation emissions from domestic and international business travel	Not evaluated	316.2
Category 4: Indirect Greenhouse Gas Emissions from Organizational Use of Products^{Note 5}				
Purchased goods - energy	3	Emissions from the production processes of raw materials, fuels, and energy consumed at the sites	3,162.5	7,246.1
Purchased goods - raw materials	1		-	68,805.1
Capital goods	2	No significant asset expansion activities	-	-
Waste generated in operations	5	Emissions from outsourced transportation and disposal of waste generated during the production process at the sites	1,505.3	1,338.4
Upstream leased assets	8	Not applicable as E Ink has no leasing relationships with upstream suppliers	-	-
Other service use	-	Related, but data and information are difficult to obtain, therefore not included in calculations	-	-
Category 5: Indirect Greenhouse Gas Emissions from the Use of Organization's Products				
Removals generated during the use phase of the products	10 11	Excluded due to the lack of a suitable methodology and information collection platform	-	-
End-of-life treatment of sold products	12		-	-
Downstream leased assets	13	Not applicable, as there are no downstream leasing activities for the products	-	-
Investments	14 15	All subsidiary companies have been included in the emissions inventory calculation	-	-
Total			5,629.1	86,435.6

Note 1: GHG Protocol divides Scope 3 emissions into 15 categories within the value chain. For detailed category information, please refer to the [official website](#).
 Note 2: Calculated based on the consolidation of Taiwan sites.
 Note 3: Calculated based on the consolidation of the Hsinchu, Linkou, and Yangzhou sites.
 Note 4: Calculated based on the consolidation of the Taiwan, Yangzhou, and USA sites, including emissions from commuting activities. Data has been third-party verified.
 Note 5: Emissions from the procurement of fuels and energy, as well as emissions from the disposal of solid and liquid waste, are calculated based on the consolidation of the Taiwan, Yangzhou, and USA sites. Data has been third-party verified.
 Note 6: Global Warming Potentials (GWP) are based on the values from the Fourth Assessment Report (AR4) of the Intergovernmental Panel on Climate Change (IPCC).
 Note 7: The calculated greenhouse gases include carbon dioxide (CO₂), nitrous oxide (N₂O), methane (CH₄), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).
 Note 8: In 2021, E Ink conducted its first Scope 3 emissions inventory, serving as the baseline year.



4-3-3 Energy Conservation and Carbon Reduction Management

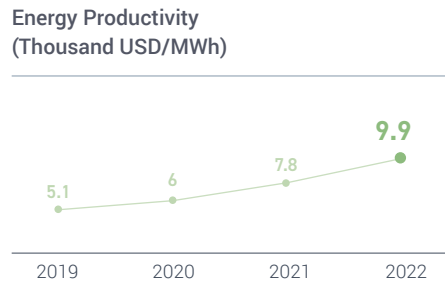
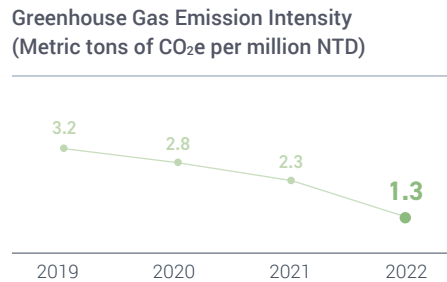
Based on the energy usage and Scope 1 and 2 greenhouse gas inventory results, 92% of E Ink's greenhouse gas emissions primarily come from electricity consumption. In addition to gradually implementing ISO 50001 to monitor energy usage, E Ink has implemented various types of reduction measures based on the characteristics of each facility. In 2022, these measures included replacing outdated energy-consuming equipment with high-efficiency units, optimizing machine operation parameters, and implementing energy-saving initiatives in offices. These efforts resulted in a total savings of approximately 3,194MWh of electricity usage and a reduction of 1,968 metric tons of CO₂e and 11,498 GJ of energy consumption in Scope 2 emissions.

Through continuous efforts, E Ink achieved a greenhouse gas emission intensity of 1.3 metric tons of CO₂e per million NTD of revenue in 2022, representing a 43% reduction compared to the baseline year of 2021. The energy productivity also increased to 9.9 thousand US dollars of revenue per MWh, a 27% increase compared to the 2021 baseline year.

Main Reduction Initiatives in 2022

<p>Equipment replacement</p> <ul style="list-style-type: none"> Replacement of old liquid-ring vacuum pumps with new energy-efficient screw-type vacuum pumps Retirement of outdated refrigeration units Reuse of LED lighting <p>Electricity savings of 1,834MWh Reduction of 1,067 metric tons of CO₂e emissions</p>	<p>Efficiency improvements</p> <ul style="list-style-type: none"> Installation of a dedicated hot water silicon system for designated pipelines Replacement of air-cooled cooling equipment with water-cooled equipment Upgrading the supply end of vacuum pumps Shutdown of non-working area lighting during holidays Adjustments to the vacuum system equipment Optimization of air conditioning in the waste liquid storage area <p>Electricity savings of 1,353MWh Reduction of 897 metric tons of CO₂e emissions</p>
<p>Office energy-saving measures</p> <ul style="list-style-type: none"> Replacement of old computer equipment and hard drives <p>Electricity savings of 7MWh Reduction of 3.7 metric tons of CO₂e emissions</p>	

Note: The carbon emission factor for electricity in the Yangzhou sites is 0.58 kgCO₂e/kWh, while in the Taiwan sites it is 0.509 kgCO₂e/kWh.

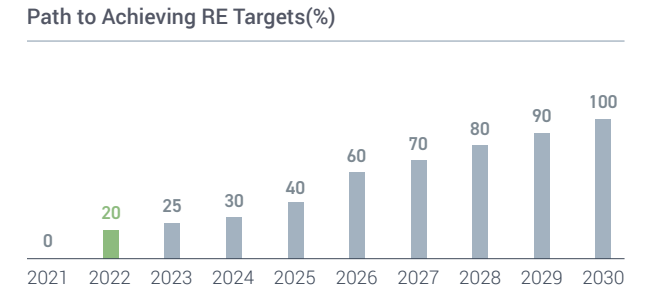


Expanding the Use of Renewable Energy

► E Ink achieved the RE20 interim target ahead of schedule in 2022

As a leader in green display products, E Ink took the initiative to join the RE100 initiative in 2022, becoming the first display company committed to achieving RE100 by 2030. E Ink has developed a pathway to achieve RE100 based on the characteristics of each plant location, gradually implementing the goal of using renewable energy. Since 2017, E Ink has been proactively procuring renewable energy and was among the first companies to purchase Renewable Energy Certificates (RECs) and sign Power Purchase Agreements (PPAs). In selecting PPAs, E Ink prioritizes rooftop solar and wind power projects to minimize the impact on biodiversity and maximize environmental benefits. By the end of 2022, E Ink surpassed the RE20 interim target and achieved RE21. USA sites and global sales offices have already reached the RE100 goal.

The use of renewable energy includes the trading of 15,980 Renewable Energy Certificates, with signed PPAs totaling 778 kWp and a power supply of 1,369 MWh. The solar power generation amounted to 120,000 kWh. Through the use of renewable energy, E Ink reduced Scope 2 emissions by 5,457.8 metric tons of CO₂e, equivalent to a 12% reduction in greenhouse gas emissions in 2022.



2022 Renewable Energy Initiatives by Sites

Sites	The Implementation Status	2022 Renewable Energy Targets (A, %)	2022 Renewable Energy Use Percentage (B, %)	Achievement Rate (B/A, %)
Taiwan	In Taiwan, where obtaining renewable energy is challenging and expensive, E Ink has focused on diversifying its renewable energy sources. This includes the development of biomass energy and geothermal energy to increase the stability of its renewable energy procurement	2	3.3	165
Yangzhou	Purchase of Green Energy Certificates (GEC) and solar power in China	10	10	100
USA	Purchase of Renewable Energy Certificates (REC) in the United States	100	100	100
Overseas Offices	Purchase of Green Power Certificates in Japan and Confirmation of Renewable Energy Use certificates in South Korea. Purchase of Green Energy Certificates (GEC) in China	100	100	100

► **Green Building**

E Ink, a company specializing in electronic paper research and manufacturing, underwent a transformation in 2016 to focus on electronic paper. With the continuous growth of the electronic paper market, E Ink not only announced an increase in manufacturing capacity but also a continuous increase in the number of employees. E Ink planned to expand the operations of its headquarters in Hsinchu, and invested a total of NTD 1.912 billion in constructing a new office building and a multi-story parking lot. The new office building, built with a green and sustainable concept, will serve as the center for electronic paper research and manufacturing, with a focus on technologies such as electronic paper films and color electronic paper. The completion of the new building is expected in 2023.

E Ink combines energy-saving and energy-efficient electronic paper technology with green building concepts. The new office building is designed and planned according to the nine assessment indicators of the EEW system and is aiming for LEED Gold certification. It incorporates green design concepts that encompass ecology, energy efficiency, waste reduction, and health. Recycled and regenerated building materials are used, and the project embodies the company's commitment to environmental sustainability, from infrastructure and operations to product manufacturing, aligning with the ESG vision.



4-3-4 Low Carbon Production

In order to reduce carbon emissions in production process, since 2015 E Ink has been implementing four major initiatives in smart manufacturing to reduce cycle time and enhance overall production efficiency.

	<p>2006 Rroduction of the first electronic paper product, applied to SONY e-books</p>	<p>2010-2016 Industry Transformation Integration and fusion of electronic paper industry technology</p>	<p>2019 Initiation of the color electronic paper project</p>	<p>2021 The era of flexible and color electronic paper</p>
<p>Phase Tasks</p>	<p>2015 Process Integration and Optimization</p>	<p>2018~Present Equipment Integration and Automation</p>	<p>2020 Systematized Data Collection</p>	<p>2022 Precision Predictive Intelligence</p>
<p>Objective Description</p>	<ul style="list-style-type: none"> Identified and addressed issues in product processes and production, introduced standardized workflows, and promoted them throughout the factories Implemented Lean Manufacturing principles to improve production processes by combining, streamlining, and optimizing processes to increase productivity and reduce waste 	<ul style="list-style-type: none"> Implemented phased automation of the production lines at the Yangzhou sites. The first phase focused on automating one production line, followed by the second phase of automating the remaining eight lines. Introduced automated control production equipment in the FPL production line at the Linkou site. This includes electronic paper coating and transfer machines, vacuum plasma treatment systems, electronic paper filling and sealing coating equipment, and increased the speed of the main equipment. 	<ul style="list-style-type: none"> Smart data collection and monitoring: Central real-time monitoring system, big data management. Data mining: Collection of product data as a basis for subsequent feedback and quality control of smart manufacturing parameters. Collection of equipment data for predictive maintenance analysis. 	<ul style="list-style-type: none"> Smart reporting: Integration of product flow and information flow to facilitate planned production and flexible manufacturing. Utilization of production big data for analysis and optimization. Precision predictive maintenance: Reduction of unexpected downtime, improvement of maintenance repair rate, and reduction of average repair time. Intelligent process parameter feedback and quality control: Implementation of automatic optical inspection and AI defect classification. Feedback of process parameters and real-time maintenance to optimize product quality and minimize waste.
<p>Implemented Sites</p>	<p>Yangzhou sites's modular assembly line</p>	<p>Yangzhou sites production line and Linkou site FPL production line</p>	<p>Yangzhou sites module production line</p>	<p>Yangzhou sites module production line and Hsinchu FPL production line</p>
<p>Achievements</p>	<ul style="list-style-type: none"> Achieved a 20% reduction in production lead time 	<ul style="list-style-type: none"> Increased the production capacity of the Yangzhou sites production line from 39KK pcs/year to 48KK pcs/year, with a 36% reduction in total manpower. Increased the production capacity of the Linkou site FPL production line from 1.1K MS/year to 2.1K MS/year. 	<p>Yangzhou sites module production line: The following systems have been implemented in the production line to systematically collect data:</p> <ul style="list-style-type: none"> Manufacturing Execution System (MES) Automated data collection and transmission system Enterprise Resource Planning system (SAP) CIM (Computer Integrated Manufacturing) project underway at the Hsinchu site 	<ul style="list-style-type: none"> Improving production efficiency and product yield

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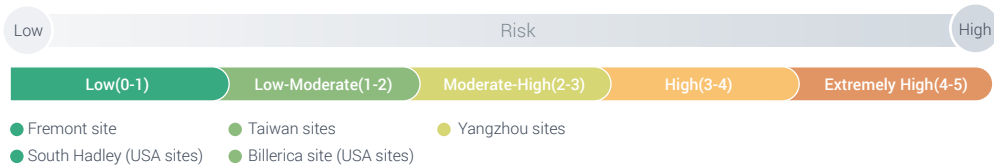
Appendix

4-4 Water Resources Management

4-4-1 Water Resource Risk Identification

In recent years, the frequency of extreme weather events caused by climate change has led to droughts and floods in both the Taiwan and Chinasites, posing significant challenges to water resource management in business operations. E Ink has incorporated water resource risks into its TCFD risk management mechanism. The sub-committee of Green Production conducts comprehensive water resource risk analysis using the Aqueduct tool developed by the World Resources Institute (WRI). Based on the analysis results, the Taiwan and USA sites are assessed as having low to moderate risk, while the Yangzhou sites is assessed as having moderate to high risk. To mitigate the risk of water scarcity due to climate change, E Ink continuously monitors water usage and assesses strategies for water optimization. Additionally, E Ink actively participates in industry associations to facilitate the ongoing advancement of water resource management strategies in the industry.

Comprehensive Water Resource Risk Analysis



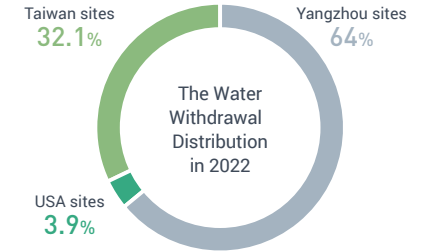
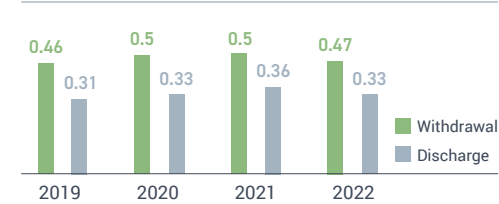
Note 1: The three sites in the USA are located on the West Coast and East Coast, and due to different water resource risks in their respective locations, the risk disclosure is conducted on a per-site basis.
 Note 2: The sites in Taiwan and Yangzhou are all located in the same water resource risk zone, so risk disclosure is not conducted on a per-site basis.

4-4-2 Water Resource Consumption Status

Water Usage

The water sources for the Taiwan, Yangzhou, and USA sites primarily come from tap water, not surface water nor groundwater. In 2022, the total water withdrawal for all sites was 0.47 million m³, a decrease of 6.1% compared to the previous year. Analyzing the global distribution of water withdrawal, the Yangzhou sites accounts for 64% of the total withdrawal. Therefore, E Ink will prioritize enhancing water efficiency at the Yangzhou sites to reduce overall water consumption.

Water Withdrawal and Discharge (million M³)



Water Quality Management and Wastewater Discharge

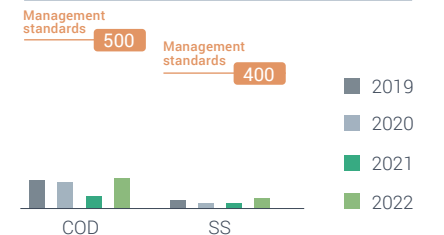
In 2022, E Ink's wastewater discharge amounted to 333.1 million liters. The discharge of process wastewater complies with local regulations, and the company conducts wastewater treatment and water quality testing in accordance with the regulations. Regular monitoring of wastewater discharge is carried out, and operational adjustments are made as necessary. Wastewater quality data, as per external testing reports, indicates that the discharged water quality in recent years has met the emission standards of the respective production locations. If any production site fails to meet the emission requirements, corrective improvement plans will be implemented.

In 2022, the biochemical oxygen demand (BOD), chemical oxygen demand (COD), and suspended solids (SS) in the wastewater discharged from the Hsinchu plant were far below the standards set for the science park area. The Linkou site in Taiwan only discharges domestic wastewater, which complies with the management standards of the park. Furthermore, in the Yangzhou sites, the use of organic cleaning agents for panel cleaning was discontinued at the end of 2010, and pure water was used instead. After assessing the water quality, it was found that the discharged wastewater had COD and SS levels significantly below the emission standards. In January 2011, with the approval of the Yangzhou Environmental Protection Bureau, the wastewater treatment facility was shut down, reducing operating costs and minimizing secondary pollution from water treatment. The original wastewater pond is now being used for fish farming and hydroponic vegetable cultivation.

Hsinchu Site Wastewater Quality(mg/L)



Yangzhou Site Wastewater Quality(mg/L)



Note: Since the Linkou site does not generate process wastewater, only the wastewater-related data for the Hsinchu and Yangzhou sites will be disclosed.

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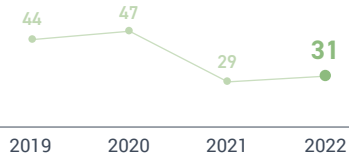
4-4-3 Water Conservation Plan and Measures

Taiwan, with its mountainous terrain and short, steep rivers, cannot effectively store rainfall. In recent years, due to climate change, the frequency of extreme weather events, such as droughts and heavy rainfall, has been increasing. Similarly, China has also experienced frequent water-related disasters and droughts. As a result, water resource management has become increasingly important in Taiwan, China, and worldwide. E Ink recognizes the value of water resources and emphasizes water resource management. In 2022, the water recycling rate reached 31%, an increase of 6.9% compared to the previous year. The process water recycling rate reached 45%, a 12.3% increase from the previous year. The water intensity was 15.7%, a reduction of approximately 39% compared to the previous year.

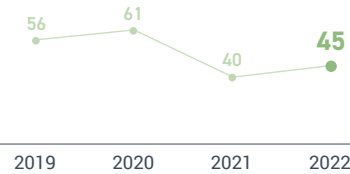
E Ink implements separate treatment based on the characteristics of wastewater and incorporates appropriate recycling and treatment systems for different water qualities to improve water recycling rates. In addition, the water conservation measures implemented in 2022 are estimated to reduce water consumption by 44 million liters per year, accounting for approximately 9.3% of the total water intake in 2022 and saving approximately NTD 260,000.

Starting in 2021, the Hsinchu site in Taiwan introduced ePaper production, maintaining a recycling rate of over 70%. However, due to a significant decrease in water consumption in the electronic paper manufacturing process, the global water recycling rate shows a downward trend in calculations.

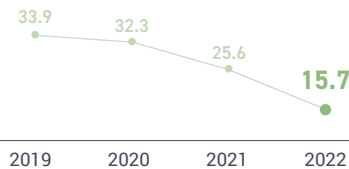
Water Recycling Rate^{note1}(%)



Process Water Recycling Rate^{note2}(%)



Water Intensity(m³/million NTD)



Note 1: Water recycling rate = (Process water + Cooling water + Washing tower recycled water) / (Tap water consumption + Total recycled water)

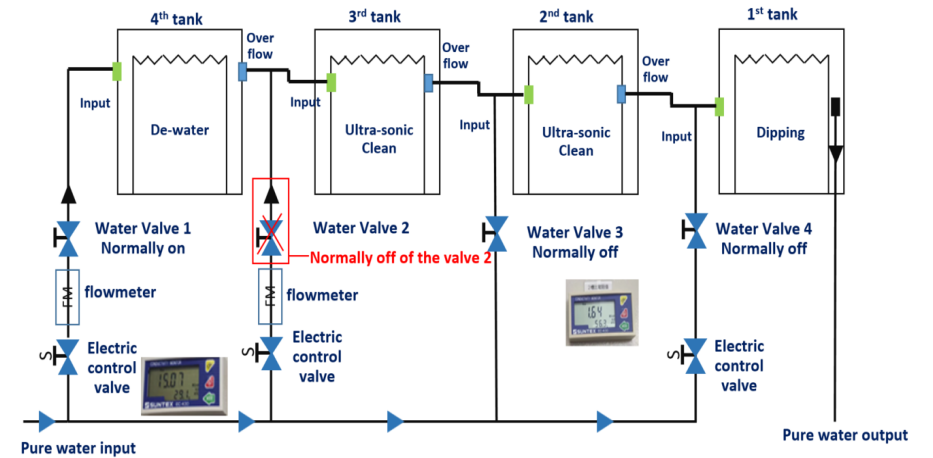
Note 2: Process water recycling rate = (Process water / Pure water system recycling) / (Total process water consumption)

Water Conservation Measures in 2022

Yangzhou

The Pure Water Conservation Project aims to reduce the usage of ultrapure water in the cleanroom while maintaining stable quality conditions. By reducing the inlet water volume from two tanks to a single tank, the water demand is effectively reduced.

Annual Water Savings (Million liters) **20**
Annual Cost Savings (NTD) **264,000**



Yangzhou

The original liquid ring vacuum machines in the plant are outdated and require the use of tap water for cooling, resulting in additional consumption of tap water. By replacing them with new-generation main units, not only is the energy consumption improved, but also the need for tap water cooling is eliminated. This overall achieves the goal of energy saving and water conservation.



Annual Water Savings (Million liters) **24**
Annual Cost Savings (NTD) **396,000**



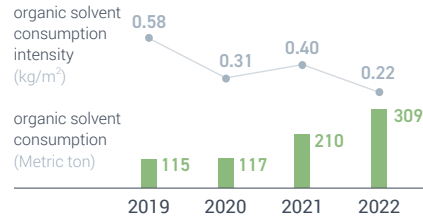
4-5 Resource Circularity

4-5-1 Raw Material Management

General Resource Management

In order to achieve environmental sustainability, E Ink has set goals for resource management. Apart from increasing recycling rates, we also aim to enhance the efficiency of raw material usage to reduce resource consumption. Starting from 2022, our sites have been actively promoting resource recycling and storage operations while continuously improving recycling rates within the facilities. In terms of chemical usage, we have introduced solvent recovery systems in newly established processes to enable the reuse of chemicals, thereby minimizing environmental impact.

Organic Solvent Usage



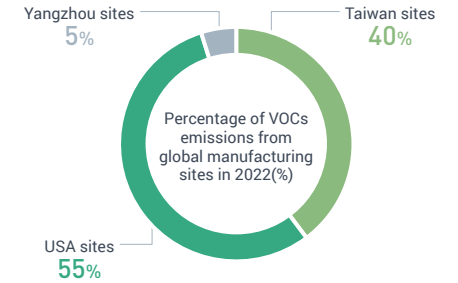
Note: The data from 2019 to 2021 represents the information from the Linkou site, while the data for 2022 includes both the Linkou and Hsinchu site.

Sites	Topics	Project content
	<p>Implementation of Solvent Recovery System</p>	<p>From 2022 to 2023, E Ink plans to implement a solvent recovery system, which will enable the reuse of solvents through centrifugation and distillation processes. It is projected that for every 1,100 kg of solvent used in production, approximately 850 kg can be recovered, resulting in a recovery rate of approximately 80%.</p>
Taiwan	<p>Promotion of Resource Circularity</p>	<p>E Ink maintains ongoing communication with suppliers and emphasizes the reuse of packaging materials to reduce resource waste. For packaging materials that cannot be reused by overseas suppliers, such as plastic cores and side panel racks, they are incorporated into the production process or sent to domestic recycling companies for plastic reprocessing. Additionally, packaging cardboard boxes follow a circular economy model and are ultimately directed to our affiliated company, YFY packaging inc., for recycling and reuse in production. Through the implementation of resource recycling, the resource recovery rate in 2022 has nearly doubled compared to 2021. E Ink continues to strive for zero waste certification.</p>

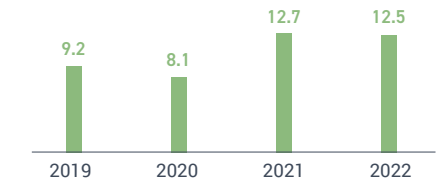
4-5-2 Air Pollution Management

E Ink's different manufacturing sites exhibit variations in air pollutants due to different production processes. The main air pollutants emitted at the ePaper production line in the Hsinchu site in Taiwan are Volatile Organic Compounds (VOCs), Hydrochloric Acid (HCl), and Hydrogen Fluoride (HF). For ePaper production processes at the Hsinchu site, Linkou site, Yangzhou sites, and the USA sites, the primary air pollutant is VOCs. The air pollution control equipment and emission concentrations and volumes in place at E Ink's manufacturing sites comply with local regulatory standards set by the competent authorities.

Furthermore, as environmental regulations in Taiwan become increasingly stringent, E Ink not only adopts high-efficiency pollution control facilities but also actively invests resources in improvement initiatives. Through operational environmental monitoring and regular inspections, we ensure the proper functioning of our environmental protection facilities, minimize pollution emissions, and reduce our environmental impact.



Emissions of VOCs (Metric ton)

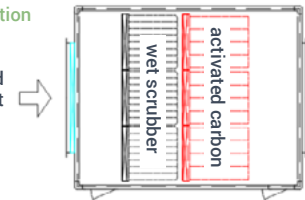


Air Pollution Control Measures

► Installation of an additional organic exhaust activated carbon adsorption system at the Yangzhou sites for air pollution control

The addition of the organic exhaust activated carbon adsorption system increases the contact time with activated carbon, thereby enhancing the treatment efficiency. The exhaust gas removal rate has improved from 79% to 89%.

Washed exhaust gases



Discharged at a height of 15 meters

► The Hsinchu site utilizes CTO catalytic oxidation furnace and RTO regenerative thermal oxidation furnace

In response to the expansion of the ePaper production line, the Hsinchu manufacturing site has installed optimized air pollution control equipment using Best Available Control Technology (BACT). This includes a CTO catalytic incinerator and an RTO regenerative thermal oxidizer. The design airflow capacity is 2,000 cubic meters per minute (CMM), and the treatment efficiency exceeds 95%.



Zeolite adsorption + catalytic oxidation furnace (CTO)



Zeolite wheel + regenerative thermal oxidation furnace (RTO)

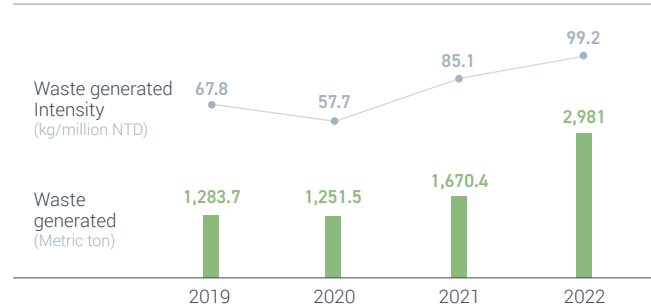
4-5-3 Waste Management

Waste Generation and Disposal Methods

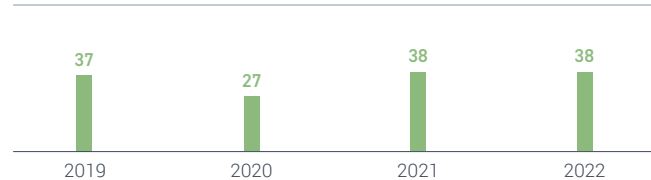
E Ink prioritizes compliance with regulations and reducing environmental impact in waste management. Within the factory premises, waste is primarily prioritized for recycling and reuse. Waste that cannot be recycled is stored centrally for incineration, and if incineration is not possible, it is disposed of through landfilling.

In 2022, the total amount of waste generated in E Ink's global sites due to increased production capacity was 2,981 metric tons, representing a 78% increase compared to the previous year. The waste generation intensity was 99.2 kilograms per million NTD, an increase of approximately 16% from the previous year. The waste recycling rate remained the same at 38% as in 2021. In the first half of 2022, the waste generation and intensity increased compared to the previous year due to the trial operation phase of the new production line in the Hsinchu site. It is planned that stable production will be resumed at the Hsinchu site in 2023.

Total Waste Generated



Waste Recycling Rate (%)



Waste Generation and Disposal (in metric tons)

Waste Categories	Waste Disposal Categories	2019	2020	2021	2022	
General	Recycling	442.0	295.9	614.2	1,084.9	
	Waste Disposal Methods	Waste incinerated with energy recovery	0.0	0.0	0.0	995.6
		Waste incinerated without energy recovery	614.1	650.2	708.3	105.9
		Waste landfilled	26.1	3.4	0.0	17.6
		Waste with other disposal method	6.1	84.7	17.9	23.0
Total waste generated		1,088.3	1,034.2	1,340.5	2,227.0	
Hazardous	Recycling	34.5	39.2	26.1	56.5	
	Waste Disposal Methods	Waste incinerated with energy recovery	0.0	0.0	0.0	459.8
		Waste incinerated without energy recovery	159.0	177.7	303.9	218.9
		Waste landfilled	0.0	0.0	0.0	0.0
		Waste with other disposal method	1.8	0.4	0.0	18.8
Total waste generated		195.3	217.3	330.0	754.0	
General and Hazardous	Recycling	476.5	335.2	640.3	1,141.4	
	Waste Disposal Methods	Waste incinerated with energy recovery	0.0	0.0	0.0	1,455.4
		Waste incinerated without energy recovery	773.1	827.8	1,012.2	324.8
		Waste landfilled	26.1	3.4	0.0	17.6
		Waste with other disposal method	8.0	85.1	17.9	41.8
Total waste generated		1,283.7	1,251.5	1,670.4	2,981.0	

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Waste Risk Identification and Response

In 2022, with the rapid increase in production capacity, E Ink focused on effectively reducing waste generation. Through the assessment of waste impacts along the value chain, E Ink formulated various management approaches to drive process improvement and achieve waste reduction at the source. E Ink continues to work towards its waste reduction goals, aiming to minimize waste generation along its operations.

Waste Impact Identification along the Value Chain

Value Chain	Upstream	Operations	Downstream
Actual or Potential Impacts	Increased demand for raw materials due to capacity expansion, leading to increased waste and disposal costs from related packaging materials and containers	Difficulty in reducing the total waste volume compared to the baseline year of 2021 due to the rise in production capacity, posing challenges in achieving the UL 2799 target	Increased collaboration with waste disposal organizations necessitates strengthening and ensuring the fulfillment of management responsibilities to avoid third-party non-compliance with environmental regulations
Causes of waste generation	Gradual increase in raw material requirements along with increasing production capacity	Surge in waste generation as a result of capacity expansion	Limited on-site storage space for waste due to the increase in waste resulting from capacity growth, requiring assistance from third-party organizations for removal operations
Management Approaches	Requesting suppliers for packaging reuse, such as film material racks, plastic pallets, solvent drums, and cardboard boxes	<ul style="list-style-type: none"> • Implementation of production process improvements to reduce the consumption of film materials or promote material reuse, achieving source reduction • Prioritizing waste disposal vendors that have qualifications for reuse, emphasizing resource circularity 	Increasing audit frequency beyond the types of audits specified by environmental regulations

Waste Source Reduction

E Ink is committed to achieving the goal of zero landfill waste (UL2799 certification) and implementing waste resource utilization policies. Within E Ink's sites premises, numerous plastic materials generated from the production processes are categorized and managed. These materials are then utilized for producing recycled products, reused, or converted into energy sources, ensuring a closed-loop system for waste utilization. Additionally, E Ink collaborates with YFY Packaging Inc., a subsidiary within the group, to channel the waste output into papermaking materials or recycled fuel rods, promoting a circular economy.

Waste Reduction Measures in 2022

Program Name	Measure Description	Reduction Effect (Metric tons/year)
Supplier Packaging Reuse	Recovery and reuse of supplier packaging materials such as cores, end screens, and plastic pallets	75
ITO Film Reduction in ePaper	Avoiding loss caused by suspension of adhesive supply process	1
Reuse of Film Material in Guide Strips	Reusing guide strips across production lines	35

Contractor Management

For third-party organizations responsible for waste clearance and disposal, E Ink not only conducts regular audits of designated waste clearance code providers in accordance with environmental regulations but also randomly selects contracted organizations to monitor their on-site operations, including follow-up vehicle operations. This ensures that the contracted organizations comply with contractual requirements in executing their operations, thereby controlling the flow and final disposal of waste. Since 2018, E Ink has strengthened its oversight by participating in joint audits of waste clearance and disposal providers within the industry through its membership in The Allied Association for Science Park Industries and the Taiwan Panel & Solution Association (TPSA). In addition to these measures, random sampling is employed to select vendors for on-site inspections and review of documentation. Evaluations are conducted from the perspectives of safety, hygiene, environmental protection, and fire safety. The audit results are shared with member companies as a reference for vendor selection.

Management Effectiveness of Contractors in 2022



05

Sustainable Supply Chain

Sustainable and Value-Added Supply Chain



Performance Achievements ▶▶▶

215 suppliers

have signed the Supplier Code of Conduct Commitment



35 suppliers

have completed the audit and have all successfully passed the assessment



Over **94%**

of suppliers sourced locally



45 suppliers

have signed the "E Ink Conflict Minerals Policy"

214 suppliers

have successfully completed the evaluation and assessment



with over **80%**

of them qualifying as Grade **A** suppliers

100% of significant suppliers response the ESG questionnaire

100%

of customers who responded to the satisfaction survey were satisfied with E Ink' services



Management Approach of Sustainable Topics ▶▶▶

Developing a green and low-carbon supply chain, Control & mitigation sustainable risks, Advancement of supply chain resilience

Sustainable Supply Chain Management ✓ Material topics

Comparison of GRI Sustainability Topics and Guidelines

- 308-1 New suppliers that were screened using environmental criteria
- 308-2 Negative environmental impacts in the supply chain and actions taken
- 414-1 New suppliers that were screened using social criteria
- 414-2 Negative social impacts in the supply chain and actions taken

Policy Commitments

Through the implementation of the "E Ink Supplier Code of Conduct" and the "E Ink Conflict Minerals Policy," E Ink aims to enhance human rights, occupational safety, environmental protection, management systems, and ethical standards within its supply chain. E Ink also employs supply chain evaluation, assessment, and audit mechanisms to manage its supply chain effectively and reduce the risk of supplier disconnection. Additionally, E Ink expects collaboration from its suppliers as it work towards its sustainability vision. By 2030, E Ink strives to achieve 100% utilization of renewable energy (RE100), and by 2040, E Ink aims to reach Net Zero carbon emissions, contributing to its vision of sustainable prosperity.

Stakeholders Engagement

Stakeholders : suppliers/contractors/vendors

- By conducting business visits, engaging in supply chain technology and business forums, E Ink provides suppliers with smoother and more objective channels for feedback
- Through supplier evaluation and auditing mechanisms, E Ink regularly assesses and monitors improvement progress
- Through the annual Supplier Conference, E Ink shares its corporate vision, updates on business operations, achievements in ESG, product technology directions, product development plans, and exchange supply chain information

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
Supplier behavior management	Adherence to e ink's supplier code of conduct			
	Adherence to the suppliers clean transaction commitment	Signing ratio of significant suppliers: 100%	●..... Signing ratio of significant and bill of material (BOM) suppliers: 100%	
Risk of supply chain	Compliance with the conflict minerals statement			
	ESG questionnaires	100% of significant suppliers response the ESG questionnaire	●..... 100% of significant and bill of material (BOM) suppliers response the ESG questionnaire	
	Risk assessment supply chain	●..... Assessment ratio of supply chain: 100%		Assessment ratio of tier one suppliers: 100%
Local procurement	Risk mitigation	●.....	100% of high-risk suppliers provide improvement plan	
	Due diligence on conflict minerals	Complete 5% of significant suppliers annually	Complete 10% of significant suppliers annually	Complete 5% of bill of material (BOM) suppliers annually
	On-site supplier audit	●.....	Audit ratio of significant suppliers: 100%	
Sustainable procurement	Ratio of local procurement amount	>94%	>95%	>96%
	Sustainable procurement training	●..... Training completion ratio of procurement and quality assurance personnel: 100%		
Low-carbon energy		Training completion ratio of suppliers: >90%	●..... Training completion ratio of suppliers: 100%	
	Number of suppliers using renewable energy	29 suppliers (cumulated)	35 suppliers (cumulated)	40 suppliers (cumulated)
Sustainable collaboration	Sustainable and energy conservation project collaboration with suppliers	3 new collaborative projects	Cumulated 6 collaborative projects since 2023	Cumulated 15 collaborative projects since 2023
Resilience strategy	Diversified sourcing solutions for raw materials	●.....	Ratio of materials supplied by a second source among our significant suppliers reaches 60%	
Customer satisfaction	Ratio of customers rate satisfaction as "satisfied" or higher	93%	95%	96%

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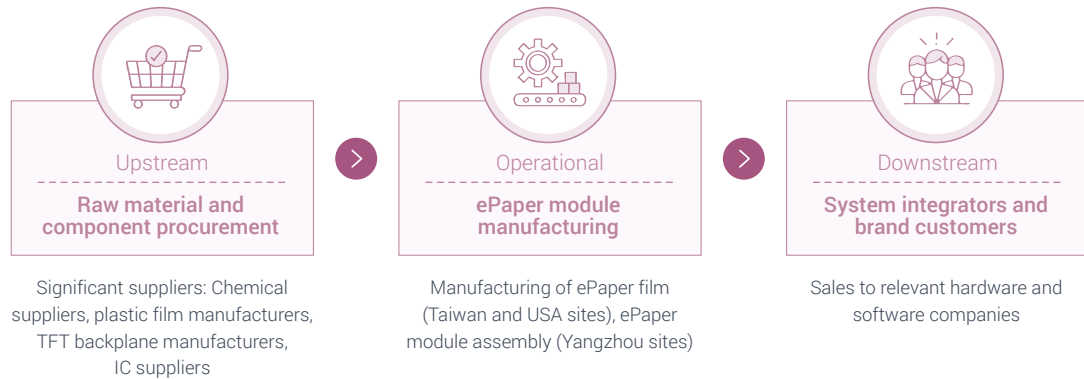
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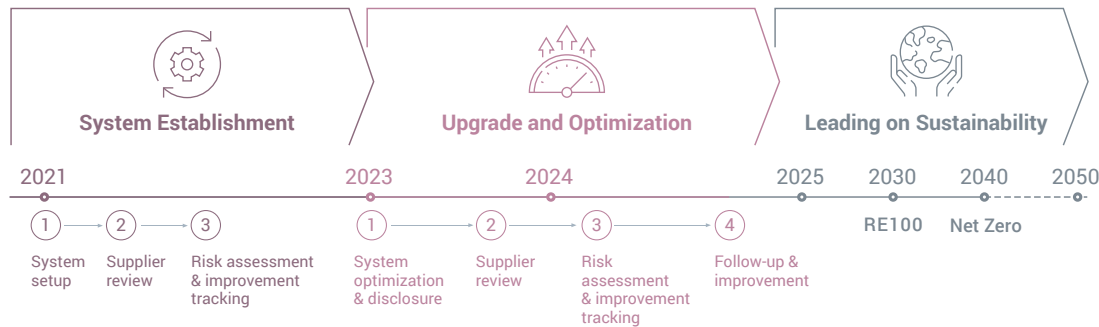
5-1 Supply Chain Management

The ePaper display, as a core product of E Ink, is composed of various raw materials and components, including the ePaper Film (FPL) produced internally, as well as the Thin Film Transistor (TFT) backplane, Driver IC, flexible printed circuit boards (with or without passive components), anti-glare film, light guide plate, light emitting diode (LED) strips, touch modules, and optical adhesives. Therefore, suppliers of raw materials and components play a crucial role as important partners for E Ink.



Note: In 2022, E Ink's value chain boundary and business relationships did not show significant changes compared to 2021.

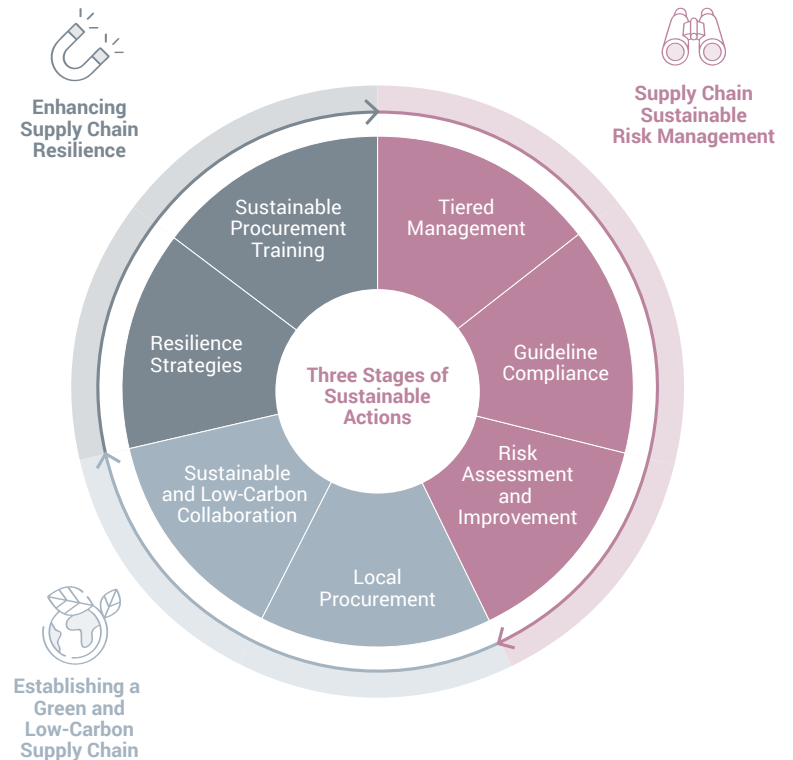
Sustainable Supply Chain Management Blueprint



Sustainable Supply Chain Management Blueprint and Actions

In response to the impacts of climate change, E Ink is committed to achieving 100% renewable energy usage (RE100) by 2030 and reaching Net Zero carbon emissions by 2040. To realize the goal of creating a sustainable and prosperous value chain, E Ink has progressively integrated ESG considerations into its procurement system. This includes conducting ESG assessments within the supply chain, evaluating supplier ESG risks, and regularly convening supplier conferences. E Ink continues to prioritize the implementation of sustainable supply chain management as part of its ongoing efforts to achieve its sustainable supply chain objectives. In addition, the board of directors is the highest accountable decision-making body for supply chain issues, with a primary objective of upholding sustainable supply chain management practices.

In the future, E Ink plans to implement the ISO 20400 Sustainable Procurement guidelines to continuously enhance and optimize overall sustainable supply chain management, working together with our supply chain towards sustainable development.



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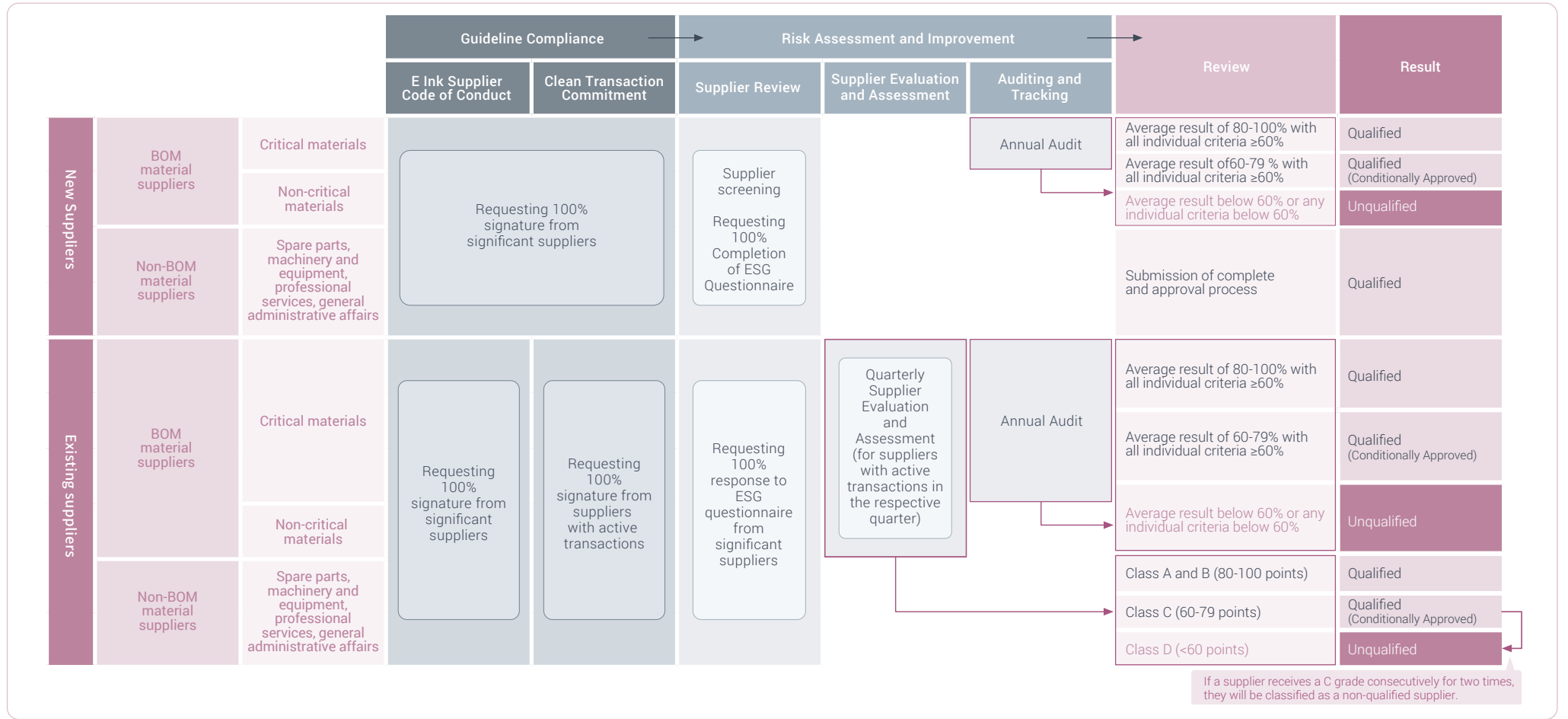
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5-1-1 Managing Sustainable Supply Chain Risks

To effectively control supply chain risks, E Ink classifies suppliers into two categories: significant and non-significant, and implements tiered management. Additionally, E Ink requires new and existing significant suppliers to sign the "E Ink Supplier Code of Conduct," "Clean Transaction Commitment," respond to ESG questionnaires, and pass evaluation and assessment or audit to meet E Ink's ESG requirements for a sustainable supply chain.



Tiered Management

In order to ensure the quality and timeliness of supplier approvals and achieve the benefits of supplier development, E Ink follows a defined procedure for the development, evaluation, and approval of raw material suppliers. Based on the characteristics of the materials, E Ink categorizes the direct materials listed in the BOM into two categories: significant and non-significant. This categorization takes into account the impact on product quality, ease of acquisition and supply, as well as associated risks. This allows for appropriate supply chain assessment and management. Additionally, the list of significant suppliers is reviewed and updated annually.

Supplier Classification	Supplier Classification Criteria
Significant suppliers	<ul style="list-style-type: none"> • Provision of <u>critical materials</u> • Exclusive suppliers for certain materials • Suppliers who possess critical technologies, processes, materials, or <u>patents</u> • Suppliers identified to have significant negative impacts based on Environmental, Social, and Corporate Governance (ESG) dimensions
Non-significant suppliers	<ul style="list-style-type: none"> • Suppliers of general materials, such as packaging materials • Suppliers of non-critical materials, such as rubber materials
Tier 1 suppliers	<ul style="list-style-type: none"> • Suppliers who directly supply materials to E Ink and have an annual transaction amount of at least NTD 5 million

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Guideline Compliance

E Ink Supplier Code of Conduct

E Ink has established the "E Ink Supplier Code of Conduct" based on the Responsible Business Alliance (RBA), United Nations Guiding Principles on Business and Human Rights (UNGP), International Labour Organization (ILO) Declaration of Fundamental Principles and Rights at Work, and Universal Declaration of Human Rights (UDHR). The code covers five major areas: labor, health and safety, environment, management systems, and ethical standards.

E Ink requires its significant suppliers to sign the Supplier Code of Conduct Commitment Letter, aiming to ensure that the supply chain respects workers' rights, provides a safe working environment, fulfills environmental responsibilities, and adheres to ethical standards. Currently, 215 suppliers have signed the Supplier Code of Conduct Commitment Letter, with a 100% signing rate among significant suppliers.

Additionally, E Ink responds to global trends in biodiversity and forest conservation by implementing the "Biodiversity and Non Deforestation Commitment"^{note}. The company encourages supply chain partners to join in the protection and preservation of global ecosystems' stability and balance.

Note: For more information on E Ink's "Biodiversity and Non Deforestation Commitment," please refer to [Chapter 7](#).

● E Ink Supplier Code of Conduct



Clean Transaction Commitment

Since 2018, E Ink has engaged in discussions with industry peers and reviewed its business operations. As a result, the company has revised and updated its Code of Conduct. E Ink requires all its suppliers to sign the updated version of the Code of Conduct. As of the end of 2022, a total of 807 suppliers have completed the signing process. The signing rate for suppliers in Taiwan and China has reached 100%. Due to the obligations under the Foreign Corrupt Practices Act (FCPA) in the United States, E Ink adapts its approach accordingly and does not require suppliers in the United States to sign the Code of Conduct.

Supplier Clean Transaction Commitment

- Suppliers are required to comply with laws, regulations, and industry administrative regulations.
- Suppliers should cooperate with integrity and engage in fair competition.
- Suppliers shall not engage in any form of illegal or improper behavior to gain undue benefits from E Ink Corporation personnel.
- Suppliers commit to comply with all applicable anti-corruption laws, both current and future. They undertake to adhere to the relevant provisions established by E Ink Corporation for transactions and will not request, promise, or accept any bribes or other improper benefits from E Ink Corporation personnel, their associates, or designated individuals.
- Suppliers should actively support and cooperate with investigations conducted by E Ink Corporation, truthfully report the facts, and provide relevant information.
- Suppliers have an obligation to report or expose any corrupt, bribery, or unethical behavior by E Ink Corporation personnel that they discover.

Risk Assessment and Improvement

Supplier Review

Supplier Screening

To systematically analyze the substantial negative impacts of the supply chain on the environmental, social, governance, and operations, E Ink has adopted international ESG rating scores as a basis for evaluating suppliers. The evaluation process considers the specific risk of country, sector, and commodity to conduct initial screening for ESG risks and business relevance performance of suppliers. This approach facilitates the subsequent development of risk management strategies and prioritization. In 2022, E Ink prioritized conducting supplier screening for significant suppliers, and in the future, it will further expand this process to include other suppliers, in order to fully grasp potential ESG-related risks among suppliers.

ESG Questionnaires

To gain further insights into the progress of suppliers in implementing ESG practices, E Ink has initiated supplier ESG questionnaires^{note} since 2021. In 2022, the questionnaires were further enhanced in terms of content and scope. Through three dimensions, twelve topics, and sixty-four questions, E Ink examines the sustainability management practices of its suppliers, serving as the basis for developing its ESG execution plans.

In 2022, E Ink conducted ESG questionnaires with a response rate of 100% from all significant suppliers. The questionnaire included systematic verification of evidence. The questionnaire results provide a comprehensive overview of ESG practices within the supply chain. Among the suppliers, 21% achieved a score higher than 90, and their experiences as exemplary ESG suppliers were shared at the supplier conference. For suppliers scoring below 60, their results were provided as feedback, and E Ink monitored their review process and corresponding improvement plans. E Ink also conducted ESG audits for the top-scoring four significant suppliers to ensure the accuracy and authenticity of their questionnaire responses. Furthermore, in response to the evolving trends in international supply chain management, E Ink conducted potential risk assessments for sensitive regions and procurement material categories to mitigate supply chain impacts.

Note: Suppliers are requested to provide information and supporting evidence on their ESG policies, practices, performance, and public disclosures in the ESG questionnaires. This information will be reviewed, verified, and analyzed, resulting in an appraisal of the supplier's ESG performance.

▼ ESG Questionnaire Framework

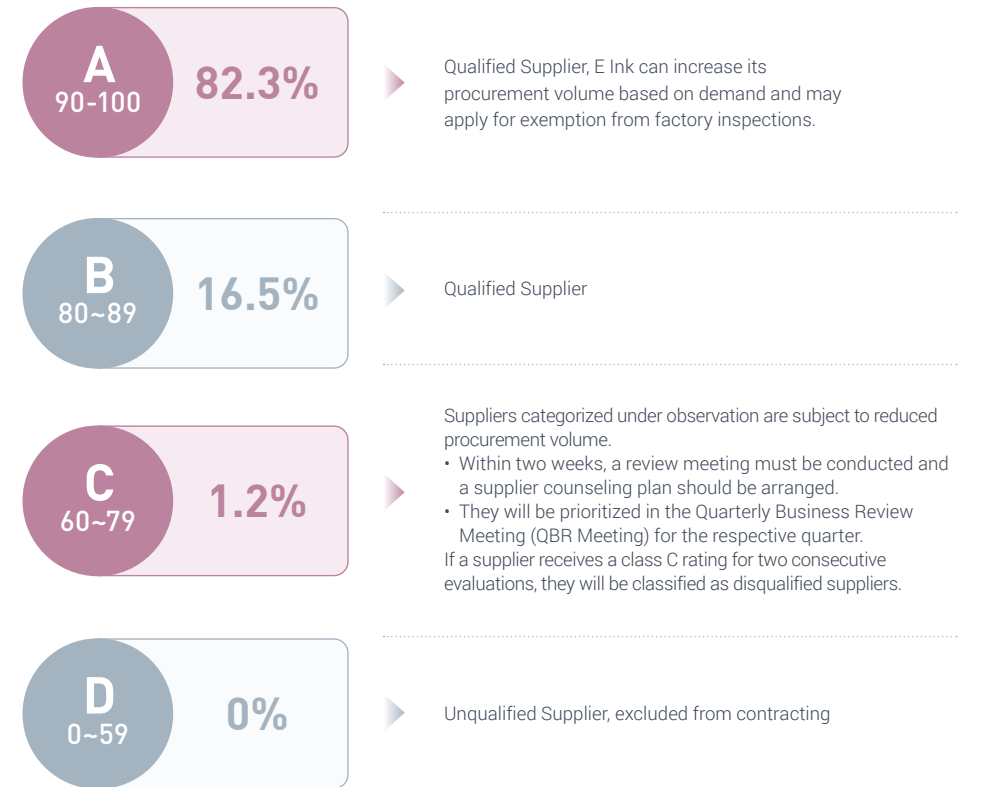
Aspect	Topics	Questions
Sustainable Supply Chain Objective	Environmental, Social, Governance	33
Supplier Code of Conduct	Labor, Health and Safety, Environmental, Management Ethical Standards	25
Supply Chain Risk and Due Diligence	Revenue Dependency on Major Customers Company's Debt Repayment Capability, Litigation Cases Multiple Supply Locations	6

Supplier Evaluation and Assessment

E Ink has implemented a supply chain evaluation process based on the "Supplier Evaluation Method for Qualified Suppliers" to ensure product quality. This evaluation process involves quarterly screening of suppliers who provide E Ink with raw materials on a long-term or regular basis. The evaluation is conducted by the procurement, quality assurance, and manufacturing technology units, focusing on quality, delivery, and after-sales service. Starting from 2022, ESG performance has also been included as one of the evaluation criteria.

Based on the quarterly performance of suppliers, satisfaction ratings are assigned and weighted, resulting in ratings from class A to D. As of the end of 2022, a total of 214 suppliers have completed the evaluation process. The coverage of suppliers rated as A and B is over 98%. For suppliers rated as class C, assistance and guidance are provided to support their improvement efforts.

Supplier Evaluation Coverage



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Auditing and Tracking

E Ink's audit process and content primarily reference ISO 9001:2015, Responsible Business Alliance (RBA), Responsible Minerals Initiative (RMI), and sustainable criteria element as the fundamental quality system for conducting supply chain audits. The audit covers 10 major aspects. E Ink conducts supplier audits based on ISO 9001:2015 as the fundamental quality system, covering two sustainability risk aspects: hazardous substance management and ESG. Each year, a supplier evaluation and audit team, composed of procurement, manufacturing technology, and quality assurance units, reviews the self-assessment results provided by the audited suppliers in the supplier evaluation report. Subsequently, on-site or desk audits are conducted to verify the alignment of the supplier's responses. In the case of a desk audit, supporting documents are requested from the supplier to facilitate further verification. In addition to strengthening the suppliers' own management, E Ink also requires them to establish an ISO 9001 system and obtain external verification.

E Ink prioritizes audits for new suppliers, existing suppliers with a class C rating in the evaluation, key components, and significant suppliers, aiming to enhance their manufacturing technology, quality standards, and management capabilities. This helps reduce costs and ensures a continuous supply of necessary raw materials, fostering a mutually beneficial partnership. To ensure supplier quality and risk control, E Ink categorizes supplier audit scores into three outcomes and two risk levels. High-risk suppliers are required to implement corrective action or improvement plans, and E Ink's procurement and quality assurance departments are responsible for providing supplier remote or on-site support, to help identify the root causes and develop quantifiable improvement strategies.

In 2022, a total of 35 suppliers underwent audit assessments, and all of them successfully passed the evaluation, being recognized as qualified suppliers. During the audit process, no suppliers were identified as having significant actual or potential negative impacts, thus requiring no further follow-up.

▼ E Ink's Recent Supplier Audit Situation

items		2019	2020	2021	2022
Number of supplier audits	Newly supplier	5	6	4	12
	Existing supplier	23	22	23	23
Average score of supplier audits		88	86	87	86
Audit situation of new suppliers		100% Passed			
% of improvement		100%			

Note: % of improvement= number of suppliers that have shown improvement after assessment/total number of non-compliant suppliers *100%

Sustainability Risk

HSF management

- System management
- Document and record control
- Personnel training
- Performance evaluation
- Upstream supplier management
- Incoming inspection
- Process control
- Product inspection

ESG

- Environmental, occupational health and safety management system
- Environmental impact assessment
- Health and safety
- Labor practices assessment
- Human rights assessment
- Social assessment



▼ Explanation of Supplier Audit Determination and Risk Categories

Risk Categories	Result	Explanation
Medium and low risk	Qualified	Average result of 80-100% with all individual criteria ≥60%
High risk	Conditionally Approved	Average result of 60-79% with all individual criteria ≥60%
-	Unqualified	Average result below 60% or any individual criteria below 60%, excluded from contracting

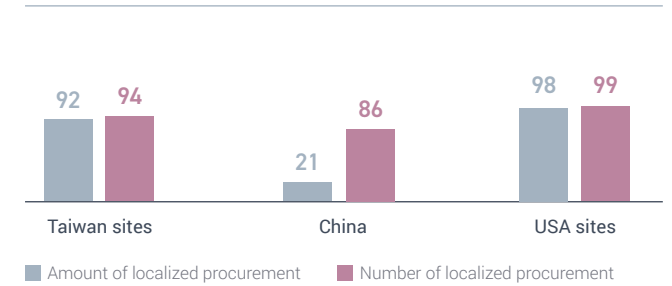
5-1-2 Building a Green and Low-carbon Supply Chain

Localized Procurement

Suppliers are important partners for E Ink's sustainable operations. In order to accelerate production efficiency and reduce carbon emissions, E Ink considers factors such as cost, product quality, delivery time, and risk, and prioritizes localized procurement, aiming to increase the percentage of localized procurement year by year.

Since 2019, E Ink has actively verified domestic suppliers to increase the amount of localized procurement. As of 2022, the total percentage of localized procurement across regions is 43%, representing a 23% increase compared to the previous year. The percentage of localized procurement suppliers in each region ranges from 86% to 99%, with an average of 94%. The amount and number of localized procurement in China are lower than in the other two regions. This is because the main materials used in the module process in China are sourced from the United States or Taiwan, and the equipment relies on imports. E Ink will collaborate with local equipment suppliers to jointly develop materials and models, in order to continuously increase the amount and number of localized procurement.

Localized Procurement Amount Ratio in 2022(%)



Sustainable Low-Carbon Collaboration

E Ink collaborates with its customers and suppliers to jointly develop raw materials and components, and together build a sustainable business model. In 2022, a total of three collaborative projects were implemented, as detailed in the table below:

Action Measures	Explanation	2022 Implementation Results	2023 Expected Results
Development of color ePaper label IC to accelerate the market adoption of shelf labels	ePaper is being applied in smart retail, smart logistics, and smart warehouse fields, replacing traditional paper usage and reducing paper resources. With the transition of ePaper displays from black and white to color, it will drive the growth of the ePaper market. E Ink is collaborating with more ecosystem partners to create low-carbon smart display solutions and accelerate the development of ePaper label applications.	In 2022, the 2.9-inch ePaper shelf label module passed the verification of ISO 14067:2018. Successfully introduced a leading Taiwan driver IC manufacturer to jointly develop color ePaper label ICs.	Major retailers in the USA are gradually beginning to adopt electronic shelf labels.
Display panel backplane suppliers have made progress in promoting sustainability in their shipping and in-house production processes	As the overall shipping volume increases, the use of packaging materials also increases. Therefore, display panel backplane suppliers are actively promoting the recycling and reuse of packaging materials used during customer shipments. This initiative aims to reduce packaging waste and minimize environmental impact and costs	The packaging material recycling has reached 50%	The packaging material recycling has reached 70%
	Display panel backplane suppliers have also undertaken the upgrading of heat dissipation materials in cooling towers to improve heat exchange efficiency. This initiative is expected to reduce energy consumption by 5% by enhancing the cooling efficiency of the towers and optimizing the overall thermal management system.	-	Energy consumption has been reduced by 5%
Glass touch panels in-house	By switching to energy-efficient variable frequency air compressors certified by the Industrial Development Bureau, it is projected that a 30% reduction in electricity consumption can be achieved	-	Energy consumption has been reduced by 30%
	E Ink has implemented the in-house manufacturing technology for glass touch panels to mitigate the risk of material shortages	E Ink has achieved a self-manufactured glass touch panel product ratio of approximately 57%	E Ink has achieved a self-manufactured glass touch panel product ratio of approximately 80%



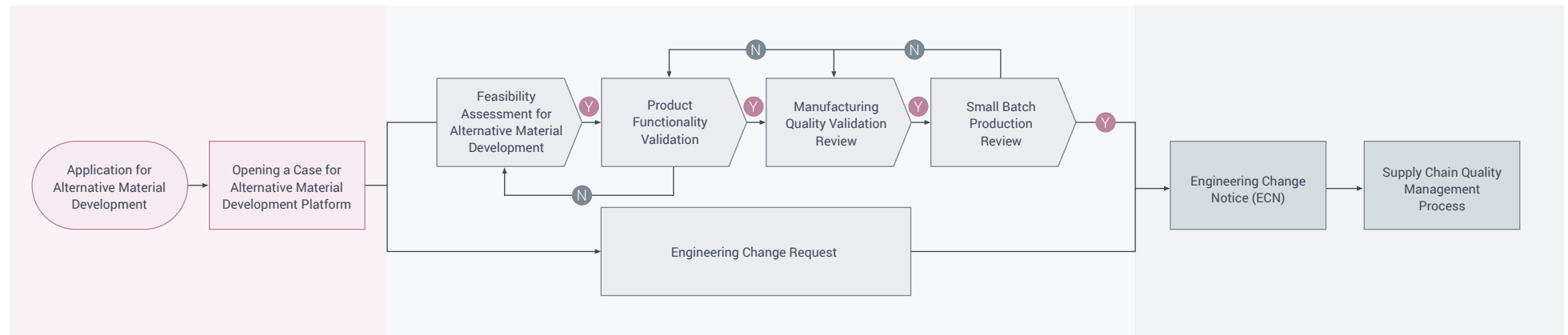
5-1-3 Enhancing Supply Chain Resilience and Communication

Resilience Strategies

Alternative Material Evaluation

E Ink has established a cross-departmental "Alternative Material Platform" meeting to address the need for mitigating single-supplier risks, reducing procurement costs, and maintaining material supply stability. The value of the Alternative Material Platform lies in its ability to supplement the limited supplier options during the product design phase. Furthermore, even after mass production, it encourages continuous optimization within the supply chain and motivates existing material suppliers to enhance material quality and cost advantages sustainably.

Alternative Material Development Application Process Flowchart



Key Focus and Achievements in 2022

- Certified the Taiwan ePaper raw material supply chain to lower costs and achieve the goal of local sourcing
- Increased the number of Chinese module material suppliers, restructured the supply chain, and created a shorter supply chain
- Explored diverse sources for TFT and IC components, establishing reliable trade partnerships

E Ink remains committed to continuously reducing overall costs and strengthening supply chain stability. In 2022, E Ink placed emphasis on shortening the supply chain and cultivating reliable trade partnerships. In response to global trends such as supply chain restructuring and shorter chains, E Ink introduced local raw materials in Taiwan to reduce cross-border transportation and establish a shorter supply chain. Additionally, the transformation of module materials from a global factory model to regional manufacturing centers contributes to downstream manufacturing chain reduction. Furthermore, the localization of materials in Taiwan and Yangzhou sites has helped achieve our goal of reducing carbon footprint. We have also focused on diversifying sources for components like TFT and IC, introducing reliable trade partners to establish a stable and efficient supply chain, thereby enhancing supply chain efficiency.

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Sustainable Procurement Training

In order to enhance the awareness of sustainable procurement and the roles in the supplier ESG program among E Ink's buyers and/or internal stakeholders and supply chain, various initiatives have been implemented, including conducting sustainable competency training courses, organizing supply chain technology and business forums, and hosting supplier conferences. These efforts aim to maintain and promote the sustainable growth of the supply chain. In 2022, the completion rate of sustainable procurement training for E Ink's buyers and/or internal stakeholders reached 91%, and the completion rate for significant suppliers reached 69%. E Ink will continue to improve the overall rate of sustainable procurement, establishing a robust mechanism for sustainable procurement throughout the supply chain.

Enhancing Sustainable Capabilities Training Program

In 2022, E Ink organized three training courses for procurement personnel. The courses focused on E Ink's supply chain management ESG policies, short to long-term planning for supply chain management, and specific execution strategies. Through this series of courses, procurement personnel gained a clear understanding of E Ink's ESG initiatives and implementation details. This enabled effective communication of E Ink's ESG philosophy with suppliers, fostering mutual improvement and driving sustainable supply chain initiatives.

Furthermore, E Ink also trained procurement ESG seed personnel in the "ISO 20400:2017 and PAS 7000:2014 Sustainable Procurement and Supply Chain Management Implementation Course." This aimed to establish E Ink's sustainable procurement management system and incorporate sustainable management concepts into procurement policies and practices. It effectively managed and controlled environmental, social, and economic risks and opportunities. In December 2022, E Ink hosted the "Riding Against the Wind" Sustainable Prosperity Summit, where the company shared relevant activities and achievements in sustainable supply chain management with all suppliers. E Ink also shared short, medium, and long-term ESG goal plans, encouraging all supplier partners to actively pursue ESG goals and enhance their understanding of sustainable supply chain management.

Technical Support and Business Forums for the Supply Chain

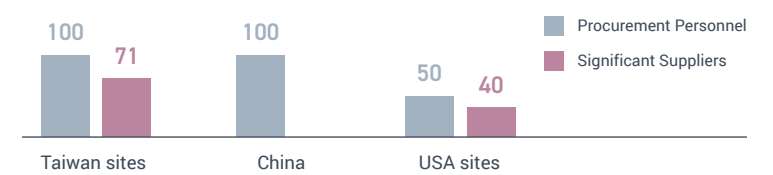
In 2022, E Ink conducted business visits, exchange activities, and supplier evaluations. Additionally, E Ink organized long-term and sustained technical support and business forums to enhance communication, feedback, and capacity building, as well as improve ESG performance. These initiatives aimed to foster stronger collaborations with suppliers. During these meetings, participants shared and exchanged innovative technologies, enhancing understanding of suppliers' technological advancements and long-term development directions. Moreover, suppliers gained insights into E Ink's specific needs, promoting mutual growth in technical capabilities and nurturing long-term partnerships. These forums served as platforms for reviewing the quality, service, pricing, and delivery of existing collaborative products, thereby reinforcing supply chain management. In total, nine exchange forums were held in 2022.

Organizing Supplier Conference

E Ink places great importance on cultivating long-term partnerships with our suppliers. Since 2021, E Ink has been hosting an annual Supplier Conference. In 2022, E Ink invited a total of 95 supply chain suppliers (including 53 significant suppliers), with nearly 200 supplier representatives in attendance. The conference received high praise and appreciation.

During the conference, E Ink expressed gratitude to our supply chain partners for their continuous support. We also presented the "2022 Excellent Supplier Partner" award to eight companies, recognizing their outstanding contribution in providing quality products and services. Additionally, we honored ten companies with the "2022 eReading for the Future" award, acknowledging their support in the eNote project, which aims to create a mobile library for electronic book readers, thereby contributing to the betterment of society through collective efforts.

Completion Percentage of Sustainable Procurement Training(%)



Note: No significant suppliers in China sites

Sustainable Supply Chain Vision - "Rising against the Wind, Sustainable Prosperity Summit"

Building upon E Ink's ESG initiatives from last year, E Ink aspires to collaborate with its suppliers in implementing corporate social responsibility, creating a sustainable ePaper ecosystem based on mutual prosperity and sharing. Together, E Ink will accelerate its efforts towards carbon reduction, aiming to achieve the RE100 target of 100% renewable energy usage by 2030 and reaching the net-zero carbon emissions goal by 2040.



Sustainable Supply Chain Experience Sharing

As the Head of Supply Chain at E Ink, he took the opportunity of this supplier conference to share the achievements of E Ink's sustainable supply chain management efforts in 2022, including the supplier code of conduct, supplier risk assessment, due diligence, supplier ESG requirement, and future plans. Additionally, E Ink referenced ESG initiatives implemented by its industry peers to provide recommendations for suppliers' future endeavors, aiming to improve the suppliers' level of ESG performance. E Ink hopes that its supply chain partners will actively partake the collective efforts to achieve the goals of ESG.



5-2 Commitment to Quality

5-2-1 Quality Policy

" Through Continual Innovation and Improvement to Provide High Quality Products and Services to Meet Customer Needs. "

E Ink's Taiwan, Yangzhou, and USA sites have obtained ISO 9001 certification or passed customer audits, establishing quality management systems based on their principles. These systems operate in a cycle of "Plan, Do, Check, Act" (PDCA), involving on-site process audits by customers at production facilities to ensure product quality and fulfillment of customer requirements.

E Ink's product quality has been recognized by customers. Since 2018, the Hsinchu, Linkou, and Yangzhou sites have been honored as A-grade suppliers of Sony's Green Product (GP) certification. They have consistently maintained excellent performance, passing audits annually, and their certification remains valid until 2024.

Following the framework requirements of the quality management system, after formulating quality policies and objectives, they are implemented throughout the company's organizational system, ensuring that all personnel understand and adhere to the regulations, thereby providing customers with high-quality products and services.

5-2-2 Quality Risk Management

Within the quality management system, risk management is also a critical component. Therefore, E Ink has established relevant processes for risk assessment and identification to identify high-risk areas and develop corresponding strategies to mitigate their impact on business operations. Through effective risk management measures, E Ink aims to enhance product quality, meet customer requirements, and strengthen its corporate image and competitiveness in the market.



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Continuous Improvement of Production Efficiency

In addition to referring to customer feedback and driving product quality improvement initiatives, E Ink also engages in regular discussions with customers to address quality issues on a weekly basis. Every six months, meetings are held with key customers to discuss business, design, and quality-related matters, fostering close communication and maintaining strong collaborative relationships. Furthermore, E Ink encourages employees to propose improvement ideas that identify potential areas for enhancing production efficiency, product quality, and resource utilization in daily operations and manufacturing processes. Corresponding solutions are then developed to strive for production optimization.

The Process Improvement Plan

The Business Process Improvement division adopts the "One Team One E Ink" mindset as its guiding principle. In 2022, a total of seven projects were implemented with the objective of integrating the Enterprise Resource Planning (ERP) processes across global operations. This initiative aims to establish intelligent management practices, enhance the company's responsiveness, and improve overall operational efficiency.

Type	Project	Benefits		
 Innovation	Intellectual property(IP) protection	Enhancement of key technological systems Enhancement of key technological systems Enhancement of key technological systems implementation of IP data intelligent cloud management to prevent loss of critical IP, enhance data security and real-time transmission, and reduce information errors across departments	<ul style="list-style-type: none"> • 72% increase in work efficiency • 63 minutes saved per operation 	
	Material management	Price estimation and order management	Ensuring real-time reflection of material price changes in finished product prices and assisting responsible personnel in immediate confirmation of external order status to avoid excessive inventory accumulation	<ul style="list-style-type: none"> • 85% improvement in operational efficiency
		Group material number integration	Consolidation of material number-related information in a single interface, providing convenient and intuitive search functions, enhancing the efficiency of demand personnel, and enabling quick onboarding for new employees	<ul style="list-style-type: none"> • 91% increase in work efficiency
 Digital Transformation	Customer management	Credit limit systematization	Replacing manual calculations and manual individual modifications with a system to accelerate financial control operations	<ul style="list-style-type: none"> • 100% elimination of duplicate manual steps • 10 minutes saved per operation
		Accounts receivable (AR) analysis	Integrating tracking of customer credit limits, credit utilization, and payment status, conducting indicator-based data analysis of transactional customer AR in real-time, implementing credit management, and mitigating AR risks	<ul style="list-style-type: none"> • 100% accuracy of data presentation • 14 minutes saved per calculation • 100% real-time information availability • 45 minutes saved per data preparation
	Employee benefits	Cafeteria management system	Implementation using a globally unified interface, focusing on employee needs, and aiming for paperless and carbon reduction goals to enable employees to instantly access flash activities, order meals, and inquire about company subsidies, making employees more appreciative of company benefits. E-enabled settlement operations to enhance the efficiency and accuracy of monthly settlement operations for responsible personnel	<ul style="list-style-type: none"> • Average annual reduction of 132 sheets of A4 paper printing and consumption • Average monthly reduction of 9 hours of overtime
	Material management	Implementation of critical material production demand calculation system	Online intelligent computation to avoid the risk of manual calculation errors	<ul style="list-style-type: none"> • 75% improvement in time efficiency • 6 hours saved per month

Enhancing Quality Awareness

To instill the concept of quality into the work competence of its employees, becoming an inherent cultural DNA characterized by a distinguished level of quality, E Ink conducted a series of ten quality awareness enhancement events in 2022. These events garnered a total participation of 1,918 individuals, with the aspiration of engaging and fostering a shared recognition of quality across the entire workforce.

2022品質改善案例徵選

Why: 推廣企業優良品質改善案例，提升公司內部同仁對於品質意識觀念，同步分享各種改善手法、專業技能

Who: 內部舉辦以 **FPL HCL KO OU - RD** 各單位為主

What: 各組 Leader 主導提供優良品質改善案例，以問卷調查方式進行評鑑(各組互評)

Where: 提案與評選之品質改善案例，以問卷調查方式進行評鑑(各組互評)

When: 提案與評選之品質改善案例，以問卷調查方式進行評鑑(各組互評)

Where: 提案與評選之品質改善案例，以問卷調查方式進行評鑑(各組互評)

Benefits: 內部舉辦先將公佈優良案例於 KM system 中做為範例，凝聚全體員工共識，建立企業品質文化。

元太你最Q，就要拍照Show出來!

大家一致，展現你的品質改善成果，展現你的品質改善成果，展現你的品質改善成果

元太你最Q，就要拍照Show出來!

品質知識王，等你來挑戰

品質知識王，等你來挑戰

品質知識王，等你來挑戰

2022【質量季】活動

◆ 2022年【質量季】系列活動，共策劃與實施了7項品質活動與競賽。

- 質量標語征集
- 質量征文比賽
- 質量知識培訓
- 質量知識競賽
- 內審員知識競賽
- 持續改善成果展
- 質量標兵評選

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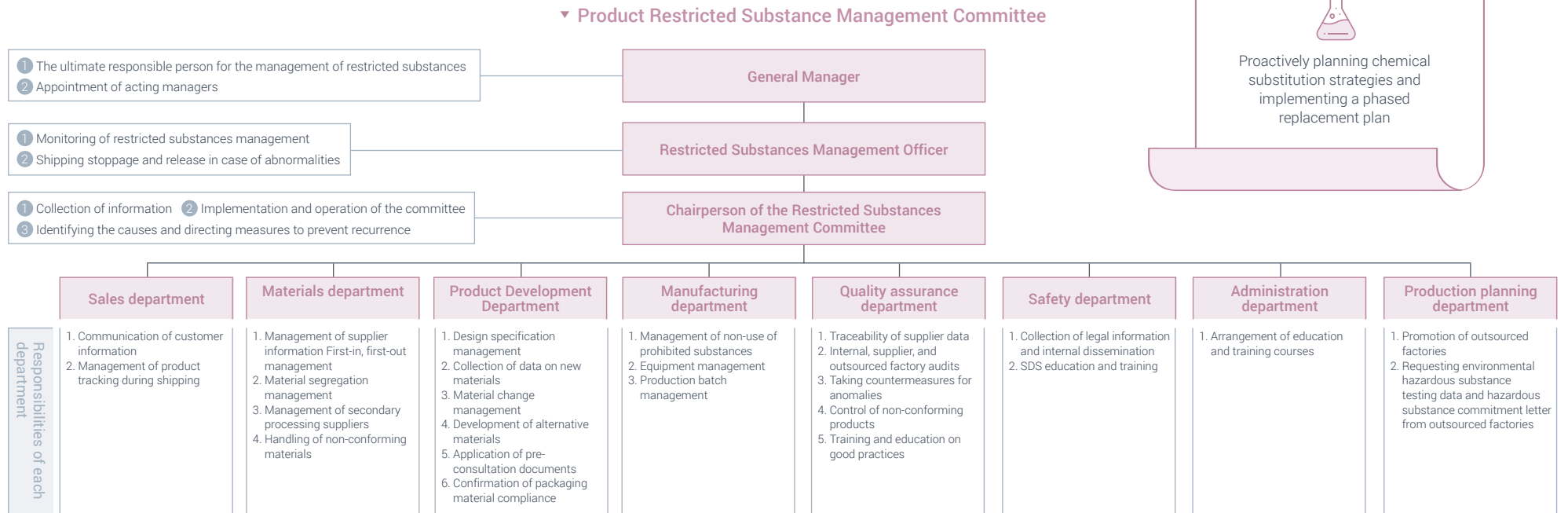
5-2-3 Material Management Hazardous Substances Management

E Ink commits that no hazardous substances are in its products. E Ink adheres to the "RoHS Policy" and "REACH Policy" and requires suppliers to comply with the environmental quality policy requirements for raw materials when developing new components for our products. E Ink also reviews and incorporate the substance hazardous requirements of each customer into its controlled substance list. Furthermore, E Ink ensures compliance with the European Union's RoHS, REACH, free from halogens and other regulations.

Specific customers require compliance with their own regulatory standards and supplier management requirements. Additionally, suppliers are requested to provide information on controlled substance lists. Currently, suppliers are required to confirm and respond with a non-use commitment letter through a declaration. The signing rate for original materials and component suppliers is 100%. If suppliers provide raw materials containing hazardous substances or conflict minerals, they are held liable for compensation. All materials provided by suppliers are currently qualified. Furthermore, qualified products are shipped in boxes labeled with the RoHS logo for identification. There was zero product-related nonconformity or violations reported in 2022. In addition to international standards, E Ink has been recognized as an outstanding partner by Sony GP after obtaining Sony GP certification for many years. This recognition allows E Ink to enjoy the privilege of paper-based self-audits without the need for on-site audits.

E Ink established the Product Restricted Substance Management Committee and formulated the Environmental Restricted Substances Management Procedure in 2021. E Ink ensures that all components comply with the requirements by continuously reviewing and updating the guidelines through meetings and evaluations. In the event of customer requirements or changes in international hazardous substance regulations, E Ink conducts assessments, adjusts its control standards and operating procedures, and notifies all departments through official announcements.

As of 2022, E Ink has successfully managed and controlled the use of hazardous substances from 148 suppliers, encompassing the compliance requirements of key customers. Furthermore, E Ink conducts regular reviews and updates of its hazardous substance material reports to ensure that the materials provided by suppliers adhere to the GP standards.



The Management and Control of the Quantity of Substance Material Reports and the Number of Supplier Entities Involved



Hazardous Substances Commitment

100% compliance with the latest regulations on hazardous substances in products and customer specifications

Proactively planning chemical substitution strategies and implementing a phased replacement plan

5-2-4 Conflict Minerals Management

No Conflict Minerals Policy and Declaration

Conflict minerals (CM) refer to tantalum, tungsten, tin, and gold (collectively known as 3T1G) mined in areas controlled by non-governmental military groups in the Democratic Republic of Congo using methods that violate human rights. As a responsible corporate member and an active advocate of the Responsible Business Alliance (RBA), E Ink declares and commits not to accept metals from these conflict-affected regions. For more information on E Ink's conflict minerals policy, please refer to the official website's "E Ink Conflict Minerals Policy" section.



Compliance with Conflict Minerals Regulations

E Ink communicates its "Conflict Minerals Policy and Requirements" to suppliers through written means, and all suppliers are required to adhere to it. Furthermore, E Ink encourages suppliers to establish their own conflict minerals policies and cascade them to their respective lower-tier suppliers. As of 2022, a total of 45 suppliers have signed "E Ink Conflict Minerals Policy."

Mineral Source Country Investigation

E Ink requires the use of 3T1G minerals in its products to ensure product functionality. To ensure that the 3T1G minerals used in E Ink's product processes are not sourced from smelters or countries identified by the Responsible Minerals Initiative, E Ink conducts Reasonable Country of Origin Inquiries (RCOI) for at least 5% of its significant suppliers annually. These inquiries aim to determine the country of origin of the minerals present in the components, raw materials, packaging materials, and assemblies used in E Ink's products. Furthermore, E Ink systematically consolidates the results of these investigations and generates monitoring reports to inform relevant departments. The findings are then reviewed in regular internal meetings, and appropriate improvement measures are formulated to ensure compliance with regulatory requirements. If any conflict minerals are identified in the products provided by suppliers, E Ink will further explore alternative mineral sources as substitutes.

RCOI Steps		
Item	Utilization of the Conflict Mineral Reporting Template (CMRT) to identify the sources of 3T1G smelters	Suppliers are required to sign a commitment letter confirming their adherence to E Ink's Conflict Minerals Policy and ensuring the accurate and complete disclosure of smelter information
2022 Achievements	Investigation of 39 suppliers and confirmation of 1,841 part numbers to ensure that 3T1G minerals are not sourced from conflict-affected regions	Accumulated 45 suppliers that have completed the signing process

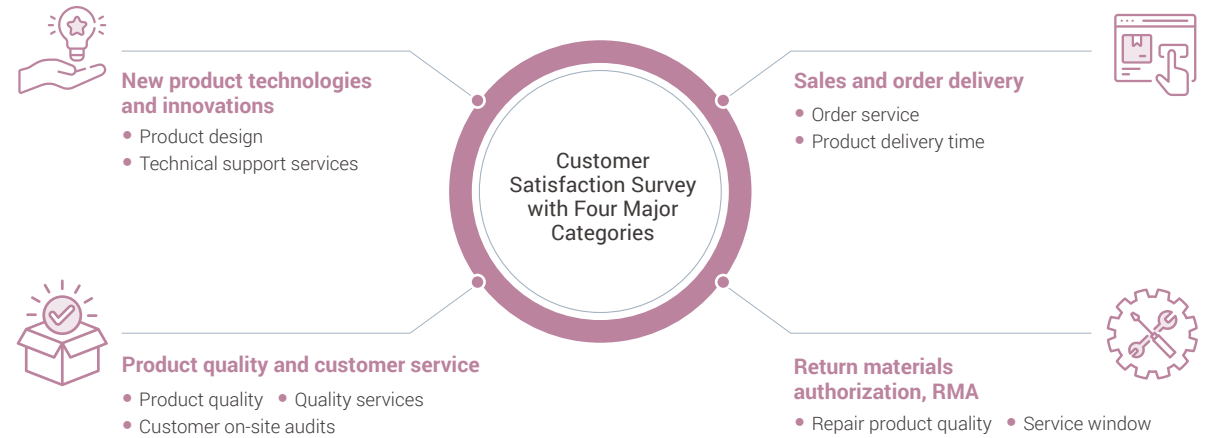
Due Diligence

In order to achieve the goal of 100% compliance with responsible mineral usage by suppliers, E Ink refers to the latest list of valid and qualified smelters provided by the Responsible Minerals Initiative (RMI). A due diligence process is conducted to investigate the conflict mineral sources of all suppliers in response to the conflict mineral requirements put forth by customers. In 2022, a total of 39 suppliers completed the due diligence process, and the compliance rate for responsible mineral usage by suppliers reached 100%. Moreover, all products of E Ink were confirmed to be free from the use of conflict minerals.

5-3 Customer Relationship Management

5-3-1 Customer Satisfaction and Response

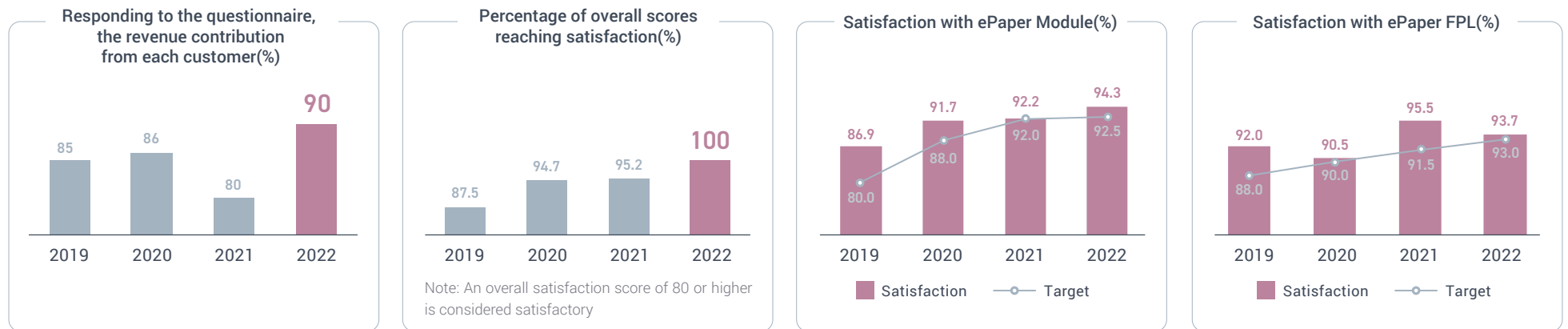
E Ink values the needs of its customers, and customer satisfaction is a key indicator of business success. Maintaining good customer service and relationships is essential, and E Ink achieves a win-win situation in product development and sales through close collaboration with its customers. Based on the product categories, E Ink divides its customer services into two categories: ePaper Modules and Front Plane Laminate (FPL). The company regularly reviews customer satisfaction each year to ensure that customers are satisfied with E Ink's products and services. In 2022, in addition to maintaining the operation of the "Global ePaper Service System," E Ink also introduced new initiatives such as technology exchanges and on-site customer services, aiming to enhance service quality and achieve mutual growth with its customers.



Acknowledgement of Customer Service

From 2019 to 2022, more than 80% of E Ink's revenue was derived from customers who responded to the company's customer satisfaction surveys. The survey results for three consecutive years showed that over 90% of the customers who completed the surveys were highly satisfied with E Ink's overall performance in terms of product quality and customer service, reflecting the high praise E Ink has received from its customers.

Results of Customer Satisfaction Survey



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07 Social Engagement

Appendix



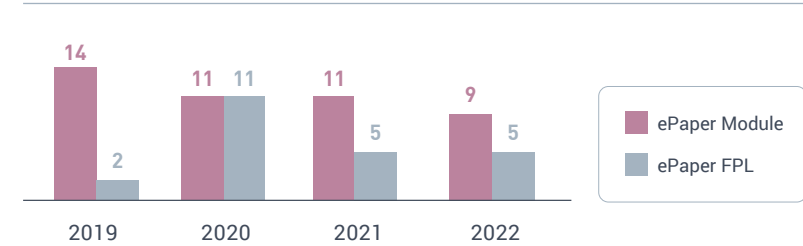
Global ePaper Service System: Real-time Response to Customer Feedback for Continuous Improvement

Since 2021, E Ink has implemented the Global ePaper Service System to provide real-time product quality status and integrate production data from different manufacturing sites, enabling faster communication with customers and reducing their losses. In 2022, a total of 14 improvement suggestions were received from customers, including FPL quality enhancement and expediting abnormality handling. E Ink has conducted internal reviews of these customer suggestions and proposed corresponding improvement strategies and preventive measures to continuously enhance customer relationships.

▼ Excerpt from E Ink's Customer Improvement Suggestions in 2022



Number of Customer Improvement Suggestions Over the Years (units)



Technical Interactions

E Ink is committed to the operation and expansion of the ePaper ecosystem, where customers play a vital role. With the goal of mutual prosperity and development within the ecosystem, E Ink works hand in hand with ecosystem partners towards sustainable growth. To effectively assist customers in product development, a communication platform is established with customer representatives in the early stages of developing new ePaper and module products. Weekly training courses, covering 14 topics such as the introduction of ePaper characteristics and considerations in ePaper product design and manufacturing processes, facilitate technical exchanges. Through mutual communication, potential design errors and delays caused by improper production planning can be avoided. The early-stage technical exchanges significantly accelerate product development and receive positive feedback from customers.

Introduction of On-site Customer Service to Accelerate Response Time

In 2022, E Ink introduced on-site customer service as part of the ongoing effort to optimize customer service. This allows on-site personnel to promptly capture customer information. If any issues requiring clarification are raised by customers, on-site personnel can immediately investigate and report back to the customer service team, enabling timely response to customer needs. This approach effectively enhances customer service efficiency and maintains a good customer relationship. In addition to providing on-site assistance, on-site personnel can also assess the quality of E Ink's products on the customer's end, allowing the customer to continue their production without interruptions. If any products are identified as defective, on-site personnel can perform preliminary troubleshooting and repairs, eliminating the need to send the products back to E Ink for processing. This approach reduces the number of product returns and associated costs, such as shipping and administrative expenses. It ensures smooth product delivery for customers and creates a win-win situation for both the customers and E Ink.

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- 6-3 Development and Growth of Employees
- 6-4 Health and Safety at E Ink

06 Enterprise Care

Creating a Healthy and Safe Workplace for Employees



The global proportion of female employees at E Ink is **37%** with a longterm vision of reaching **40%**

The global employee satisfaction rate is **73**



No cases of discrimination, harassment, or unethical behavior have been reported involving E Ink employees

The implementation of investigations and risk assessments regarding human rights violations indicates a **low level of risk**

The Hsinchu sites maintains its "**Badge of Accredited Healthy Workplace**" and "**AED Safe Place Certification**"

The Linkou site has adopted the "Zero Accident Working Hours Record" to demonstrate its commitment to reducing accidents, with a cumulative total of **1,628,394** accidentfree working hours (July 2020 to December 2022)

E Ink has strengthened the establishment of the E Ink University, a global platform for employee education and training It includes

88 professional maps for different job roles corresponding to **316** courses with a participation rate of **6,147** employees

8 consecutive years of salary increases have been implemented



E Ink 2022 CORPORATE SUSTAINABILITY REPORT

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Appendix

Talent attraction and retention

Talent attraction and retention ✓ Material topics

Comparison of GRI Sustainability Topics and Guidelines
 401-1 New employee hires and employee Turnover
 401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees Disclosure
 401-3 Parental leave

Policy Commitments
 E Ink values the contribution of every employee and strives to create a friendly work place, promote labor-management communication, conduct regular annual health check, and enhance overall salary and benefits. E Ink has provided salary increases for 8 consecutive years, and the global employee satisfaction survey in 2022 reported a satisfaction rate of 73.4%.

Stakeholders Engagement

Employees: Quarterly Welfare Committee meetings (Taiwan sites); weekly department meetings; annual employee satisfaction surveys; presence of employee suggestion boxes in every site; 4 welfare committee meetings were recorded(Taiwan sites); 1,011 employee satisfaction questionnaires; 0 life improvement suggestions from employee.

Focus Topics	Communication channel and frequency	Performance
<ul style="list-style-type: none"> Talent attraction and retention Employee care Labor-management interaction and relationship promotion 	<ul style="list-style-type: none"> Quarterly Welfare Committee Meetings (Taiwan) Club activities Annual employee satisfaction surveys Quarterly labor-management meetings (Taiwan) Town hall meeting Employee suggestion box for on-site facilities E Inkers company annual publication Grievance mailbox 	<ul style="list-style-type: none"> Minutes of 4 Welfare Committee Meetings (Taiwan) 1,011 employee satisfaction questionnaires 4 labor-management meetings 2 employee forums 0 employee suggestions for improving quality of life Handling of 1 employee grievance

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
Employee compensation	Compensation	Average employee salary in Taiwan ranks in the top 10% among listed optoelectronic companies	Overall compensation ranks in the top 40% in the industry	Overall compensation ranks in the top 30% in the industry.
Communication and identity	Target of employee stratification	Employee satisfaction/engagement rate over 70%	Employee satisfaction/engagement rate over 72%	Employee satisfaction/engagement rate over 73%
Talent retention	Talent retention	Turnover rate of high-performing talent: <6%	Turnover rate of high-performing talent: <5%	Turnover rate of high-performing talent: <5%
		Turnover rate of employee: <15%	Turnover rate of employee: <14%	Turnover rate of employee: <14%
		Maternity subsidy of NTD 6 thousands (Taiwan sites)	Maternity subsidy of NTD 8 thousands (Taiwan sites)	Maternity subsidy of NTD 8 thousands (Taiwan sites)
Employee care	Employee supporting program	Childcare measures and subsidies, establishment or contracted childcare facilities (Taiwan sites)	Childcare measures and subsidies, establishment or contracted childcare facilities (Taiwan sites)	Childcare measures and subsidies, establishment or contracted childcare facilities (Taiwan sites)
		Implementation of Employee Assistance Program (EAP)	Implementation of Employee Assistance Program (EAP)	Implementation of Employee Assistance Program (EAP)

Management relations promotion and communication ✓ Accessary Topics

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
Employee engagement	Establishing a positive labor-management interactive relationship	Holding labor-management meetings on a quarterly base (Taiwan sites)	Holding labor-management meetings on a quarterly base (Taiwan sites)	Holding labor-management meetings on a quarterly base (Taiwan sites)
		Holding employee meeting once per year	Holding employee meeting once per year	Holding employee meeting once per year
		Resolution rate of proposals from labor-management meetings: 100%	Resolution rate of proposals from labor-management meetings: 100%	Resolution rate of proposals from labor-management meetings: 100%

Protecting human rights of workforces

Human rights ✓ Accessary Topics

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
Human right policy	Human rights policy training	Completion rate of human rights policy training: 100%	Completion rate of human rights policy training: 100%	Completion rate of human rights policy training: 100%
	Human rights assessment	Conducting human rights impact assessments	Conducting human rights impact assessments	Conducting human rights impact assessments
Diversity, equal and inclusion	Women's care and gender equality	Increase proportion of female in all management to 20%	Increase proportion of female in all management to 21%	Increase proportion of female in all management to 21%
		Increase proportion of female employees: 37%	Increase proportion of female employees: 37%	Increase proportion of female employees: 38%
	Diversity and inclusion	New hires of female employees account for 25%	New hires of female employees account for 25%	New hires of female employees account for 25%
		Implementing 1 measure of friendly workplace priority over official regulations: 1 (Taiwan sites)	Implementing 1 measure of friendly workplace priority over official regulations: 1 (Taiwan sites)	Implementing 1 measure of friendly workplace priority over official regulations: 1 (Taiwan sites)
		Holding 1 training course or seminar of women's empowerment	Holding 1 training course or seminar of women's empowerment	Holding 1 training course or seminar of women's empowerment
		Target rate of hiring of disability individuals: 1%	Target rate of hiring of disability individuals: 1%	Target rate of hiring of disability individuals: 1%
		Equally benefits for diverse partners, including medical and various types of leave	Equally benefits for diverse partners, including medical and various types of leave	Equally benefits for diverse partners, including medical and various types of leave

Management Approach of Sustainable Topics ▶▶▶

Talent cultivation

Employee training and career development ✓ Accessory Topics

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
Learning vitality	Enhance employee learning vitality	.....	Satisfaction rate of education and training ≥ 85%	.....
Reserving talent	Cultivating capabilities of future talent	Completion rate of APPLE(Acceleration Program of Potential Leader, APPLE) ≥ 80%	<ul style="list-style-type: none"> Promote APPLE to global sites Establish the requirement that vacant managerial positions be filled by qualified candidates from APPLE 	Promote employee promotion to managerial positions based on the results of the mid-term plan

Ensuring occupational safety and health

Occupational safety and health ✓ Material topics

Comparison of GRI Sustainability Topics and Guidelines

- 403-1 Occupational health and safety management system
- 403-2 Hazard identification, risk assessment, and incident investigation
- 403-3 Occupational health services
- 403-4 Worker participation, consultation, and communication on occupational health and safety
- 403-5 Worker training on occupational health and safety
- 403-6 Promotion of worker health
- 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
- 403-9 Work-related injuries

Policy Commitments

E Ink values its employees as its most valuable asset and has implemented occupational health and safety management measures and policies to ensure their well-being. The company has received ISO 45001 certification for its occupational health and safety management system, showcasing its dedication to maintaining a safe working environment and promoting a healthy workplace.

Stakeholders Engagement

- Stakeholders: Employees, Suppliers/Contractors/Vendors, Industry Peers and Associations**
- Conducted quarterly Occupational Health and Safety Committee meetings (eight sessions in total for both factory locations)
 - Organized the annual Maintenance Agreement Organizational Meeting at the Hsinchu plant
 - No deficiencies found during the 2022 labor safety inspection conducted by the Ministry of Science and Technology
 - No significant occupational accidents occurred in 2022
 - Achieved a 100% license renewal training rate in 2022

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
Safety culture	Promoting safety culture	.....	Safety and health education: Employee completion rate 100% ; Contractor completion rate 100%	.....
		.....	Number of major occupational accidents: 0	.....
		.....	Compliance with occupational safety and health regulations: 100%	.....
		.....	Receiving ISO 45001 certification	.....
Working environment	Protecting workplace safety	Disabling Injury Frequency Rate (FR): 0.5	Disabling Injury Frequency Rate (FR): 0.4	Disabling Injury Severity Rate (FR): 0.3
		.....	Disabling Injury Severity Rate (SR): 10	.....
		Establishment of a real-time visualized system for occupational injuries	Maintenance of the real-time visualized system for occupational injuries	.....
		.....	Incident of occupational disease caused by chemical exposure and physical hazards: <1	Incident of occupational disease caused by chemical exposure and physical hazards: <0
Employee health & well-being	Protecting employee health and well-being	.....	Implementing 2 measures of health check that priority over official regulations (Taiwan sites)	.....
		.....	Subsidy for health or sports activities: NTD 250 thousands	Subsidy for health or sports activities: NTD 280 thousands

6-1 People Overview

6-1-1 2022 Workforce Overview

In 2022, E Ink had a global workforce of 3,478 employees^{Note 1}, including 42 contractual employees through third-party contractors for security, janitorial, and other related tasks^{Note 2}. Due to the nature of the industry, the majority of management and professional engineering personnel are male, while female employees are more prevalent in managerial roles and technician (Direct labor). E Ink is committed to providing equal opportunities and platforms for all employees, particularly female employees, to maximize their potential. In addition to setting a long-term goal of gradually increasing the proportion of female employees to 40%, E Ink promotes gender equality in talent recruitment.

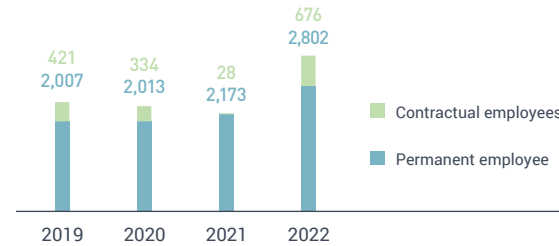
Newcomers and Leavers

In 2022, E Ink hired a total of 1,064 new employees, resulting in an annual newcomers rate of 38%. The average cost to recruit a new employee was approximately NTD 22,324.

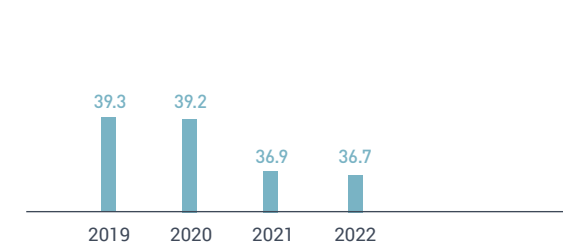
Regarding the employee turnover rate, the voluntary turnover rate stands at 18%. According to the survey on reasons for departure, approximately 33% of employees cited "personal" factors as their primary reason for leaving. In addition to the existing mechanism of performance-based attrition, the turnover factors also include the impact of significant changes of global geopolitical, which have resulted in a high demand for talent both domestically and internationally. Furthermore, the unique nature of the industry can contribute to challenges related to technical requirements, work environment, and working hours, which may result in employee disengagement.

In terms of talent retention, E Ink places great emphasis on ensuring that employees are the right person in the right place, matching their competencies to suitable roles. The company aims to empower employees to develop professional expertise and broaden and in-depth perspective, enabling them to align with global trends and embrace a more diverse approach to develop their career path. To support this goal, E Ink encourages internal job transfers to expand employees' career breadth and depth. In 2022, the percentage of open positions filled by internal candidates was 8%, reflecting the company's commitment to cultivate global talent worldwide and global talent locally. These efforts contribute to the effective operation and development of E Ink's global business activities.

Number of Employees

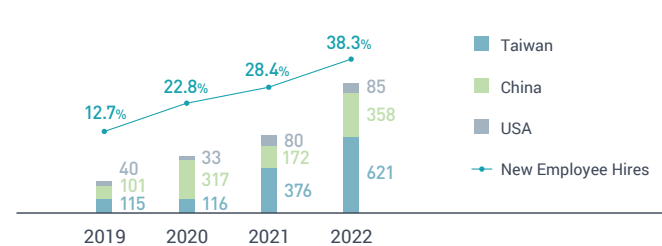


The Proportion of Female Employees (%)

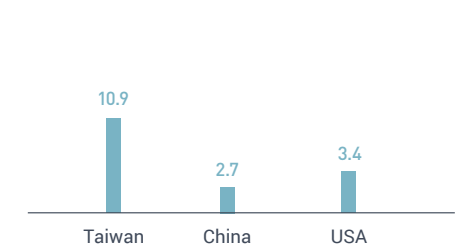


Note 1: The statistical scope of the total number of global employees includes the following locations: Taiwan (Hsinchu sites, Linkou sites, Chungli sites), China (Yangzhou sites), the United States (USA sites), and other regions such as sales offices in Tokyo Japan, Seoul South Korea, and Shenzhen China.
 Note 2: Contractual employees are solely included in the statistics for Taiwan sites.

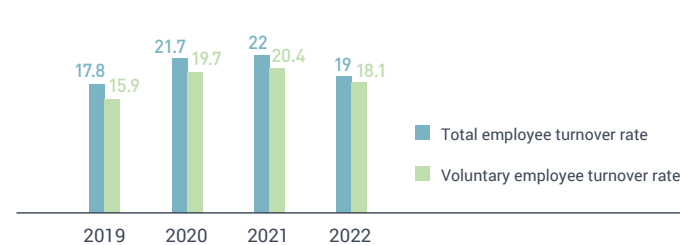
Number of New Employee Hires



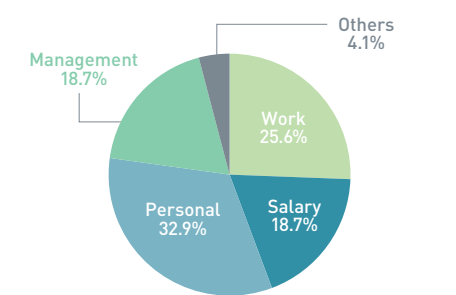
Percentage of Open Positions Filled by Internal Candidates in 2022^{Note5} (%)



Employee Turnover Rate^{Note3-4} (%)



Factors of Employee Departure in 2022



Note 3: Total employee turnover rate = Total number of turnover for the fiscal year / ((Beginning of the year + End-of-period employee count)/2)
 Note 4: Voluntary employee turnover rate = Total number of voluntary turnover s for the fiscal year / ((Beginning of the year + End-of-period employee count)/2)
 Note 5: Percentage of Open Positions Filled by Internal Candidates = Total number of internal transfers for the fiscal year / ((Total number of internal transfers for the fiscal year + Total number of new newcomers for the fiscal year)



6-1-2 Talent Recruitment

In pursuit of sustainable business operations, E Ink implements a talent acquisition strategy that aligns with the company's medium- to long-term corporate goals. E Ink establishes a forward-looking approach for proactive recruitment plans, encompasses employing fair, transparent, and equitable selection processes to identify suitable candidates. Furthermore, E Ink actively initiates various project to foster global and local talents, facilitating the smooth operation and development of the global business activities.

In 2022, the overall workforce demand in Taiwan sites continued to grow. To attract outstanding talents, E Ink leveraged diverse recruitment channels, including online job banks, mobile vehicle advertisements, social media engagement, industry-academia collaborations^{Note}, and campus recruitment events. By breaking the limitations of time and geography, E Ink established immediate connections with potential candidates, expanding the pool of talent and building a talent pipeline.

Note: Corporate internship

Campus Recruitment

E Ink is actively engaged in campus outreach activities, focusing on key universities with high concentrations of talent in the ePaper and display industry. Employees from various domains of E Ink visit campuses to deliver keynote speech and provide iinternship opportunities. These initiatives aim to equip aspiring students with the latest technological insights in an industry characterized by rapid change. Through various competitions, students have the opportunity to share knowledge about ePaper features and technology. Additionally, E Ink demonstrates end-products of ePaper to attract exceptional young talents and build the company's employer brand image.



2022 Campus Series Events



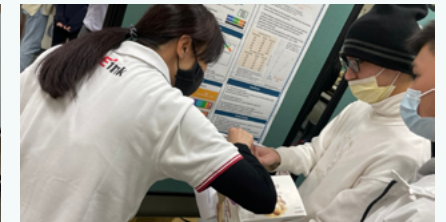
Inheritance of technical knowledge

E Ink collaborated with the Department of Photonics at National Yang Ming Chiao Tung University to plan a 2-months interactive experimental course. The objective of the course was to familiarize students with ePaper technology, its characteristics, and working principles. During the course, students gained hands-on experience in manipulating ePaper display screens, seamlessly integrating theory and practice. The course concluded with a final exhibition, where E Ink representatives served as judges, providing feedback and evaluation. The student response to the course was enthusiastic and positive.



Summary of student's review from Gao OO's (December 2022)

"In the past, I was only familiar with display technologies like LCD and OLED, and I had little knowledge about ePaper. I didn't pay much attention to this technology and was not very familiar with E Ink as a company. It surprised me to learn that the company has a market share of up to 95%. The concept of ePaper introduced by the two engineers seems to be a basic form of ePaper technology, as it takes around 20 seconds to set an image. I believe ePaper should have the capability to change instantaneously. We control the position of the color spheres inside the ePaper by varying the voltage, similar to how LCD panels use different voltages to change colors and brightness. However, the biggest difference is that ePaper can maintain the image even after power is disconnected. This is because the position of the color spheres remains unchanged. Additionally, ePaper is not a self-emitting technology like OLED, and its primary colors are not the RGB spectrum of light. The colors in ePaper work in a subtractive mode rather than an additive mode. The most amazing aspect is the speed and precision at which the color spheres inside the ePaper move. During the actual operation, I was able to observe the mode in which the color balls were moving."



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Appendix

2022 Campus Series Events



E Ink offered internship opportunities to students from different schools, providing them with valuable workplace experience. These internships allowed students to accumulate professional experience early in their careers while contributing new ideas and perspectives to the team. E Ink structured internship projects to ensure a smooth transition for students into the professional world, enabling them to showcase their talents and enhance their future prospects. The internships served as a platform for students to excel, broaden their horizons, and foster future growth and development.



E Ink participated in a prestigious corporate exposition organized by institutions of higher learning, where students had the opportunity to personally experience its state-of-the-art terminal products at its exhibition booth. This experience helped students understand the numerous applications of ePaper technology. E Ink invited internal experts from various fields to provide comprehensive explanations about job vacancies and responsibilities, enabling students to quickly grasp job functions. This initiative aimed to cultivate a stronger affinity towards E Ink, promote long-term job stability for students, and facilitate strategic career planning. Furthermore, E Ink collaborated with targeted departments and colleges to co-host specialized corporate briefings. These events served as a platform for sharing vital information about the company's history, technological characteristics, diverse applications, sustainable practices, job vacancies, salary and benefits, as well as company activities. E Ink arranged for alumni speakers to share their valuable experiences, further enhancing students' confidence in the company's prospects and the future trends of the industry.



Video Interviews During the Pandemic

To adapt to the recent COVID-19 pandemic, E Ink has implemented remote interviews as the primary channel of interviewing, ensuring the safety and smoothness of the recruitment process. Through remote interviews, although candidates are unable to physically visit the workplace, they can learn a more comprehensive understanding of E Ink's corporate culture and operational status through channels such as the company's official website, news releases, and videos. Additionally, remote interviews place emphasis on the candidates' technical capabilities, as they require proficiency in using remote communication tools. Unlike traditional on-site interviews, remote interviews highlight candidates' proactiveness and initiative, while competency assessment systems assist to evaluate their suitability and potential. This recruitment approach ensures fairness and appropriateness in the selection process, maintains to select outstanding talents that establishes a solid foundation for the company's long-term development.

Digitalizing the Recruitment and Onboarding Processes

In 2022, E Ink implemented an e-transformation project for the recruitment process, significantly streamlining the previously complex, difficult-to-control, and resource-intensive paper-based operations. Simultaneously, the company integrated systems and processes across departments to systematize repetitive tasks from manpower application, interview scheduling, onboarding contract issuance to newcomers. This enabled relevant personnel to track information in real-time through user-friendly interfaces and perform standardized and consistent control operations, resulting in a significant reduction in unnecessary resource wastage such as paper. The e-transformation of the recruitment process facilitated quick and efficient discussions and approvals, leading to substantial cost savings in manual operations, improved accuracy, and enhanced departmental efficiency. Going forward, E Ink will continue to advance towards comprehensive management systematization, standardization of procedures and forms, and systematization of forms. The company will also leverage digital technology in the recruitment process to continually enhance operational efficiency, reduce costs, improve work quality, and strive to build a more sustainable enterprise.

Enhancing Education and Training for Newcomers

Through years of accumulation, E Ink has consistently strengthened the orientation programs for newcomers. Through the education and training of orientation sessions, newcomers can integrate into the company culture more quickly and align with the company's vision. In terms of talent retention, the company encourages employees to engage in internal job transfers to expand their job scope. Additionally, E Ink adopts diverse performance evaluation methods and emphasizes two-way communication, allowing employees to receive feedback, experience a sense of accomplishment, and seize learning and growth opportunities in their work. This continuous process enables each employee to enhance personal value and maintain talent stability. In the future, E Ink will remain dedicated to cultivating talent and will continue to empower employees to unleash their full potential through initiatives such as internal job transfers and diverse performance evaluations, ultimately working together to create higher corporate value.

Sustained Employment of Persons with Disabilities

As of the end of December 2022, E Ink has employed a total of 14 employees with disabilities, showing the company's commitment to supporting the employment of individuals with disabilities. Among them, three are visually impaired individuals with severe disabilities who work as full-time massage therapists. In addition, there are 11 employees with disabilities of varying degrees, including mild, moderate, severe, and extremely severe disabilities, working in the company's R&D, production, and logistics units, in compliance with the legal requirements for promoting employment of individuals with disabilities in Taiwan. In 2022, due to the impact of the COVID-19 pandemic, the company implemented remote work policies. To support the visually impaired employees who were unable to provide massage services during this period, the company continued to pay them their regular salaries to ensure their livelihoods. Moving forward, E Ink will continue to actively conduct internal job position evaluations to create more employment opportunities for individuals with disabilities. The company remains committed to promoting a diverse and inclusive work environment.

Hiring Local Talents

In order to enhance local operations and grasp capabilities of local markets, E Ink has a strong focus on hiring talents for senior management position locally. The ratio of local senior management hires, including assistant directors or higher-level executives such as Chief Information Security Officer (CISO), Chief Accountant, and Corporate Governance Manager, stands at 96%. By recruiting and developing local professionals, E Ink aims to enhance management efficiency and competitiveness in each market regions. This strategy ensures a deep understanding of local dynamics and enables the company to make informed decisions that align with the specific needs and opportunities of each region.

6-2 Talent Attraction and Retention

6-2-1 Respecting Human Rights

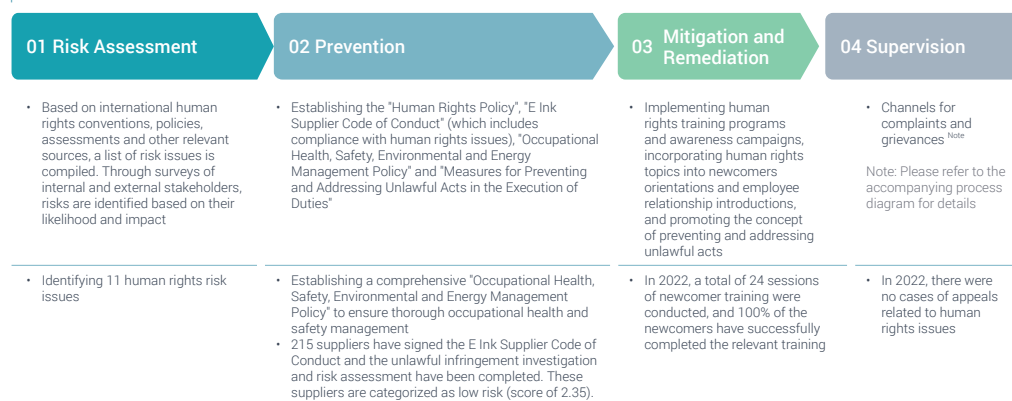
E Ink Human Rights Policy

E Ink adheres to the laws and regulations of each operating location worldwide, following the principles outlined in the "International Bill of Human Rights," the "International Labour Organization's Declaration on Fundamental Principles and Rights at Work," the "United Nations Guiding Principles on Business and Human Rights (UNGPs)," the "Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises," and the "United Nations Global Compact Ten Principles (UNGC)." The company also takes actions consistent with the Responsible Business Alliance (RBA) Code of Conduct to prevent any violation or infringement of human rights. E Ink treats employees, contract workers, temporary staff, and interns with dignity and respect. This policy applies to E Ink's own operation, affiliated companies, and requires its suppliers and partners to follow the same standards. For more information on our human rights policy, please refer to the "E Ink Human Rights Policy" on E Ink official website.

Human Rights Due Diligence and Management

To effectively implement its human rights policy and assess its management effectiveness, E Ink identifies, evaluates, and improves human rights issues that may arise within its operations, value chain, and new business ventures. The company regularly conducts human rights due diligence to identify and address risks, ensuring the protection of workers' labor rights. Additionally, it refers to frameworks such as the Responsible Business Alliance (RBA), the United Nations Global Compact (UNGC), the Global Reporting Initiative (GRI), and sustainability assessments to systematically assess significant human rights issues. Through a comprehensive risk assessment based on the likelihood and impact of each issue, E Ink identifies human rights risks and proposes mitigation and remediation measures to minimize the impact on its business and create a safe and fulfilling workplace.

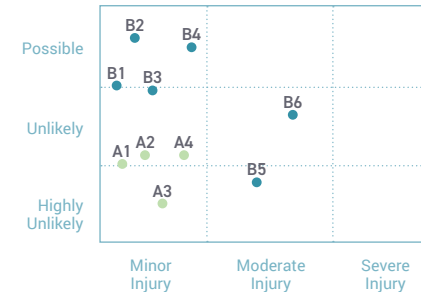
Management Framework and Processes



Human Rights Violation Investigation

From December 2021 to February 2022, E Ink conducted sampling-based investigations and risk assessments of unlawful infringements at Taiwan sites. The assessment resulted in a low-risk classification with a score of 2.35.

Workplace Unlawful Infringement Investigation and Risk Assessment Matrix



Risk Assessment Conclusion

The risk level is classified as minor and no immediate risk reduction measures are required. However, it is important to ensure the effectiveness of existing protective measures. In the event of a workplace misconduct complaint, the company has established an Appeals Handling Committee, referred to as the "Appeals Committee," which is responsible for handling matters related to misconduct complaints, investigations, and decisions. The committee ensures the protection of the rights and interests of both the complainant and the accused party. The handling process for physical or mental illegal infringements suffered in the course of performing duties is conducted according to the execution process flowchart. The illegal infringement risk assessment investigation of this project will gradually expand to the Yangzhou and USA sites, aiming to achieve a global prevention mechanism.

This investigation will focus on the following key topics as a priority for examination:

External Wrongful Infringement Issues

- A1:** Are there individuals outside the organization (contractors, customers, service recipients or relatives, etc.) whose behavior is unpredictable and may become a source of wrongful infringement against workers in that area?
- A2:** The nature of the workers' job is to perform public safety duties?
- A3:** Are the workers required to work alone in their job?
- A4:** Does the workers' job involve direct frontline service and interaction with the public?

Internal Wrongful Infringement Issues

- B1:** Has there been any occurrence of supervisors or workers being subjected to inappropriate behavior by their colleagues (including superiors) within the organization?
- B2:** Have any colleagues resigned or requested a job transfer due to the occurrence of workplace misconduct incidents?
- B3:** Are there any employees who have been excluded by colleagues or have had difficulties adapting to the job?
- B4:** Are there any employees internally who are feeling emotionally low, desperate or fearful and are in need of immediate care and support?
- B5:** Are there any employees who are working overtime and experiencing significant work-related stress?
- B6:** Are there any issues with overcrowded workspaces or insufficient lighting equipment in the workplace?





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Human Rights Due Diligence Investigation

As a global leader in ePaper technology, E Ink strictly adheres to domestic laws and international standards. In 2022, the company identified 11 human rights risk issues and implemented mitigation and remediation measures to reduce their likelihood. E Ink did not have any violations or non-compliance related to human rights issues, including direct or indirect involvement in such activities, and therefore, no corresponding compensation measures were taken. In the event that E Ink causes or contributes to any human rights violations or related non-compliance, the company will implement the compensation measures outlined in the table below and disclose them in public documents such as the corporate sustainability report, ensuring transparency of information to stakeholders.

Human Rights Issues	Management Practices	Probability of Occurrence	Impact Severity	Mitigation Measures	Remediation Measures	Types of Remediation Measures	Implementation of Remediation Measure	Risk Groups
Workplace Safety	<ul style="list-style-type: none"> By receiving ISO 45001 certification for occupational safety and health management system, E Ink have established and implemented comprehensive operating procedures and guidelines to ensure the safety of our employees and maintain a secure work environment 	High	Low	<ul style="list-style-type: none"> Establishing corrective and preventive action procedures to address issues such as employee feedback, inspection deficiencies and corrective actions from supervisory authorities, ensuring prompt and effective improvements 	<ul style="list-style-type: none"> Establishing a management plan and allocating an annual budget for immediate improvement measures. 	Implementing internal policies to prevent human rights abuses	Achieved	<ul style="list-style-type: none"> Employees Suppliers
Employee Health	<ul style="list-style-type: none"> In accordance with the Occupational Safety and Health Act, E Ink have established employee health management regulations to plan and implement health checks, promotion activities and other related matters 	Low	Low	<ul style="list-style-type: none"> Conducting annual health check for employees that surpass regulatory requirements in terms of frequency and scope Planning and implementing annual health promotion activities and educational seminars 	<ul style="list-style-type: none"> Planning relevant health promotion activities based on annual employee health examination results, consultations and other relevant factors Arranging individual interviews with on-site occupational physicians and arranging work resumption or job adjustments based on the circumstances 	Non-financial remediation	Achieved	<ul style="list-style-type: none"> Employees Suppliers
Child Labor	<ul style="list-style-type: none"> In accordance with legal regulations, E Ink strictly prohibits the employment of children under the age of 15. Additionally, for workers under the age of 18 who are considered minors, E Ink provide necessary management practices and measures as required by law. During the selection process, the company carefully review personal information and upon reporting for duty and ensure the accurate verification of colleagues' information for record-keeping purposes 	Low	Middle	<ul style="list-style-type: none"> During the selection process, reviewing personal data to verify the age and job responsibilities of candidates During the onboarding process, thoroughly reviewing and cross-checking employee data to ensure compliance with legal regulations 	<ul style="list-style-type: none"> Handling the tasks in accordance with the work rules 	Implementing internal policies to prevent human rights abuses	Achieved	<ul style="list-style-type: none"> Employees Suppliers Children
Forced and Compulsory Labor	<ul style="list-style-type: none"> Overtime work requires prior notification to employees and receiving their consent before it can be conducted The employment contracts signed with employees are based on the compliance with labor laws and are signed voluntarily based on mutual consent Employees have the right to independently decide to terminate their employment contract or cease providing services 	Low	Middle	<ul style="list-style-type: none"> Overtime work requires prior notification to employees and receiving their consent before it can be conducted The employment contracts signed with employees are based on the compliance with labor laws and are signed voluntarily based on mutual consent Employees have the right to independently decide to terminate their employment contract or cease providing services 	<ul style="list-style-type: none"> Handling the tasks in accordance with the work rules 	Implementing internal policies to prevent human rights abuses	Achieved	<ul style="list-style-type: none"> Employees Suppliers
Work Hours	<ul style="list-style-type: none"> After establishing the work rules in accordance with regulations, it was submitted to the competent authority for approval and announced to all employees to ensure awareness Regular labor-management meetings are held to facilitate communication and negotiation between employers and employees. Requesting suppliers to sign the "Supplier Code of Conduct". 	Low	Low	<ul style="list-style-type: none"> In order to meet the actual demand, recruit an adequate workforce in accordance with the production capacity Regularly review the rules and regulations and cooperate with regulatory updates to control of working hours 	<ul style="list-style-type: none"> Establish mechanisms for managing and tracking working hours Enhance educational training and advocacy efforts 	Implementing internal policies to prevent human rights abuses	Achieved	<ul style="list-style-type: none"> Employees Suppliers
Freedom of Association	<ul style="list-style-type: none"> Establishing association management regulations, providing continuous financial support to encourage association operations, and conducting association evaluations to ensure a balance between work and life The Right to Collective Bargaining, labor-management meetings, are held regularly and minutes of the meetings are kept to track relevant issues. The response rate for labor-management meetings is 100%, ensuring the continuous maintenance of harmonious relations between labor and management 	Low	Low	<ul style="list-style-type: none"> Organization, operation and management of open associations Labor-management meetings are held regularly 	<ul style="list-style-type: none"> Handling the tasks in accordance with the work rules 	Implementing internal policies to prevent human rights abuses	Achieved	<ul style="list-style-type: none"> Employees Suppliers
Gender Equality	<ul style="list-style-type: none"> Publishing job vacancies and making appointments, gender is not considered as a screening criterion and candidates of all genders are encouraged to apply The work rules explicitly state the equal protection of gender work rights All employees have read and understood the relevant provisions on gender equality in the work rules Ensuring gender equality in work rights and eliminating gender discrimination; there shall be no differentiation based on gender in recruitment, training, performance evaluation, compensation, rewards, and promotions 	Low	Low	<ul style="list-style-type: none"> Publishing job vacancies and making appointments, gender is not considered as a screening criterion and candidates of all genders are encouraged to apply Enhancing the promotion and education of gender equality among employees 	<ul style="list-style-type: none"> Handling the tasks in accordance with the work rules 	Implementing internal policies to prevent human rights abuses	Achieved	<ul style="list-style-type: none"> Employees Suppliers
Maternity Protection	<ul style="list-style-type: none"> In accordance with the Occupational Safety and Health Act, E Ink have established the Maternity Health Management Regulations for female employees. These regulations include the planning of risk classification, suitability of work and other related matters to ensure the physical and mental health of pregnant, postpartum and lactating female employees 	Low	Low	<ul style="list-style-type: none"> The company implements maternity protection measures such as parental leave, breastfeeding rooms, prohibition of night shifts, priority for female employees and reserved parking spaces for pregnant employees 	<ul style="list-style-type: none"> Inform the medical room or the Human Resources department for assistance in arranging work schedule adjustments or shift changes 	Non-financial reward	Achieved	<ul style="list-style-type: none"> Women Suppliers
Non-Discrimination	<ul style="list-style-type: none"> The work rules explicitly state the protection of employees from harassment and illegal discrimination All employees are required to read and understand the provisions in the work rules regarding protection against harassment and illegal discrimination Ensure that employees are recruited, trained, performance evaluation, remunerated, rewarded and promoted without discrimination based on race, color, age, gender, sexual orientation, gender identity and expression, race or nationality, disability, pregnancy, belief, political stance, group background, veteran status, protected genetic data or marital status. Discrimination against employees in recruitment and actual work based on any of these factors is strictly prohibited. 	Low	Low	<ul style="list-style-type: none"> Publish job vacancies externally and prioritize the selection of candidates based on their merits, considering their academic and professional backgrounds as the primary criteria for assessment Enhance communication and provide education to employees to ensure their protection against harassment and unlawful discrimination 	<ul style="list-style-type: none"> Handling the tasks in accordance with the work rules 	Implementing internal policies to prevent human rights abuses	Achieved	<ul style="list-style-type: none"> Employees Suppliers Indigenous people
People with Disabilities	<ul style="list-style-type: none"> The work rules explicitly state the protection of the employment rights of employees with disabilities All employees have carefully read and understood the provisions in the work rules regarding the employment rights of employees with disabilities Employees with disabilities are protected from encountering issues such as lack of accessibility facilities in the workplace, specific job duties design, participation in company activities, discrimination, or mistreatment. Additionally, relevant risk assessments will be conducted based on the company's internal environmental health and safety management procedures and assistance will be provided in planning and implementing workplace improvement measures 	Low	Low	<ul style="list-style-type: none"> Collaborate with relevant authorities to strengthen the hardware and software measures in the workplace, ensuring the protection of the rights of employees with disabilities 	<ul style="list-style-type: none"> Handling the tasks in accordance with the work rules 	Implementing internal policies to prevent human rights abuses	Achieved	<ul style="list-style-type: none"> Employees Suppliers
Foreign Employees	<ul style="list-style-type: none"> Regarding foreign employees, it is crucial to engage a reputable intermediary through a legally compliant process. During the contract signing, it is recommended to request the intermediary to provide a comprehensive fee schedule in order to prevent any additional charges from being imposed on foreign employees. Intermediaries are prohibited from withholding employees' passports, deposit books, and residence permits. The work regulations explicitly establish provisions that ensure equality in terms of working hours and vacation entitlements. 	Low	Low		<ul style="list-style-type: none"> Handling the tasks in accordance with the work rules. 	Implementing internal policies to prevent human rights abuses.	Achieved	<ul style="list-style-type: none"> Migrant workers

Note: The scope of human rights risk due diligence covers the Taiwan region (Hsinchu and Linkou sites), implementation ratio of remediation measures is calculated based on the total number of sites within that Taiwan region (Hsinchu and Linkou sites)

6-2-2 Labor Relations and Communication

Talent is one of the most valuable assets for E Ink, as the company recognizes its significance in driving growth. E Ink is committed to fostering harmony between labor and management, viewing it as the key driver of the company's advancement. Through a variety of formal and informal communication channels, E Ink strives to build internal consensus and cultivate a company culture known as "One Team, One E Ink." This culture promotes collaboration, cooperation, and a shared sense of purpose among employees. By fostering open and effective communication, E Ink aims to strengthen teamwork and create a cohesive work environment that supports the company's overall success.

Labor-Management Meeting/Welfare Committee

- The Labor-Management Meeting is convened regularly on a quarterly basis, providing a platform for employee representatives to express their suggestions and perspectives regarding specific issues. This ensures smooth communication between labor and management and facilitates the achievement of consensus within the company.^{Note}

Note: Due to the pandemic in 2022, the labor-management meeting were conducted online

Labor Union (Yangzhou Sites)

- A labor union has been established at the Yangzhou sites. If employees have any opinions or concerns regarding workforce management, factory operations or other matters, they may also communicate them through the labor union, which will serve as an intermediary. The responsible departments will then be in charge of addressing and handling these issues accordingly

Internal Website- My E Ink/E Inker

- Communicating and establishing a platform for corporate values and culture, as well as disseminating news and announcements
- E Inker e-magazine



Town Hall Meeting

- Regular town hall meetings or all-staff assemblies are held, providing employees with the opportunity to openly and directly communicate with the executive management team



Internal Communication Mailbox

- Mail box of workplace suggestions



- To coordinate labor-management relations and promote cooperation between employees and employers, the company has established diverse communication mechanisms to cater to different needs. Through various and real-time channels, a strong labor-management interaction is built to foster a sense of identification among employees and enhance their enthusiasm for work. Currently, labor unions have been established in China sites, with 100% participation from local employees. However, labor unions have yet to be established in Taiwan and USA. As a result, the overall coverage rate of the labor union^{Note} for E Ink employees stands at 26%

Note: The labor union has not yet signed a collective agreement with E Ink

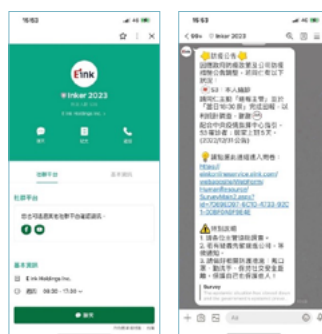
The Employee Communication Meeting in 2022

Meeting Name	Frequency of Meetings	Number of Proposals	Number of Resolutions
Labor-Management Meeting	8	13	13
Welfare Committee	4	12	12
Employee Town Hall Meeting	2	0	0

Note: Due to the impact of the pandemic, employee town hall meetings for the second and third quarters have been canceled.

Diverse Communication

With the rapid development of the Internet, E Ink aims to utilize social media channels and instant messaging applications to deliver real-time updates and epidemic-related information to employees, enabling them to stay informed and updated.



E Ink has established a LINE group in Taiwan



E Ink has established a WeChat official account in China sites, which serves as a bridge for communication and interaction among employees, as well as a platform to share the activities of E Ink with external stakeholders



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2022 Employee Survey

In order to create a wellbeing workplace and enhance employee engagement, E Ink conducted the Global Employee Survey in 2022 (Taiwan sites and China sites). The survey focused on six key dimensions: work conditions, teamwork, leadership management, career development, salary and benefits, and organizational identification, including employee engagement. The analysis revealed a satisfaction score of 73.4 out of 100 among employees, with over 70% expressing a sense of belonging as part of E Ink and high satisfaction with the company's benefit policies. By understanding the voices of employees, E Ink is able to identify areas for improvement and develop appropriate measures to address any weaknesses in satisfaction. These findings serve as valuable indicators for organizational management and efforts to strengthen employee engagement. E Ink is committed to continuously enhancing the work environment and ensuring employee satisfaction, ultimately fostering a more engaged and motivated workforce.

Results of Employee Survey

(Taiwan sites and China sites)

The average score of employees is **73.4** out of 100



Results of Employee Survey

(US Sites)

The overall score of employees is **79.7**



Employee Satisfaction Surveys Analysis

Category	Score of Satisfaction (Out of 100)	Proportion of Employee Engagement (%)
Age	Under 30	75
	31 ~41	71
	41~51	74
	51~61	79
	Over 61	61
Gender	Female	73
	Male	73
Job Role	Technician (Direct labor)	70
	Administrator	77
	Engineer	73
	Frontline supervisors (Manager/Assistant Manager level)	76
	Senior Executives (Director level and above)	78

Note 1: The overall satisfaction score is a perfect 100.
 Note 2: The employees' active engagement score is 70 out of 100 points.

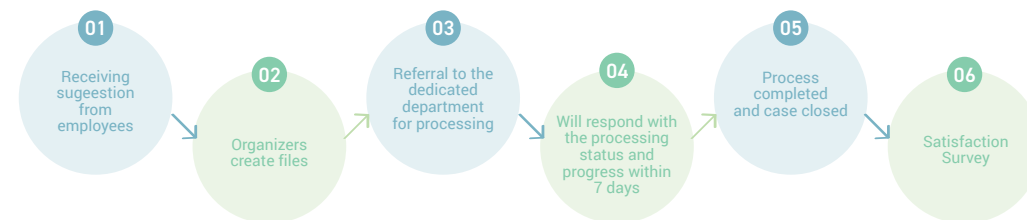
In 2022, a Diversity, Equity and Inclusion (DEI) and Employee Engagement survey was conducted in USA sites. The survey focused on six key dimensions: employee communication, career development, diversity and inclusion, employee engagement, job equality and workplace respect. The analysis revealed an overall score of 79.7 out of 100.

Note: Due to cultural and privacy considerations, employee surveys in USA sites were not conducted based on demographic categories of Age, gender and job nature.

E Ink values the happiness and well-being of each employee and strives to create a healthy, positive, and productive workplace. To assess employee satisfaction and working experiences, regular surveys are conducted annually. The survey questionnaires cover five key dimensions: job satisfaction, happiness, purpose, stress, and identification and trust. Through these surveys, E Ink learns deeper insights of employee expectations and needs, enabling the company to promote a more inclusive and supportive work culture. This, in turn, contributes to improved employee performance and efficiency, creating a more positive and beneficial workplace. By prioritizing employee happiness and addressing their concerns and aspirations, E Ink aims to foster a workplace that promotes well-being, enhances job satisfaction, and encourages employee engagement.

Dimensions Of Survey	Job Satisfaction	Happiness	Purpose	Stress	Identification and Trust
Overall score ^{Note 1}	74.7	75.9	75.1	76.5	76.9
Response Rate of Employee Survey (%)	29				

Process of Responding Employee's Suggestions



Grievance Mechanism

To prevent workplace harassment, unfriendly workplace, inappropriate leadership and other situations that may cause stress or unfair treatment among employees, as well as to address potential dishonest behavior that could harm the company's interests or reputation. E Ink has established a formal grievance mechanism and procedures. This allows employees, suppliers, contractors and business partners to raise concerns and report issues, ensuring a thorough investigation process to verify the facts and effectively resolve problems. Details of the grievance committee structure and processes please refer to E Ink official websites under the "Employee Grievance and Communication Mechanism". In 2022, E Ink did not experience any cases where employees filed grievance regarding discrimination, harassment or dishonest conduct.

Responsibility of Grievance Investigation Committee including:

- Assisting in understanding, contacting, tracking grievance cases, and compiling resolution report of each grievance case.
- Conducting review and decision-making on the cases.
- Handling grievances of sexual harassment, unfriendly workplace and inappropriate leadership in accordance with the principles of confidentiality, objectivity and fairness.
- Investigations of grievance have to conduct in a confidential manner, ensuring the protection of the privacy and personal dignity of the parties involved.
- Upon confirming the resolution of the grievance case, the committee have to ensure that the grievance do not experience any form of retaliation.

6-2-3 Salary and Benefits

E Ink values the efforts and contributions of every employee. In addition to providing a competitive salary system, thoughtful benefits, and a quality workplace, the company actively cultivates a friendly workplace. Diverse and motivating reward mechanisms are implemented to attract exceptional talents from all over the world. The salary of newcomer is determined based on the job attributes, educational background, professional knowledge and skills, and work experiences, without any differentiation based on gender, race, religion or ethnicity, physical disabilities, political stance, marital status, or membership in labor unions or associations.

Enhancing Overall Compensation

E Ink complies with the laws of each operating location and regularly participates in market salary surveys to establish a fair and competitive compensation system. For example, for entry-level employees, the standard salaries are consistently higher than the local minimum wage. Additionally, the company reviews the market competitiveness of its salary and benefits measures each year based on market levels and individual performance. Despite the challenges posed by the pandemic, E Ink has been providing annual salary increases for eight consecutive years. Since 2018, E Ink has made adjustments to enhance the overall compensation for employees by increasing the fixed salary by one month. This adjustment not only strengthens the company's average salary competitiveness in the technology industry, attracting outstanding talent, but also serves as a significant recognition of the ongoing contributions made by the company's employees.

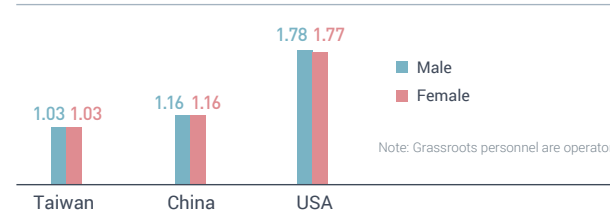
E Ink regards its employees as the most valuable asset of the company, and strives to provide a wellbeing workplace and competitive compensation and benefits to all employees worldwide. According to information from the Taiwan Stock Exchange Market Observation Post System, E Ink maintains a high level of salary competitiveness, ranking among the top 10% in the optoelectronics industry in Taiwan for overall salary and benefits. Additionally, the average employee salary has consistently grown, increasing from NTD1.067 million in 2019 to NTD 1.302 million in 2022, with an average annual growth rate of 7%. This positions E Ink among the top 5% in the optoelectronics industry in Taiwan, aiming to attract and retain exceptional employees who can contribute to higher performance and share in the company's success.

Number of Full-Time Employees Not With Supervisory Duties, Average Salary And Difference From The Previous Year In Taiwan

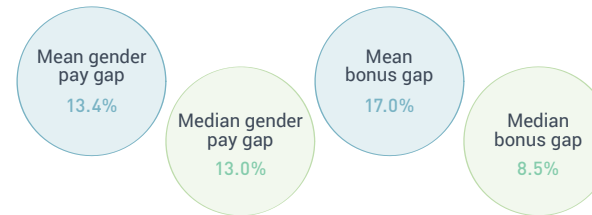
Number of Full-time Employees (Person)	Total Salary of Full-time Employees (NT\$1,000)	Average Salary of Full-time Employees (NT\$1,000)	Median Salary of Full-time Employees (NT\$1,000)
Difference 27.9%	Difference 29.6%	Difference 1.3%	Difference -1%
2021 ▶ 891 2022 ▶ 1,140	2021 ▶ 1,145 2022 ▶ 1,484	2021 ▶ 1,285 2022 ▶ 1,302	2021 ▶ 1,100 2022 ▶ 1,089

Note: The average salary and median salary for 2022, as well as the median salary for 2021, have been audited by CPAs.

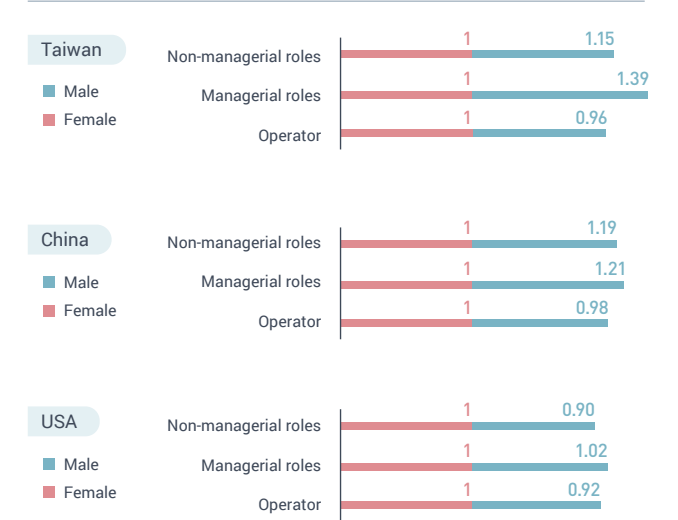
Comparison between the Standard Salary of Base-Level Employees and Local Minimum Salary in 2022



Percentage difference in salary and bonus between male and female in 2022



Female-to-male salary ratio in 2022



Note: The majority of senior executives at E Ink are male, which has resulted in a significant disparity in the salary ratio within the category of unit supervisors.

Parental Leave

Item	Taiwan ^{Note1}			China ^{Note2}			USA ^{Note3}			Global		
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total eligible number for parental leave (People)	21	41	62	6	7	13	121	305	426	148	353	501
A: Total applicants of parental leave of absence in 2022	8	3	11	0	0	0	2	2	4	10	5	15
B: Total number of end of contract for parental leave in 2022	10	2	12	0	0	0	2	2	4	12	4	16
C: Total number of returning from parental leave in 2022	8	2	10	0	0	0	2	2	4	10	4	14
D: Number of employees who should reinstate in 2022 applying for leave extension	0	0	0	0	0	0	0	0	0	0	0	0
E: Number of employees reinstating after parental LOA in 2021 continuing service for one year	6	1	7	0	0	0	2	6	8	8	7	15
F: Number of employees reinstating after parental LOA in 2019	6	1	7	0	0	0	4	14	18	10	15	25
Reinstatement rate (%)=C/(B-D)	80	100	83	-	-	-	100	100	100	83	100	88
Retention rate (%)=E/F	100	100	100	-	-	-	50	43	44	80	47	60

Note 1: In Taiwan, after aggregating the actual number of maternity and paternity leave applicants from 2020 to 2022 and deducting those who applied for parental leave in 2020 and 2021, the remaining individuals are considered as statistics for those who qualify for parental leave.

Note 2: Employees in China who have been employed for more than two years and are raising children under the age of one are eligible to apply for parental leave, which is more favorable than the local regulations.

Note 3: In the United States, employees are legally entitled to 12 weeks of Family Care Leave (Parental Leave) as mandated by law. This leave applies within the first twelve months after the birth of a newborn or when adopting a child. Therefore, parental leave of the USA sites is defined by Family Care Leave.

Note 4: In Taiwan, in accordance with the Labor Standards Act, pregnant employees are entitled to nine weeks of paid parental leave, including one week of paid prenatal examination leave and eight weeks of paid maternity leave. In addition, when an employee accompanies their spouse for prenatal examinations or childbirth, the employer must provide "paternity leave" for a duration of one week.

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Enhancing Employee Benefits

In addition to providing a sound compensation structure, labor and health insurance, E Ink offers comprehensive benefit programs that include provisions for pre-vacation and special leave, parental care, health check, and counseling services. These benefits, combined with the efforts of the Welfare Committee, promote a harmonious workplace and work-life balance for employees, fostering a sense of unity and engagement within the company.

To encourage employees to achieve a balance between work and life, E Ink supports the establishment of various interest-based clubs, such as sports, academics, community service, and leisure. The Welfare Committee provides financial assistance to these clubs, allowing them to hire external professional speakers and coaches in their respective fields to provide professional guidance. This helps to energize the club activities and allows employees to participate in these activities to relieve stress and enhance their quality of life.

Aspects	Categories	Sub-categories	Performance in 2022
<p>Enhanced Welfare</p>	Salary and Bonus	<ul style="list-style-type: none"> • Employee stock bounce • Annual performance bonus • Patent bonus 	<ul style="list-style-type: none"> • A total of NT\$307.45 million in annual performance bonuses and NT\$124.8 million in patent bonuses were distributed.
	Welfare Subsidy	<ul style="list-style-type: none"> • Subsidy for maternity, illness, hospitalization, emergency, marriage and funeral allowance • Annual travel allowance • Departmental gathering dinner • Meal allowance 	<ul style="list-style-type: none"> • A total of NT\$19.243 million in related subsidies were distributed.
	Employee Support Program	<ul style="list-style-type: none"> • Flexible working hours • Work-from-home • Part-time work options 	<ul style="list-style-type: none"> • Non-rotational or shift-based employees are allowed to arrange delayed start or end times within a flexible period of 30 minutes each day. • During periods of severe epidemic conditions, the company implements a work-from-home policy for all employees, except for those involved in production, manufacturing or roles that rely on equipment.
	Maternity And Child-friendly Program	<ul style="list-style-type: none"> • Childcare facilities • Lactation facilities 	<ul style="list-style-type: none"> • Colleagues are entitled to the childcare benefits, which include the privilege of priority admission to nurseries operated by affiliated corporate foundations. • The Taiwan site is mandated by regulations to establish dedicated lactation rooms.
	Other Benefits	<ul style="list-style-type: none"> • Birthday/festive vouchers or gifts • Special discounts for purchasing group products • Stress release massage service • Diverse dining options in the employee cafeteria • Pre-leave and special leave system 	<ul style="list-style-type: none"> • The Welfare Committee distributed NT\$727,400 in gift vouchers for birthdays/festivals and NT\$460,900 worth of festival gifts. • Employees can enjoy over 10% cashback on purchases at the group's affiliated company, Green & Safe, and periodic discounts from affiliated companies. • Employees are entitled to a weekly free reservation for stress-relief massages. • In addition to buffet-style meals, bento boxes, and convenience store options, employees are provided with innovative limited special meal, with a total of 32 sessions organized. • Newcomers are eligible to enjoy pre-leave and special leave from the beginning of their employment.
<p>Health Promotion</p>	Medical Insurance and Healthcare	<ul style="list-style-type: none"> • Employee health check • Insurances covering Group insurance, travel insurance, occupational accident insurance • Paid leave for COVID-19 vaccination • Employee health consultation 	<ul style="list-style-type: none"> • A total of 1,036 employees applied for paid leave for COVID-19 vaccination. • A total of 649 employees applied for annual health check-ups. • Monthly on-site health consultation services with doctors are arranged for employees, and 150 employees applied for this service. (Taiwan sites)
<p>Concentrate Centripetal Force</p>	Organized by the Company	<ul style="list-style-type: none"> • Diverse employee activities: staff trips, family day and annual party 	<ul style="list-style-type: none"> • Organized 7 celebration events for celebrating E Ink's 30th Anniversary with a total of 6,500 participants. • The Welfare Committee distributed commemorative gifts for the 30th Anniversary celebration in Taiwan, including ESG memorabilia, commemorative jackets, and ePaper EasyCards, with a total value of nearly NTD 9 million. • Family Day event with a total of 3,000 participants. • Annual party with a total of 1,450 participants.
	Employee-initiated Activities	<ul style="list-style-type: none"> • Diverse club activities 	<ul style="list-style-type: none"> • Employees took the initiative to establish 12 clubs, comprising 6 sports clubs, 2 academic clubs, 3 leisure clubs, and 1 service club. A total subsidy of NT\$273,000 was provided for activity expenses. In 2022, the E Ink Love Great Volunteer Club and Hiking Club will be established.
<p>Combining charitable endeavors</p>	Volunteering	<ul style="list-style-type: none"> • Volunteer leave 	<ul style="list-style-type: none"> • A total of 89 employees have applied for volunteer leave, accumulating a total of 416 hours.

Mother's Day: E Ink Cares for You - Women's Health Check

In 2022, E Ink enhanced the benefits of female employees by providing subsidies for free ultrasound examinations, including gynecological, breast, and thyroid ultrasounds. Additionally, on-site services such as Papanicolaou test and mammograms were offered as optional paid services. This initiative aimed to ensure that employees could prioritize their health alongside their busy work schedules. Furthermore, on Mother's Day, all female employees were presented with a special gift, "Hand Sanitizer," as a token of appreciation for their hard work and dedication, extending gratitude to the hands of both mothers and the family members of male employees during the pandemic.

- In 2022, E Ink organized two ultrasound screening events, with a total of 149 participants. The subsidies provided amounted to NTD85 thousands.
- As part of Mother's Day celebration, E Ink distributed 1,146 sets of the "Hand Sanitizer" as gift. The total value of the gifts was NTD458 thousands.



Memorabilia of 30th Anniversary

The Employee Welfare Committee distributed commemorative gifts for the 30th anniversary celebration in Taiwan, including ESG memorabilia, commemorative jackets, and ePaper transportation cards, with a total value of nearly NT\$9 million. By incorporating these E Ink exclusive items into their daily lives, it aims to enhance employees' sense of belonging and foster a "one team" atmosphere.



Employee Activities

International Women's Day

March, 2022
 On International Women's Day, E Ink purchased seasonal flowers from local flower farmers and gifted them to all female employees on the day of the celebration.



Earth Hour-Turn off the lights for one hour

March, 2022
 E Ink invited its global employees to voluntarily participate in the "Earth Hour-Turn off the lights for one hour" charity carbon reduction campaign. The event, called "We Are Inkers, We Love Earth," took place simultaneously in Taiwan, Yangzhou, and the United States. Its purpose was to raise awareness about global climate change and emphasize that everyone, regardless of age, social status, or background, has the ability and responsibility to make a difference in the world. E Ink employees from around the world enthusiastically responded to this initiative by turning off unnecessary lights at 8:30 pm local time, lighting candles or using flashlights, and enjoying quality time with family and friends. As a token of appreciation for their participation, E Ink provided 250 response gifts with a total value of approximately NTD47 thousands.



Taiwan



E Ink Children's Month



30th Anniversary Celebration Event: Super Chef Competition



E Ink's 30th Anniversary - Leading the Future - 2022 Annual Party



E Ink 30th Anniversary Celebration



2022 Family Day

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China



20th Anniversary Celebration Events in China sites: Photography Contest, Essay Contest, 21-Day Fitness Challenge and 20th Anniversary Celebration within the company



March 8th, International Women's Day



The first family education sharing event: Excellent mother's experience sharing with hand-made lesson



The 4th Annual Egg Toss Competition: Organizing a staff egg toss championship



The 4th Annual BBQ Event: Nearly 300 employees and their families participated

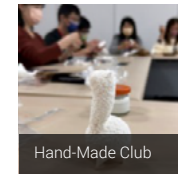


June, Dragon Boat Festival: Send rice dumpling to all employees

Employee Clubs in Taiwan

Academic Club

- Hand-Made Club
- Photography Club



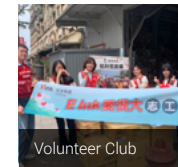
Leisure Club

- Movie Club
- Gaming Club
- Hiking Club NEW



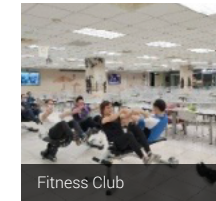
Service Club

- Volunteer Club NEW



Sports Club

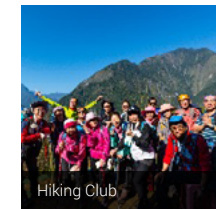
- Fitness Club
- Backpacking Club
- Yoga Club
- Badminton Club
- Table Tennis Club
- Basketball Club



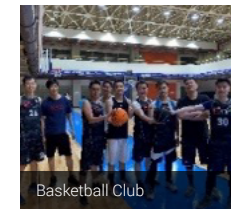
Fitness Club



Yoga Club



Hiking Club



Basketball Club

Retirement Benefits

E Ink adheres to the relevant retirement regulations, such as the 'Labor Standards Act' and 'Labor Pension Act', to provide monthly contributions to employees' retirement savings and labor pension, ensuring their retirement benefits and peace of mind for their future retirement life.

- Under the Labor Standards Act, E Ink contributes 4% of each employee's monthly salary to the retirement savings fund, which is supervised by the Labor Pension Supervisory Committee. As of the end of December 2022, the balance of the retirement savings account was NT\$72.28 million.
- According to the Labor Pension Act, E Ink contributes 6% of each employee's monthly salary to the labor pension fund based on the wage classification table approved by the Executive Yuan. These contributions are saved in each employee's individual retirement account established by the Labor Insurance Bureau of the Ministry of Labor.
- In addition to providing mandatory labor insurance and health insurance, E Ink also offers group insurance coverage for employees. Employees also have the option to enroll their dependents in the company's group insurance plan at their own expense, extending the coverage to their families. For more detailed information, please refer to the [financial reports](#).

6-3 Development and Growth of Employees

6-3-1 Core Competencies and Training Roadmap

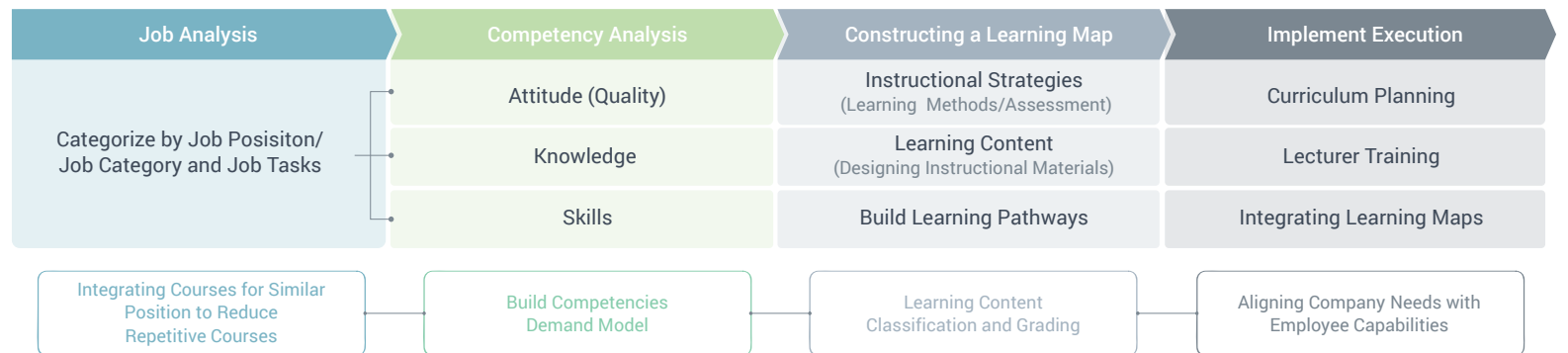
E Ink embraces spirit of "Accountability, Teamwork, and Innovation" as E Ink DNA and aims for all employees to embody the E Ink DNA. This ensures that employees' abilities align with their job responsibilities. Through the E Ink DNA, organizational vision, values, and business philosophy, six core competencies are developed to cultivate the necessary skills to realize the core values. This further strengthens the connection between employees and the company's business philosophy, goals, and strategies.

Employee development and growth are highly valued talent strategies at E Ink, fostering a culture of continuous learning and personal development within the organization. Together with the company's employees, E Ink cultivates a positive work atmosphere and environment that embraces a sense of accountability, integrating the "One More Ounce" attitude into the organizational culture. E Ink recognizes and appreciates the value and efforts of each employee, and the company's fruitful operational achievements are the result of the collective dedication from all departments and team members. E Ink also believes that the infusion of fresh perspectives brings forth innovative ideas and creative products, revitalizing our organization and keeping it dynamic.

<p>Initiating Action Proactive and self-motivated with the ability to take initiative to accomplish objectives and tasks, going beyond what is required. Displays a positive work attitude and does not rely solely on instructions to take action.</p>	<ol style="list-style-type: none"> Quick response Go beyond requirements Independent action
<p>Striving for Outstanding Performance Establishes high-performance standards for both oneself and others, driven by a strong sense of mission to successfully fulfill tasks. Demands personal pursuit of excellence, motivated by a commitment to achieving high standards rather than merely meeting the expectations of others.</p>	<ol style="list-style-type: none"> Establishing high standards Take responsibility Deliberate and comprehensive thinking Encouraging others to take responsibility
<p>Contributing to Team Success Proactively participating in team assignments to foster the accomplishment of team objectives</p>	<ol style="list-style-type: none"> Mutual goals Collaboration Lead by example Execution Information sharing
<p>Adaptability Maintaining high performance amidst changing work and environmental conditions, effectively adjusting to new work structures, processes, requirements and culture.</p>	<ol style="list-style-type: none"> Attempt to understand change Adapt behaviors to align the change Approach change with a positive and optimistic attitude
<p>Continuous Learning Proactively seeking learning opportunities and actively engaging in them, while applying the newly acquired knowledge and skills to one's work endeavors.</p>	<ol style="list-style-type: none"> Work-related Extended impression Challenge unfamiliar Suitable approach Apply what you have learned
<p>Innovation To develop innovative and workable solutions to work situations, it is important to explore different or new ways to solve work problems or opportunities.</p>	<ol style="list-style-type: none"> Challenge established patterns Expand the scope of thinking Beneficial to Work Apply multiple resources Evaluate different solution

Training Roadmap

E Ink is committed to systematically enhancing employees' skills and competencies and improving the organization's competitiveness. To achieve this, the company has developed the "E Ink Training Roadmap" as part of the comprehensive training framework. This roadmap strategically translates the company's strategic goals into competency maps, which are further transformed into learning maps. The aim is to leverage diverse and abundant learning resources to inspire creativity within the organization and elevate its overall competitiveness.



Comprehensive Employee Education and Training

Project	Description of Projects	Business Benefits	Quantitative Impact on Business Benefits	Coverage Proportion of the total Employee												
<p>Newcomers Training</p>	<p>E Ink places emphasis on the education and training of new employees, aiming to instill a strong understanding and identification with the company's overall culture and organizational structure. The focus is on effectively communicating the company's values, principles, and resources to new employees at the earliest opportunity, reducing the time needed for them to adapt and integrating them quickly into the corporate culture.</p> <p>► Newcomers' Orientation</p> <p>New employees are assigned a mentor role within their respective departments to assist them in familiarizing themselves with the work environment, company culture, and relevant professional knowledge. This on-the-job training (OJT) helps new employees quickly grasp the essentials of their job and enables them to independently handle business matters. Additionally, E Ink has designed a coaching program for newly appointed managers at the director level and above. Through coaching and guidance from higher-level executives, these managers gain a comprehensive understanding of the company's strategy, organizational structure, and resource integration. This program is a distinguishing feature of E Ink's development of senior executives.</p> <table border="1"> <caption>2022 Training Effectiveness For Newcomers</caption> <thead> <tr> <th>Region</th> <th>Number of Sessions</th> <th>Number of Trainees</th> </tr> </thead> <tbody> <tr> <td>Taiwan sites</td> <td>118</td> <td>4,261</td> </tr> <tr> <td>China sites</td> <td>166</td> <td>683</td> </tr> <tr> <td>USA sites</td> <td>1</td> <td>80</td> </tr> </tbody> </table>	Region	Number of Sessions	Number of Trainees	Taiwan sites	118	4,261	China sites	166	683	USA sites	1	80	<p>Through the Newcomers' Orientation, new employees quickly familiarize themselves with their job responsibilities and company culture, allowing them to integrate into the workplace more efficiently. This program enhances work efficiency, productivity, and overall job satisfaction among employees. The Senior Coaching Program nurtures leadership talent within the organization, thereby strengthening the company's competitiveness and fostering innovation capabilities.</p>	<p>The average satisfaction level of the courses in 2022 has improved by 1% compared to 2021.</p>	<p>38%</p>
Region	Number of Sessions	Number of Trainees														
Taiwan sites	118	4,261														
China sites	166	683														
USA sites	1	80														
<p>Professional Training Roadmap</p>	<p>To systematically enhance employee expertise and organizational competitiveness, E Ink tailored professional development programs to align with specific job roles. Entry-level and advanced professional courses were designed based on job requirements, creating a training roadmap for each role to cultivate employees' professional capabilities. Access to comprehensive and diverse learning resources aimed to stimulate creativity and elevate the overall competitive edge of the organization. As of 2022, E Ink developed 88 professional roadmaps corresponding to a total of 316 courses.</p>	<p>By implementing job-specific professional courses, employees can focus on acquiring the necessary skills and knowledge related to their roles. This targeted learning approach not only enhances job satisfaction but also increases employee loyalty, ultimately reducing employee turnover rates.</p>	<p>The employee turnover rate in 2022 has decreased by 3% compared to 2021.</p>	<p>100%</p>												
<p>Acceleration Program of Potential Leader (APPLE)</p>	<p>In 2022, E Ink launched the Acceleration Program of Potential Leaders (APPLE) to strengthen the managerial capabilities of mid-level supervisors. The program initially focused on developing leadership talents within critical technical areas, specifically the Taiwan Research Center and Product Center. It was implemented in stages, with the initial phase concentrating training resources on cultivating key leadership talents within research and development. The aim was to expand the training scope and replicate successful experiences globally through program optimization.</p> <p>The program emphasized the development of managerial competencies in line with talent development strategies, performance improvement, and the principle of placing individuals in roles that suited their abilities. A specific development program was designed to enhance the managerial capabilities of E Ink's supervisors. It incorporated individual development plans (IDPs) and group development plans (GDPs) that aligned with important behavioral indicators and encompassed relevant management knowledge, skills, and attitudes. Additionally, a comprehensive management curriculum was established.</p> <table border="1"> <thead> <tr> <th>Level</th> <th>Results</th> </tr> </thead> <tbody> <tr> <td>L1</td> <td>The program has implemented a total of four group development courses, and the satisfaction rating for each course has consistently scored 4.5 or above (out of 5).</td> </tr> <tr> <td>L2</td> <td>Practical assignments during and after the courses have been assigned to assess the retention of knowledge acquired by the development candidates.</td> </tr> <tr> <td>L3</td> <td>Each development candidate has completed an Individual Development Plan (IDP) and engaged in discussions with their immediate supervisors. These discussions aim to track behavioral changes in their day-to-day work performance.</td> </tr> <tr> <td>L4</td> <td>The program has a duration of two years, spanning across two annual performance evaluation cycles. It is designed to align with the performance evaluation process, linking the identification of candidates, formulation of development plans, and evaluation of outcomes. This integration ensures that the development of participants in the program contributes to the overall organizational performance and growth.</td> </tr> </tbody> </table>	Level	Results	L1	The program has implemented a total of four group development courses, and the satisfaction rating for each course has consistently scored 4.5 or above (out of 5).	L2	Practical assignments during and after the courses have been assigned to assess the retention of knowledge acquired by the development candidates.	L3	Each development candidate has completed an Individual Development Plan (IDP) and engaged in discussions with their immediate supervisors. These discussions aim to track behavioral changes in their day-to-day work performance.	L4	The program has a duration of two years, spanning across two annual performance evaluation cycles. It is designed to align with the performance evaluation process, linking the identification of candidates, formulation of development plans, and evaluation of outcomes. This integration ensures that the development of participants in the program contributes to the overall organizational performance and growth.	<p>Cultivating R&D talent is crucial as they are the core resources of the company. By developing a pipeline of talented leaders in the R&D field, it ensures the company's future innovation capability and competitiveness. Investing in the development of these key R&D leaders contributes to the company's success and growth in the market, ultimately leading to increased revenue.</p>	<p>The revenue in 2022 has increased by 53% compared to 2021.</p>	<p>2%</p>		
Level	Results															
L1	The program has implemented a total of four group development courses, and the satisfaction rating for each course has consistently scored 4.5 or above (out of 5).															
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E Ink University

E Ink implements a systematic approach in cultivating global talent through its core competency planning. In 2020, E Ink established the "E Ink University" to design diverse and foundational training programs. These programs are aimed at providing training and learning resources to employees across the globe. Additionally, E Ink invites internal speakers to collaborate in developing a comprehensive professional roadmap. This enables new employees to efficiently acquire essential job skills and establish a common language within the organization, leading to increased effectiveness and productivity.

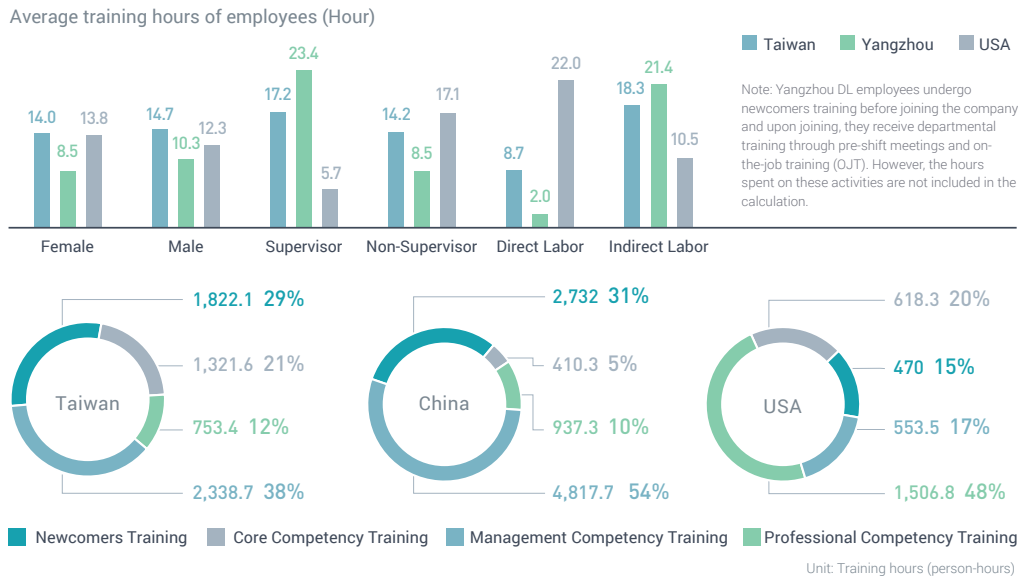
2022 Performance Achievements In Taiwan

- The total number of training sessions conducted is over **545**.
- The average satisfaction rating for online courses is **91.4**, and for in-person courses is **94**.
- The total number of participants in internal training programs is **19,037**.
- The average training hours per participant is **14.49** hours or more.

E Ink Is Committed To Providing Comprehensive Employee Education And Training, Guided By The Core Competency Of "Continuous Learning." Since 2021, The Performance Appraisal System Has Been Integrated With The Training Records In The E Ink University System, Enabling Supervisors And Employees To Directly Review Their Training History For The Current Year And Previous Years. The Completion Status Of Courses, Progress In The Job Competency Map, And The Number Of Certifications Obtained Are Considered As Reference Data For Performance Evaluations. This Integration Also Helps Supervisors Identify The Learning And Training Needs Of Employees In Order To Provide Necessary Resources And Support.

In 2022, The Average Training Cost Per Employee In E Ink's Global Manufacturing Sites Was Ntd 3,876. E Ink Will Continue To Plan And Expand Course Offerings In Alignment With Organizational Goals, Learning Blueprints, International Trends, And Product Development Status Across Various Domains.

The Achievements of Education And Training In 2022

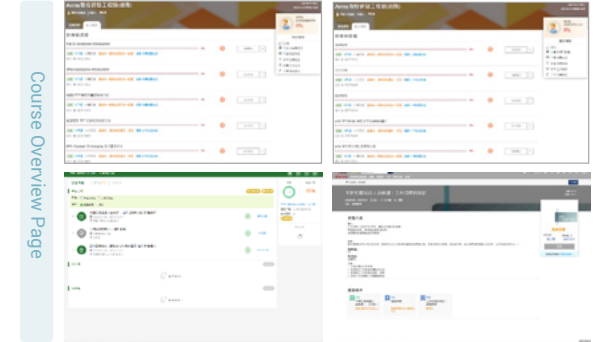


Diverse Courses on E Ink University

The E Ink Global University was established in 2020 and designed a diverse and foundational curriculum. Collaborating with expert instructors from different sites, the university has developed several courses, including "Introduction to ePaper Film Technology," "Fundamentals of Python," "Overview of E Ink," "Introduction to Electronic Optics," and "Establishment and Promotion of Intellectual Property Management Systems." In the future, the university will continue to develop more technical and non-technical training resources, aiming to foster a shared culture of collaboration, continuous learning, and innovation.

e-Learning Platform

E Ink considers organizational knowledge and experience as valuable assets that contribute to enhancing the company's competitiveness and creating value. In 2019, the e-learning platform was introduced and integrated into E Ink University, allowing employees to engage in self-directed learning, knowledge exchange, and experience sharing without limitations of time and space. Through E Ink University, employees can complete courses and assignments, receiving feedback from internal experts to strengthen their understanding of the learning content. In addition to internally developed courses by subject matter experts, E Ink actively seeks and integrates external learning resources to provide employees with diverse learning opportunities. In 2022, the company continued to develop a total of 763 internal courses.



6-3-3 Performance Review and Development

E Ink conducts performance appraisal twice a year for all employees. The performance appraisal is based on the Objective and Key Results (OKR) method, which translates the company's annual goals into specific, measurable objectives. Employees are responsible for setting their own annual goals and tasks that are aligned with the company's goals. This method enables employees to have a clear understanding of their goals and job responsibilities, contributing to the overall growth of the company. During the performance appraisal period, supervisors from departments and centers review and provide suggestions on employee performance. Additionally, employees are required to conduct self-assessment and provide self-feedback based on their individual performance. This approach allows E Ink to understand employees' work performance and contributions while helping employees identify and address any potential issues, effectively improving work efficiency and professional development. Furthermore, apart from the performance appraisal, employees and supervisors review and adjust work plan on a daily basis by agile conversations. This approach increases working productivity and performance of employees.

In addition, E Ink employs a multidimensional performance assessment approach to evaluate employee performance and capabilities. This approach encompasses various measures, including employee training records, rewards and penalties, cross-departmental project collaborations and performance comparisons conducted by senior executives. By utilizing these measures, the company gains a comprehensive understanding of employees' work performance and capabilities, allowing for appropriate recognition and incentives to be provided.

To encourage employees to collectively achieve the company's vision of "Sustainability and Profitability in Tandem", E Ink implements various awards such as "Outstanding Employee" and "Excellent Team." These awards are evaluating based on multiple dimensions, including sustainability performance (including climate change and social inclusivity), research and development, process innovation, and operational management optimization. They aim to encourage employees to embody the six competencies of E Ink's DNA, demonstrating innovation and sustainability spirit, and fostering mutual growth.

Outstanding Employee Awards

In 2022, 20 outstanding employees were selected and publicly recognized during quarterly employee meetings. These employees were awarded a total bonus of NTD 100 thousands as a form of appreciation and recognition for their exceptional performance and contributions.



Excellent Team Awards

In 2022, 16 excellent teams were selected and publicly recognized during the annual party. These award-winning teams were collectively awarded a total bonus of NTD 1.25 million as a gesture of appreciation for their outstanding teamwork, achievements and contributions.



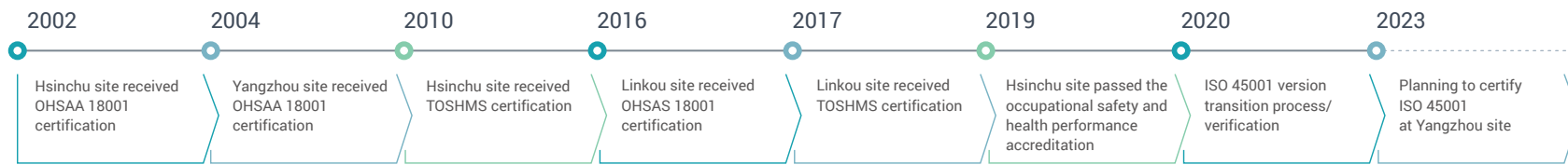
6-4 Health and Safety at E Ink

6-4-1 Occupational Safety and Health Management

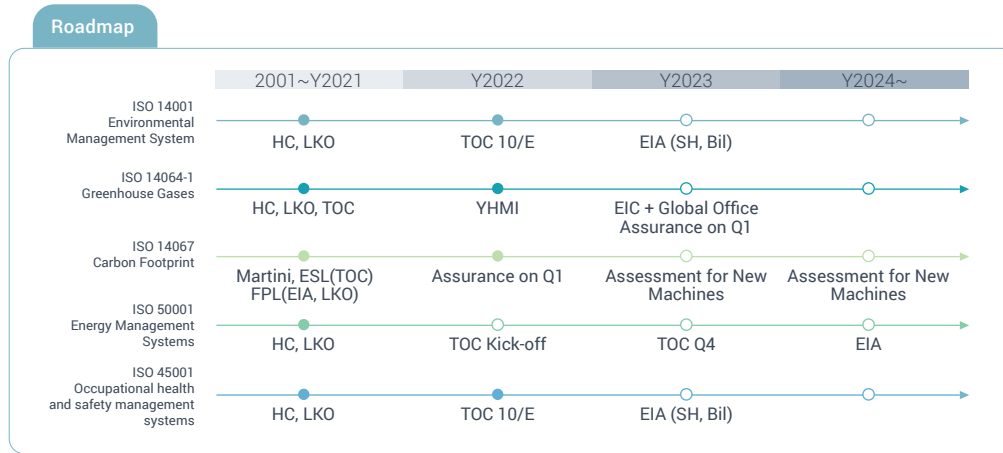
E Ink places great importance on the safety and health of each employee. The primary focus is to establish a healthy, safe, and comfortable working environment. This is achieved through proactive change management, risk assessments, and measures to reduce or eliminate risks, aiming to improve the work environment and reduce the occurrence of occupational diseases. Furthermore, sustainable business operations require consideration of safety, health, and environmental concerns. By utilizing appropriate assessment tools, management plans can be developed and implemented in daily operations. E Ink upholds the philosophy of balancing safety, health, environmental protection, and business development to achieve long-term sustainable operations. For more details on 'Occupational Health and Safety Policies', please refer to 'SHEE (Safety, Health, Environment, and Energy) Management Policy' at Chapter 4-1.

Receiving Occupational Health and Safety Management System Certification

Since 2002, E Ink has been continuously certified with OHSAS 18001 Occupational Health and Safety Management System, TOSHMS (Taiwan Occupational Safety and Health Management System), and in 2020, E Ink successfully transitioned to the ISO 45001 Occupational Health and Safety Management System, obtaining the certification. These certifications are aimed at ensuring the safety of employees and contractors. In addition, the Yangzhou site has planned to obtain ISO 45001 certification in 2023.



ISO 45001 TOSHMS

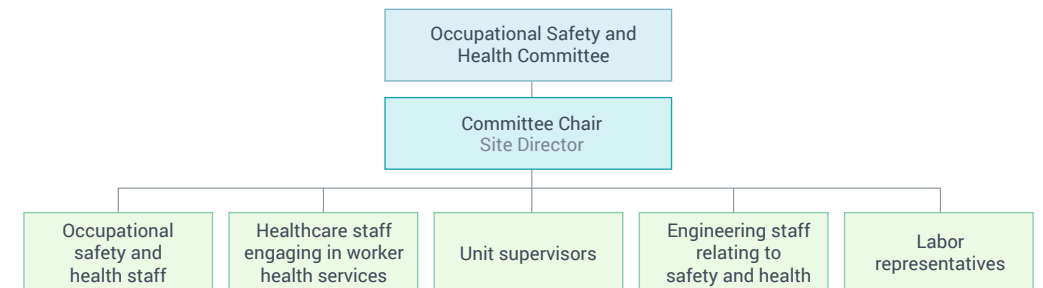


Programs and Expenses Invested in Promoting Occupational Safety and Health Management Systems from

Item		2019	2020	2021	2022
Completed Management programs in Taiwan sites	Number of cases	8	8	4	6
	Total Investment (NT\$10,000)	160	303	68	198
Completed Management programs in Yangzhou site	Number of cases	34	48	55	53
	Total Budget (NT\$10,000)	123	154	176	210

Establishing Occupational Health and Safety Committee to Workplace

E Ink's Taiwan sites have established an Occupational Safety and Health Committee in compliance with regulations, which convenes on a quarterly basis. The committee is chaired by the site manager and includes occupational safety and health personnel, department managers, engineering and technical personnel related to occupational safety and health, healthcare professionals engaged in worker health services, and labor representatives. Regular discussions are held on occupational safety and health-related matters, including education and training programs, strategies for improving the work environment, safety and health management performance, contractor management, and health promotion. Reports are presented to the highest management authority, relevant departments, and labor representatives within the site. In 2022, there were eight labor representatives at both sites at Hsinchu and Linkou, accounting for 38% of the required committee attendees. Through these quarterly committee meetings, the management policies, regulatory compliance, and effectiveness within the site are reviewed with the aim of establishing a favorable work environment that provides peace of mind for all employees.



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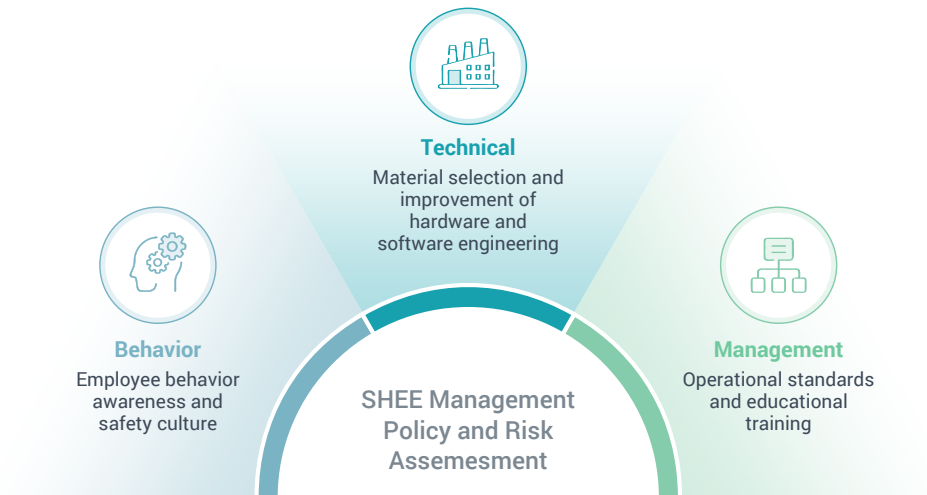
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Management Strategies

The allocation of funds for employee safety and health is considered an investment rather than an expense at E Ink. Following the design in principle, E Ink incorporates environmental, health, and safety considerations into the early stages of development, expansion, and improvement assessments. Various professionals from departments, environmental health and safety officers, the environmental health and safety department, and contractors conduct hazard and operability studies (HAZOP), failure mode and effect analyses (FMEA), and safety risk assessment matrices to assess risks. These analyses serve as the basis for engineering improvements, the development of management systems and measures, implementation of education and training programs, and updates to contingency plans.



Analysis of Employee Disabilities

E Ink calculates important indicators of disability injury, such as the Disabling Injury Frequency Rate (FR) and Disabling Injury Severity Rate (SR), in accordance with the definition of occupational accidents under the Occupational Safety and Health Act and the guidelines provided by the Global Reporting Initiative (GRI). These indicators serve as key data for analysis and enable the formulation of improvement measures to ensure the safety of employees. In addition, Hsinchu site and Linkou site have joined the "Zero Accident Work Hour Record" initiative. These efforts demonstrate the company's commitment to reducing accidents.

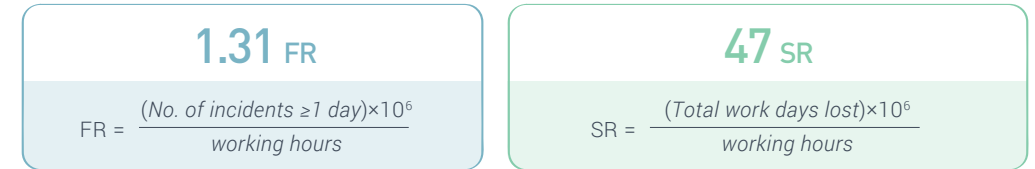
Occupational Safety Incidents Statistics



Analysis of Employee Disabilities

In 2022, E Ink did not experience any occupational accidents resulting in a loss of more than one day or qualify as major accidents according to the Ministry of Labor's criteria. As for other workers such as contractors and interns, there were no records of work-related injuries during that period.

The Disabling Injury Frequency Rate (FR) for 2022 was 1.31, and the Disabling Injury Severity Rate (SR) was 47. E Ink will continue to promote disaster reduction initiatives and strive towards the goal of zero accidents in the future.



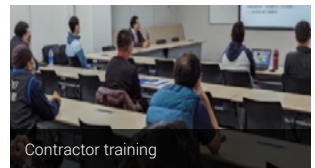
Location	Types of Incidents	Improvement Measures
Within the Sites	Pinch injuries	One case
	Operational negligence	One case
	Objects falling	One case
	Chemical splashes	One case
	Slip and fall injuries	One case
	Lacerations	Six cases
Outside the sites	There have been 17 cases of transportation-related injuries	

- Regarding the machines, firmware modifications, installation of protective devices, and posting warning signs will be carried out to prevent recurrence
- For employees, education and training will be intensified, and personal protective equipment will be provided to ensure their safety
- Departments where employees are not wearing protective gear will be reassigned and given further guidance
- Continuous improvement will be made in equipment safety, strengthening protective measures, refining operational processes, enhancing safety operation awareness, and improving on-site personnel management to reduce accidents in the plant
- It is recommended for employees involved in accidents caused by excessive sunlight during summer to consider replacing their lenses with darker shades.
- Employees involved in accidents during rainy weather will be advised to reduce speed and drive cautiously under poor weather conditions.
- Supervisors suggest that employees with longer commuting distances consider renting accommodations to shorten their commute.
- All employees involved in accidents will be included in the list of participants for motorcycle safety driving refresher courses

Enhancing Contractor Construction Operation Management

E Ink prioritizes the safety management and epidemic control of contractors' construction operations. When contractors enter the premises, they receive education and training, and the company ensures the proper implementation of important procedures such as "health codes, travel histories, vaccination records, and necessary PCR test for COVID-19 reports." In 2022, there was an enhanced training program for supervisory personnel to strengthen their awareness and provide more rigorous supervision of contractors' compliance with safety regulations during construction.

In 2022, a total of 186 contractors underwent 88 pre-construction safety training sessions, with a cumulative training rate of 100% involving 1,766 individuals.



6-4-2 Risk Management of Workplace

Identification of Hazards and Internal Inspection within the Facility

E Ink references the "Hazard Identification, Risk Assessment, and Consideration of Environmental Factors" procedure outlined in ISO 45001 Occupational Health and Safety Management System. Through the use of hazard identification and risk assessment forms, risks associated with various unit processes are identified. Based on the evaluation results, risks are categorized as acceptable high risks or unacceptable risks. The risk levels determine the priority for improvement. Control measures are implemented through management plan enhancements or documented procedures for daily management. In 2022, a total of 1,982 hazard identification and risk assessment cases were conducted in Taiwan. Among these, 500 cases were classified as medium or high risk. The primary risks identified included pinch and crush injuries, inhalation of odorous substances, chemical contact, and exposure to extreme temperatures. Thirteen cases deemed as high-risk or unacceptable risks were included in the implementation of management plan improvements, while the remaining cases were managed through documentation and daily controls.

In 2022, a total of 27 internal inspections were conducted for the SHEE (Safety, Health, Environment, and Energy) Management System. These inspections identified 10 items of improvement. By the end of 2022, all improvement measures were successfully implemented, achieving a 100% improvement rate.

Risk Assessment Results of Hazard Identification in Taiwan Sites in 2022 (Unit: items)

Site	Hazard Risk Assessment	Medium or High Risk	Improvement Measures for Management
Taiwan	1,982	500	13

In 2022, three risk management improvement plans were implemented with a 100% execution rate, showcasing successful outcomes in the improvement of risk management practices.

Risk Management Practices ▶

1. Procured portable Flame Ionization Detectors (FID) for scientific analysis of volatile organic chemicals in the work environment, to assess and ensure the effectiveness of improvements in personnel exposure and fire/explosion risks.
2. Implemented a Nitrogen Blanketing backup mechanism in the designated process equipment area (marked with red particles) to effectively control the oxygen content during the process reaction and prevent fire/explosion risks. Currently, the nitrogen blanketing mechanism has been introduced in the equipment. To ensure a continuous nitrogen supply without external interruptions, the company implemented a nitrogen backup system last year to ensure the safety of personnel and the work environment in the operating area.
3. Upgraded safety measures for the research and development (R&D) department's equipment: Given the use of multiple low-flashpoint chemicals during material development, the company introduced a lower-risk Direct Current Brushless Homogenizer in the R&D department last year to reduce fire and explosion risks associated with the development process.

Enhancing Employee Health and Personal Protective Awareness

In terms of occupational environment, E Ink conducts regular testing for hazardous substances in the workplace as required by law. Appropriate personal protective equipment is provided to ensure the comfort and health of employees in their working environment. In accordance with the "Regulations of the Labor Health Protection," specific hazardous operations in the Taiwan sites, such as n-hexane, lead, and nickel operations, require special physical examinations for employees and are subject to graded health management based on the company's employee health management regulations. Occupational medicine specialists provide on-site services to understand the hazards faced by employees in the working environment and offer improvement suggestions. Despite the focus on epidemic prevention, efforts are not neglected in the prevention and promotion of occupational hazards in special operations. Online health promotion courses for special operations have been introduced, allowing flexible scheduling for employees, and through the clear explanations provided by physicians, employees learn how to prevent and avoid hazards in their work. Additionally, with the increase in the number of foreign employees due to expansion, relevant occupational safety and health training utilize videos from the Occupational Safety and Health Administration, reinforced with training in the employees' native languages to improve effectiveness. English or Indonesian posters are also displayed in relevant work areas to ensure clear communication.

Specific types of personal protective equipment are used in accordance with the exposure risks associated with different processes (Taiwan sites)

Management Measures

▶ Risk Assessment

Through ISO 45001 hazard identification and assessment, potential hazards and risks in the workplace are identified. In the case of the Linkou site, certain material production processes are classified as high-risk operations in terms of health hazards. These include activities such as powder material weighing and handling, organic solvent handling and packaging, material intake and cleaning, as well as operations involving centrifuges and ultrasonic baths, which present risks related to dust, organic solvents, and noise exposure.

▶ Solution: Enhancing Personal Protective Equipment (PPE)

- **Selection of PPE:** To achieve optimal personal protection, the selection of appropriate PPE specifications is based on the characteristics of the work environment, such as particle size of dust, types and properties of chemicals, and decibel levels. This includes evaluating and choosing PPE specifications that match the filtration efficiency and particle size for respirator filters, compatibility of gas canisters, chemical resistance specifications for goggles and gloves, and noise attenuation values for hearing protection. This ensures that the chosen PPE is suitable for the specific exposure risks in the workplace and effectively protects employees.
- **Proper Use of PPE:** As different processes have different characteristics and associated hazards, the requirements for PPE usage are tailored accordingly. In collaboration between the Safety Section and the production department, specific PPE requirements are defined for each process area. Personnel involved in field operations are required to wear basic PPE, including lab coats, goggles, gloves, masks, and safety shoes. Additionally, based on the risk types associated with each process, further considerations are made for selecting appropriate PPE. For example, respirators with filter cartridges are necessary for areas involving organic solvents and powders, while earplugs or earmuffs are required for noise-exposed areas.
- **Management of PPE:** Regular maintenance and inspection of PPE are essential. This includes periodic cleaning and replacement of filter cartridges for respirators, as well as monthly visual inspections. If any damage or degradation is detected, prompt replacement is carried out to ensure that the PPE maintains its intended functionality and provides the necessary protection.

Specific types of personal protective equipment are used in accordance with the exposure risks associated with different processes (Taiwan sites)

For employees engaged in activities involving organic solvents, training sessions on the proper use of respiratory protective equipment were conducted. A total of 74 training sessions were held, with an initial pass rate of 75%. After guidance and confirmation, all employees successfully passed the training.

Training Programs	Training Hour	Types of Trainee	Number of Participants	Completion Rate%
Occupational safety and health education and training for newcomers (including hazard awareness)	6 hours	Newcomers	576	100
Education and training on ISO 14001/45001 requirements and internal auditing	6 hours	Environmental and safety officers	25	84
Contractor management for on-site access (e-learning)	1 hour	Construction supervisors	135	76.6
Electrical safety training (e-learning)	1 hour	Engineering staff	126	74.6
Motorcycle safety driving course (Hsinchu site)	1 hour	Newcomers Employees involved in commuting work-related accidents in 2021	103	95
Safety and health refresher training	3 hours	Employees who have been in service since 2019 and are still employed in 2022	206	91
	6 hours		129	86



Enhancing Mechanical Safety within the Plant

The Risk Assessment Process for Introducing New Processes and Machinery Equipment

► **Background**

To meet the future demand for Front Plane Laminate (FPL) in ePaper, a new FPL line will be expanded at the Hsinchu site. The FPL process from material production, coating, lamination, cutting, and packaging will be introduced from the Linkou site. The expansion of the FPL line in Hsinchu involves significant changes in terms of space planning, procurement of new machines and equipment for each process, trial production, start of mass production, and waste generation. These processes represent a substantial change for the Hsinchu site compared to the original process content and types of machinery. In accordance with occupational safety and health regulations and ISO 45001 requirements, environmental, safety, and health change management is implemented. Risk assessments are conducted to ensure regulatory compliance, machine and equipment safety levels, and to enhance the inherent safety of machinery and reduce operational risks in the process.

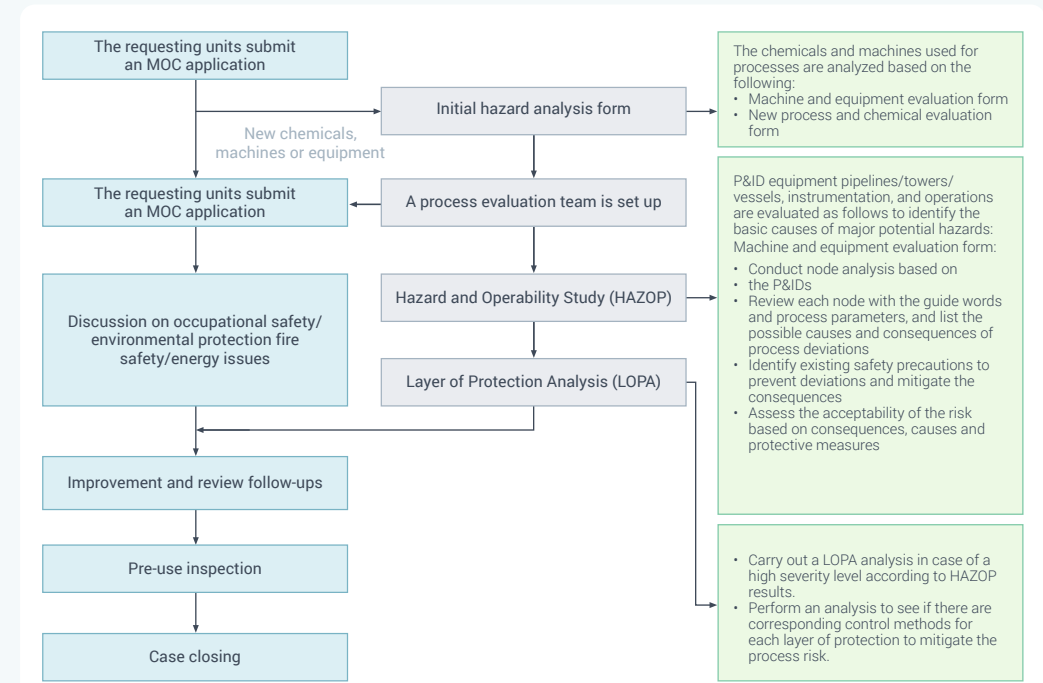
► **Risk Assessment Process**

For newly purchased machine equipment, the concept of "design-in" is applied to enhance the inherent safety of the machinery. Hazard identification, risk assessment, and safety design strategies are sequentially implemented during the design and manufacturing stages of the equipment. For the new chemical process, the experience and evaluation methods of the consultant from the Safety and Health Center are utilized. Hazard and Operability Study (HAZOP) and Layer of Protection Analysis (LOPA) assessments are conducted and integrated into the change management of the FPL expansion project at the Hsinchu plant. By analyzing the process, the frequency of deviation events is taken into consideration, and qualitative or semi-quantitative methods are employed to assess the process risk level. Finally, by combining with a risk matrix, the extent of process risk can be determined, thereby reducing the risk of fire and explosion during process deviations.

Achievement in 2022

The Hsinchu site have received a subsidy of 2 million for process safety improvement assessment from the Occupational Safety and Health Administration. A total of 11 recommendations were identified for high-risk nodes in the red particle manufacturing process, and all of them have been successfully addressed and completed.

Risk assessment process for the introduction of new processes and machines and equipment



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Safety and protection measures at the Hsinchu site

Promotion Measures

- Implementing designated explosion-proof areas and equipping them with appropriate explosion-proof devices and electrical facilities to reduce the risk of fire hazards
- Incorporating nitrogen purging in the process design and ensuring the air-tightness of equipment joints to maintain an oxygen content below 5 vol.% in the organic environment, thereby minimizing the risk of explosions
- Ensuring equipment and transport pipelines are properly grounded or protected against static electricity to prevent the generation of sparks
- Implementing an AI control interface with a Programmable Logic Controller (PLC) to effectively monitor process parameters and promptly execute deviation overrides and issue alarms
- Incorporating barrel and tank positioning mechanisms and designing leak-proof trays to effectively reduce the risk of organic material leakage

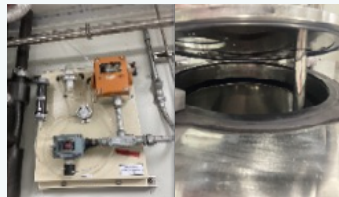
Smart Device Safety Interlock: Utilizing a programmable control system combined with a human-machine interface as the core, along with position detection, oxygen level control, and automatic pressure relief, to establish a comprehensive and secure system operation.



Reduce dispersion risk by transporting liquid raw materials through pipelines



Decrease fire and explosion risks by implementing anti-static and grounding devices



Control oxygen levels below 5vol.% to minimize fire and explosion risks



PLC-controlled system with automatic pressure release and simultaneous opening of vacuum and exhaust valves in case of excessive pressure

NO.	PV	SV	時間(分)	加熱	冷卻	結果
1	17.5	25.0	5	OFF	OFF	OFF
2	17.5	25.0	10	OFF	OFF	OFF
3	17.5	25.0	0	OFF	OFF	OFF
4	17.5	25.0	0	OFF	OFF	OFF
5	17.5	25.0	0	OFF	OFF	OFF
6	17.5	25.0	0	OFF	OFF	OFF
7	17.5	25.0	0	OFF	OFF	OFF
8	17.5	25.0	0	OFF	OFF	OFF

PLC-HMI system with timing and temperature control functions, promptly initiating escape procedures and alarms



Implement a tank positioning mechanism to prevent operation if not securely positioned, reducing the risks of organic material splattering, leakage, and entanglement

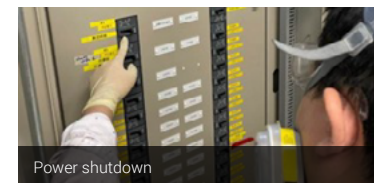
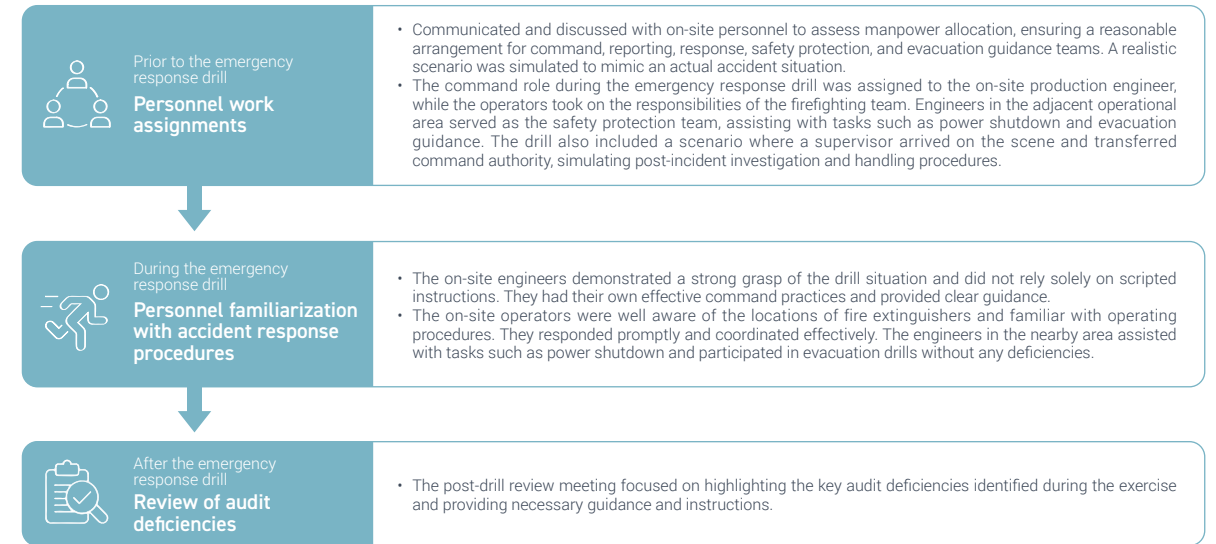
Note 1: Human Machine Interface (HMI)
Note 2: Gas volume percentage (Vol%)

Emergency Incident Response Process and Safety Drills

E Ink has established comprehensive emergency response procedures and conducts regular safety drills in compliance with legal and regulatory requirements. These drills ensure that all personnel are familiar with emergency reporting, response procedures, and evacuation processes, thereby reducing the potential impact of actual incidents. In 2022, a total of 17 drills were conducted in sites of Taiwan and China.

Drills Item	Taiwan Sites	China Sites
Personnel evacuation drill	8	7
Fire emergency response and use of firefighting equipment drill	5	5
Hazardous gas/chemical/gas leak emergency response drill	4	4

Emergency Response Training at Hsinchu site in 2022



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6-4-3 Healthy and Happy workplace

Building a Safe Workplace

Since E Ink establishment, has been dedicated to caring for the personal well-being of its employees. In E Ink early stages, the company went beyond regulatory requirements by employing occupational health nurses to provide on-site services. These nurses assist in conducting employee health check-ups, evaluating the results, and implementing risk management and monitoring. E Ink organizes a diverse range of health promotion activities that are in line

with the current trends. The company has developed comprehensive health promotion programs and provides timely health education and robust healthcare to its employees.

Over the past two years, E Ink has faced significant challenges in terms of epidemic prevention and control, as well as the return to work of employees after confirmed cases. It has proactively established a comprehensive protection network and implemented measures to care for the well-being of its employees in terms of their emotions, health, families, and work. Additionally, effective preventive measures have been formulated, and employee welfare initiatives have been implemented. Since 2017, E Ink has been committed to creating a high-quality and healthy workplace and is proud to have received the "Badge of Accredited Healthy Workplace" from the Health Promotion Administration. As a socially sustainable and health-oriented enterprise, E Ink is dedicated to the well-being of its employees, ensuring a safe working environment and enabling them to fully focus on their work without any concerns, thereby enhancing their performance.



Badge of Accredited Healthy Workplace

Promoting Workplace Maternal Health Care

E Ink takes care of the maternal health of women in the workplace and provides the following benefits and care measures:

- Strictly prohibit pregnant or lactating female employees from engaging in hazardous work.
- Send congratulatory cards and "Wishing You a Healthy Pregnancy" mommy kits to pregnant employees within the company through email.
- Provide dedicated lactation rooms, sterilization cleaning tools, and reserved parking spaces to support breastfeeding and pregnant female employees.

Offering First-aid Training Courses and Installing AED on Sites

In recent years, sudden cardiac arrest has emerged as a significant global public health issue in the 21st century. To ensure a safe and secure working environment for its employees, E Ink installed an Automated External Defibrillator (AED) at sites of Hsinchu and Linkou in 2016. As part of the monthly occupational safety and health education training for new employees, the company provides AED and Cardiopulmonary Resuscitation (CPR) training. Additionally, every three years, professional instructors conduct comprehensive training for all employees, including hands-on practice of AED operations. To date, six training courses have been conducted, with a completion rate of 90% among employees. Moreover, Taiwan sites (Hsinchu and Linkou) has obtained certification as "AED Safe Places," further reinforcing E Ink's commitment to environmental safety.



Emergency Training



On-site Medical Consultation



Operator Training



Recurrent Training while Employed

Continuously Establishing a Healthy Workplace during the Pandemic

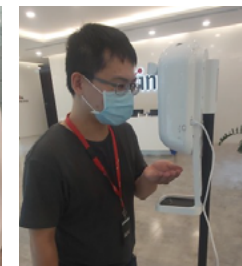
E Ink has encountered significant challenges in managing the COVID-19 pandemic and supporting employee recovery from 2020 to 2022. With an established framework for infectious disease response and protection measures, the company has effectively navigated these obstacles while providing comprehensive care for the physical and mental well-being of its workforce, their families, and work-related considerations. Through initiatives such as "Caring Support" and "Healthcare Services," E Ink has implemented robust preventive measures, devised comprehensive intervention strategies, and provided timely health education and healthcare assistance to its employees.

Heart-warming Care	Pandemic Care Leave	<ul style="list-style-type: none"> • Providing paid pandemic leave and family caregiving leave is essential to prevent personal and family impacts caused by infections and encourage employees to proactively report their health status. This measure helps reduce the risk of workplace infections and ensures that the company's operational capacity remains unaffected by the pandemic. The risk of workplace infections is reported to be 8%, which is lower than the overall infection rate in Taiwan, indicating the significant effectiveness of these policies.
	Vaccine Leave	<ul style="list-style-type: none"> • Provide 2 days of vaccine leave per dose, actively complying with government policies, and encouraging employees to receive the COVID-19 vaccine to enhance the collective immunity of the workforce. Vaccine completion rate: 98%.
	Enhanced Care and Support	<ul style="list-style-type: none"> • Provide health care and assistance to employees and their dependents who are diagnosed with COVID-19, reducing post-infection anxiety among employees. • Conduct health assessments of employees and contractors through social networks to quickly grasp their actual health conditions.
	Travel with Enhanced Pandemic Protection	<ul style="list-style-type: none"> • Provide epidemic prevention kits and the latest global pandemic information to protect employees on overseas assignments and business trips, reducing the risk of infection in foreign locations. • Provide rapid test kits and masks to high-risk employees and epidemic prevention supplies, including goggles, protective clothing, gloves, rapid test kits, cleaning and disinfection supplies, and epidemic prevention education materials, to employees on official business trips.

Health Care	Secure and Reassuring Environment	<ul style="list-style-type: none"> • Implement a graded health management system for employees' epidemic prevention, continuously monitoring their health status after infection. • Place ePaper display boards at company entrances/exits for epidemic prevention promotion and temperature control, enforcing personal hygiene practices. • Conduct universal rapid screenings for all employees before returning to work after consecutive holidays, ensuring the safety and health of colleagues and avoiding the risk of cross-infection in the workplace. • Implement the "Immediate Reporting of Employee Health Assessment" and "Company Health Care Notification Mechanism," where employees proactively report and the company actively shows concern for the health status of employees and their families, continuously tracking and reducing workplace transmission risks.
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Pandemic prevention outreach



Temperature scanner and hand sanitizer



Checkerboard seating and dividers in dining areas



Inker 2022 social network

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Healthy workplace

E Ink firmly believes that employee well-being is an important part of corporate responsibility. Employee health is integrated into personal habits, attitudes, and internalized as part of the organizational culture. Moreover, employee health extends beyond diet and exercise to encompass diverse health promotion initiatives, including interpersonal relationships, mental well-being, resilience, and even addressing the needs of aging society, such as caring for elderly family members and community engagement. All of these aspects contribute to a healthy work environment.

Healthcare Consideration

- ▶ Recognizing that approximately 25% of E Ink's employees were middle-aged and older, who often served as family pillars, the company was committed to caring for its employees. Since 1998, employees aged 45 and above were provided with annual health check-ups, including abdominal ultrasound and colorectal cancer screening, to safeguard their health. The abdominal ultrasound and colorectal cancer screening were well-received by employees, with a 100% participation rate and a satisfaction rate of 95.1%. In cases where abnormalities were found during the abdominal ultrasound, employees were assisted in seeking further follow-up and examination at teaching hospitals with their consent, ensuring early detection and treatment.
- ▶ Eye pressure and vision tests were conducted, and ophthalmologists were invited to the company to deliver lectures on glaucoma prevention, emphasizing the importance of eye protection. This initiative allowed employees to be mindful of eye health while working.
- ▶ Maternal Health Care



"Love You" Series of Activities: On Mother's Day, E Ink presents each female employee with a bouquet of pink roses and a small gift for pandemic prevention, and organizes the E Ink Women's Health Check-up event. Providing financial assistance for employees to undergo cervical screening, breast ultrasound, mammography, and thyroid ultrasound examinations. This ensures that female employees experience the warm care provided by E Ink.



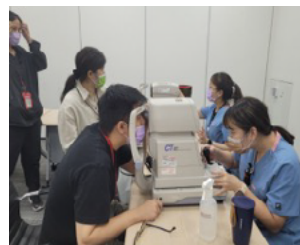
For pregnant employees, E Ink provided basic services such as maternity packages, parking spaces, and comfortable nursing rooms. Furthermore, E Ink collaborated with on-site convenience stores to offer quality protein and health education consultations throughout the maternity period. Department supervisors assisted in conducting assessments of the work environment, and through on-site physician interviews, the safety of the work environment and risk management were evaluated and provided to ensure a safe working environment for pregnant and breastfeeding employees.



Women's health check event



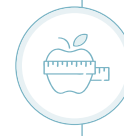
Abdominal ultrasound examination



Eye pressure testing event

Health Promotion

The COVID-19 pandemic has transformed global lifestyles. Since 2021, E Ink has embraced the concept of "Finding Joy in Individual Exercise" as a guiding principle. In the 2022 "E Ink 30-i Health Series Activities" health promotion campaign, the company encouraged employees to adopt active lifestyles and engage in outdoor activities with their families. E Ink integrated the themes of energy conservation, carbon reduction, and environmental sustainability, promoting a lifestyle that incorporates physical activity. Here are the specific initiatives and accomplishments for 2022:



"E Ink 30-i Health Series Activities": E Ink implemented a point-based lucky draw system to encourage employee participation in health promotion activities, in addition to the individual weight loss competition. It also encouraged healthy weight loss maintenance and invited employees who have successfully maintained their weight loss since 2018 to share their experiences in diet and exercise. This initiative resulted in a remarkable 22.5% weight loss achievement.



E Ink promoted the concept of incorporating exercise into daily life by utilizing the idea of "My Home as Gym." It encouraged employees to utilize their home environment and nearby parks for physical activity, such as taking the stairs instead of the elevator and walking instead of driving for shopping. The aim was to accumulate daily exercise hours and step counts, with a target of 450,000 steps per person for walking.



Health Education Promotion through Quiz Contests: E Ink utilized ePaper signage, the company's intranet portal, and bulletin boards in the medical office to display informative posters on topics such as tobacco control and workplace health and safety. To enhance the effectiveness of health education, the company conducted quiz contests with prizes, aiming to raise awareness and knowledge among employees.



Performance announcement event of "E Ink 30-i Health Series Activities"

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Creating a friendly, energy-efficient, and sustainable workplace

E Ink embraces the concepts of friendly usage, environmental conservation, energy efficiency, and green sustainability to create the highest quality workplace.

Integration of Eco-friendly and Energy-saving ePaper Products

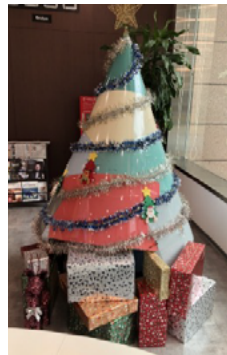
The Public Affairs Department of E Ink collaborates with the research and product development units to design various ePaper products for office environments. These products are tested and utilized by employees to assess their practical applications. This enables visitors and guests to experience the functionality of ePaper and provides valuable insights for further product refinement. Additionally, ePaper applications are implemented throughout the company's facilities. By replacing printed materials such as posters, conference room name tags, office desk signs, and warning signs with ePaper products, approximately NT\$150,000 in paper purchasing and printing costs are saved each year. This initiative reduces the use of approximately 5,000 sheets of A4 paper, showcasing the company's commitment to environmental responsibility in daily operations. Furthermore, during the Christmas season, ePaper Christmas trees are installed within the factory premises, creating a unique festive atmosphere.



Mobile ePaper signage



eNote reservation system for conference rooms



ePaper Christmas trees



Fixed ePaper signage



Paperless notice boards

Established Employee Dining System by Paperless Approach for Sustainability

E Ink has collaborated across various departments to develop a convenient and efficient catering system, replacing cumbersome processes and paper-based operations.

- ▶ Meal reservation
- ▶ Dining expense record inquiry
- ▶ Visitor dining application
- ▶ Integrated functionalities such as meal pre-ordering, dining expense record lookup, visitor meal requests, and meal card replacement applications



By streamlining the process, the system has significantly reduced the time required per person from 30 minutes to just 1 minute. With a user-friendly interface, the system ensures ease of use for all employees.

Offering a diverse range of meal options to cater to different needs and preferences

Catering to the well-being of employees' meals is a significant aspect that E Ink places great importance. To meet the diverse needs of different groups, a wide range of meal options is provided, including buffet-style meals, specialty noodles, value meals, bento boxes, healthy meals, local snacks, and convenience store meals. Additionally, periodic "One-Day Food Festival" events are organized, collaborating with various specialty cuisines to offer employees a diverse selection. Furthermore, a self-service coffee machine has been installed in the convenience store at the Linkou site to cater to the diverse preferences of employees. On special occasions and festivals, in collaboration with food trucks, delicious dishes are cooked and served to the employees.

Catering Satisfaction Survey

Item	Satisfaction(%)
Group Catering	71.5
Special Meals	76.0



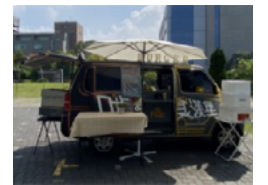
One-Day Food Festival



One-Day Food Festival



Self-service coffee machines



Food trucks

Creating Friendly Workplace With Environmentally Friendly and Energy-Efficient Hardware Equipment for Employees

- ▶ Added two new rest areas within the company, equipped with 46 tables, 224 chairs, 3 refrigerators, 16 microwaves, and 3 water dispensers, providing convenient and well-equipped spaces for employees to take breaks nearby.
- ▶ Installed 8 indoor raincoat racks and 8 safety helmet racks to facilitate employees who ride motorcycles, ensuring systematic storage and management of personal safety equipment.
- ▶ Upgraded employee chairs to ergonomic office chairs, ensuring comfort even during prolonged periods of sitting and promoting the well-being of employees' physical health.
- ▶ E Ink has replaced the electrical appliances within the sites, prioritizing energy-efficient appliances with a level one energy efficiency rating. This demonstrates the company's commitment to energy conservation and environmental protection.



Installed microwaves and electrical appliances



Installed indoor raincoat racks and safety helmet racks



Replaced the chair with ergonomic office chairs



Installed ePaper signage in rest areas



07 Social Engagement

Local Engagement Aligned with Core Business



Performance Achievements ▶▶▶

The core of social engagement projects encompasses 3 major categories

including ▶

charitable donations

community investments

commercial initiatives

E Ink invested approximately **NTD 36.36 million** to social engagement projects.

Yangzhou site has been participating in the "**SproutCare Plan**" for 11 consecutive years, donating resources to schools in remote areas. E Ink have

donated over **RMB 981,000** benefiting a total of **19** rural schools.



In 2017, E Ink initiated "**eRead for the Future**" project, establishing digital mobile libraries for schoolchildren. Collaborating with 10 ecosystem partners in the ePaper industry, E Ink have collectively supported



contributing a value of **NTD 197 million**.

Implemented the **Business for Social Impact Framework (B4SI)** an international social impact assessment tool to evaluate the effectiveness and impacts of the "**eRead For the Future**" project.

In 2022, E Ink donated



1,000 eReaders



103,000 e-books

with a total value of **NTD 23.69 million**

Management Approach of Sustainable Topics ▶▶▶

	Engagement and Community Involvement ✓ Accessary topics				
	Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
Investing in Education and Cultural Diversity	Educational Collaboration	Educational collaboration - "eRead for the Future" eReader mobile library project	E Ink conducting donations to a new county or city and promoting visually friendly reading in remote schools annually	The promotion of visually friendly reading has been successfully implemented in 9 counties and cities across Taiwan, with the establishment of eReader libraries and the development of teaching materials for digital reading promotion	Promoting visually friendly and low-carbon eReaders to schools in remote areas throughout Taiwan, aiming to enhance the digital reading abilities of students in underprivileged regions, reduce the digital divide, and minimize the higher carbon emissions and inconvenience associated with paper or tablet-based reading
Supporting the Disadvantaged & Charity Activities	Social Charity	Engagement in social charity initiatives	<ul style="list-style-type: none"> Organizing diverse volunteer activities 300 participants joining volunteer activities 	<ul style="list-style-type: none"> Regularly organize volunteer activities related to social charity on a quarterly basis 	<ul style="list-style-type: none"> Actively participate in social charity activities and expand positive impact
Caring for Ecological Restoration & Friendly Environments	Environmental conservation	Promoting environmental conservation	<ul style="list-style-type: none"> Promote one biodiversity collaboration project Sign the Non-Deforestation Commitment and sponsor the Dark Sky Association forum to contribute to environmental sustainability 	<ul style="list-style-type: none"> Promote 2 biodiversity collaboration projects 	<ul style="list-style-type: none"> Promote 3 biodiversity collaboration projects

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7-1 Concepts of Social Engagement

E Ink envisions social engagement through the integration of core business, leveraging environmentally and visually friendly ePaper products, and collaborating with internal stakeholders and ecosystem partners to contribute to society. This vision is aligned with the United Nations' Sustainable Development Goals (SDGs). E Ink focuses on three strategies: educational cooperation, philanthropic activities, and environmental conservation, to promote digital literacy, bridge educational gaps, and support local communities.

In 2023, E Ink will initiate an ecological conservation project and promote eco-friendly initiatives to foster a sustainable environment. Additionally, E Ink encourages employee engagement in social inclusion projects, integrating both internal and external resources to make meaningful contributions to society. E Ink firmly believes that through these proactive endeavors, it can drive social inclusion, foster sustainable development, fulfill corporate citizenship responsibilities, and contribute to creating a better world.

	Actions Plans	Action in 2022	Categories	Corresponding SDGs and Specific Targets
 <p>Educational collaboration investing in education and cultural diversity</p>	Continuously promote the "eRead For the Future" eReader mobile library project to enhance digital literacy and bridge the educational resource gap	Initiated "eRead For the Future" in all the elementary schools in Penghu County	Commercial Initiatives	 SDG4: Quality Education (4.1; 4.7)
 <p>Social charity supporting the disadvantaged & charity activities</p>	Leveraging corporate resources to strengthen employee engagement in social charity actions, supporting and giving back to local communities, and caring for underserved populations.	"Donation to Support Ukraine Relief Efforts" initiated by UNICEF	Charitable Donations	 SDG1: No Poverty (1.5)  SDG4: Quality Education (4.1; 4.2; 4.7; 4.a)  SDG6: Clean Water and Sanitation (6.b)
 <p>Environmental conservation restoring ecological habitats and promoting environmental friendliness.</p>	Utilizing the core business, ePaper, E Ink strives to foster a low-carbon and environmentally friendly ecosystem, thus contributing to the preservation of biodiversity	Employee engagement in local social charity events: • Participating in the SproutCare Plan continuously • Involvement in 9 charity initiatives of "Caring Actions to Underserved Populations" project.	Community Investments	 SDG1: No Poverty (1.5)  SDG4: Quality Education (4.2)
		• Establishing the "Biodiversity and Non-Deforestation Commitment". • Participating in the "Taiwan Nature Positive Initiative" since January 2023.	Commercial Initiatives	 SDG15: Life on Land (15.2; 15.5)



Local Engagement Aligned with Core Business

- Integrating corporate core values to create a positive social impact.
- Collaborating with partners in the ePaper ecosystem to promote inclusivity and mutual benefits.
- Aligning with the Sustainable Development Goals (SDGs) to fulfill corporate social responsibilities and address global challenges.

Biodiversity and Non-Deforestation Commitment

In addition to actively implementing energy-saving and carbon-reducing measures to mitigate climate change, E Ink also recognizes ecological and biological conservation as a key action to practice environmental sustainability in the development. E Ink is committed to take actions that consider environmental ecology, biodiversity, and forest conservation to contribute to the enhancement of environmental and social well-being, and to respond to United Nations Sustainable Development Goal 15, "Life on Land" by conserving and sustainably utilizing terrestrial ecosystems, preventing land degradation, and ensuring biodiversity.

E Ink is committed to take action from its own operations and call on its supply chain (or value chain) partners to support and reduce negative impacts on the ecological environment, avoid deforestation, and promote the positive value of environmental ecology and biodiversity. Through management governance and supervision by the Corporate Sustainability Committee, E Ink will promote and implement its commitment to maintaining the environment and ecosystem.

Corporate Commitment and Implementation Policy of E Ink

1. E Ink and its supply chain (or value chain) partners will comply with relevant international and local laws and regulations to avoid setting up operating sites or factories in globally or nationally significant areas of biodiversity or neighboring regions.
2. E Ink and its supply chain (or value chain) partners will avoid activities that damage or affect protected forests and species, ensure that operations of the Company do not involve deforestation, and avoid development in forest-covered areas, areas of high conservation value, and peatlands.
3. If E Ink's operations involve changes in land use, including factory construction, adjustment of land allocation and use, and use of vacant land, the Company will evaluate the possible ecological value loss and implement mitigation actions to compensate and achieve no net loss.
4. If E Ink and its supply chain (or value chain) partners must carry out operational activities in neighboring critical areas of biodiversity, they will adopt measures such as avoid, reduce, regenerate, restore and transform in order to mitigate ecological impact in sequence.
5. E Ink actively supports biodiversity conservation initiatives and conducts biodiversity risk assessments.
6. E Ink promotes concepts of biodiversity and forest conservation and no deforestation to employees, shareholders, customers, supply chain (or value chain) partners, and other internal and external stakeholders, enhancing the Company's awareness of environmental and ecological protection.
7. E Ink collaborates with supply chain (or value chain) partners and external stakeholders to support biodiversity and forest conservation and ecological protection.
8. E Ink's "Supplier Code of Conduct" requires supply chain partners (including first-tier suppliers and non-first-tier suppliers) to jointly comply with this commitment.
9. E Ink will not purchase from suppliers that knowingly cause biodiversity loss, deforestation, or violate regulations.
10. E Ink aims to achieve a net positive impact on the environment and ecology by 2030 at all global operating sites, striving to maintain biodiversity.
11. E Ink aims to achieve no gross deforestation by 2030 at all global operating sites, striving to protect and maintain forests.

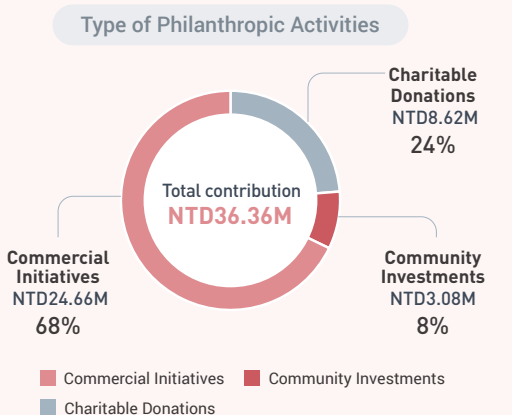
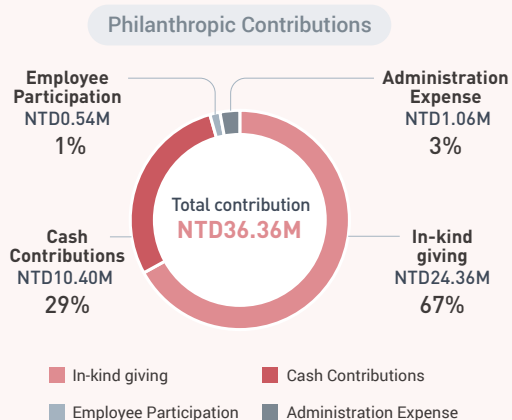
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Corporate Citizenship and Philanthropy Contributions in 2022



Note 1: The funding sources for social inclusion activities include cash contributions, in-kind giving, employee participation, and management costs.
 Note 2: Volunteer time contributions are calculated based on the hours volunteered by salaried individuals on regular working days, multiplied by the average salary of non-managerial full-time employees.
 Note 3: Management costs are calculated as 3% of the total cost of the donated projects.

Paid Leave for Volunteer Service

To encourage employee participation in volunteer service, E Ink introduced a policy in 2017 that allows each employee to apply for 8 hours of paid volunteer leave per year. In 2022, a total of 89 employees applied for this leave, resulting in a combined contribution of 416 hours of volunteered time. These employees primarily engaged in activities related to the "eRead for the Future" project. By providing paid leave for volunteer service, E Ink aims to support employees in making meaningful contributions to charitable activities and engaging in a wide range of social services.

Establishment of "Inkers' Love, The Volunteer Community" to Extend the Passion for Volunteer Service

In 2022, the scope of the "eRead for the Future" project expanded, and volunteers from E Ink enthusiastically joined in. Even after the completion of the donation project, these volunteers remained passionate and continued to actively participate in various social welfare activities. Some of these activities included collecting food donations for stray animals and organizing charity sales of second-hand goods for Man Fair Social Enterprise. Building on their enthusiasm, the volunteers took the initiative to establish the "Inkers' Love, the Volunteer Community." In addition to their involvement as seed volunteers for the "eRead for the Future" project, members of this community will participate in reading companion activities and "ePaper Workshops for Kids" in different locations. The community has also planned multiple charitable projects to be carried out each quarter. The project team is delighted to see the seeds of "goodness" sprouting in the hearts of E Ink employees. The promotion of the eReader donation project, with its focus on promoting visual-friendly reading education, has inspired more volunteers to engage in various social welfare activities from different perspectives.



7-2 Educational Collaboration- "eRead For the Future"

Background of Project

Reading is the nourishment of knowledge, and the synergy between technology and education has made "digital reading" an inevitable trend.

- With the integration of digital technology and education, digital reading is becoming an inevitable trend.
- Reading provides access to knowledge in various academic fields and helps cultivate essential skills such as cognition, language proficiency, comprehension, and logical reasoning.

While digital technology has experienced rapid growth, it has also had negative effects on children's learning processes.

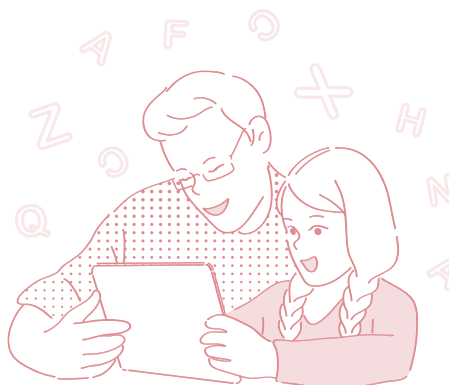
- With the widespread availability of internet-connected devices such as computers, tablets, and smartphones, children are drawn to the diverse multimedia content, games, and real-time messaging available online.
- According to data from Ministry of Health and Welfare of Taiwan, prolonged and close-range use of electronic devices such as 3C products, particularly Thin Film Transistor Liquid Crystal Display (TFT-LCD) screens, emits blue light that can stimulate the production of free radicals in the eyes, causing harm to retinal cells.

Purpose

- Leveraging the unique features of ePaper^{Note 1}, eReader is high-quality digital reading devices, that offer students a focused and comfortable reading experience while being gentle on the eyes.

Note: Please refer to Chapter 3 for features of ePaper.

- By integrating the business strategy of the e-paper ecosystem, E Ink collaborates with partners to give back to society and contribute the core value of our company's expertise, thus fostering positive social development.



Goals and Performance Evaluation of Project

2023 Short-Term Goals

- E Ink establishes mobile libraries equipped with eReaders for remote schools as part of the "One County, One Year" initiative, offering them access to a diverse collection of eBooks.
- Actively work to expand the involvement of E Ink's supply chain partners, promoting collaboration and utilizing shared resources to create a wider and more substantial social impact.

2025 Mid-Term Goals

- Collaborating with project stakeholders, including government and ecosystem partners, E Ink will jointly implement a series of in-depth activities to promote digital literacy and enhance the adoption of digital reading. These activities will include digital reading workshops and competitions aimed at engaging participants and fostering a deeper understanding of digital reading.
- To expand stakeholder participation, E Ink will invite not only our employees and supply chain partners but also customers and local communities to contribute their resources. This collaborative effort will facilitate the establishment of mobile libraries, enriching the lives of students through the joy of reading.

2030 Long-Term Goals

- E Ink will establish mobile libraries equipped with eReader in remote elementary schools and libraries across all counties and cities in Taiwan. This initiative aims to expand the social impact of digital reading and provide access to eBooks for students and communities.
- E Ink aspires to continuously gather resources from companies, society, and individuals to support and sustain this digital reading social charity project. By fostering collaborations and leveraging collective resources, E Ink seeks to create a self-sustaining initiative that promotes digital literacy and enriches the reading experience for all.

Performance Evaluations

- E Ink will strengthen the participation and contributions of ecosystem partners involved in the project, gathering resources to expand the social impacts. By fostering collaborations and leveraging collective efforts, E Ink aims to enhance the effectiveness of the project and maximize its benefits for the community.
- Evaluation indicator: Continuously increase the total sponsorship amount for eBook procurement each year.

Year	2021	2022	2023	2024	2025
Goal (NTD)	600,000	800,000	1 million	1.2 million	1.4 million
Actual Amount (NTD)	600,000	3.6 million	In planning		
Achievement rate(%)	100%	450%	In planning		

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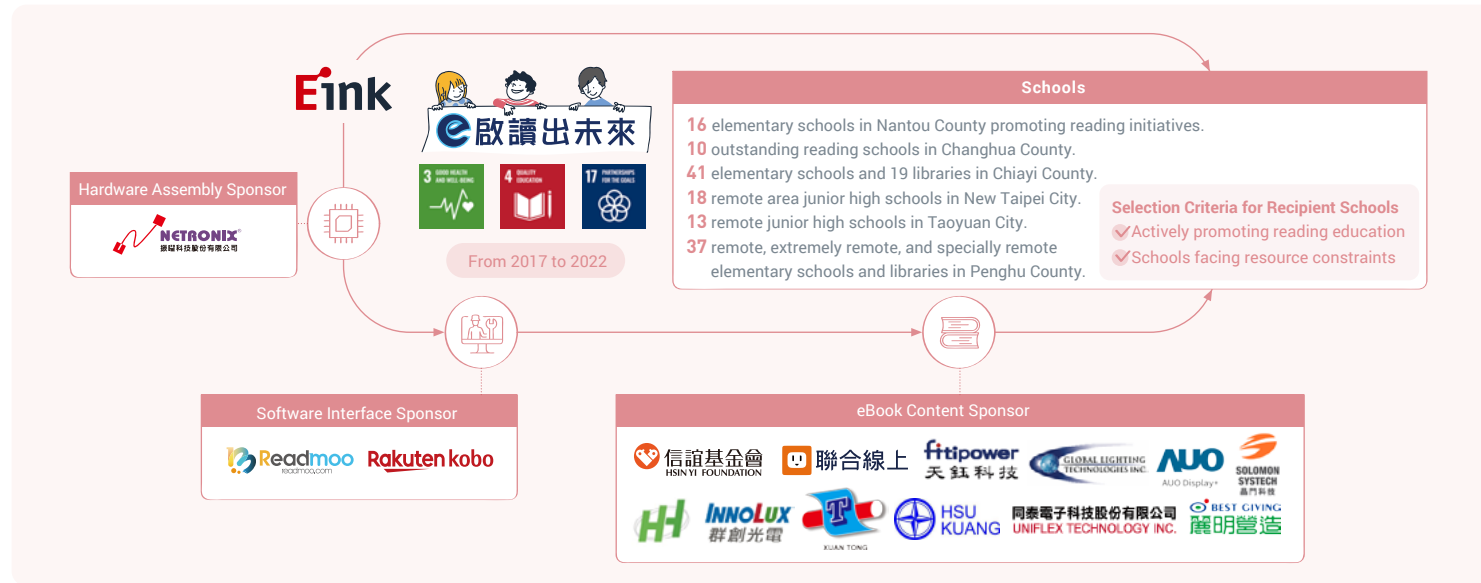
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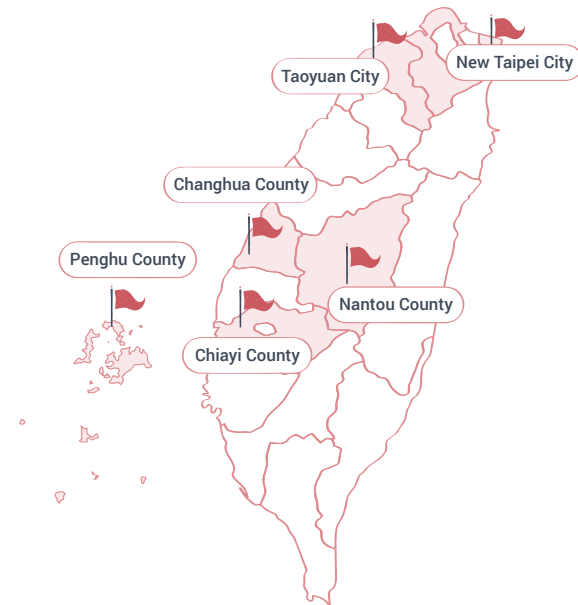
About "eRead for the Future" Project

"eRead for the Future" is a philanthropic initiative launched by E Ink, utilizing its core ePaper technology. Ecosystem partners in the eReader industry collaborate to provide rural students with a comfortable and eye-friendly digital reading experience. Leveraging the expertise, products, and technological advantages of these partners, the project aims to offer a seamless digital reading experience that is both comfortable and gentle on the eyes for students in remote areas. Furthermore, E Ink collaborates with local ecosystem partners based on the company's locations, gathering resources to bring eReader libraries to schools. Through digital reading resources, the initiative aims to assist students in developing the competency of reading comprehension, enabling students to acquire abundant knowledge and broaden their perspectives for newfound inspiration from books.

▼ E Ink and ecosystem partners, leveraging their core expertise and technologies, actively participate in "eRead for Future" project



Year	From 2017 to 2022	Regarding the development of "eRead for the Future", please refer to E Ink official website. ↗
Scope	Global sites, including sites in Taiwan, China, the USA, Korea, etc.	
Problem to be Solved	<ul style="list-style-type: none"> Prolonged use of electronic devices may potentially harm children's vision. The allure of online videos and games distracts the focus of students during digital learning. 	<ul style="list-style-type: none"> Inconsistent internet stability in schools limits digital reading to classrooms with internet access. Enriching reading resources in rural schools to increase the richness of book content.
Stakeholders	E Ink: Sponsor of ePaper display modules, responsible for resource integration and coordination of the project.	
	Hardware Assembly Sponsor: Hardware system integration and software interface provider for e-book readers.	
	Software Interface Sponsor: Software interfaces provider for eReaders, as well as assistance in eBook procurement and management.	
	eBook Content Sponsor: Financial sponsor for the purchase of copyrighted and high-quality eBooks, including a selection of books aligned with the United Nations Sustainable Development Goals (SDGs).	
	Local Education Bureau: Serves as a communication medium between the company and local schools, coordinating administrative works related to the project donations.	
	School Principals and Teachers: Selection criteria for recipient schools include active promotion of reading education and a lack of reading resources. The goal is to ensure that the resources invested in the "eRead for the Future" project are effectively utilized.	



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The Impact of "eRead for the Future"

In order to provide a comprehensive overview of the project's achievements, enhance stakeholder communication effectiveness, and improve project management planning, E Ink introduced the B4SI (Business for Social Impact) framework in 2022 to assess the impact of the "eRead for the Future" project. The framework evaluated the project's impact based on three dimensions: input, output, and impact. Over the period of 2017-2022, data has been collected and analyzed using 29 indicators to continuously track the overall performance of the project. Currently, the scope of disclosure focuses on project initiated in Taiwan, with plans to expand to overseas factories in the future as part of the project's future planning reference.

Key Performance Indicators (KPIs)	Input		Output	
	Resource Allocation	<ul style="list-style-type: none"> Accumulated cash investment of NTD 8.56 million Accumulated material donation of NTD 37.74 million Accumulated resource investment of NTD 52.92 million 	Overall Project	<ul style="list-style-type: none"> Total of 165 partners in 2022 Accumulated number of 14 events Accumulated number of 1,830 participants in events
	Duration	<ul style="list-style-type: none"> Duration: 6 years 	Donations	<ul style="list-style-type: none"> Accumulated donation of 2,986 e-readers Accumulated donation of 272,170 e-books Accumulated donation value of NTD 197 million 154 schools and libraries have received donations Benefited 39,123 students 10 ecosystem partners participated in 2022, contributing an average of NTD 360 thousand
Human Capitals	<ul style="list-style-type: none"> An average of 89 participants per year, with accumulated human resource participation valued at NTD 6.62 million 	Training	<ul style="list-style-type: none"> Accumulated 6 educational training sessions 386 volunteer participants from E Ink Accumulated 4,016 volunteer hours from E Ink 	
		Reading Promotion	<ul style="list-style-type: none"> Accumulated 2 reading competitions Produced 9 recorded videos Generated 337 media exposures Accumulated PR value of NTD 51.01 million Engaged with 43,855 stakeholder 	
Impact	Social Benefits		Corporate Benefits	
	94.6% of the seed teachers are willing to use eReaders in their classrooms.		<ul style="list-style-type: none"> The employee participation rate in volunteering at E Ink has reached a growth rate of 92%. The growth rate of ecosystem partner participation has reached 124%. The Social Return on Investment (SROI) for social philanthropic investment is 1:2.63. 	

About "eRead for the Future" in 2022

Heading to 37 Remote Elementary Schools in Penghu County to Promote Digital Reading and Learning Programs

In 2022, E Ink selected Penghu County as the recipient of their donation, aiming to bring a new digital reading resource to all 37 primary schools in the county. Among these schools, 13 are considered remote, 23 are classified as extremely remote, and 1 is located in specially remote area. Due to the geographical challenges and limited resources, accessing books from the school libraries is difficult for the students.

Therefore, in 2022, E Ink selected Penghu County as the recipient of "eRead for the Future" project, bringing innovative digital reading resources to all 37 elementary schools in the county. Each school received color eReader featuring E Ink Kaleido™ that preloaded with 103 eBooks. These color eReader embedded with well selected collection of literatures, fiction and picture books for different grade levels, including a curated list of books that align with the United Nations Sustainable Development Goals (SDGs). The goal is to provide the students in Penghu County with access to a rich library of eBooks without the need for extensive travel, nurturing their reading habits and instilling sustainability values from an early age. Through reading, the aim is to cultivate a new generation of global citizens.

The 37 Elementary Schools that Received Donations in 2022

Type	Schools
13 remote elementary schools	Magong Elementary School, Zhongzheng Elementary School, Zhongxing Elementary School, Wenguang Elementary School, Wenuo Elementary School, Zhongshan Elementary School, Shiquan Elementary School, Dongwei Elementary School, Xingren Elementary School, Wude Elementary School, Shanshui Elementary School, Shali Elementary School, Fenggui Elementary School
23 extremely remote elementary schools	Huji Elementary School, Huxi Elementary School, Xixi Elementary School, Longmen Elementary School, Aimen Elementary School, Chenggong Elementary School, Shagang Elementary School, Zhongtun Elementary School, Jiangmei Elementary School, Houli Elementary School, Chikan Elementary School, Jibe Elementary School, Niaoyu Elementary School, Heheng Elementary School, Zhuban Elementary School, Dachi Elementary School, Chidong Elementary School, Nei'an Elementary School, Wa'an Elementary School, Wang'an Elementary School, Jiangjun Elementary School, Qimei Elementary School, Shuanghu Elementary School
1 specially extremely remote elementary school	Huayu Elementary School

Note: The classification of "remote", "very remote" and "extremely remote" for elementary schools is based on the categorization defined by the Taiwan Ministry of Education's "Act for Education Development of Schools in Remote Areas".

Introduced Color eReader to 37 Elementary Schools in Penghu County

E Ink not only leverages its core business but also adopts a strategy of co-prosperity with the ecosystem. The company collaborates with ecosystem partners, utilizing the expertise and resources of various companies to achieve common goals. Including:

- Netronix: Hardware assembly of eReaders.
- Readmoo: Assisted in curating booklists and engaging with publishers for philanthropic procurement, as well as sponsoring the software and interface of eReader devices.
- Sponsors eBooks procurement to enrich reading resources, including Xuan-Tong System Integration, Hsu Kuang Foil Technology, Global Lighting Technologies, Solomon Systech, Innolux, AUO Display Plus, Ushine Photonics Corporation and Lee Ming.

E Ink collaborated with 10 ecosystem partners, has jointly donated 1,000 color eReader featuring E Ink Kaleido™. Each color eReader preloaded with 103 high-quality books for students in lower, middle, and upper grades, which donated a total of 103,000 eBooks. The total value of donation is NTD 23.69 million.

Prior to the donation ceremony and delivery of color eReaders to elementary schools, a team of nearly a hundred E Ink volunteers pre-configured and downloaded 103 eBooks onto each of the 1,000 devices. By logging in to the eReaders and pre-downloading the eBooks, the teachers and students at the receiving schools can immediately use the devices without the need for time-consuming setup. The 1,000 color eReaders featuring E Ink Kaleido™, were successfully delivered to 37 elementary schools in Penghu County. With the guidance of teachers, these color eReaders will open up a world of reading for children and enhance their digital literacy abilities.



Chairman of E Ink (on the left) and CFO (on the right) participated in downloading eBooks for the color eReader.



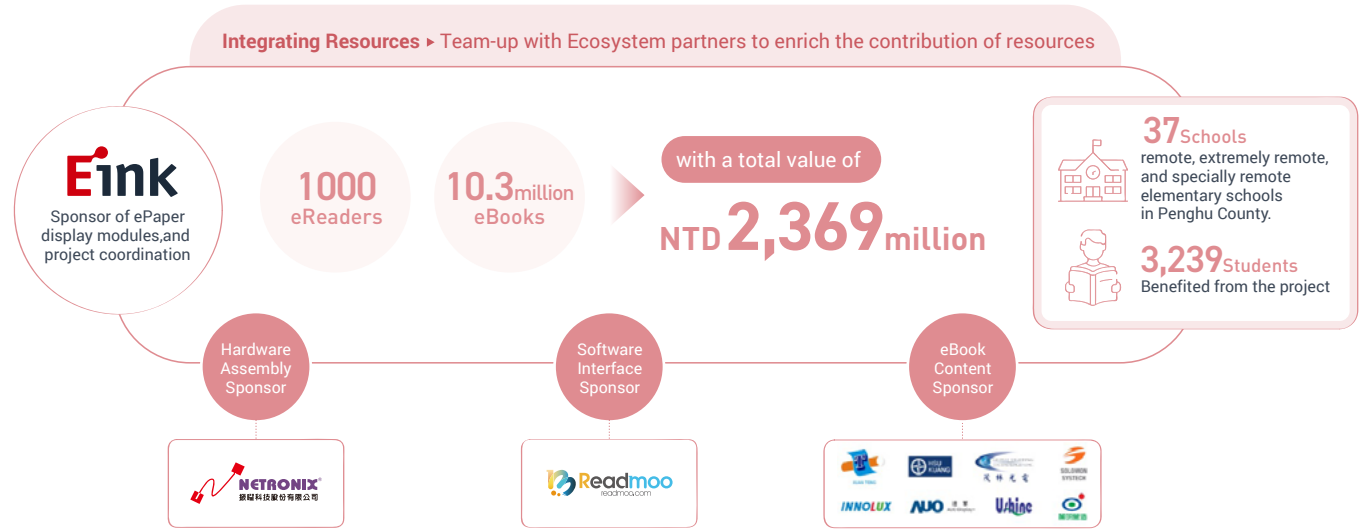
The senior executive team joined and support volunteer activities and expressed gratitude to employees' efforts in promoting children's visual health and digital reading.



2022 "eRead For the Future" eReader Mobile Library Project in Penghu County had a successful completion with the corporate joint donation ceremony.



Donation ceremony of 2022 "eRead For the Future" eReader Mobile Library Project held in Magong Elementary School, Penghu County, demonstrating the county government's and participated companies' commitment to promoting reading education. Participants included Former County Magistrate, Lai Feng-Wei, Director of the Education Department, and E Ink ecosystem partners.



Behind the Scenes of 2022 "eRead for the Future" Project in Penghu

For more information, please click to watch video ▶

After the donation ceremony of the 2022 "eRead for the Future" project, E Ink volunteers immediately initiated a series of educational outreach activities. These activities involved introducing the eReader and conducting educational training sessions for teachers from 37 elementary schools. Additionally, three "ePaper Workshops for kids" were held at local elementary schools, with a focus on digital reading and providing scientific knowledge of ePaper technology.

Educational Training Session of eReader

In October 2022, E Ink organized an "Educational Training Session of eReader" event to ensure effective use of eReader devices in schools. Volunteers from Readmoo and teachers from 37 elementary schools shared insights on operating the eReader and tips for reading eBooks. Volunteers from E Ink were provided on-site assistance to teachers, addressing any questions or issues they encountered while using the devices. The training equipped participating "seed" teachers with the necessary knowledge to guide other teachers and students in their respective schools on how to operate the eReaders, promoting the friendly utilization of digital reading resources.



電子書閱讀器使用教學及教育訓練

First Initiative of "ePaper Workshop for Kids", Promoting Digital Reading and Learning Scientific Knowledge of ePaper

"ePaper workshop for Kids" was first initiative in 2022. Led by volunteers from E Ink, the children were introduced to the fascinating world of magical "ePaper", which explained its eye-friendly feature of being free from blue light. This provided reassurance to both teachers and students in using eReaders. Through session of eBook reading with quiz activities, the children became more familiar with operating the eReaders, allowing them to take ownership of their learning and develop a love for high-quality reading contents. The learning experience was enhanced by creating a joyful atmosphere where children could enjoy their educational journey.



The "ePaper Workshop for Kids" interactive content reading and a quiz session.



Group photo from "ePaper Workshop for Kids".



The "ePaper Workshop for Kids" interactive content reading and a quiz session.

Feedback from Stakeholders



Lai Feng-Wei, Former Magistrate of Penghu County

"Through the improvement of hardware and software devices, we aim to provide a comfortable reading environment and enhance children's interest in reading. Special thanks to E Ink, Netronix, Readmoo, and the other 11 companies for their kind-heartedness in jointly donating eReaders and eBooks to our county, offering children rich and diverse reading resources. Together, we have done something beautiful for the children of Penghu."



Wen-Rui Wang, Principal of Magong Elementary School

"I believe that eReaders with a focus on reading functionality can help students improve their concentration, whether it's immersive reading or fragmentary reading. They can also enhance digital reading skills, allowing students to develop a better understanding of the content within the text."

Stakeholder Feedback in 2021



Wen-Tsan Cheng, Former Mayor of Taoyuan City

"By utilizing digital reading, we can broaden the scope of exploratory learning and reading, while also introducing a new context for reading. This integration of traditional education with modern technology education allows for the promotion of eReaders to hold significant value."



Ming-Yu Lin, Director of Taoyuan City Department of Education

"We express our gratitude to E Ink and the participated companies for providing our children in remote areas with abundant learning resources. We hope that through this donation initiative, children will have more opportunities for reading."

Stakeholder Feedback in 2020



Zheng-Da Xie, Deputy Mayor of New Taipei City

"We extend our gratitude to the enterprises for providing significant resources to schools in remote areas, offering them eye-friendly eReaders loaded with high-quality extracurricular reading materials. This initiative allows children in remote areas to access abundant reading resources without being constrained by time and space. Through extensive digital reading, their comprehension skills are strengthened, and their critical thinking and problem-solving abilities are nurtured. We hope that through the integration of technology and reading, children in remote schools can broaden their horizons and see a wider and more expansive world."



Cai-Yi Lin, Principal of Qin-Xian Junior High School

"Remote students often face long and time-consuming commute to school. Utilizing digital devices effectively not only overcomes the constraints of time and space but also cultivates essential skills for the future, such as fast reading and accurate comprehension using digital tools. Developing these skills from an early age prepares students to navigate the increasingly digitized world they will encounter in the future."

To learn more about the story of "eRead for the Future," please visit E Ink ESG website.

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7-3 Social Charity

In 2022, E Ink actively participated in various social charity activities by donating resources and engaging employees of the Company. These initiatives included supporting " Donation to Support Ukraine Relief Efforts " organized by UNICEF, participating in the "SproutCare Plan" for 11 consecutive years, and contributing to nine philanthropic actions under the "Caring Actions to Underserved Populations" projects. E Ink collaborated with employees to make a difference and address the needs of local communities, demonstrating its commitment to corporate social responsibility.

"Donation to Support Ukraine Relief Efforts" by UNICEF

Project Description

In February 2022, following the outbreak of conflict in Ukraine, many global companies and organizations took part in humanitarian relief efforts. Due to its close ties with Ukraine, including important customer PocketBook, which has research and office facilities there, E Ink demonstrated the Company's sincere support for PocketBook employees who remained in Ukraine during this challenging period. As a result, E Ink actively participated in the UNICEF "Donation to Support Ukraine Relief Efforts" project.

Achievements

In April 2022, E Ink contributed approximately NTD 4.17 million (USD 150,000) to the UNICEF Ukraine Relief Project, aimed at providing humanitarian assistance to children affected by the military conflict in Ukraine. The donation covered various aspects, including healthcare, education, protection, water and sanitation facilities, as well as emergency supplies, to support the affected Ukrainian children in their path towards recovery and resuming normal lives as soon as possible.



For more information, please visit the website [↗](#)

"SproutCare Plan" - Unceasing Contributions to "Charity"

Since 2012, E Ink has been actively participating in the "SproutCare Plan" in China, the Company continuously dedicating to "SproutCare Plan" for 11 consecutive years. By sponsoring resources and volunteers to schools in remote areas, E Ink aims to improve the education and living conditions of children in underprivileged regions. The total accumulated donation amount has exceeded NTD 4.2183 million (RMB 981,000).

In 2022, under the theme of "Reading, Painting and Creating a New World," the "SproutCare Plan" reached to schools in the remote mountainous regions of Hunan and Guizhou provinces, China, conducting philanthropic assistance activities to support education.

"Reading, Painting and Creating a New World," the "SproutCare Plan"

- Volunteers visited Jinshan Elementary School and Paizhong Elementary School in Danzhai County, Qiandongnan Miao-Dong Autonomous Prefecture, Guizhou Province, China. In addition to donating 100 eReaders, each preloaded with 522 e-books, they also provided 550 art tool kits to students in these remote mountainous areas. This initiative aims to bring abundant reading resources to the children in the rural areas and open the doors to art for them through the provision of art supplies.
- Volunteers, along with school teachers and local graduate students, collaborated to form teaching support groups. They organized eBook reading class and art class, with plans to hold essay and drawing competitions at the end of the semester.
- In 2022, the donation amount exceeded NTD 483 thousand (RMB 112 thousand).

For more information, please visit the website [↗](#)



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Caring Actions to Underserved Populations

China sites

Charitable Actions of Care

- Participating in the "Caring in Three Aspects Charity Event" initiated by "News Girls", a TV program of Yangzhou TV News Channel, providing support to financially disadvantaged families throughout the city of Yangzhou.
- In the cold winter of 2022, the Yangzhou site joined Yangzhou TV in providing comfort to 100 financially disadvantaged families by delivering 100 brand new quilts. Additionally, a total of approximately NTD 215 thousand (RMB 50 thousand) in charitable funds were distributed, making the overall contribution worth around NTD 305 thousand (RMB 70.9 thousand).



"99 Charity Day"

- The Yangzhou Development Zone Charity Association initiated the "99 Charity Day" campaign, calling for online donations to support nearly 200 children with disabilities in the area.
- A donation of approximately NTD 129 thousand (RMB 30 thousand) was made to provide assistance to 10 children.

Since 2003, E Ink has established the Ad Hoc Philanthropic Committee (AHPC) at the USA sites to actively engage in various charitable initiatives. This commitment has continued for 18 consecutive years. In 2022, the key actions are as follows:

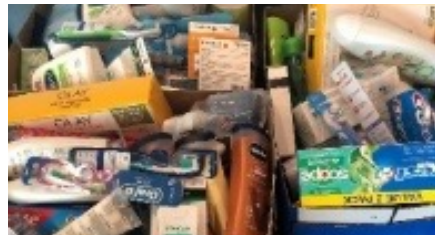
Best Buddies Walk

- Organizing walking events to raise funds for individuals with Intellectual and Developmental Disabilities (IDD) and to promote support and inclusivity.
- The funds raised will support the independent development of individuals with IDD in social, physical, and economic aspects.
- The initiative involved 4 employees and raised nearly NTD 55 thousand (USD 2,000).



Rosie's Place Toiletry and Personal Care Drive

- Rosie's Place, a non-profit organization, provides shelter for women who are experiencing poverty, homelessness, or in need of emergency assistance.
- E Ink employees in the USA sites raised approximately NTD 14,000 (USD 500) worth of household supplies to donate to Rosie's Place.



For more information, please visit the website [📄](#)

Clothing Drive- Clothes Collected for Goodwill Industries

- Goodwill Industries, a nonprofit organization, was established with the purpose of providing job training, employment placement services, and other community programs to individuals who face barriers to employment.
- The employees voluntarily collected 440 kg of clothing to donate to Goodwill Industries.



Bike Ride to Raise Funds for ALS, Lou Gehrig's Disease

- E Ink employees participated in a Massachusetts cycling event to raise funds for Amyotrophic Lateral Sclerosis (ALS)^{Note 1}, also known as Lou Gehrig's Disease. This action raised approximately NTD 89,000 (USD 3,200).



Note 1: Amyotrophic Lateral Sclerosis (ALS), also known as "Lou Gehrig's Disease," or "Motor Neuron Disease," is a rare neurological disorder.

Collaborated with "Boys And Girls Club of America" to Support Children's Education and Promote Digital Literacy

Boys and Girls Club of Silicon Valley aims to encourage independent learning among students at the age of 6-18. The Fremont site in the U.S. donated approximately NTD 195 thousand (USD7,000) to the local Boys and Girls Club. The funds will be used to hire tutors and professionals to assist children and teenagers with their homework and after-school activities.



Donation to Boys and Girls Club of South Holyoke included 20 Amazon Kindle Kids, providing visually-friendly reading tools for children. The total value of the donation amounted to approximately NTD 58,000 (USD 2,100).



Note 2: Boys and Girls Clubs of America (BGC), a non-profit organization, is dedicated to providing children and youth with healthy, safe, and beneficial after-school activities, including education, sports, arts, and more. The non-profit organization aims to assist young people in developing skills and building confidence. BGC has a total of 4,700 locations across the U.S..

7-4 Environmental Conservation - Promoting Natural Environment Conservation

Excessive economic activities have caused ecological and environmental pollution, creating significant climate threats to both humans and species. Environmental protection is crucial for achieving sustainable development goals. To safeguard habitats, E Ink ensures that its global operations, manufacturing, research and development, and business sites are not located in ecological conservation areas. Additionally, E Ink takes proactive measures to reduce natural resource consumption. The company optimizes production processes, minimizes energy use, improves energy efficiency, and encourages suppliers to adopt eco-friendly and recyclable materials. These actions reflect E Ink's commitment to environmental preservation.

E Ink aspires to raise public awareness and foster a greater sense of concern for ecological conservation through environmental education and biodiversity advocacy. The company adopts a comprehensive strategy that integrates environmental ecology, biodiversity, and forest conservation. E Ink is committed to implementing the "Biodiversity and Non-Deforestation Commitment" and supporting "Business for Nature" initiative. It actively advocates for ambitious government policies to halt and reverse nature loss by 2030. Additionally, E Ink participates in "Taiwan Nature Positive Initiative"^{Note 1} to protect natural habitats for wildlife and plants. The company promotes environmental conservation principles among its employees, shareholders, and partners of supply chain or value chain, increasing stakeholder awareness and collective action to support biodiversity preservation, forest conservation, and ecological protection.



Respecting and Protecting the Natural Environment

E Ink has established the "Biodiversity and Non-Deforestation Commitment" and is taking action to preserve environmental ecosystems, biodiversity, and forest conservation. The company strives to fulfill its responsibilities to enhance environmental and social well-being and aims to extend its influence through the supply chain or value chain, fostering collaboration and progress together.

GREEN & SAFE

E Ink dedicated to improving its production processes for the benefit of environmental sustainability and environmental protection. E Ink has invested in YFY Biotech, creating a platform for mutual benefit and shared interests among consumers, producers, and the environment. This investment aims to foster a harmonious relationship where all three parties can thrive and mutually benefit from each other.

GREEN & SAFE is a pioneer in Taiwan's organic and sustainable food distribution channel. With a long-term commitment to promoting the concept of organic living to consumers, GREEN & SAFE brings together a wide range of organic products, including grains, fruits, vegetables, and seafood, cultivated by producers who share a vision of sustainable production and operation. GREEN & SAFE offers consumers a sustainable and trustworthy choice for organic living.

Through carefully select seasonal organic vegetables and fruits, in response to the principles of "carbon fixation" and "carbon reduction" for sustainability. By choosing crops cultivated in organic, circular ecological systems that emphasize the limited use of chemical fertilizers, pesticides, no-till farming, crop coverings, crop rotation, and composting. Green & Safe promotes soil ecological diversity, enhance soil carbon sequestration, and support land health in the face of climate change. By practicing water-efficient irrigation and organic fertilization, it increases soil organic matter content, reduces carbon dioxide and methane emissions, and enhances the soil's carbon sink function, effectively absorbing more carbon dioxide. The cultivation of organic fruits and vegetables without herbicide use and manual weed management helps preserve water sources and soil, demonstrating a land-friendly approach.

Raised Taiwan's native free-range chickens and Taiwan Black Pigs, ensuring that no antibiotics are used throughout the rearing process. These livestock are ethically raised in well-ventilated environments with sufficient space for movement. This approach not only results in unique flavors but also carries forward Taiwan's exquisite flavors.

In order to maintain marine resources and biodiversity, adhere to the use of sustainable fishing methods that involve one-line fishing. By selectively targeting specific fish species, prevent overfishing and protect juvenile fish, avoiding the depletion of marine populations. Additionally, these fishing practices minimize contact with the seafloor, reducing environmental damage and contributing to the reduction of marine waste.

Move away from traditional intensive monoculture practices and adopt a mixed farming approach, where multiple species coexist in the same water body, forming a complete ecosystem. This method reduces the risk of infectious diseases among aquatic organisms and eliminates the need for antibacterial agents. By maintaining ecological balance, our ensure the health of both the water body and the aquatic species. In our low-density farming environment, fish and shrimp have ample space to move, resulting in naturally sweet and non-fishy-tasting meat.

GREEN & SAFE not only selected sustainably produced crops for consumers, also develops a variety of dry goods, sauces, unsweetened teas, and convenient additive-free meal kits to meet consumers' culinary needs. Through stringent quality control measures, Green & Safe ensures that these products are safe, environmentally friendly, and free from additives. By delivering wholesome, safe, and delicious food options, Green & Safe commitments to bring healthy and flavorful experiences to consumers' tables.

Note 1: Taiwan Business Council for Sustainable Development (TBCSD) initiated the Taiwan Nature Positive Initiative (TNPI) in 2022. This initiative aims to encourage the business sector to take more proactive actions in the conservation of nature and biodiversity while fostering the development of relevant expertise. By doing so, it seeks to enhance the transparency of enterprise risk resilience and opportunity management.

Note 2: E Ink has incorporated its Biodiversity and Non-Deforestation Commitment into supplier code of conduct, please refer to E Ink's official website for details.

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Taskforce on Nature-related Financial Disclosures (TNFD)

Human actions have a significant impact on the natural environment, which in turn can affect business operations. Therefore, the preservation of natural environments, the maintenance of biodiversity, and restoration efforts are crucial for sustainable development. While E Ink's operational sites are not located in globally or nationally significant biodiversity areas or neighborhood areas, and its assets and infrastructure do not have a significant impact on the natural environment, the company still recognizes the growing importance of nature-related issues and potential impact on its operations. In response, E Ink adheres to "Taskforce on Nature-related Financial Disclosures (TNFD)" for managing and disclosing nature-related risks and opportunities.

Note: The TNFD framework, which is scheduled to release the official version in September 2023, currently disclosed TNFD based on the v0.4 Beta version.

▼ Summary of the Taskforce on Nature-related Financial Disclosures (TNFD)^{Note}

Governance

- The Sustainability Development Committee, under the oversight of the Board of Directors, is responsible for overseeing the management of nature-related risks, opportunities, and targets, with support from the Secretariat of the Corporate Sustainability Committee and the Sustainability Management Department.
- The addition of nature-related risks and opportunities as management issues goes beyond the scope of risk management and is also addressed through the issuance of the "E Ink Biodiversity and Non-Deforestation Commitment."
- Assessment and disclosure of nature-related risks and opportunities are conducted in accordance with initiatives and frameworks such as "Nature-related Financial Disclosures" and the "Science-based Targets Network (SBTN)."

Risk & Impact Management

- The identification and assessment of nature-related risks will be conducted using relevant methodologies such as the LEAP framework of TNFD and the Science-Based Targets Network approach, followed by the analysis of supply chain (or value chain) risks and resilience using tools such as location-based tools.
- The "E Ink Biodiversity and Non-Deforestation Commitment" serves as the policy basis for integrating biodiversity and natural resource depletion issues into the risk management process. This includes assessing the financial impacts, conducting sensitivity analysis and stress testing related to these risks, and incorporating the identification, assessment, and management of nature-related risks and opportunities into stakeholder engagement.
- Actions related to identified risks and opportunities are being undertaken in collaboration with stakeholders.

Strategy

- E Ink's current operational sites are not located in globally or nationally significant biodiversity areas or neighboring regions, and the use and lifespan of its assets and infrastructure do not have significant impacts on nature-related issues.
- While biodiversity and natural resource depletion are not currently identified as significant risks, E Ink remains proactive in responding to emerging nature-related risks. In addition to E Ink's operation, the company will incorporate risks, resilience, and ecological connectivity of supply chain (or value chain) into risk management practices.
- Nature-related risks and opportunities identification:
 - Risks:** Impacts on natural habitats and biodiversity from renewable energy sources (short-term); increased operational costs associated with nature management (short-term); operational disruptions due to water scarcity (medium-term); and the degradation of natural cultural ecosystem services affects employee health (long-term).
 - Opportunities:** Growing market demand for environmentally friendly products (medium-term) and enhanced reputation associated with nature management practices (medium-term).

Metrics & Targets

Scope	Operational Locations	Products
Performance and target related to natural dependencies, impacts, risks, and opportunities	<ul style="list-style-type: none"> Green buildings are being constructed. The Hsinchu site is scheduled to be completed as a green building by 2024, aiming to meet LEED Gold certification standards. Subsequent construction projects will adhere to the same standards. Ensuring that renewable energy sources do not impact biodiversity is a priority. Due diligence is conducted for newly acquired renewable energy sources. Ensuring that the operational sites provide ecosystem services is a key objective. By 2030, the goal is to achieve a net positive impact on the environment and ecosystems. 	Revenue ratio of environmentally friendly products. Maintain a green revenue ratio of 99% or above based on FTSE Russell's Green Revenue Model.

Note: For detailed information regarding the Taskforce on Nature-related Financial Disclosures (TNFD), please refer to Appendix IX.

Science-based Targets of Nature

In line with E Ink's commitment to natural environment, the Science-based Targets Network (SBTN) provides an appropriate management and indicator framework for achieving nature-related goals such as biodiversity, climate change, land, and water resources. The SBTN defines a 5-steps process to achieve nature-related goals, including "Assess", "Prioritize", "Set targets", "Act", and "Track". While the formal release of Science-based Targets for Nature is yet to be launched, E Ink has joined the SBTN's Corporate Engagement Program, aiming to actively contribute to nature-related actions through proactive participation.



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Appendix I: E Ink Sustainability Performance Indicators

★ Material Topics

Categories	Sustainability Policy	Sustainability KPIs	Sustainable Topics	Sustainability KPIs	Management approaches and performances	Coverage	Progress				
							Short-Term Goals (2023)	Mid-Term Goals(2025)	Long-Term Goals (2030)		
 Governance/ Economics	Effective governance enables corporate growth	Strong corporate governance structure	★ Corporate Governance	Board Structure	Board Structure	Global	-	Clearly defines management objectives and implementation status regarding director diversity policies	The target for the proportion of independent directors is 50%		
				Corporate Governance Evaluation	Corporate Governance Evaluation	Taiwan	Increase the proportion of female directors by 20%	Increase the proportion of female directors by 25%	Increase the proportion of female directors by 40%		
								Ranked in the top 5% for corporate governance evaluation			
		Intensifying the operation of risk management	Risk management and response	Risk identification	Risk identification	Risk identification	Global	Regularly identify and adjust and add new risk items according to international trends and industry changes	Identify whether emerging risk projects should be added as new risk items		
					Fostering risk management awareness	Fostering risk management awareness	Global	100% coverage of education and training on risk courses			
				Risk analysis	Risk analysis	Global	Evaluating the probability of risk events and operational impacts using a risk matrix				
				Risk management	Risk management	Risk management	Global	Establishing crisis management and business continuity plans	Executing major crisis event response and drills	Reducing the proportion of high-risk items	
					Risk monitoring and review	Risk monitoring and review	Global	Summarizing the key points of risk management, risk assessments, and risk mitigation measures, and reporting to the Board of Directors twice a year			
				Implementing business integrity	Compliance with laws and regulations	Compliance with laws and regulations	Compliance with laws and regulations	Compliance with laws and regulations	Global	Zero significant violations with amounts exceeding NTD 1 million	Zero incidents of human rights policy violations	Zero cases of violation of environmental regulations
		★ Ethics and integrity	Ethics and integrity compliance				Ethics and integrity compliance	Global	Zero cases of corruption incidents		
			Ethics and integrity awareness cultivation				Ethics and integrity awareness cultivation	Global	100% completion rate for new employee training programs and comprehensive coverage of educational training		
		★ Information and Cyber Security	Privacy		Privacy	Privacy	Privacy	Global	Establishment of a group privacy policy for the overall data utilization and collection	Conducting regular compliance reviews	Zero cases of privacy infringement incidents
						Information and cyber security	Information and cyber security	Taiwan	Accomplishing regular review of ISO/IEC 27001:2013	Passing ISO/IEC 27001:2022 verification	Insuring cyber insurance in Taiwan sites

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							Short-Term Goals (2023)	Mid-Term Goals(2025)	Long-Term Goals (2030)	
 Sustainable products	Product Sustainability - Innovation for Low-Carbon Sustainable Products	Product realization & technology innovation	★ Product research, development and innovation	IP and trade secret	Number of effective patents	Global	Addition of 300 effective patents annually			
					Number of proposals for trade secrets	Global	Accumulated 170	Accumulated 170	Accumulated 280	
				Development resource	Recruitment of R&D workforce	Global	21-27% R&D employees of total workforce			
					Investment in R&D expenses	Global	Accounts for 10-15% of total revenue			
				Intellectual Property Management	Verification of Taiwan Intellectual Property Management System	Global	Maintain A-level certification of "Taiwan Intellectual Property Management System (TIPS)"			
			★ Market expansions	New product and technology	New product development contribution to revenue in the past 3 years	Global	Accounts for 9% of total revenue	Accounts for 18% of total revenue	Accounts for 26% of total revenue	
			Business Partnership Management	Industry-Government-Academia Collaboration	Promotion of Industry-Government-Academia Collaboration	Global	Addition of 1 Industry-Government-Academia Collaboration project annually			
		Expansion of low carbon products	★ Green and sustainable product development	Sustainable product development	Sustainable product development	Global	1 new product development	1-2 new products development	2-3 new products development	
					Upgrading existing products for sustainability	Global	1 product upgrading	1-2 products upgrading	2-3 products upgrading	
					Optimization of product packaging materials	Global	Reduction of packaging tray usage by 13%	Reduction of packaging tray usage by 10% (compared to 2023)	Reduction of packaging tray usage by 10% (compared to 2025)	
Green Revenue	FTSE Russell			Global	>99% account as green revenue of total revenue					
Ecosystem	Ecosystem of value chain			Global	Accumulated 135 partners	Accumulated 150 partners	Accumulated 200 partners			
 Green Production	Low-carbon and energy saving operations and manufacturing	Response to climate change	★ Climate Change Mitigation and Adaption	SHEE Policy	SHEE Policy management	Global	Publishing revised version of SHEE management policy	Reviewing SHEE management policy annually		
				Risks and opportunities	Management of climate related risks and opportunities	Global	Completing financial impact of climate-related risks and opportunities by TCFD framework	Completing the identification, analysis, assessment, and mitigation of climate-related risks and opportunities	Reviewing financial impact of climate-related risks and opportunities	
				Internal carbon pricing	Internal carbon pricing framework	Global	Implementing internal carbon pricing	Implementing internal carbon pricing continuously	Planning internal carbon pricing mechanism	
		Net Zero Transformation	Greenhouse gas management	Greenhouse gas	ISO 14064 Greenhouse gas inventory	Global	100% completion of inventory and external verification			
					ISO 14067:2018 Product Carbon Footprint	Global	Cumulative two product categories	Cumulative three product categories	Cumulative four product categories	
					Absolute target of GHG emission	Global	GHG emission (Scope 1 and 2): 42,600 ton. CO ₂ e	GHG emission (Scope 1 and 2): 55,000 ton. CO ₂ e	GHG emission (Scope 1 and 2): 4,000 ton. CO ₂ e	
							Global	GHG emission (Scope 1): 3,600 ton. CO ₂ e	GHG emission (Scope 1): 4,000 ton. CO ₂ e	GHG emission (Scope 1): 4,000 ton. CO ₂ e
							Global	GHG emission (Scope 2): 39,00 ton. CO ₂ e	GHG emission (Scope 2): 51,00 ton. CO ₂ e	GHG emission (Scope 2): zero ton. CO ₂ e
			Carbon emission intensity (Scope 1 and 2)	Global	10% reduction compared to the baseline year	20% reduction compared to the baseline year	70% reduction compared to the baseline year			
		★ Energy management	Energy & electricity	d ISO 50001 management system	Global	75% completion of external verification		100% completion of external verification		
Energy productivity	Global			USD 10 thousand/ MWh	USD 10 thousand/ MWh	USD 10.5 thousand/ MWh				
Renewable energy	Renewable energy consumption percentage		Global	20%	40%	100%				

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							Short-Term Goals (2023)	Mid-Term Goals(2025)	Long-Term Goals (2030)
 Green Production	Low-carbon and energy saving operations and manufacturing	Net Zero Transformation	Brand Management	Environmental advocacy	Environmental related advocacy	Global	<ul style="list-style-type: none"> Targets pass SBTi verification Achieving A- leadership rating on climate change questionnaire by CDP 	Achieving A leadership rating on climate change questionnaire by CDP	<ul style="list-style-type: none"> Achieving RE100 Implement of ISO 50001 energy management system verification to Global operation sites
		Water resources management	Water resources	Water consumption	Global	3% reduction compared to the baseline year	5% reduction compared to the baseline year	10% reduction compared to the baseline year	
				Recycling rate of water production	Global	50%	55%	60%	
				Intensity of water consumption	Global	10% reduction compared to the baseline year	20% reduction compared to the baseline year	30% reduction compared to the baseline year	
		Environmental Impact Mitigation	★ Resource management and circular economy	Environmental Management	ISO 14001 Environmental Management System	Global	100% completion of external verification		
				Waste	General waste recycling rate	Global	Achieving a waste recycling rate of 50%	Achieving a waste recycling rate of 55%	Achieving a waste recycling rate of 60%
				Waste	Implementation of product recycling/ circular economy project	Global	Achieving implementation of 1 product recycling project	Achieving implementation of 3 product recycling project	Achieving implementation of 5 product recycling project
Air pollution	Production and waste reduction	Air pollution	Chemical usage per unit of product	Global	3% reduction compared to the baseline year	5% reduction compared to the baseline year	10% reduction compared to the baseline year		
			Reduction of VOC	Global	10% reduction compared to the baseline year	20% reduction compared to the baseline year	30% reduction compared to the baseline year		
 Sustainable Supply Chain	Sustainable and Value-Added Supply Chain	Developing a green and low-carbon supply chain	Local procurement	Ratio of local procurement amount	Global	>94%	>95%	>96%	
			Low-carbon energy	Number of suppliers using renewable energy	Global	29 suppliers (cumulated)	35 suppliers (cumulated)	40 suppliers (cumulated)	
			Sustainable collaboration	Sustainable and energy conservation project collaboration with suppliers	Global	3 new collaborative projects	Cumulated 6 collaborative projects since 2023	Cumulated 15 collaborative projects since 2023	
		Control & mitigation sustainable risks	★ Sustainable Supply Chain Management	Supplier behavior management	Adherence to e ink's supplier code of conduct	Global	Signing ratio of significant suppliers: 100%	Signing ratio of significant and bill of material (BOM) suppliers : 100%	
					Adherence to the vendor clean transaction commitment		Compliance with the conflict minerals statement	Signing ratio of significant suppliers: 100%	Signing ratio of significant and bill of material (BOM) suppliers : 100%
				Risk of supply chain	Risk assessment supply chain	Global	Replied ratio of significant suppliers: 100%		
					Risk mitigation	Global	100% of high-risk suppliers provide improvement plan		
					Due diligence on conflict minerals	Global	Complete 5% of significant suppliers annually	Complete 10% of significant suppliers annually	Complete 5% of bill of material (BOM) suppliers annually
		Advancement of supply chain resilience	Sustainable procurement	Resilience strategy	On-site supplier audit	Global	Audit ratio of significant suppliers: 100%		
					Sustainable procurement training	Global	Training completion ratio of procurement and quality assurance personnel: 100%		
Diversified sourcing solutions for raw materials	Global				Training completion ratio of suppliers: >90%				
Customer satisfaction	Ratio of customers rate satisfaction as "satisfied" or higher	Global	93%	95%	96%				

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							Short-Term Goals (2023)	Mid-Term Goals(2025)	Long-Term Goals (2030)
Enterprise Care	Creating a Healthy and Safe Workplace for Employees	Protecting human rights of workforces	Human rights	Human right policy	Human rights policy training	Global	Completion rate of human rights policy training: 100%		
				Human rights policy training	Human rights policy training		Conducting human rights impact assessments		
		Diversity, equal and inclusion	Women's care and gender equality	Global	Increase proportion of female executives to 20%	Increase proportion of female executives to 21%			
						Increase proportion of female employees: 37%	Increase proportion of female employees: 38%		
							New hires of female employees account for 25%		
						Implementing 1 measure of friendly workplace priority over official regulations: 1 (Taiwan sites)			
						Holding 1 training course or seminar of women's empowerment			
						Target rate of hiring of disability individuals: 1%			
		Talent attraction and retention	★ Talent attraction and retention	Employee compensation	Compensation	Taiwan	Average employee salary in Taiwan ranks in the top 10% among listed optoelectronic companies	Overall compensation ranks in the top 40% in the industry	Overall compensation ranks in the top 30% in the industry.
						Global	Employee satisfaction/engagement rate over 70%	Employee satisfaction/engagement rate over 72%	Employee satisfaction/engagement rate over 73%
				Talent retention	Talent retention	Global	Turnover rate of high-performing talent: <6%		
							Turnover rate of high-performing talent: <5%		
				Turnover rate of employee: <15%			Turnover rate of employee: <14%		
				Employee care	Employee supporting program	Taiwan	Maternity subsidy of NTD 6 thousands (Taiwan sites)		Maternity subsidy of NTD 8 thousands (Taiwan sites)
						Global	Childcare measures and subsidies, establishment or contracted childcare facilities (Taiwan sites)		
				Management relations promotion and communication	Employee engagement	Global	Implementation of Employee Assistance Program (EAP)		
							Holding labor-management meetings on a quarterly base (Taiwan sites)		
				Holding employee meeting once per year					
		Resolution rate of proposals from labor-management meetings: 100%							
		Talent cultivation	Employee training and career development	Learning vitality	Enhance employee learning vitality	Global	Satisfaction rate of education and training ≥ 85%		
Reserving talent	Cultivating capabilities of future talent			Global	Completion rate of APPLE(Acceleration Program of Potential Leader, APPLE) ≥ 80%	Promote APPLE to global sites	-		
					-	Establish the requirement that vacant managerial positions be filled by qualified candidates from APPLE	Promote employee promotion to managerial positions based on the results of the mid-term plan		
Ensuring occupational safety and health	★ Occupational safety and health	Working environment	Protecting workplace safety	Global	Safety and health education: Employee completion rate 100%				
					Safety and health education:Contractor completion rate 100%				
					Compliance with occupational safety and health regulations: 100%				
		Employee health & well-being	Protecting employee health and well-being	Global	Receiving ISO 45001 certification](Taiwan sites)	Receiving ISO 45001 certification(Global sites)	-		
					Disabling Injury Frequency Rate (FR): 0.5 (Taiwan sites)	Disabling Injury Frequency Rate (FR): 0.4 (Taiwan sites)	Disabling Injury Frequency Rate (FR): 0.3 (Taiwan sites)		
Disabling Injury Severity Rate (SR): 10 (Taiwan sites)									
Establishment of a real-time visualized system for occupational injuries (Taiwan sites)			Maintenance of the real-time visualized system for occupational injuries (Taiwan sites)						
Incident of occupational disease caused by chemical exposure and physical hazards: <1			Incident of occupational disease caused by chemical exposure and physical hazards: <0						
Implementing 2 measures of health check that priority over official regulations (Taiwan sites)									
Subsidy for health or sports activities: NTD 250 thousands			Subsidy for health or sports activities: NTD 280 thousands						

Categories	Sustainability Policy	Sustainability KPIs	Sustainable Topics	Sustainability KPIs	Management approaches and performances	Coverage	Progress		
							Short-Term Goals (2023)	Mid-Term Goals(2025)	Long-Term Goals (2030)
Social Engagement	Local Engagement Aligned with Core Business	Investing in Education and Cultural Diversity	Engagement and Community Involvement	Educational Collaboration	Educational Collaboration	Global	E Ink conducting donations to a new county or city and promoting visually friendly reading in remote schools annually	The promotion of visually friendly reading has been successfully implemented in 9 counties and cities across Taiwan, with the establishment of eReader libraries and the development of teaching materials for digital reading promotion	Promoting visually friendly and low-carbon eReaders to schools in remote areas throughout Taiwan, aiming to enhance the digital reading abilities of students in underprivileged regions, reduce the digital divide, and minimize the higher carbon emissions and inconvenience associated with paper or tablet-based reading
		Supporting the Disadvantaged & Charity Activities		Social Charity	Engagement in social charity initiatives	Global	Organizing diverse volunteer activities 300 participants joining volunteer activities	Regularly organize volunteer activities related to social charity on a quarterly basis	Actively participate in social charity activities and expand positive impact
		Caring for Ecological Restoration & Friendly Environments	Biodiversity	Environmental conservation	Environmental conservation	Global	Promote one biodiversity collaboration project Sign the Non-Deforestation Commitment and sponsor the Dark Sky Association forum to contribute to environmental sustainability Joining the nature and biodiversity initiative	Promote two biodiversity collaboration project	Promote three biodiversity collaboration project

Note: Baseline year 2021

Appendix II: GRI Standards

Declaration of Use E Ink reports in accordance with GRI Standards for the period from January 1, 2022, to December 31, 2022 | **GRI 1 Used** GRI 1: Foundation (2021) | **Applicable GRI Sector Standards** Not applicable

► GRI2 General Disclosures

Disclosure Indicator	Report Section Reference	Omission/Remarks	Page Number	External Assurance ^{Note}	Disclosure Indicator	Report Section Reference	Omission/Remarks	Page Number	External Assurance ^{Note}
2-1 Organizational details	1-1 Company Overview		12	●	2-16 Communication of critical concerns	2-1-1 Board of Directors and Functional Committees		35	●
2-2 Entities included in the organization's sustainability reporting	About this Report		2~3	●	2-17 Collective knowledge of the highest governance body	2-1-1 Board of Directors and Functional Committees		36	●
2-3 Reporting period, frequency and contact point	About this Report		2~3	●	2-18 Evaluation of the performance of the highest governance body	2-1-1 Board of Directors and Functional Committees		36	●
2-4 Restatements of information		No information required re-editing in 2022	-	●	2-19 Remuneration policies	2-1-1 Board of Directors and Functional Committees		37~38	●
2-5 External assurance	About this Report		3	●	2-20 Process to determine remuneration	2-1-1 Board of Directors and Functional Committees		37	●
2-6 Activities, value chain and other business relationships	1-1-1 About E Ink 1-2-1 Business Performance		12 18	●	2-21 Annual total compensation ratio	2-1-1 Board of Directors and Functional Committees		38	●
2-7 Employees	6-1-1 2022 Workforce Overview Appendix VIII: Social Information		115 163	●	2-22 Statement on sustainable development strategy	Chairman's Message		5~6	●
2-8 Workers who are not employees	6-1-1 2022 Workforce Overview		115	●	2-23 Policy commitments	1-3-1 Sustainable Vision, Mission and Policy		21	●
2-9 Governance structure and composition	2-1-1 Board of Directors and Functional Committees		33~39	●	2-24 Embedding policy commitments	2-1-2 Ethics and Integrity		40~41	●
2-10 Nomination and selection of the highest governance body	2-1-1 Board of Directors and Functional Committees		34	●	2-25 Processes to remediate negative impacts	Business Integrity Management		41	●
2-11 Chair of the highest governance body	2-1-1 Board of Directors and Functional Committees		34	●	2-26 Mechanisms for seeking advice and raising concerns	Business Integrity Management		41	●
2-12 Role of the highest governance body in overseeing the management of impacts	2-1-1 Board of Directors and Functional Committees		37	●	2-27 Compliance with laws and regulations	1-2-1 Business Performance 2-3-1 Information and Cyber Security Management		19 48	●
2-13 Delegation of responsibility for managing impacts	1-3-2 Committees of Sustainability Development and Corporate Committees		23	●		Appendix VII: Environmental Information		162	●
2-14 Role of the highest governance body in sustainability reporting	1-3-2 Committees of Sustainability Development and Corporate Committees		23	●	2-28 Membership associations	1-1-3 Honors, Recognitions, and Initiatives		17	●
2-15 Conflicts of interest	2-1-1 Board of Directors and Functional Committees		35	●	2-29 Approach to stakeholder engagement	Stakeholder Identification and Communication		25~27	●
					2-30 Collective bargaining agreements	6-2-2 Labor Relations and Communication		120	●

Note: The indicator has been verified and assured by a third-party organization, refer to the Appendix XI: Third-Party Verification and Assurance Statement for the Independent Assurance Opinion Statement.

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► GRI Topic Standards

Material topics	Topics	GRI Indicator Mapping	Report Section Mapping	Omission/Remarks	Page Number	External Assurance <small>Note</small>
-	Management approach	GRI3-1 Process to determine material topics	1-4-2 Material Topics Identification		28	●
		GRI3-2 List of material topics	1-4-2 Material Topics Identification		29	●
			Appendix V: Changes of Material Topics		159	●
Governance	Management approach	GRI3-3 Management of material topics	1-4-2 Material Topics Identification		30	●
			Chapter 2: Corporate Governance - Effective Governance for Business Growth		32	
Ethics and integrity	Management approach	GRI3-3 Management of material topics	1-4-2 Material Topics Identification		30	●
			Chapter 2: Corporate Governance - Effective Governance for Business Growth		32	
	205 Anti-corruption	205-1 Operations assessed for risks related to corruption	2-1-2 Business Integrity Management		40	●
		205-2 Communication and training about anti-corruption policies and procedures	2-1-2 Business Integrity Management		40	●
		205-3 Confirmed incidents of corruption and actions taken	2-1-2 Business Integrity Management		40	●
206 Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2-1-2 Business Integrity Management		40	●	
Information and Cyber Security	Management approach	GRI3-3 Management of material topics	1-4-2 Material Topics Identification		30	●
			Chapter 2: Corporate Governance - Effective Governance for Business Growth		32	
Market expansions	Management approach	GRI3-3 Management of material topics	1-4-2 Material Topics Identification		30	●
			Chapter 3: Product Sustainability - Innovation for Low-Carbon Sustainable Products		52	
Product research, development and innovation	Management approach	GRI3-3 Management of material topics	1-4-2 Material Topics Identification		30	●
			Chapter 3: Product Sustainability - Innovation for Low-Carbon Sustainable Products		52	
Green and sustainable product development	Management approach	GRI3-3 Management of material topics	1-4-2 Material Topics Identification		30	●
			Chapter 3: Product Sustainability - Innovation for Low-Carbon Sustainable Products		52	
Climate Change Mitigation and Adaption	Management approach	GRI3-3 Management of material topics	1-4-2 Material Topics Identification		30	●
			Chapter 4: Green Production - Operation and Production for Low-Carbon and Energy Efficiency		75	
201 Economic Performance	201-2 Financial implications and other risks and opportunities due to climate change	4-2-2 TCFD Climate-Related Financial Disclosures			83~86	●
Energy management	Management approach	GRI3-3 Management of material topics	1-4-2 Material Topics Identification		30	●
			Chapter 4: Green Production - Operation and Production for Low-Carbon and Energy Efficiency		75	
	302 Energy	302-1 Energy consumption within the organization	4-3-1 Energy Consumption		87	●
		Appendix VII: Environmental Information		161	●	
	302-3 Energy intensity	4-3-1 Energy Consumption		87	●	
	302-4 Reduction of energy consumption	4-3-3 Energy Conservation and Carbon Reduction Management		89	●	

Note: The indicator has been verified and assured by a third-party organization, refer to the Appendix XI: Third-Party Verification and Assurance Statement for the Independent Assurance Opinion Statement.

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Material topics	Topics	GRI Indicator Mapping	Report Section Mapping	Omission/Remarks	Page Number	External Assurance <small>Note</small>
Resource management and circular economy	Management approach	GRI3-3 Management of material topics	1-4-2 Material Topics Identification		30	●
	306 Waste	306-1 Waste generation and significant waste-related impacts	4-5-3 Waste management	Chapter 4: Green Production - Operation and Production for Low-Carbon and Energy Efficiency	76	●
		306-2 Management of significant waste-related impacts	4-5-3 Waste management	4-5-3 Waste management	95	●
		306-3 Waste generated	4-5-3 Waste management	4-5-3 Waste management	95	●
		306-4 Waste diverted from disposal	4-5-3 Waste management	Appendix VII: Environmental Information	162	●
		306-5 Waste directed to disposal	4-5-3 Waste management	4-5-3 Waste management	95	●
			4-5-3 Waste management	Appendix VII: Environmental Information	162	●
			4-5-3 Waste management	4-5-3 Waste management	95	●
	4-5-3 Waste management	Appendix VII: Environmental Information	162	●		
Sustainable Supply Chain Management	Management approach	GRI3-3 Management of material topics	1-4-2 Material Topics Identification		30	●
	308 Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	5-1-1 Managing Sustainable Supply Chain Risks	Chapter 5 Sustainable Supply Chain-Sustainable and Value-Added Supply Chain	97	●
		308-2 Negative environmental impacts in the supply chain and actions taken	5-1-1 Managing Sustainable Supply Chain Risks	5-1-1 Managing Sustainable Supply Chain Risks	99	●
	414 Supplier Social Assessment Disclosure	414-1 New suppliers that were screened using social criteria	5-1-1 Managing Sustainable Supply Chain Risks	Appendix VI: Supply Chain Information	160	●
		414-2 Negative social impacts in the supply chain and actions taken	5-1-1 Managing Sustainable Supply Chain Risks	5-1-1 Managing Sustainable Supply Chain Risks	99	●
		414-2 Negative social impacts in the supply chain and actions taken	Appendix VI: Supply Chain Information	160	●	
Talent attraction and retention	Management approach	GRI3-3 Management of material topics	1-4-2 Material Topics Identification		30	●
	401 Employment	401-1 New employee hires and employee turnover	6-1-1 2022 Workforce Overview	Chapter 6: Enterprise Care - Creating a Healthy and Safe Workplace for Employees	113	●
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	6-2-3 Salary and Benefits	6-1-1 2022 Workforce Overview	115	●
		401-3 Parental leave	6-2-3 Salary and Benefits	Appendix VIII: Social Information	164	●
Occupational Health and Safety	Management approach	GRI3-3 Management of material topics	1-4-2 Material Topics Identification		30	●
	403 Occupational Health and Safety	403-1 Occupational health and safety management system	6-4-1 Occupational Safety and Health Management	Chapter 6: Enterprise Care - Creating a Healthy and Safe Workplace for Employees	114	●
		403-2 Hazard identification, risk assessment, and incident investigation	6-4-1 Occupational Safety and Health Management	6-4-1 Occupational Safety and Health Management	130	●
		403-3 Occupational health services	6-4-2 Risk Management of Inspection	6-4-2 Risk Management of Inspection	132	●
		403-4 Worker participation, consultation, and communication on occupational health and safety	6-4-3 Healthy and Happy Workplace	6-4-3 Healthy and Happy Workplace	135~137	●
		403-5 Worker training on occupational health and safety	6-4-1 Occupational Safety and Health Management	6-4-1 Occupational Safety and Health Management	130	●
		403-6 Promotion of worker health	6-4-1 Occupational Safety and Health Management	6-4-1 Occupational Safety and Health Management	131	●
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6-4-2 Risk Management of Workplace	6-4-2 Risk Management of Workplace	132~133	●
		403-8	6-4-3 Healthy and Happy Workplace	6-4-3 Healthy and Happy Workplace	135~137	●
		403-9 Work-related injuries	6-4-2 Risk Management of Workplace	6-4-2 Risk Management of Workplace	132~134	●
	6-4-1 Occupational Safety and Health Management	6-4-1 Occupational Safety and Health Management	131	●		
		Appendix VIII: Social Information	165	●		

Note: The indicator has been verified and assured by a third-party organization, refer to the Appendix XI: Third-Party Verification and Assurance Statement for the Independent Assurance Opinion Statement.



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Appendix III: SASB Standards

Code	Accounting Metrics	Accounting Metrics Mapping to Disclosure	Section/Applicability Explanation	Page Number	External Assurance ^{Note}
Disclosure topics: Product Security					
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	E Ink's products are not end-user products, therefore E Ink does not handle consumer information security and cannot apply this indicator	-	-	●
Disclosure topics: Employee Engagement, Diversity & Inclusion					
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees (%)	Please refer to Appendix VIII, Social Information, Table "Gender and Job Category Statistics of Employees in 2022" and Table "Race/Ethnicity Statistics of Employees in 2022."	Appendix VIII: Social Information	163	●
Disclosure topics: Product Design & Lifecycle Management					
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances (%)	E Ink currently does not have products that contain substances reportable under IEC 62474 and cannot apply this indicator	-	-	●
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent (%)	E Ink currently does not have qualified products that meet the requirements for applying for EPEAT or equivalent standards and cannot apply this indicator	-	-	●
TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria (%)	Electronic paper is not within the scope of Energy Star certified products and cannot apply this indicator	-	-	●
TC-HW-410a.4	Weight of end-of-life products recovered	290.6 metric tons	-	-	●
	Waste recovered, percentage recycled (%)	0%	-	-	●
Disclosure topics: Supply Chain Management					
TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities(%)	All suppliers: 2.1% In 2021, there were no high-risk suppliers identified, therefore E Ink cannot calculate the percentage of high-risk suppliers audited through the RBA verification process in 2022. In the future, E Ink will establish an equivalent audit process for RBA verification to monitor the number of high-risk suppliers	5-1-1 Managing Sustainable Supply Chain Risks	99	●
TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances (%)	E Ink currently does not collect data on the number of audited suppliers that have not passed RBA verification and their improvement status. In the future, E Ink will collect this relevant information through questionnaires to better understand the progress in supply chain improvements	-	-	●
Disclosure topics: Materials Sourcing					
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	E Ink has already established a process for managing conflict minerals, requiring suppliers to prioritize and provide relevant information, and regularly monitor and integrate this process to ensure the implementation of a conflict-free minerals policy	5-2-4 Conflict Minerals Management	109	●
Activity Metrics					
TC-HW-000.A	Number of units produced by product category	The production quantity of displays in 2022 was 31,009 thousand pieces	-	-	●
TC-HW-000.B	Area of manufacturing facilities (ft2)	Taiwan sites: 471,407.2 Yangzhou sites: 5,451,717.9 USA sites: 1,275,062.0	-	-	●
TC-HW-000.C	Percentage of production from owned facilities (%)	E Ink products are 100% self-manufactured	-	-	●

Note: The indicator has been verified and assured by a third-party organization, refer to the Appendix XI: Third-Party Verification and Assurance Statement for the Independent Assurance Opinion Statement.

Appendix IV: Comparison Table of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

► Sustainability Disclosure Index – Optoelectronics Industry

Number	Indicator	Indicator Type	Annual Disclosure Status	Unit	Remarks
1	Total Energy Consumption	Quantitative	365,918.7	Billion Joules (GJ)	
	Percentage of Purchased Electricity	Quantitative	82.1	Percentage (%)	
	Utilization Rate of Renewable Energy		17.0	Percentage (%)	
2	Total Water Withdrawal	Quantitative	472.2	Meters (m ³)	
	Total Water Consumption	Quantitative	619.6	Meters (m ³)	
3	Weight of Hazardous Waste Generated	Quantitative	754.0	Metric tons (t)	
	Percentage of Hazardous Waste Recycled	Quantitative	7.5	Percentage (%)	
4	Types of Occupational Accidents	Quantitative	E Ink classified occupational accidents into six categories in 2022, with 1 case each of crushing, operational negligence, object falling, chemical spray, and falling; and a total of 6 cases of cutting	Quantity	
	Number of Occupational Accidents	Quantitative	11	Quantity	
	Occupational Accident Rate	Quantitative	1.31	Ratio (%)	Disabling Injury Frequency Rate (FR)
5	Disclosure of Product Life Cycle Management: Weight of Scrap Products and Electronic Waste ^{Note 1}	Quantitative	290.6	Metric tons (t)	
	Disclosure of Product Life Cycle Management: Percentage of Recycling of Scrap Products and Electronic Waste	Quantitative	0	Percentage (%)	
6	Description of Risk Management Related to Key Materials Qualitative Description	Qualitative Description	Please refer to page 99 for the management of Key Materials.	Not Applicable	
7	Total Monetary Losses Resulting from Lawsuits Related to Anti-competitive Behavior Laws	Quantitative	0	Reporting Currency	
8	Primary Product Output by Product Category	Quantitative	31,009 Thousand Pieces	Quantity	Display panel production

Note: Including the sale of offcuts or other recycling processes, relevant explanations should be provided

Appendix V: Changes of Material Topics

★ Material topics ▲ Accessory topics

Survey Topic in 2022	Topic Importance		Explanation of Topic Changes
	2022	2021	
Information and Cyber Security	★	▲	Increase In recent years, there has been an increasing awareness of industrial cybersecurity, and E Ink has continuously enhanced its internal cybersecurity management system. The importance of this topic has risen
Resource management and circular economy	★	▲	
Compliance with laws and regulations	▲	★	Internal assessments have shown that regulatory compliance has a relatively minor financial impact on the company. E Ink will continue to monitor the development of these issues
Brand Management	▲	★	The previously named topic "Employee Cultivation and Career Development" has been assessed internally to have a relatively minor financial impact on the company. E Ink will continue to track the development of this topic
Risk management and response	▲	★	Decrease The previously named topic "Corporate Brand and Image Management" has been assessed internally to have a relatively minor financial impact on the company. E Ink will continue to track the development of this topic
Product Quality and Responsibility	▲	★	
Employee training and career development	▲	★	The previously named topic "Employee Cultivation and Career Development" has been assessed internally to have a relatively minor financial impact on the company. E Ink will continue to track the development of this topic

Survey Topic in 2022	Topic Importance		Explanation of Topic Changes
	2022	2021	
Market expansions	★	★	The previously named topic "Corporate Brand and Image Management" has been renamed to focus on the overall management of the corporate brand
Occupational safety and health	★	★	Renamed Topics The previously named topic "Workplace Safety and Employee Health" has been renamed to include both employees and non-employee workers
Talent attraction and retention	★	★	The previously named topic "Compensation, Benefits, and Employee Care" has been renamed to emphasize the importance of talent recruitment
Product research, development and innovation	★	-	New Topics The previously separate topics of "Product Competitiveness" and "Technological Competitiveness" are both related to product research and development and have similar impacts on E Ink. Therefore, they have been merged
Energy management	★	-	

Appendix VI: Supply Chain Information

► Supplier Screening

Item	2022
Total number of Tier-1 suppliers	49
Total number of significant suppliers in Tier-1	49
% of total spend on significant suppliers in Tier-1	48.5
Total number of significant suppliers in non Tier-1	28
Total number of significant suppliers Tier-1 and non Tier-1	77

► Coverage and Progress of Suppliers in Capacity Building Programs

Item	2022
Total number of significant suppliers in capacity building programs	53
% of significant suppliers in capacity building programs	68.8%

► Coverage and Progress of Suppliers with Corrective Action Plans

Item	2022
Total number of suppliers supported in corrective action plan implementation	0
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	0

Note: No suppliers were identified with substantial actual/potential negative impacts in 2022, therefore, there is no need to assist suppliers in implementing corrective action plans

► Supplier Assessment

Item	2022
Total number of suppliers	35
% of significant suppliers assessed	45.5%
Number of suppliers assessed with substantial actual/potential negative impacts	0
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan ^{Note1}	0
Number of suppliers with substantial actual/potential negative impacts that were terminated ^{Note2}	0

Note 1: Percentage of agreed corrective action/improvement plan = Number of Suppliers agreed corrective action/improvement plan / Number of Suppliers Identified with Significant Actual or Potential Negative Impacts * 100%. No suppliers were identified with significant actual or potential negative impacts in previous years.
 Note 2: Percentage of Suppliers Terminated after Evaluation = Number of Suppliers Terminated after Evaluation / Number of Suppliers Identified with Significant Actual or Potential Negative Impacts * 100%. No suppliers were identified with significant actual or potential negative impacts in previous years.

► Amount of Local Procurement

Item	Raw Materials			Components			Machinery and Equipment			Total Procurement		
	Taiwan sites	China sites	USA sites	Taiwan sites	China sites	USA sites	Taiwan sites	China sites	USA sites	Taiwan sites	China sites	USA sites
Amount in 2022												
Amount of Local Procurement (Thousand TWD)	5,619,772	2,652,922	1,308,276	48,873	17,887	395,028	241,372	1,280,415	116,687	5,910,017	3,951,224	1,819,991
Total Procurement Amount (Thousand TWD)	5,722,179	15,899,579	1,347,573	49,236	17,887	395,301	649,167	2,664,486	118,187	6,420,582	18,581,952	1,861,061
Percentage of Local Procurement (%)	98.2	16.7	97.1	99.3	100	99.9	37.2	48.1	98.7	92.1	21.3	97.8
Number of suppliers in 2022												
Number of Local Suppliers	85	51	17	181	27	695	121	214	30	387	292	742
Total Number of Suppliers	96	84	22	187	27	700	131	230	31	414	341	753
Percentage of Local Suppliers to Total Suppliers (%)	88.5	60.7	77.3	96.8	100	99.3	92.4	93.0	96.8	93.5	85.6	98.5

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Appendix VII: Environmental Information

► Energy Usage

Unit: GigaJoules (GJ)

Energy Types	Sites/Office	2019	2020	2021	2022
Self-Generated Renewable Energy Power	Yangzhou	431.8	395.8	429.0	431.3
	Subtotal	431.8	395.8	429.0	431.3
Purchased Renewable Energy Power	Taiwan	-	-	171.9	4,924.4
	Subtotal	-	-	171.9	4,924.4
Purchased Electricity for Production	Taiwan	136,450.6	132,552.9	123,086.2	144,246.9
	USA	42,251.5	40,956.9	45,542.2	-
	Yangzhou	62,570.8	72,540.5	85,627.3	87,288.3
	Subtotal	241,272.9	246,050.3	254,255.7	231,535.2
Purchased Renewable Energy Certificates	USA	-	-	-	46,007.3
	Yangzhou	-	-	-	10,147.0
	Japan	-	-	-	114.0
	Korea	-	-	-	339.1
Purchased Steam	Shenzhen	-	-	-	106.7
	Subtotal	-	-	-	46,567.1
Purchased Electricity (Dormitories)	Taiwan	-	-	-	-
	Yangzhou	5,845.6	6,009.1	5,249.2	6,684.8
Purchased Steam	Subtotal	5,845.6	6,009.1	5,249.2	6,684.8
	Yangzhou	9,620.3	8,821.9	9,314.7	11,468.8
Natural Gas	Subtotal	9,620.3	8,821.9	9,314.7	11,468.8
	Taiwan	-	-	-	-
Diesel	USA	48,090.8	47,027.8	53,231.8	50,920.4
	Yangzhou	2,041.2	2,152.5	2,529.6	2,364.4
	Subtotal	50,132.0	49,180.3	55,761.4	53,284.7
	Taiwan	164.6	175.8	60.4	59.6
Gasoline	USA	66.8	96.5	82.5	82.8
	Yangzhou	20.9	48.9	373.0	356.6
	Subtotal	252.3	321.1	515.9	499.0
	Taiwan	179.4	218.2	192.9	201.7
Total	Yangzhou	414.1	147.9	221.9	174.6
	Subtotal	593.5	366.1	414.8	376.4
Total		308,148.4	311,144.6	326,112.7	365,918.7

Note 1: Conversion factors are calculated based on the energy calorific value coefficients announced by the local government

► Greenhouse Gas Emissions

Unit: Metris Ton CO₂e

Sites/Office	Scope	2019	2020	2021	2022
Taiwan	Scope 1	65.5	128.3	207.6	325.7
	Scope 2 (Market-based)	20,213.8	18,750.7	17,172.1	20,404.9
	Scope 2 (Location-based)	20,213.8	18,750.7	17,172.1	21,101.5
USA	Scope 1	2,707.3	2,649.8	2,997.4	2,975.4
	Scope 2 (Market-based)	3,006.8	2,914.7	3,241.0	-
	Scope 2 (Location-based)	3,006.8	2,914.7	3,241.0	3,076.7
Yangzhou	Scope 1	182.3	164.6	254.5	267.9
	Scope 2 (Market-based)	17,049.6	18,928.1	22,123.4	15,929.7
	Scope 2 (Location-based)	17,049.6	18,928.1	22,123.4	17,537.9
Oversea Offices	Scope 1	-	-	-	-
	Scope 2 (Market-based)	-	-	-	0
	Scope 2 (Location-based)	-	-	-	76.3
Global sites	Scope 1	2,955.1	2,942.7	3,459.4	3,569.0
	Scope 2 (Market-based)	40,270.2	40,593.5	42,536.4	36,334.6
	Scope 2 (Location-based)	40,270.2	40,593.5	42,536.4	41,792.4

Note 1: All data has been verified by third parties
 Note 2: The GWP of greenhouse gas are based on the values from the Fourth Assessment Report (AR4) of the IPCC
 Note 3: The methodology for aggregating greenhouse gas emissions follows the operational control approach
 Note 4: The greenhouse gas categories included in the calculation are CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃

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Water Resource Withdrawal and Discharge

Unit: Million Liters

Sites	Item	2019	2020	2021	2022
Taiwan	Water withdrawal	201.7	237.1	167.8	151.6
	Water recycling	188.5	192.7	115.1	116.6
	Wastewater discharge	155.9	175.6	119.1	108.6
USA	Water withdrawal	18.9	18.3	25.2	18.3
	Water recycling	-	-	-	-
	Wastewater discharge	7.0	6.9	10.4	6.9
Yangzhou	Process Water withdrawal	139.8	130.7	175.6	158.7
	Domestic Water withdrawal	74.0	82.0	106.1	113.9
	Purchased hot water	27.4	27.7	28.5	29.8
	Water recycling	14.7	42.0	31.8	30.8
	Wastewater discharge	No Process Wastewater Discharge (all treated as domestic wastewater)			

Note 1: Water usage is sourced from third-party water supply (tap water) and is based on water bill data
 Note 2: Taiwan sites: The wastewater from Hsinchu site is confirmed to meet the regulated water quality standards and is treated by the Hsinchu Science Park wastewater treatment plant. The wastewater discharge volume is recorded and calculated based on flow meter readings. The Linkou site does not generate process wastewater
 Note 3: Yangzhou Sites: Since January 2011, it has been approved by the Yangzhou Environmental Protection Bureau to directly discharge treated wastewater. The wastewater discharge volume is calculated by multiplying the water intake by 80% (wastewater discharge coefficient)
 Note 4: USA sites: The wastewater is treated and discharged into the industrial wastewater discharge system, and the volume is recorded based on flow meter readings

Air Pollution Emissions

Unit: Metris Ton

Site	Air Pollutants	2019	2020	2021	2022
Hsinchu	Volatile Organic Compounds (VOCs)	0.432	0.396	0.384	4.50
	Hydrochloric Acid	0.008	0.017	0.002	0.001
	Hydrofluoric Acid	0.016	0.006	0.006	0.031
Linkou		0.347	0.427	0.378	0.457
Yangzhou	Volatile Organic Compounds (VOCs)	0.018	0.028	0.135	0.606
USA			7.200	11.820	6.910

Note 1: The emissions intensity in hours from the biannual testing reports of the Hsinchu site is multiplied by the total operating hours in the current year for calculation. In 2022, with the addition of a new production line and the installation of air pollution control equipment, there was an increase in VOCs emissions.
 Note 2: The emissions from the Linkou site are calculated based on the usage and input of raw materials, and the emission quantity is determined by the operating permit.
 Note 3: The calculation method for the Yangzhou sites is as follows: Annual emissions = Emission rate (based on third-party monitoring reports) * Annual operating hours.
 Note 4: The calculation method for the USA sites is as follows: For the Billerica site, emissions are calculated using the chemical mass balance method. For the South Hadley site, emissions are measured directly or through outsourced testing. For the Fremont site, emissions are obtained by summing up results from outsourced testing.

Waste Recycling

Unit: Metric tons

Year	2019			2020			2021			2022		
	Recycling	Non-recycling	Recycling ratio	Recycling	Non-recycling	Recycling ratio	Recycling	Non-recycling	Recycling ratio	Recycling	Non-recycling	Recycling ratio
Taiwan sites	82.3	253.0	25%	42.7	315.1	12%	158.7	403.9	28%	698.5	729.8	49%
Yangzhou sites	220.2	378.0	37%	197.5	388.1	34%	399.3	380.9	51%	323.6	763.9	30%
USA sites	173.9	176.0	50%	94.9	213.1	31%	82.6	245.2	25%	119.3	345.9	2%

Note 1: Recycling rate = Recycling / (Recycling + Non-recycling) * 100%

Waste Generation and Disposal (in metric tons)

Unit: Metris tons

Waste Categories	Waste Categories	2022			
		Taiwan Sites	USA Sites	Yangzhou Sites	
General	Recycling	645.6	119.3	320.0	
	Waste Disposal Methods	Waste incinerated with energy recovery	265.6	0.0	730.0
		Waste incinerated without energy recovery	0.0	105.9	0.0
		Waste landfilled	4.4	13.2	0.0
		Waste with other disposal method	0	23.0	0
Subtotal		915.6	261.4	1,050.0	
Hazardous	Recycling	52.9	0	3.6	
	Waste Disposal Methods	Waste incinerated with energy recovery	459.8	0	0
		Waste incinerated without energy recovery	0	203.8	15.2
		Waste landfilled	0	0	0
		Waste with other disposal method	0	0	18.8
Subtotal		512.7	203.8	37.5	

Destination of Effluent Discharge

Site	Wastewater Treatment	Destination of Effluent Discharge
Hsinchu	Hsinchu Science Park Wastewater Treatment Plant	Keya Creek
Linkou	Hwa Ya Science Park Wastewater Treatment Plant	Nan Kan River
Zhongli	Zhongli Industrial Zone Wastewater Treatment Plant	Huangqian River
Yangzhou	Yangzhou Six Wastewater Treatment Plant	The Grand Canal

Environmental Violations

Item	2019	2020	2021	2022
Number of violations of legal obligations/regulations	0	0	0	0
Amount of fines/penalties related to the above	0	0	0	0
Environmental liability accrued at year end	0	0	0	0

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Appendix VIII: Social Information

► Workforce Structure

2022						
Category	Region			Gender		
	Taiwan	China	USA	Female	Male	Total
Employees	1,459	1,552	430	1,268	2,173	3,441
Permanent employees	1,455	890	430	951	1,824	2,775
Temporary employees	4	662	-	317	349	666
Non-guaranteed hours employees	-	-	-	-	-	-
Full-time employees	1,459	1,552	426	1,265	2,172	3,437
Part-time employees	-	-	4	3	1	4

Note 1: Permanent employee: Employee with a contract for an indeterminate period (i.e., indefinite contract) for full-time or part-time work
 Note 2: Temporary employee: Employee with a contract for a limited period (i.e., fixed term contract) that ends when the specific time period expires, or when the specific task or event that has an attached time estimate is completed (e.g., the end of a project or return of replaced employees)
 Note 3: Non-guaranteed hours employee: employee who is not guaranteed a minimum or fixed number of working hours per day, week, or month, but who may need to make themselves available for work as required
 Note 4: Full-time employee: Employee whose working hours per week, month, or year are defined according to national law or practice regarding working time
 Note 5: Part-time employee: Employee whose working hours per week, month, or year are less than the number of working hours for full-time employees

► Race/Ethnicity Statistics of Employees

2022														
Race/Ethnicity	Asian		Black or African American		Hispanic or Latino		White		Other		Not Applicable or Undisclosed		Total	
	Number of Employees	Ratio (%)	Number of Employees	Ratio (%)	Number of Employees	Ratio (%)	Number of Employees	Ratio (%)	Number of Employees	Ratio (%)	Number of Employees	Ratio (%)	Number of Employees	Ratio (%)
Management	232	66.3	2	0.6	4	1.1	93	26.6	-	0.0	19	5.4	350	10.2
Technical Staff	1,785	95.8	-	0.0	8	0.4	50	2.7	-	0.0	21	1.1	1,864	54.2
Other Employees	1,085	88.4	7	0.6	10	0.8	79	6.4	2	0.2	44	3.6	1,227	35.7
Subtotal	3,102	90.1	9	0.3	22	0.6	222	6.5	2	0.1	84	2.4	3,441	100

Note: "Other" includes Native Americans or Alaska Natives, Native Hawaiians or other Pacific Islanders, and two or more races.

► Gender and Job Category Statistics of Employees

2022								
Job Categories by Region		Female		Male		Not Applicable or Undisclosed		Total
		Number of Employees	Ratio (%)	Number of Employees	Ratio (%)	Number of Employees	Ratio (%)	
Taiwan	Management	26	16.4	133	83.6	-	0.0	159
	Technical Staff	140	24.5	431	75.5	-	0.0	571
	All Other Employees	246	33.7	483	66.3	-	0.0	729
China	Management	4	14.8	23	85.2	-	0.0	27
	Technical Staff	582	48.1	629	51.9	-	0.0	1,211
	All Other Employees	146	46.5	168	53.5	-	0.0	314
USA	Management	47	28.7	117	71.3	-	0.0	164
	Technical Staff	17	20.7	65	79.3	-	0.0	82
	All Other Employees	60	32.6	124	67.4	-	0.0	184

► Female Workforce

Item	Ratio in 2022 (%)
Women in total workforce	36.8
Women in all management positions	22.0
Women in junior management positions	24.5
Women in top management positions	16.0
Women in management positions in revenue-generating functions	36.8
Women in STEM-related positions	35.4

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► **Overview of Newly Hired**

		2022			
Category		Total Number of New Employee Hires	New Employee Hire Ratio (%)	Total Number of Open Positions Filled by Internal Candidates	Percentage of Open Positions Filled by Internal Candidates (%)
Gender	Male	786	28.3	46	3.9
	Female	278	10.0	43	3.7
Age group	Under 30	491	17.7	23	2.0
	31-40	372	13.4	43	3.7
	41-50	178	6.4	21	1.8
	Over 51	23	0.8	2	0.2
Sites	Taiwan	621	42.6	76	6.6
	China	358	40.2	10	0.9
	USA	85	19.8	3	0.3
Total		1,064	38.3	89	7.7

Note: New employee hire ratio (%)=(Total number of new employee hires/ Total number of Full-time Employees as of December 31st of the current year) * 100%

► **New Hire of Full-time Employees and Average Hiring Cost**

Year	Total Number of New Employee Hires (person)	Average Hiring Cost(cost/FTE)
2022	1,064	22,324
2021	621	28,649
2020	457	32,401
2019	246	59,738

► **Amount of Contributions Attributed to Politics/ Policies**

Unit: NTD Thousand

Contributions & Other Spending	2019	2020	2021	2022
Lobbyists and lobbying organizations, for-profit organizations	0	0	0	0
Local, regional or national political campaigns / candidates	0	0	0	0
Trade association/think tanks that may influence the outcome of election or legislation	0	0	0	0
Other (e.g. spending related to ballot measures or referendums)	0	0	0	0
Total	0	0	0	0

► **Total Employee Turnover**

		2022		
Category		Total Number of Employee Turnover (person)	Total Employee Turnover Rate(%) ^{note}	Voluntary Employee Turnover Rate(%)
Gender	Male	342	13.7	13.1
	Female	135	5.4	5.1
Age group	Under 30	188	7.5	7.4
	31-40	164	6.5	6.4
	41-50	106	4.2	4.0
	Over 51	19	0.8	0.3
Sites	Taiwan	236	18.4	17.3
	China	200	24.5	23.8
	USA	41	10.0	9.3
Total		477	19.0	18.1

Note : Total employee turnover rate= Total Number of turnover in the year / ((Average of Initial and Final Employment Count in the Year)/2)

► **Reporting on Breaches**

Item	2022 Numer of case
Corruption or Bribery	0
Discrimination or Harassment	0
Customer Privacy Data	0
Conflicts of Interest / Money Laundering or Insider trading	0

► **Achievements of Training and Education**

		2022						
Course Type	Average Education (Training Hours)	Total employees	Male	Female	Direct labor	Indirect labor	Supervisors	Non-supervisors
Physical Training Courses		14,402.9	9,893.7	4,509.2	5,111.3	9,291.6	1,843.9	12,559.0
e-Learning course		15,966.6	11,180.5	4,786.1	2,529.1	13,437.5	2,320.5	13,646.1
External Training Courses		4,145.7	2,572.0	1,573.7	215.0	3,930.7	647.5	3,498.2
Average Length (hours)		12.6	13.1	11.5	6.6	17.2	13.0	12.5
Average amount spent per FTE on training and development (NTD)		3,876						

► Occupational Related Injuries - Full-Time Employees

2022													
Sites	Total hours worked	Number of severe occupational injury	Number of Disabling Injury	Number of fatalities	Number of days lost	Number of recordable occupational disease	Fatalities ^{Note1}	Severe occupational injury rate ^{Note2}	Disabling Injury Frequency Rate(FR) ^{Note3}	Disabling Injury Severity Rate (SR) ^{Note4}	Lost-Time Injury Frequency Rate (LTIFR) ^{Note5}	Recordable occupational disease rate ^{Note6}	Frequency-Severity Indicator (FSI) ^{Note7}
Taiwan	2,609,780	0	4	0	19	7	0	0	1.53	7	1.5	1.5	0.1
China	5,000,302	0	7	0	383	7	0	0	1.39	76	1.4	1.4	0.3
USA	781,618	0	0	0	0	0	0	0	0	0	0	0	0
Total	8,386,746.3	0	11	0	402	14	0	0	1.31	47	1.3	1.7	0.2

► Occupational Related Injuries –Other Employees (including contractors)

2022													
Sites	Total hours worked	Number of severe occupational injury	Number of Disabling Injury	Number of fatalities	Number of days lost	Number of recordable occupational disease	Fatalities ^{Note1}	Severe occupational injury rate ^{Note2}	Disabling Injury Frequency Rate(FR) ^{Note3}	Disabling Injury Severity Rate (SR) ^{Note4}	Lost-Time Injury Frequency Rate (LTIFR) ^{Note5}	Recordable occupational disease rate ^{Note6}	Frequency-Severity Indicator (FSI) ^{Note7}
Taiwan	217,656	0	0	0	0	0	0	0	0	0	0	0	0
China	69,417	0	0	0	0	0	0	0	0	0	0	0	0
USA	21,123	0	0	0	0	0	0	0	0	0	0	0	0
Total	308,195.5	0	0	0	0	0	0	0	0	0	0	0	0

Note 1: Fatalities=(Number of fatalities/ Total hours worked)* 1,000,000 hours worked
 Note 2: Severe occupational injury rate= (Number of severe occupational injury/ Total hours worked)* 1,000,000 hours worked
 Note 3: FR=(Number of Disabling Injury/Total hours worked)* 1,000,000 hours worked
 Note 4: SR=(Number of days lost/ Total hours worked)* 1,000,000 hours worked
 Note 5: LTIFR=(Number of lost-time injuries) / (Total hours worked in accounting period) x 1,000,000
 Note 6: TRIFR=(Number of recordable occupational disease/Total hours worked in accounting period) x 1,000,000 hours worked
 Note 8: Number of recordable occupational diseases includes 4 cases of disabilities and 3 cases of injuries caused by falling objects (where the injured individuals did not leave their work positions for more than one day).



Appendix IX: TNFD- Taskforce on Nature-related Financial Disclosures

Framework	Principles	Approaches and Measures												
<p>Governance</p>	Board's oversight of nature-related dependencies, impacts, risks and opportunities	<ul style="list-style-type: none"> The highest governing body responsible for overseeing natural-related risks and opportunities is the Sustainability Development Committee, which reports to the Board of Directors. It is in charge of managing natural-related risks and opportunities and provides supervision to the operational level through the Corporate Sustainability Committee. Recognizing the growing importance of natural-related issues, E Ink has added natural-related risks and opportunities as a management focus and incorporated biodiversity and natural resource depletion into the company's risk management process. E Ink has published "Biodiversity and Non-Deforestation Commitment", and in addition to implementing climate actions for energy efficiency and carbon reduction to mitigate climate change, it takes action to preserve environmental ecology, biodiversity, and forest conservation. E Ink strives to enhance environmental and social well-being through these efforts. 												
	Management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities	<ul style="list-style-type: none"> The Secretary Division of the Corporate Sustainability Committee and Sustainability Management Department conduct natural-related assessments and disclosures based on initiatives and frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD) and the Science-based Targets Network (SBTN). The identification of natural-related risks, opportunities, and goals is expected to be implemented across various divisions within the Corporate Sustainability Committee, including the supply chain. These findings will also be reported to the Board of Directors' Sustainability Development Committee. 												
<p>Strategy</p>	The nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium, and long term	<ul style="list-style-type: none"> E Ink's current operational sites are not located in globally or nationally significant areas for biodiversity or neighboring regions. The use and lifespan of assets or infrastructure also do not have significant impacts on nature-related matters. E Ink includes biodiversity and natural resource depletion in the company's risk management process. Currently, biodiversity and natural resource depletion are not identified as material risks. However, in response to the increasing importance of nature-related issues, E Ink remains committed to actively addressing them and contributing to environmental and societal well-being. Risk management defines short-term as within 5 years, medium-term as 5 to 10 years, and long-term as over 10 years. Nature-related dependency risks, impact risks and opportunities are identified separately according to the risk management process. In-depth analysis will be conducted using relevant methodologies such as TNFD's LEAP (Locate, Evaluate, Assess, Prepare) and the Science Based Targets Network approach. The scope of managing nature-related risks and opportunities includes not only own operations but also adjacent areas to own operations, upstream and downstream activities. Nature-related risks and opportunities are identified as following: <table border="1"> <thead> <tr> <th></th> <th>Risk</th> <th>Opportunity</th> </tr> </thead> <tbody> <tr> <td>● Short-term</td> <td>Impacts on natural habitats and biodiversity from renewable energy sources. Increases operational costs associated with nature management.</td> <td></td> </tr> <tr> <td>● Medium-term</td> <td>Operational disruptions due to water scarcity.</td> <td>Growing market demand for environmentally friendly products and enhanced reputation associated with nature management practices.</td> </tr> <tr> <td>● Long-term</td> <td>The degradation of natural cultural ecosystem services affects employee health.</td> <td></td> </tr> </tbody> </table>		Risk	Opportunity	● Short-term	Impacts on natural habitats and biodiversity from renewable energy sources. Increases operational costs associated with nature management.		● Medium-term	Operational disruptions due to water scarcity.	Growing market demand for environmentally friendly products and enhanced reputation associated with nature management practices.	● Long-term	The degradation of natural cultural ecosystem services affects employee health.	
		Risk	Opportunity											
	● Short-term	Impacts on natural habitats and biodiversity from renewable energy sources. Increases operational costs associated with nature management.												
● Medium-term	Operational disruptions due to water scarcity.	Growing market demand for environmentally friendly products and enhanced reputation associated with nature management practices.												
● Long-term	The degradation of natural cultural ecosystem services affects employee health.													
The impact of nature-related risks and opportunities on the organisation's businesses, strategy, and financial planning	<ul style="list-style-type: none"> Currently, the impact of relevant risks on E Ink is not significant. <ul style="list-style-type: none"> The potential negative impact of renewable energy sources on natural habitats and biodiversity (short-term). Currently, E Ink's primary renewable energy sources are solar photovoltaic (PV) systems, including four suppliers with signed Power Purchase Agreements (PPAs). The power sources are considered additional, and the sites are not located in areas of significant biodiversity. Costs increase due to investments in nature management (short-term). The current investment in nature management represents less than 0.1% of revenue. Operational impacts caused by water scarcity (medium-term). E Ink does not directly extract water from natural ecosystems for the company's operations. However, the continuous supply of water remains a risk for ongoing operations. The Taiwan and USA plants face low to moderate risks, while the Yangzhou facility faces moderate to high risks (please refer to Chapter 4-4-1 Water Resource Risk Identification for details). The potential impact on employee health due to the disruption of ecosystem cultural services (long-term) Currently, there is no significant impact on employee health resulting from the disruption of ecosystem services, but close monitoring is being conducted. Identified nature-related opportunities include, <ul style="list-style-type: none"> The increasing market demand for environmentally friendly products (medium-term). Low-carbon and energy-saving ePaper products have the potential to reduce environmental burdens and contribute to revenue growth. Investing in nature management can enhance corporate reputation (medium-term) and deepen customer recognition. 													
The resilience of the organisation's strategy, taking into consideration different scenarios	E Ink's current operational sites are not located in globally or nationally significant areas for biodiversity or neighboring regions. In addition to the company's operations, the ecological connectivity of the supply chain (or value chain) will also be analyzed using relevant tools based on location.													
The organisation's interactions with low integrity ecosystems, high importance ecosystems or areas of water stress	E Ink's current operational sites are not located in globally or nationally significant areas for biodiversity or neighboring regions. In addition to the company's operations, the ecological connectivity of the supply chain (or value chain) will also be analyzed using relevant tools based on location.													

Framework	Principles	Approaches and Measures						
<p>Risk & Impact Management</p>	The organisation's processes for identifying and assessing nature-related dependencies, impacts, risks and opportunities	The identification and assessment of nature-related risks are conducted based on the "E Ink Biodiversity and Non-Deforestation Commitment" policy and further analyzed using relevant methodologies such as TNFD's LEAP and the Science Based Targets Network approach. Furthermore, relevant analyzing tools (such as location based approach) will be utilized to analyze supply chain (or value chain) risks and resilience.						
	The organisation's processes for managing nature-related dependencies, impacts, risks and opportunities	E Ink takes action on identified risks and opportunities related to nature in collaboration with stakeholders.						
	Processes for identifying, assessing, and managing nature-related risks are integrated into the organisation's overall risk management	E Ink includes biodiversity and natural resource depletion as part of the company's risk management framework, which encompasses assessing the financial impacts, conducting sensitivity analyses, and performing stress tests related to these risks.						
	How stakeholders, including rights-holders, are engaged by the organisation in its assessment and response to nature-related dependencies, impacts, risks and opportunities	E Ink implements the "E Ink Biodiversity and Non-Deforestation Commitment" as a policy guideline, incorporating the identification, assessment, and management of nature-related risks and opportunities into stakeholder engagement processes.						
<p>Metrics & Targets</p>	The metrics used by the organisation to assess and manage nature-related risks and opportunities in line with its strategy and risk management process	<table border="1"> <thead> <tr> <th>Operation locations</th> <th>Products</th> <th>Supply chain (or value chain)</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Constructing green buildings. Ensuring that renewable energy sources do not impact biodiversity. Ensuring that operational sites provide ecological services. </td> <td> <ul style="list-style-type: none"> Revenue ratio from environmentally friendly products. </td> <td> <ul style="list-style-type: none"> Ensuring that renewable energy sources do not impact biodiversity. Ensuring that operational sites provide ecological services. </td> </tr> </tbody> </table>	Operation locations	Products	Supply chain (or value chain)	<ul style="list-style-type: none"> Constructing green buildings. Ensuring that renewable energy sources do not impact biodiversity. Ensuring that operational sites provide ecological services. 	<ul style="list-style-type: none"> Revenue ratio from environmentally friendly products. 	<ul style="list-style-type: none"> Ensuring that renewable energy sources do not impact biodiversity. Ensuring that operational sites provide ecological services.
	Operation locations	Products	Supply chain (or value chain)					
<ul style="list-style-type: none"> Constructing green buildings. Ensuring that renewable energy sources do not impact biodiversity. Ensuring that operational sites provide ecological services. 	<ul style="list-style-type: none"> Revenue ratio from environmentally friendly products. 	<ul style="list-style-type: none"> Ensuring that renewable energy sources do not impact biodiversity. Ensuring that operational sites provide ecological services. 						
The metrics used by the organisation to assess and manage direct, upstream and, if appropriate, downstream dependencies and impacts on nature.	Utilizing relevant methodologies such as the TNFD's LEAP (Landuse Economics and Ecosystems Services) to define indicators of nature-related dependencies.							
	The targets used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and performance against targets	<table border="1"> <thead> <tr> <th>Operation locations</th> <th>Products</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Constructing green buildings: By 2024, the completion of the green building in the Hsinchu site (expected to meet LEED Gold standards) is targeted. Subsequent construction projects will follow the same standards. Ensuring renewable energy sources do not impact biodiversity: Due diligence will be conducted for newly acquired renewable energy sources. Ensuring ecological services at operational sites: By 2030, achieving a net positive impact on environmental ecosystems. </td> <td> <ul style="list-style-type: none"> Revenue ratio from environmentally friendly products: Maintaining a green revenue ratio of 99% or above (based on FTSE Russell's Green Revenue Model). </td> </tr> </tbody> </table>	Operation locations	Products	<ul style="list-style-type: none"> Constructing green buildings: By 2024, the completion of the green building in the Hsinchu site (expected to meet LEED Gold standards) is targeted. Subsequent construction projects will follow the same standards. Ensuring renewable energy sources do not impact biodiversity: Due diligence will be conducted for newly acquired renewable energy sources. Ensuring ecological services at operational sites: By 2030, achieving a net positive impact on environmental ecosystems. 	<ul style="list-style-type: none"> Revenue ratio from environmentally friendly products: Maintaining a green revenue ratio of 99% or above (based on FTSE Russell's Green Revenue Model). 		
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Note: The official version of the Nature-related Financial Disclosures framework is expected to be published in September 2023. The current disclosure is based on the v0.4 Beta Release version.

Appendix X: Disclosure of External Assurance

The items listed below have been verified and assured by a third-party organization, refer to the Appendix XI: Third-Party Verification and Assurance Statement for the Independent Assurance Opinion Statement.

Item	Content	Chapter
Water consumption	Total water consumption	4-4-2 Water Resource Consumption Status
VOC emissions	Total VOC emissions	Appendix VII: Environmental Information
Supplier Screening	1. Total number of Tier-1 suppliers	Appendix VI: Supplier Screening
	2. Total number of significant suppliers in Tier-1	
	3. % of total spend on significant suppliers in Tier-1	
	4. Total number of significant suppliers in non Tier-1	
	5. Total number of significant suppliers Tier-1 and non Tier-1	
Coverage and Progress of Suppliers in Capacity Building Programs	1. Total number of suppliers in capacity building programs	Appendix VI: Coverage and Progress of Suppliers in Capacity Building Programs
	2. % of significant suppliers in capacity building programs	
Percentage difference in salary between male and female	Percentage difference in salary and bonus between male and female	6-2-3 Salary and Benefits
	1. Mean gender pay gap	
	2. Median gender pay gap	
	3. Mean bonus gap	
Review the company's codes of conduct and compliance systems for enforcing these codes (including tracking and reporting of breaches and Number of employees receiving training on the code of conduct).	1. Code of conduct (including Integrity Management Code of Practice and Work Rule)	2-1-2 Ethics and Integrity
	2. Confirmed the breaches	



INDEPENDENT ASSURANCE OPINION STATEMENT

2022 E Ink Holdings Inc. Corporate Sustainability Report

The British Standards Institution is independent to E Ink Holdings Inc. (hereafter referred to as E Ink in this statement) and has no financial interest in the operation of E Ink other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of E Ink only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by E Ink. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to E Ink only.

Scope

The scope of engagement agreed upon with E Ink includes the followings:

1. The assurance scope is consistent with the description of 2022 E Ink Holdings Inc. Corporate Sustainability Report.
 2. The evaluation of the nature and extent of the E Ink's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000 AS v3 sustainability assurance engagement.
 3. The verification of disclosure to be reliable with the applicable SASB industry standard(s) in this report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement.
- This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the 2022 E Ink Holdings Inc. Corporate Sustainability Report provides a fair view of the E Ink sustainability programmes and performances during 2022. The sustainability report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the scope of the assurance, the information and data provided by the E Ink and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate E Ink's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that E Ink's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards and SASB Standard(s) were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to E Ink's policies to provide a check on the appropriateness of statements made in the report
- discussion with managers on E Ink's approach to stakeholder engagement. Moreover, we had sampled 1 external stakeholders to conduct interview
- interview with 36 staffs involved in sustainability management, report preparation and provision of report information were carried out
- review of materiality assessment process
- review of key organizational developments
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports
- review of the findings of internal audits
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data to greater depth during site visits
- the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced
- review of supporting evidence for claims made in the reports
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018)
- an assessment of the organization's use of metrics or targets of SASB Standard(s) to assess and manage topic-related risks and opportunities.

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and sustainability performance information as well as GRI Standards and SASB Standard(s) is set out below:

Inclusivity

In this report, it reflects that E Ink has sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been initiated in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the E Ink's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

Materiality

The E Ink publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of E Ink and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the E Ink's management and performance. In our professional opinion the report covers the E Ink's materiality assessment process and material issues.

Responsiveness

E Ink has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the E Ink is developed and continually provides the opportunity to further enhance E Ink's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the E Ink's responsiveness issues.

Impact

E Ink has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. E Ink has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within an organization. In our professional opinion the report covers the E Ink's impact issues.

Performance information

Based on our work described in this statement, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, E Ink and BSI have agreed upon to include in the scope. In our view, the data and information contained within 2022 E Ink Holdings Inc. Corporate Sustainability Report are reliable based on procedures undertaken by means of vouching, re-tracking, re-computing and confirmation.

GRI Sustainability Reporting Standards (GRI Standards)

E Ink provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, including the disclosures of applicable Environment, Social and Governance indicators, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the E Ink's sustainability topics.

SASB Standards

E Ink provided us with their self-declaration of in accordance with SASB Standard(s) (HARDWARE Sustainability Accounting Standard). Based on our review, we confirm that the sustainability disclosure topics & accounting metrics of SASB Standard(s) (HARDWARE Sustainability Accounting Standard) are reported, partially reported or omitted. In our professional opinion the sustainability disclosure topics, associated accounting metrics and activity metrics for applicable SASB industry standard(s) contained within 2022 E Ink Holdings Inc. Corporate Sustainability Report are reliable.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

The moderate level assurance provided is in accordance with AA1000AS v3 in our review of SASB Standard(s).

Responsibility

This corporate sustainability report is the responsibility of the E Ink's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan



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2023-06-02

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The logo for 'Eink' is rendered in a white, bold, sans-serif font. The letter 'E' is stylized with a small white circle above its top-left corner, resembling a drop or a leaf. The letters 'i', 'n', and 'k' are lowercase and follow the same font style. The logo is positioned on the left side of the central text area.

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