Eink   2023 CORPORATE SUSTAINABILITY REPORT

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E Ink 2023 CORPORATE SUSTAINABILITY REPORT

About this Report

Editing Principles

This report is the Corporate Sustainability Report of E Ink Holdings Inc. (referred to as E Ink in the report). It is abbreviated as the E Ink Corporate Sustainability Report and is available in Chinese and English versions. The digital version of this report can be downloaded from the E Ink Corporate Sustainability website. The scope of disclosure in the report covers the operations, production, and sales locations of E Ink and the Company' s subsidiaries as listed in the consolidated income statement and financial statement. The scope of reporting on corporate governance, environmental, and social aspects primarily focuses on Taiwan (Hsinchu, Linkou, Zhongli), China (Yangzhou), and the USA (Billerica, Fremont, and South Hadley). Sales offices in other regions, including Tokyo, Japan; Seoul, South Korea; Shenzhen, China; and Eindhoven, Netherlands, do not have significant impacts on the company's economic, environmental, and social aspects and therefore are not comprehensively covered in this report. Any additional information from other regions will be specifically noted in the report.

Through this Corporate Sustainability Report, E Ink aims to disclose the Company' s significant actions and achievements in corporate governance, product sustainability, green production, sustainable supply chain, enterprise care, and social inclusion. This report seeks to provide a deeper understanding of E Ink's sustainability efforts and environmentally friendly products. E Ink also welcomes feedback from all stakeholders to continuously improve the Company' s sustainable development and advance towards becoming a world-class enterprise.

All monetary amounts disclosed in this report are presented in New Taiwan Dollars (NTD). If the monetary amount is reported in other currencies, a separate note will be provided for clarification.

Reporting Period

This report discloses E Ink's various corporate sustainability management policies, material issues, responses, and performance information for the year 2023 (from January 1 to December 31, 2023). Some content is traced back to 2019 to enhance the reader's understanding of the report's information.

Reporting Cycle

E Ink first published its Corporate Social Responsibility Report in 2015, which was renamed the Corporate Sustainability Report in 2021. It will be published annually.

- Previous Edition: The Chinese version was published in June 2023, and the English version in August 2023.
- Current Edition: The Chinese version was published in August 2024, and the English version will be published in August 2024.
- Next Edition: The Chinese version will be published in August 2025, and the English version will be published in August 2025.

Reporting 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).

Reporting 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 board of directors before publishing.

Sustainability Contacts

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Eink official website ➡

Download the report ➡

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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 2023 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	Disclosed Location
The Sustainability Report	AA1000AS v3 Type 2 Assurance	Global Sites	BSI Taiwan	Appendix VIII: 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	Taiwan sites and Yangzhou sites	SGS, BV	Official website ESG webpage Environmental protection
	ISO 14064-1:2018 Greenhouse gas inventories and verification	Global sites	DNV	
	ISO 14067:2018 Product Carbon Footprint	Global sites	BSI Taiwan	
	ISO 50001:2018 Energy management system verification	Hsinchu sites and Linkou sites	DNV	
Information Management	ISO/IEC 27001 Information security management system verification	Hsinchu sites and Linkou sites	AFNOR	Chapter 2-3 Information and Cyber Security
Occupational Health and Safety	ISO 45001:2018 Occupational health and safety management systems verification	Hsinchu sites, Linkou sites, and Yangzhou sitess	SGS, BV	Official website ESG webpage Creating a Secure and Healthy Work Environment
	TOSHMS Taiwan Occupational Health and Safety Management System Verification	Hsinchu sites and Linkou sites	SGS	

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E Ink 2023 CORPORATE SUSTAINABILITY REPORT

CEO's Message

ESG sustainability has become a major global trend promoted by governments, organizations, and companies. Over a decade ago, E Ink began the journey from practicing CSR to fully integrating ESG into its operations, focusing on environmental, social, and corporate governance aspects. Through years of learning and improvement, the Company is honored to be continuously listed as a member of the Dow Jones Sustainability World Index (DJSI-World) and the Dow Jones Sustainability Emerging Markets Index (DJSI-Emerging Markets). In 2023, the Company achieved significant results in the corporate sustainability domain.

With green ePaper technology and products, E Ink is dedicated to sustainable development across all aspects, including product design, green production, supply chain management, corporate governance, enterprise care, and social inclusion. This unwavering mission guides the Company, and despite a constantly changing environment, E Ink remain steadfast in implementing sustainable practices step by step.

Global Recognition for Sustainability

In 2023, E Ink received high recognition in the S&P Global Corporate Sustainability Assessment (CSA). Compared to the score from 2022, the Company achieved a score of 89 in 2023, indicating a significant improvement. This placed the Company in a leading position within the Technology Hardware & Equipment industry group, demonstrating E Ink's dedicated efforts and continuous improvement in sustainable development.

Among the 25 criteria across the three dimensions of Governance & Economic, Environmental, and Social under the S&P CSA, E Ink achieved perfect scores in 9 criteria, including "Business Ethics," "Gas Emissions," and "Human Capital Development." The Company also led the Electronics, Equipment, and Components industry in 12 other criteria, such as "Risk and Crisis Management," "Product Responsibility," "Environmental Policy and Management Systems," and "Occupational Health and Safety." As a result, E Ink has been included for the second consecutive year in S&P Global's "The Sustainability Yearbook" for 2024, ranking among the top 5% of companies in the ITC Electronic Equipment, Instruments & Components industry.

Green Products for Carbon Reduction and Sustainability

E Ink's ePaper technology inherently features of energy-saving and low-carbon. According to the FTSE Russell Green Revenue 2.0 Data Model, 99.9% of E Ink's revenue is classified as Green Revenue in the Energy Management Efficiency IT Process category, indicating significant environmental advantages. According to the FTSE Russell Green Revenue 2.0 Data Model, 99.9% of E Ink's revenue is classified as Green Revenue in the Energy Management Efficiency IT Process category, which indicated significant environmental advantages of ePaper,

Beyond the inherent energy-saving benefits of its products, E Ink actively enhances energy and carbon reduction through product design and manufacturing processes. By the end of last year, E Ink's global sites achieved the goal of using 36% renewable energy (RE36) ahead of schedule. In addition to maintaining 100% renewable energy usage (RE100) at sites in the USA, China, Japan, and South Korea, the Yangzhou site in China surpassed 50% renewable energy use, and the Taiwan site doubled its use to 8% (RE8) from the previous year.

E Ink has also received verification from the Science Based Targets initiative (SBTi) for its short-term, long-term, and net-zero greenhouse gas reduction goals. By 2030, the Company aims to reduce Scope 1 and Scope 2 greenhouse gas emissions by 80% compared to 2021 levels. SBTi recognized E Ink's net-zero target as one of the most ambitious goals verified through the SBTi process.

Active Commitment to Sustainability Initiatives

In addition to joining the RE100 international renewable energy organization, E Ink has set long-term goals, including a commitment to achieving 100% renewable energy by 2030 (RE100) and reaching net-zero carbon emissions by 2040. As the first company in the display industry to adopt such an aggressive energy transition policy, E Ink received the Best Newcomer award at the 2023 RE100 Leadership Awards.

In 2023, E Ink was also included in the FTSE Emerging Markets Sustainability Index for the first time, making it the only company in the display industry to achieve high rankings in both FTSE Russell's ESG and Green Revenue evaluations. This achievement follows the Company's inclusion in several domestic and international indices, such as the "TIP Customized TOP 30 Taiwan ESG Index," "TIP Customized TOP Taiwan ESG Excellence Index," "MSCI Global Standard Index," and "DJSI Dow Jones Sustainability Index." Additionally, in recognition of its alignment with national net-zero transition policies, E Ink won the 2023 National Sustainable Development Award and received the highest AAA rating in Taiwan's sustainability evaluation, ranking among the top 5 in the electronics industry.

Facing increasing climate challenges, E Ink is also focusing on biodiversity preservation. The Company has committed to disclosing nature-related risks and strategies based on the final framework released in September 2023 by the Taskforce on Nature-related Financial Disclosures (TNFD). E Ink plans to publish its first nature-related financial disclosure report in 2024, positioning itself among the early adopters of the TNFD framework before 2024.

Enhancing Corporate Governance for Sustainable Development

Integrity, transparency, and accountability are fundamental to E Ink's sustainable development and continuous growth. To deepen corporate governance and strengthen the professional functions of the Board of Directors, E Ink invited industry and academic experts from diverse backgrounds to join. In June 2023, the Company successfully completed the re-election of its Board, reducing the number of seats from 9 to 7 for more focused discussions. The Company also introduced external directors and increased female representation to two seats, leveraging their expertise to guide future management and development. E Ink ranked in the top 5% of OTC-listed companies in Taiwan's corporate governance evaluation for 2023, reflecting its commitment to maintaining and enhancing governance practices.

Talent development has always been a crucial operational goal for E Ink. In response to the global focus on ESG and DEI (Diversity, Equity, Inclusion), E Ink officially joined the "TALENT, in Taiwan" initiative. The Company committed to promoting six key indicators of sustainable

talent development: "Meaning and Value," "Diversity and Inclusion," "Organizational Communication," "Reward and Incentives," "Physical and Mental Health," and "Talent Growth." By taking concrete actions, E Ink aims to maintain competitive sustainability in talent amidst a dynamic industry landscape.

Promoting Social Inclusion and Supporting the Disadvantaged

E Ink has long been dedicated to social inclusion, actively promoting educational, cultural, and philanthropic initiatives across its global sites.

In 2023, in collaboration with the Keelung City Government, E Ink launched the "eReading for the Future" project. Along with 22 ecosystem partners, including Top Victory Electronics, Himax Technologies, Readmoo, Wacom, TCON, General Interface Solution, and others, the initiative aims to promote digital reading culture. The project provided color eReaders and quality children's eBooks to elementary students across Keelung, enhancing the city's dual literacy program.

This initiative donated 1,075 color eReaders, each pre-loaded with 102 high-quality books suitable for various age groups, totaling nearly 110,000 eBooks. This significantly enriched Keelung's library resources, benefiting over 15,000 students.

In the United States, E Ink partnered with Amazon to promote the "eReading for the Future" project. They donated 100 Amazon Kindle Kids eReaders, along with a one-year subscription to children's books, to five Boys and Girls Clubs, supporting after-school literacy programs and providing a comfortable digital reading experience for students.

E Ink also integrates ePaper technology with art and culture. Collaborating with the Kaohsiung Museum of Fine Arts, E Ink sponsored and supported art exhibitions, using ePaper as information boards. This technology, which adjusts to ambient light and reduces eye strain, ensures the exhibits are visually friendly and energy-efficient, aligning with sustainability trends and pioneering a paperless approach for the museum.

In charitable efforts, E Ink supported the Flying Elephant Home at Kaohsiung Min-Sheng Hospital, which cares for abused and critically ill children. The Company provided eNote devices to digitize medical records, improving data storage and management for better patient care. This innovation also eased the burden on staff, allowing more time for direct care and providing immediate benefits to both the healthcare team and the children.

At the Yangzhou sites in China, E Ink focuses on supporting disadvantaged communities. The "Chuanqi Scholarship" program assists students from low-income families, helping them complete their education and fostering local talent. E Ink participates in the Yangzhou TV Station's autumn charity program, providing scholarships and supplies to impoverished students. In long-term collaboration with the Maize Charity, E Ink's "Children's Painting Village School" project promotes the preservation of intangible cultural heritage through charitable activities and sales of Miao ethnic batik artwork.

At the Yangzhou sites in China, E Ink is committed to supporting disadvantaged groups through initiatives like the Chuanqi Scholarship program, which helps students from low-income families complete their education and nurtures local talent. The Company also participates in the Yangzhou TV Station's autumn charity project, providing scholarships and essential supplies to impoverished students. In 2023, the long-term cooperation with the Maitian Public Welfare organization focused on the "Children's Painting Village School" project. This initiative supports the preservation of intangible cultural heritage through charity sales and client gifts of excellent Miao batik artworks produced by the village school. The project integrates these artworks into the cultural lives of E Ink employees and the general public, while also gifting them to long-time supporters of Maitian Public Welfare.

Beyond social inclusion, E Ink has incorporated biodiversity conservation as a goal. The Company supports ecological restoration and environmental friendliness through various initiatives. E Ink joined the Corporate Engagement Program of the Science-based Targets Network (SBTN), setting nature-related goals, and participates in Business for Nature, advocating for policies to halt and reverse nature loss by 2030. E Ink has also committed to "Biodiversity and No Deforestation," aiming to maintain and promote biosphere integrity in collaboration with value chain and ecosystem partners.

Additionally, E Ink joined the "Nature and Biodiversity Initiative Platform" of the Business Council for Sustainable Development, actively supporting conservation efforts and taking significant actions to address biodiversity issues.

Steadily Advancing Towards Net Zero Carbon Goals

In recent years, E Ink has continuously participated in various sustainability assessments to evaluate and improve its progress and results in sustainable development. Embracing the opportunities and challenges of climate issues, E Ink mobilizes all employees to take action. This involves top-down implementation of net zero goals and bottom-up creation of net zero benefits.

Johnson Lee, CEO

Sustainable Column 01

We Make Surfaces Smart and Green

In alignment with the 17 Sustainable Development Goals (SDGs) established by the United Nations, E Ink aligns its environmentally and eye-friendly ePaper products with three specific SDGs, setting sustainability goals for its core technologies and products. As ePaper technology continues to advance and diversify its applications, and as the industry ecosystem expands, ePaper's bistable and low-power characteristics support the creation of low-carbon, environmentally friendly smart IoT devices across various smart application fields, promoting the development of sustainable smart cities.

Goals of SDGs	Targets of SDGs	The contribution of E Ink's ePaper products
SDG 13 Climate Action	13.3 Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	• ePaper features low power consumption and a bi-stable display that requires no power to maintain an image when not being refreshed. The widespread and long-term use of ePaper products as replacements for other display technologies can significantly reduce energy consumption and carbon emissions, thereby mitigating the impact of greenhouse gases on climate change. • For example, in logistics application, the power-free display characteristic of ePaper makes it ideal for use as a reusable package information display interface. This can replace single-use paper shipping labels, achieving benefits such as digital transformation of information, low-carbon environmental protection, and zero-contact, all of which contribute to the realization of smart green logistics.
SDG 3 Good Health & Well-Being	3.9 Significantly reduce the number of deaths and illnesses caused by hazardous chemicals, air pollution, water pollution, soil contamination, and other forms of pollution by 2030.	• According to research by the Harvard School of Public Health, the primary cause of retinal cell stress is the spectrum of backlight and front light used in displays. Under the influence of blue light, retinal cells produce Reactive Oxygen Species (ROS), which can accumulate over time and potentially lead to photo-oxidative damage. ePaper devices without front light emit no blue light, thus avoiding retinal cell stimulation; devices equipped with E Ink ComfortGaze™ front light exert three times less stress on retinal cells compared to Liquid-Crystal Display (LCD) devices. Therefore, eReaders utilizing ePaper display technology offer a healthier and less harmful reading environment. • E Ink's ePaper is the first display technology to receive Dark Sky certification from the International Dark-Sky Association (IDA). ePaper displays use ambient light reflection rather than self-illumination, which reduces light pollution, making it an environmentally and ecologically friendly display technology.
SDG 4 Quality Education	4.5 Eliminate gender disparities in education by 2030 and ensure that underprivileged groups, including individuals with disabilities, indigenous peoples, and vulnerable children, have equal access to all levels of education and vocational training.	• eReaders that use ePaper as their display interface transform printed book content into eBooks, allowing knowledge to be shared globally and providing children with educational opportunities, thereby bridging educational gaps. • Due to its paper-like texture, ease of writing, and eye-friendly characteristics, ePaper is increasingly being adopted as part of next-generation educational solutions. Color eReaders and color eNote are ideal for digital reading and writing, making these devices powerful tools for remote education applications.

Note: For more information on environmentally and visually friendly ePaper, please refer to Chapter 3 Product Sustainability of this report.

Sustainable Column 02

Pioneer of Green Energy- Enhancing Efficiency, Reducing Consumption, Reaching Net Zero

The environmental impact of climate change is intensifying, and the Paris Agreement's goal of keeping global temperatures well below 2 degrees Celsius, while striving to limit the increase to 1.5 degrees Celsius, poses a significant challenge and responsibility for all of humanity. As a leader in green display products, E Ink is actively developing low-carbon, energy-efficient ePaper products and applications. Additionally, the company is implementing energy-saving, water-conserving, and waste-reducing measures in production to fully promote a low-carbon operating model.

2022
- ▶ 10% Renewable Energy Usage
- ✓ Achieved 200%

2023
- ▶ 20% Renewable Energy Usage
- ✓ Achieved 180%

2024
- ▶ 30% Renewable Energy Usage

2025
- ▶ 0% Renewable Energy Usage
- ▶ The intensity of greenhouse gas emissions for category 1 and category 2 activities have beenreduced by 20% compared to 2021

2030
- ▶ 100% Renewable Energy Usage
- ▶ Implement the ISO 50001 energy management system at all global sites
- ▶ The intensity of greenhouse gas emissions for category 1 and category 2 activities have been reduced by 70% compared to 2021

2040
- ▶ Energy efficiency has increased by 100% compared to 2018.
- ▶ Achieve net-zero carbon emissions for category 1 to category 6 greenhouse gas emissions[Note1]

To further realize the vision of green production and environmental sustainability, E Ink has committed to achieving 100% renewable energy use (RE100) by 2030 and reaching net-zero carbon emissions by 2040. Setting 2021 as the base year, E Ink has planned five major reduction strategies and a pathway to net-zero carbon emissions. The company aims to peak carbon emissions by 2025, despite ongoing capacity expansion, and gradually reduce total value chain emissions annually to achieve the 2040 net-zero target.

Since 2022, the Green Proudction sub-committee of the Corporate Sustainability Committee has launched a green electricity project, following the "Five Major Strategies for Net Zero Action." The project operates through planning, implementation, auditing, and verification processes. It

Five Major Strategies for Net-Zero Actions		
	Establish international environmental management systems	Promote greenhouse gas inventories, carbon footprint inventories, and related environmental management systems.
	Energy efficiency enhancement	Upgrade and replace outdated equipment, improve equipment efficiency, and implement office energy-saving solutions.
	Utilize low-carbon energy	Increase the proportion of renewable energy usage.
	Reduce carbon emissions in the value chain	Require the supply chain to save energy or adopt renewable energy.
	Focus negative emissions technologies	Pay attention to natural carbon sinks, carbon capture and storage, permanent carbon removal, and the acquisition of carbon credits.
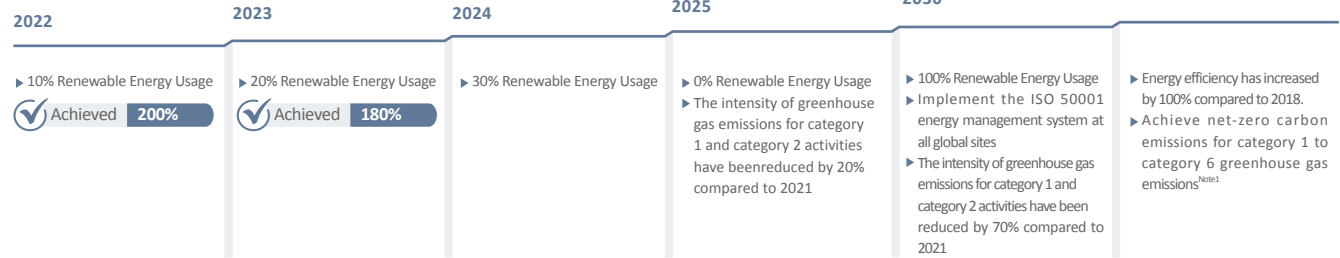
involves analyzing green electricity regulations at each site, gathering information on green electricity supply sources, types, acquisition methods, and prices to optimize green electricity procurement models in response to varying supply and demand over time. E Ink places particular emphasis on the "additionality" and "diversity" of renewable energy sources to accelerate the addition of new renewable energy and enhance overall environmental sustainability benefits. The company also procures green electricity from various sources to promote the development of the renewable energy industry as a whole. In line with this principle, beyond its existing purchases of solar and wind energy, E Ink recently acquired Renewable Energy Certificates (T-RECs) from Chung Hwa Pulp CorporationNote 3, the largest biomass energy supplier in Taiwan. This transaction represents the largest scale of T-REC trading since Chung Hwa Pulp initiated the renewable energy certificate market.

Through continuous efforts, E Ink achieved the 2024 goal of 30% renewable energy usage (RE30) globally by December 2023. Notably, the Company's sites in the US, China, Japan, and South Korea continue to maintain 100% renewable energy usage (RE100). In addition, the Yangzhou site in China has surpassed 50% renewable energy usage, while the renewable energy usage rate at the Taiwan site has doubled from the previous year to 8% (RE8).

In addition, E Ink has set carbon reduction pathways and targets that have been reviewed and validated by the Science Based Targets initiative (SBTi), an authoritative international climate

change organization. The SBTi has recognized E Ink's near-term, long-term, and net-zero greenhouse gas reduction targets as among the most ambitious verified through their process. Moreover, E Ink received the Best Newcomer award at the annual RE100 Leadership Awards by the international renewable energy organization RE100. This award recognizes new RE100 members that have significantly reduced their carbon emissions by increasing their use of renewable energy or collaborating with suppliers to reduce their carbon footprint and implement sustainability strategies.

In September 2022, E Ink joined the EP100 initiative, committing to implementing the ISO 50001 energy management system across all global sites by 2030. The Company has also set a target to double energy productivity by 2040 compared to 2018 levels. To achieve this goal, E Ink continues to promote energy-saving and carbon reduction measures, including upgrading outdated equipment, optimizing equipment parameters, and improving manufacturing processes to effectively reduce energy consumption. Despite the expansion of the Taiwan sites in 2022, E Ink steadily implemented energy-saving plans, achieving an average energy-saving rate of 2.1% from 2015 to 2022. In 2023, by enhancing energy-saving strategies, the Taiwan sites reduced electricity consumption by 412,000 kWh, equivalent to a reduction of 205 tons of carbon emissions. Through these efforts, E Ink reached its goal of doubling energy productivity ahead of schedule in 2022 and aims to maintain this performance to demonstrate its achievements in the ePaper industry transformation and energy efficiency.

E Ink is dedicated to collaborating with its ePaper ecosystem and supply chain partners to achieve net-zero carbon emissions. The Company focuses on reducing energy consumption and greenhouse gas emissions, as well as minimizing water usage and waste, to promote sustainable development.

Note 1: According to ISO 14064-1:2018, direct and indirect greenhouse gas emissions are categorized from Category 1 to Category 6.

Note 2: For more details on E Ink's environmental protection efforts, net-zero transformation roadmap, energy and water resource management, and resource circularity, please refer to Chapter 4 "Green Production - Low-Carbon and Energy-Saving Operations and Manufacturing" of this report.

Note 3: Chung Hwa Pulp Corporation owns Taiwan's only and largest lignin biomass energy generation capability. By converting lignin by-products from the pulping process into energy, it exemplifies a green circular economy and is a prime example of sustainable biomass energy.

Sustainable Column 03

Utilize Core Technology, ePaper to Meet Society's Digitalization Needs

E Ink firmly believes that the mission of sustainability and corporate profitability are equally important. In addition to pursuing steady profits, companies should leverage their technological advantages and core technologies to address existing or potential social issues and drive social impact. E Ink's ePaper technology, known for its power-saving, eye-friendly, lightweight, and durable characteristics, has been developed into various applications to meet different needs. These applications include eReaders, eNotes, ePaper signage, electronic shelf labels (ESL), and logistics tags.

eReaders can store thousands of eBooks, and the lightweight, portable design makes these devices convenient for reading anytime, even during short breaks. These devices also support offline reading, free from internet connectivity constraints. Notably, ePaper displays do not emit blue light directly into the eyes, making extended reading less tiring and more eye-friendly. Compared to TFT-LCD displays, ePaper is three times better for eye health. This makes it a healthier display choice for children engaged in long periods of digital learning.

In 2017, following the launch of the first Taiwanese brand eReader featuring E Ink's ePaper display, E Ink initiated the "eRead for the Future" project. With the publishing industry increasingly open to transitioning from printed books to digital books, the project aims to provide portable, eye-friendly eReaders combined with diverse eBook content to children in remote or suburban areas of Taiwan. This initiative seeks to broaden their horizons through digital reading devices and access to a wealth of book knowledge, enhancing their reading literacy and competitiveness.

Each eReader is preloaded with 100 or more high-quality eBooks suitable for students. With a maximum of 30 eReaders per class, the devices are circulated within the school, allowing every teacher and student to have a device. Teachers and students can choose specific books to read together, or schools can offer the eReaders in a library format for students to borrow, enhancing reading skills during spare time. The goal is for students to complete the challenge of reading 100 eBooks within six years of elementary school.

From 2017 to 2023, the "eRead for the Future" project has continued to donate eReaders preloaded with eBooks to schools in seven counties and cities in Taiwan, including Nantou, Changhua, Chiayi, New Taipei, Taoyuan, Penghu, and Keelung. The project has sponsored a total of 174 schools, 29 libraries, 4,061 eReaders, and 381,000 eBooks, benefiting 55,000 students. The accumulated value of the project contributions is NTD 226.11 million.


At The Home of Dumbo, part of Kaohsiung Municipal Min-Sheng Hospital, a group of children suffering from severe conditions due to abuse are fighting for their lives. These children require immense love and patience from the healthcare team for their long-term care. Upon learning of this, E Ink proactively reached out to develop E Ink Medical Care Notebook using its core ePaper technology. These E Ink Medical Care Notebooks help digitize medical care records at The Home of Dumbo, making it more efficient to store and manage the various healthcare data of the children as they grow. This digital solution provides immediate benefits to both the healthcare professionals and the children by offering a comprehensive reference for ongoing medical care and growth records.

E Ink has customized a digital system using its ePaper technology to replace the paper-based forms previously used at The Home of Dumbo. This system integrates with the smart medical system backend, enabling bidirectional editing and synchronized updates to ensure complete storage of every care

record. It addresses longstanding issues associated with paper records, such as easily damaged, contaminated and by illegible handwriting, overlooked important notes, and lost sticky note reminders. This initiative reduces the burden on staff who compile care record information, allowing them more time to focus on caring for the children.

In December 2023, the Kaohsiung Museum of Fine Arts launched the "Diffusion Couple" exhibition, showcasing a series of technology and art performances centered on cross-disciplinary integration and innovation. The museum incorporated ePaper technology, integrating ePaper signage into the exhibition. These displays use reflective technology to adapt to ambient light, avoiding the negative effects of self-emitting light on the exhibition.
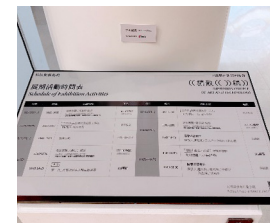
ePaper enhances the exhibition with an environmentally friendly, low-carbon, and comfortable viewing experience, helping the museum create an innovative, low-carbon exhibition. The use of eye-friendly and energy-efficient ePaper aligns with the trend of sustainability in art and cultural events. Additionally, it improves the viewing experience for elderly and diverse audiences, advancing the museum's sustainability goals. This approach extends the core theme of cross-disciplinary co-creation in the "Diffusion Couple" exhibition, diversifying the ways display technology is experienced.

E Ink 2023 CORPORATE SUSTAINABILITY REPORT

Summary of 2023 E Ink Sustainable Performances

Corporate Governance (G)

Corporate Governance

Top5%
The 10th TWSE Corporate Governance Evaluation

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

0
Zero incident of significant compliance violation reported

0
Zero incident of incident of significant information security breaches or virus incidents

Sustainable Supply Chain

A
A Leadership rating from the CDP Supply Chain Program

⇓77 metric tons of CO_2e
Packaging Materials Recycling Project and Low-Carbon Logistics Management achieved carbon emission reduction

48 significant suppliers
set net zero carbon emission target

100%
internal personnel and significant suppliers completed sustainable procurement training

Product Sustainability (P)

>99%
Green Revenue

>6,600
Effective patents worldwide

⇓20 thousands times
CO_2 emission from ePaper bus stop compare TFT-LCDs

>51%
Revenue contribution from new product developed in past 3 years

>130
New technology and product developed

⇓50 times
CO_2 emission from eReader compare TFT-LCD tablets

>20
Sustainable Product

12 projects
Open innovation with external organization or enterprise

⇓1.2 thousands times
CO_2 emission from 10" ESLs compare 10" TFT-LCD labels

A-level
Certification of Taiwan Intellectual Property Management System (TIPS) in Taiwan sites

Eink
P·ESG
RE 100 2030 · Net Zero 2040

Environmental Sustainability (E)

Green Production

Verified SBTi
Science Based Targets initiative (SBTi) verified E Ink's targets for near-term, long-term, and overall net-zero

A-leadership level
In the climate change section of the CDP questionnaire

⇓47%
Reduced greenhouse gas intensity by 47% compared to 2021

⇑47%
Increased waste recycling rate by 47% compared to 2021

36% RE 36
Utilized 36% renewable energy globally

⇓32%
Reduced water intensity by 32% compared to 2021

NTD 600
Internal carbon pricing per metric ton of CO_2e in Taiwan in 2023.

Social Engagement (S)

Enterprise Care

>80 points
Score of employee engagement survey

>144 thousand participants
Participating in professional skills training programs

9
Consecutive years of salary raise

Social Engagement

> NTD 37.38 million
of investment on social engagement projects, including charitable donations, community investments, and commercial initiatives

12 years
Yangzhou sites has been continuously participating in the "Maitian Project" by donating resources to schools in rural areas. The cumulative donation amount has exceeded RMB 1.07million benefiting 20 rural schools

21 ecosystem partners
joined "eRead for the Future" project

16 events
"Environmental Protection Festival" with over 200 participants.

⇑202%
Global volunteering hours increased compared to 2022

Note: Includes voluntary participation during holidays.

![E ink logo]

E Ink 2023 CORPORATE SUSTAINABILITY REPORT

01 Sustainable Management

Implementing Sustainable Management with PESG

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, becoming the largest producer globally. In 2009, E Ink further acquired E Ink Corporation, a US company producing the crucial Microcapsule-based electronic ink film. In 2012, E Ink acquired SiPix, a company based in Linkou that specialized in microcup-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, emerging as a global leader in the ePaper industry. ePaper utilizes bi-stable and reflective technology principles, offering a paper-like reading experience that is easy on the eyes, with ultra-low power consumption and high visibility in sunlight. These environmentally sustainable and visually friendly features make ePaper an ideal smart display interface, promoting both environmental sustainability and eye comfort.

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 highlighted 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 fields such as smart education, smart retail, smart transportation, smart offices, smart logistics, smart manufacturing, smart healthcare, smart buildings, and smart homes. 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, and mechanical engineering, continually enhances ePaper technology capabilities. Since declaring 2019 as the year of color ePaper, E Ink has consistently upgraded its three major color ePaper technology platforms, including E Ink Gallery™ (Advanced Color ePaper), E Ink Kaleido™ (Print Color ePaper), and the E Ink Spectra™ series. To broaden the application scope of ePaper, E Ink has been enhancing its color ePaper technology to provide suitable solutions for various applications and visual experiences. In 2022 and 2023, E Ink released Gallery 3, Kaleido 3, and Spectra 6 color ePaper technologies. With the rising awareness of net-zero carbon emissions and sustainability, the low or zero power consumption advantages

Company Name	E Ink Holdings Inc.
Company Headquarter	Hsinchu Science Park, Taiwan (No. 3, Lixing 1st Rd., 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 Market Served	The US, 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	2,787
Total Assets	Total Equity NTD 49,548 million Total Liabilities NTD 24,908 million Total Assets NTD 74,456 million
Product Shipment	Domestic: 568 thousands units Export: 32,374 thousands units

of ePaper products are becoming increasingly prominent. The sizes of ePaper module products will also be upgraded to meet market trends and demands.

E Ink announced the expansion of four ePaper material production lines from 2020 to 2021, all of which have been put into mass production between 2022 and 2023. Additionally, in December 2021, E Ink began the construction of a new office building and multi-story parking facility to accommodate the increased manufacturing capacity and growing number of employees. This new facility is expected to be operational by 2024.

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 emissions by 2040, and double energy productivity [Note1] .By the end of 2023, E Ink had already achieved the goal of using 36% renewable energy (RE36) [Note 2], demonstrating its dedication to promoting low-carbon and sustainable environmental development through electronic paper technology and applications [Note3].

Note 1: Energy productivity 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 4 of this report.
Note 3: For details on E Ink's development history, please refer to the "Company History" section of the 2023 Annual Report.

1-1-2 Worldwide Presence

Eindhoven

Seoul

Billerica

Yangzhou

Tokyo

South Hadley

Shenzhen

Zhongli

Fremont

Linkou

Hsinchu Headquarter

Sales Center ●

Sales Center/**Operation Center**

Operation Center ●
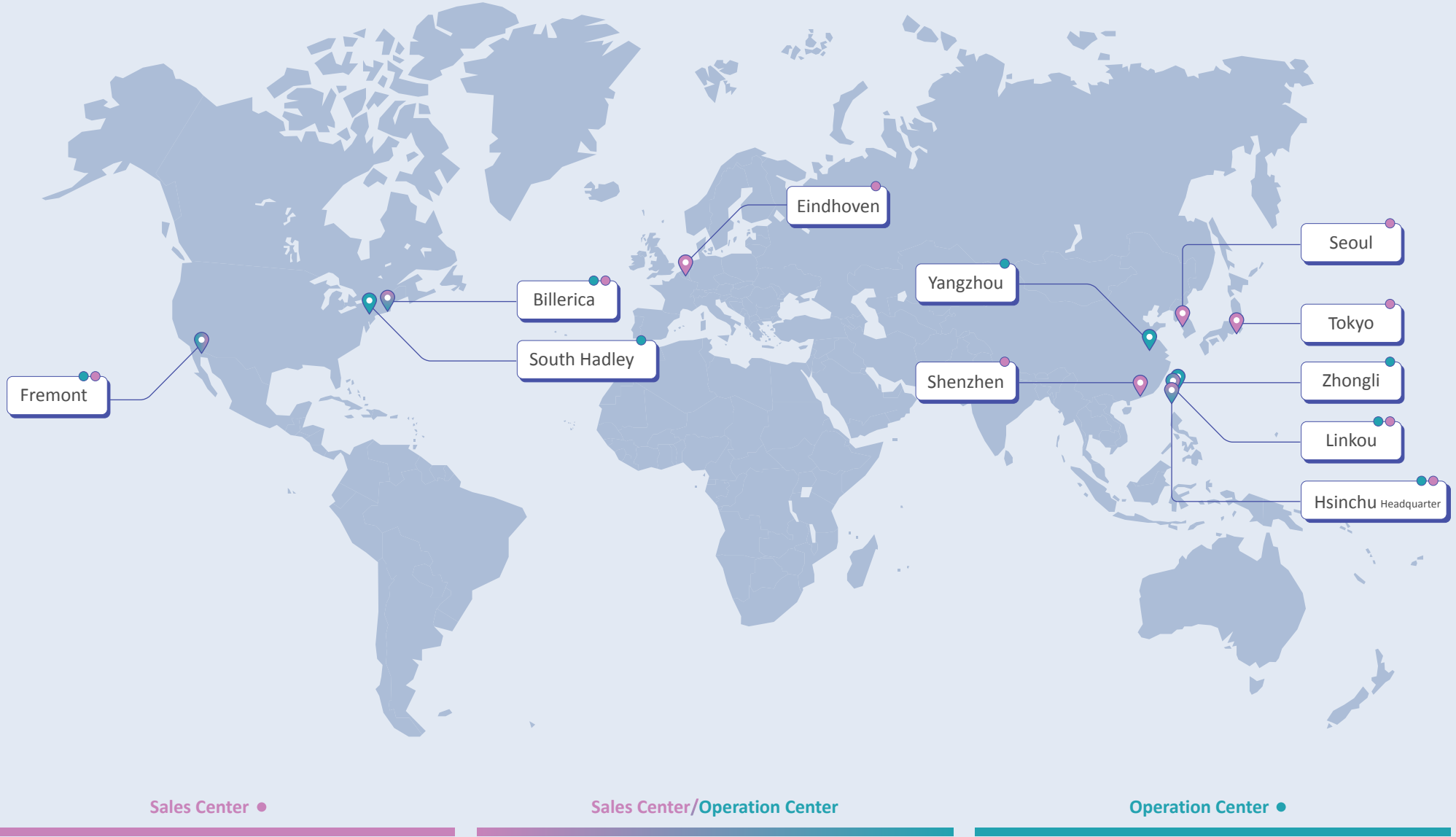
For more information, please visit E ink website ➜

1-1-3 Honors, Recognitions, and Initiatives

Awards Recognitions

2023

4 April

Best Technology Award, 2023 Gold Panel Awards
E Ink Spectra™ 6

Smart Medical Award and Best People Award, Smart Display Application Awards
Battery-Free ePaper Device

5 May

ERSO Award 2023
Johnson Lee, CEO of E Ink Holdings

Global Views Monthly's ESG Award
First Place of Comprehensive Performance in Electronic Technology Industry

National Industrial Innovation Award
Excellent Innovation Company

People's Choice Awards- Best New Display Component, SID Display Week 2023
E Ink Spectra 6™

7 July

Green Leadership Award, AREA
Solar-Powered ePaper Digital Bus Stop Enables Sustainable Smart Public Transportation

The 2nd APSAA Asia-Pacific Sustainability Action Award
· SDG4 Education Quality - Silver Award
"eRead for the Future" eReader mobile library Project - Advancing to Penghu County in 2022
· SDG11 Sustainable City - Bronze Award
Solar-powered ePaper digital bus stop enables sustainable smart public transportation

The 3rd TSAA Taiwan Sustainability Action Award
· SGD13 Climate Action - Gold Award
Diversified Renewable Energy Leads to Net Zero Road

Best Companies to Work for in Asia 2023
Digital Transformation Award
HR Aisa

8 August

Business performance of Taiwan's 500 largest technology companies, CRIF
Top 10 Award

2023 Awards

Awards Recognitions

9 September

Taiwan Institute of Directors
Top 100 Selective Taiwanese Companies by Foreign Investors

RE100 Best Newcomer
The RE100 Leadership Awards

Listed at Top 18 in Large enterprise group
The 2023 Excellence in Corporate Social Responsibility, CommonWealth Magazine

10 October

Gold Award of 2023 SDIA Award
E Ink Spectra 6™
E Ink Kaleido 3™

11 November

Taiwan Corporate Sustainability Awards
• **The Most Prestigious Sustainability Award- Top 10 Domestics Corporate (Manufacture)**
• **Platinum Award of Corporate Sustainability Reports**
• **Climate Leader, Sustainable Supply Chain, Social Inclusion, Enterprise Care and Growth through Innovation from Best Leadership of Specific Categories.**

Occupational Safety and Health Administration, Ministry of Labor
"Healthy Workforce Sustainability Leading Enterprise"

Listed as Top 21 of 2023 Best Taiwan Global Brands
Brand Value at USD 101 million

National Sustainable Development Awards
Sustainable Enterprise Award

12 December

2024 Taiwan Excellence Award
E Ink Spectra™ 6

2024 Taiwan Excellence Silver Award
Solar-powered Sustainable Smart ePaper Shelf Tag and Warehouse Picking System

2024 Hsinchu Science Park Innovative Product Awards
Battery-free Color ePaper eBadge with Cloud Solution

2024
1 January

2023 Asia's Best Sustainability Report Award

Gold Award
2023 Asia's Best Sustainability Report (Large Company)
2023 Asia's Best Sustainability Report (Governance)
2023 Asia's Best Materiality Reporting
2023 Asia's Best Supply Chain Reporting
2023 Asia's Best Community Impact Reporting

Bronze Award
2023 Asia's Best Stakeholder Reporting

2023 Awards

Certification and Evaluation

MSCI

Included in MSCI Global Standard Indexes
- ACWI Low Carbon Target Index
- ACWI ESG Universal Index
- EM Top ESG Select

Member of Dow Jones Sustainability Indices
Powered by the S&P Global CSA

Member of Dow Jones Sustainability Indices, 2023
- DJSI-World
- DJSI-Emerging Markets
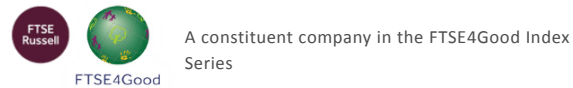
A constituent company in the FTSE4Good Index Series

MSCI ESG RATINGS
MSCI ESG Rating
A

SUSTAINALYTICS
SUSTAINALYTICS ESG Rating
Low ESG Risk

The Sustainability Yearbook 2024, S&P Global
Top 5% in Electronic Equipment, Instruments & Components

2023 Carbon Disclosure Project (CDP)
- A- Leadership of Climate Change
- B Management of Water Security
- Supplier Engagement Leader

EcoVadis
Sliver Sustainability Rating

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

Rated as "twA-" for The long-Term Issuer Credit Rating Taiwan Ratings

Taiwan Sustainability Assessment
AAA

Financial Times
Climate Leaders Asia-Pacific 2023

Paper Like Display Quality-mark and China-mark
E Ink Kaleido™ Plus

International Dark Sky Association
Dark Sky Certification

Taiwan Intellectual Property Management System
A-Level

ISO 14067: 2018 Product Carbon Footprint International Standard Certification
- The 6.8-inch ePaper module for eReader
- The 2.9-inch ePaper module for electronic shelf label

Accreditation

E Ink 2023 CORPORATE SUSTAINABILITY REPORT

Sustainability Initiativ

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

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.
The first company to join the initiative in electronics industry in Taiwan.

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

TCFD Supporter
Initiative for voluntary Climate-Related Financial Disclosures.

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.

Low Carbon Initiatives
by the European Chamber of Commerce Taiwan

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

Science Based Targets Network (SBTN)
Corporate Engagement Program.
Early access into cutting-edge science and approaches to science-based targets for nature.

Taskforce on Nature-related Financial Disclosures (TNFD) Early Adopter
Adopt the TNFD framework to manage and disclose nature-related risks and opportunities.

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 anticorruption.
Since 2018, the US sites have joined the organization as signatories for their commitments to sustainable development and outstanding performance.

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.

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.

Initiative

Eink

E Ink 2023 CORPORATE SUSTAINABILITY REPORT

Industry Initiative

E Ink leverages its core ePaper technology, collaborating with ecosystem partners to develop diverse, environmentally friendly ePaper devices, making a positive contribution to the global display industry. To maintain the Company's industry influence, E Ink focuses on global sustainability, economic growth, and technological development, actively participating in various industrial, sustainable, and business cross-sector alliances. These efforts foster industry and interdisciplinary exchanges and are dedicated to achieving net-zero carbon emissions.

Promotion of Industry and Participation in Establishing of Standard

Smart Display Industrial Alliance (SDIA) of the Industrial Development Bureau, Ministry of Economic Affairs

— Status of Participation —

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

— Status of Participation —

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.

Taiwan Electrical and Electronic Manufacturers' Association

— Status of Participation —

Serving as an industry member, E Ink advises on various issues related to the carbon pricing system from the ePaper industry perspective, jointly leading the industry towards a net-zero carbon transformation.

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 ideal low-carbon display technology for digital reading and writing, as well as IoT applications. The Company participates in different types of committees and alliances to further these goals.

🚩 Vice Chairman   🏛 Director   👤 Chairman   👤★ Executive Director   👤 Council   👤 Member

Type	Name	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	👤
	Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	👤
	Taipei Computer Association (TCA)	👤
	European Chamber of Commerce Taiwan (ECCT)	👤
	Taiwan Elderly Care Industry Association (TECIA)	👤
	Taiwan Telematics Industry Association (TTIA)	👤
	Intelligent Transportation Society of Taiwan (ITS)	👤
Sustainable and ESG Initiative	The Institute of Internal Auditors-Chinese Taiwan (IIA)	👤
	CommonWealth Sustainability League (CWS)	👤
	Global Views ESG Alliance	👤
	International Dark Sky Association (IDA)	👤
Technical Standard Establishment	SEMI Flexible Hybrid Electronics Standards Committee (SEMI FHE)	🚩
	Taiwan Digital Publishing Forum (TDPF)	👤
	Digital Stationery Consortium[Note2] (DSC)	👤
	Digital Signage Multimedia Alliance Taiwan (DSMA Taiwan)	👤

Note 1: E Ink is a longstanding sponsor of the 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.

1-2 Business Performance and Strategy

1-2-1 Business Performance

In 2023, although the global pandemic came to an end, the macroeconomic recovery fell short of expectations. International instability posed challenges to corporate operations, and the ePaper industry, as part of the electronics supply chain, could not remain unaffected. Despite these challenges, E Ink's management team and all employees remained steadfast. The Company achieved a consolidated annual revenue of NTD 27.12 billion, with an operating profit margin of 26.9% and a net profit margin of 29%. The net profit after tax was NTD 7.81 billion, and the earnings per share (EPS) was NTD 6.85.

Although the operational performance did not show growth compared with 2022, the Company still marked the second-highest record in history. Despite numerous external uncertainties, E Ink continued to invest significantly in research and development to achieve the goal of "simultaneous pursuit of profitability and sustainability," ensuring technological leadership and yielding significant results in business, operations, and technological innovation.

Operational Aspects	Review of 2023 Operation Performances
Business Expansion	• Consumer Electronics (CE) applications: Although the consumer market was impacted by inflation, overall market performance remained stable. Global brand customers continued to launch color and larger-sized eReaders and eNotes to meet end consumer expectations. • IoT applications: The retail electronic shelf labels that experienced excessive growth during the pandemic saw a slowdown in growth in 2023 due to the transition between old and new technologies. However, public displays, the medical sector, and logistics labels continued to grow. More than 1,600 solar-powered ePaper bus stop signs and outdoor billboards have been installed in Taiwan, and over 70,000 globally.
Technology R&D	• The full series of color ePaper technology platforms has been developed, including E Ink Spectra™ 6 , E Ink Kaleido™ 3 Outdoor, E Ink Kaleido™ 3, E Ink Gallery™ 3, and E Ink Prism™ 3. According to the display characteristics of different color technologies, suitable products and application fields have been developed. Several customers have verified and designed these technologies into their products, and new color ePaper products are gradually being introduced to the market. • As more eReader customers adopt new color technologies, E Ink is also planning the "Healthier Screen Time" project. This initiative promotes the Harvard School of Public Health's research on the effects of blue light on the eyes from a scientific perspective, reinforcing the advantages of ePaper in the reading market and distinguishing it from other display technologies. It also conveys the message that ePaper is free from blue light, does not harm the eyes, and that ePaper combined with E Ink ComfortGaze™ front light technology is three times better for eye health than LCD screens.
Operation and Production	• The Hsinchu, Linkou, and Yangzhou sites have all implemented and obtained certification for the ISO 50001 Energy Management System. The US sites are also in the process of implementation and verification. Through process improvements, equipment scheduling management, and independent research and development, the Company is comprehensively enhancing energy usage efficiency. Additionally, the Company is working towards 100% Energy Productivity by joining the EP 100 initiative, with the goal of doubling energy productivity by 2040 compared to the baseline year of 2018.
Awards and Recognitions	• Receiving 7 significant technology awards, 23 notable sustainability awards, and 4 corporate management awards, the Company has also been included in 7 sustainability indices and achieved 10 sustainability assessments[Note2].

Note 1: For the latest advancements in ePaper technology, please refer to Chapter 3 Product Sustainability of this report.

Note 2: For details on the Company's 2023 awards, certifications, and initiatives, please refer to Section 1-1-3 Honors, Recognitions, and Initiatives in Chapter 1 of this report.

Financial Performance

Financial Performance in the Past 5 Years[Note 1-4]

Legend: Operating | Operating Profit | Income Tax | Net Income After Tax | Earnings Per Share (NTD) • Unit: Earnings per share are in NTD; all other amounts are in millions of NTD.
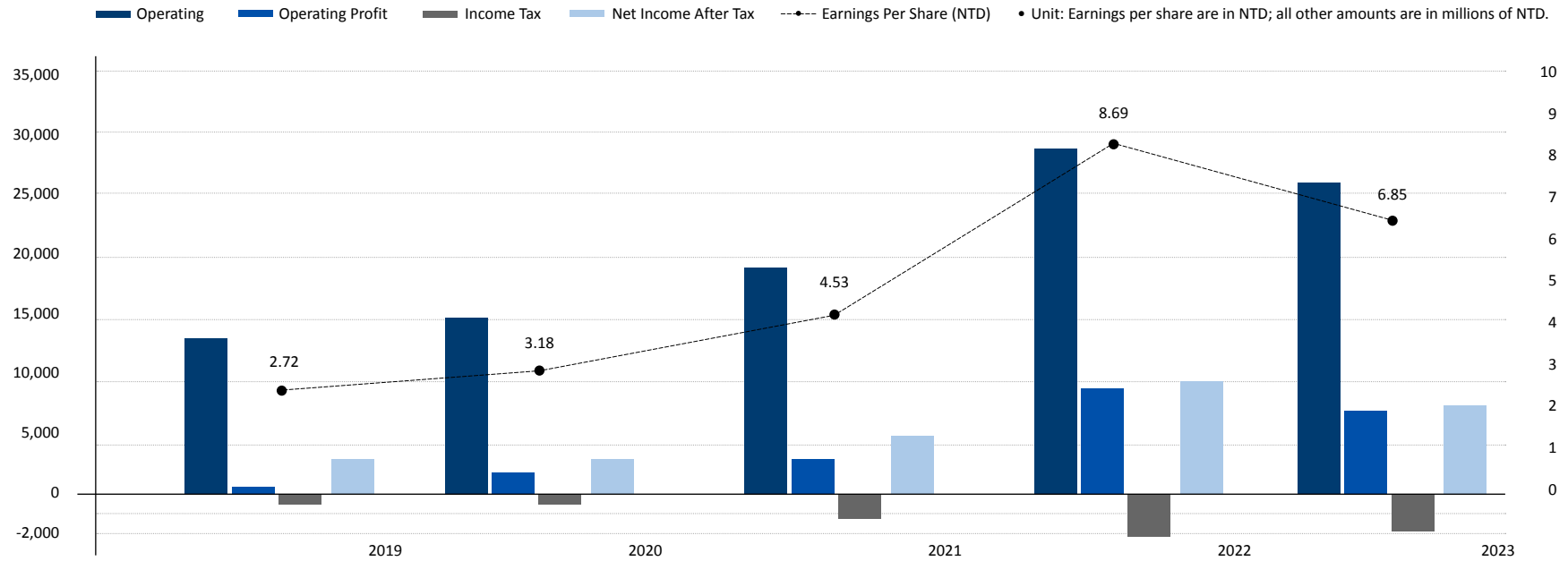
Note 1: Financial data is sourced from the 2023 consolidated financial statements of E Ink Holdings Inc. and its subsidiaries, audited by Deloitte & Touche Taiwan.
Note 2: In 2023, the Company applied for R&D investment tax credits amounting to NTD 1. 83 billion in Taiwan under the "Company Research and Development Expenditure Applicable Investment Tax Credit Measures." Applications in China amounted to NTD 290 million and in the United States to NTD 210 million, totaling NTD 2.33 billion.
Note 3: The Company did not make any political donations or engage in any political/policy-influenced donations or activities from 2019 to 2023.
Note 4: For detailed financial information and performance, please refer to the 2023 annual report.

Direct Economic Value Generated and Distributed

	Operating Revenue		Non-Operating Income
Generated Economic Value (A)	27,120		2,539

	Operating Costs	Employee wages and benefits	Payments to Shareholders[Note 5]	Payments to Government		Retained Economic Value (A-B)
Distributed Economic Value (B)	13,889	5,986	5,141	1,958	2,674	

Community Investments   11

Unit: Amount (NTD, million)
Note 5: Cash dividends distributed in the current year.

Tax governance

In response to international tax governance trends and the Company's tax management policies for sustainable development, E Ink revised the "Group Tax Policy and Management Regulations" in 2023. This revision aims to ensure legal compliance, effectively manage tax risks, enhance shareholder value, and fulfill corporate social responsibility.

Effective Tax Rate

Fiscal Year	Income Before Income Tax[Note1]	Income Tax Expense[Note1]	Effective Tax Rate (Before Adjustment)	Adjustment[Note1]	Effective Tax Rate (After Adjustment)	Income Tax Paid[Note1]	Cash Tax Rate
2023	9,824	1,958	19.93%	(192)	21.89%	2,665	27.13%
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: E Ink has long been committed to investing in the research and development of significant or unique technologies while fulfilling its social responsibility as a taxpayer. The company annually declares its related R&D achievements for tax credits, resulting in a cash tax rate lower than the industry average. The growth in E Ink's revenue scale in 2022 led to an increase in the group's cash tax rate.

Tax Management Structure and Responsibility

Governance Unit	**Board of Directors**	The highest decision-making and oversight body for the Group's tax management, responsible for approving tax governance policies and ensuring their effective implementation.
	Audit Committee	Composed entirely of independent directors, responsible for assisting the Board of Directors in overseeing the execution of tax governance policies and ensuring compliance with tax laws and regulations.
Executing Unit	**Financial Control Center**	Manages various tax matters; regularly reviews compliance with tax regulations and reports any tax risk issues to the Board of Directors.

Tax Policy and Management Regulations of E Ink

Distributed Regions	Tax Management Policy of E Ink		Main Risk Contents
Taiwan, US, Japan, China, South Korea, Netherlands	Tax Compliance	• Comply with local tax laws and regulations, accurately calculate tax amounts, and fulfill tax obligations to ensure social responsibility. • Process tax-related matters in accordance with ethical principles. • Comply with internationally recognized transfer pricing guidelines and disclosure requirements published by the Organization for Economic Cooperation and Development (OECD). • Support government policies that promote industrial innovation, research and development, and sustainable development investments. • Plan tax structures in line with economic substance and avoid using tax havens for tax avoidance. • Do not shift profits to low-tax regions or tax havens.	• Ambiguities in tax regulations leading to tax disputes. • Changes in tax laws may adversely affect business performance and increase corporate tax costs. • Modifications to tax laws or tax incentives may impact corporate tax planning. • Engaging in cross-border investments and international trade activities can lead to diverse transaction types, each subject to different tax reporting and payment requirements based on various national tax laws. • National tax authorities actively responding to anti-tax avoidance regulations promoted by the Organization for OECD and strengthening anti-tax avoidance measures and enforcement efforts may increase compliance costs for taxpayers. • The dynamic economic environment, such as the trade tariff tensions between the US and China, influences international investment competition and changes in investment locations, accompanied by tax implications.
	Tax Risk Management	• Consider tax risks and impacts in daily business activities and major business decisions. • Carefully assess the impact of changes in local tax laws on the Company, establish responsive measures, and strengthen internal communication.	
	Stakeholder Engagement	• Maintain a cooperative relationship with tax authorities based on mutual trust and honest communication, ensuring efficient and effective cooperation.	
	Information Disclosure	• Disclose tax information in financial reports in accordance with relevant regulations and guidelines.	

Note: The aforementioned regions include the parent company and subsidiaries.

Annual Penalties and Improvement Approaches

From 2019 to 2022, E Ink incurred no significant penalties[Note]. In 2023, E Ink was fined a total of NTD 98,000. The details and improvement approaches are as follows:

Entity	Item	Amount of Fine (NTD)	Improvement Approach
E Ink	Toxic and Concerned Chemical Substances Control Act- In April 2023, the Hsinchu sites was fined for failing to complete the operational record declaration of the toxic chemical substance "Butyl Acrylate" by the deadline of May 10, 2023.	60,000	E Ink will establish a digital and automated reminder and supervision system, set up automated reminders, and enhance managerial review to ensure timeliness, accuracy, and completeness of declarations, thereby preventing delays that violate the Toxic and Concerned Chemical Substances Control Act.
E Ink	Building Act - Commencing construction before obtaining a building permit and failing to submit a safety assessment report for the floors as required.	18,000	In addition to establishing a complete document management process and internal review mechanism, E Ink will also strengthen communication with building management authorities to ensure the accuracy of declarations and document submissions. Through regular training updates and the establishment of effective monitoring systems, E Ink will continuously improve processes to prevent violations, ensure compliance, and ensure smooth project progress.
E Ink	Energy Administration Act - Failure to submit the energy efficiency data for the water chiller system and compressed air system for 2022 on time.	20,000	Due to an information transfer lapse resulting in missed submissions, E Ink will improve internal information management processes, utilize automated reminders and monitoring systems to ensure no omissions or delays in reporting, and implement regular training to enhance employee understanding of the Energy Administration Act requirements.

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

1-2-2 Business Strategy

Facing continued international political and economic instability in 2024, E Ink is committed to meticulously understanding market changes. The Company will address challenges and seize opportunities in business, technological research and development, and operational management, taking cautious and steady steps to ensure the Company's continued growth.

Operational Aspects	Focus and Approaches
Business Development	• Consumer Electronics: The color ePaper has entered mass production. In 2024, several global brand customers will launch eReaders and eNotes featuring color technology. Additionally, larger-sized eReaders and eNotes will be introduced, driving a wave of upgrades in ePaper products. • IoT Applications: The color technology conversion of electronic shelf labels is completed. In addition to continued growth in the European market, major American supermarket chains have also begun comprehensive installation and adoption. ePaper signage is progressing toward larger sizes suitable for both indoor and outdoor environments. Ultra-low carbon color ePaper signage, meeting environmental requirements, is gaining attention and driving market growth. Demand in smart healthcare, smart logistics, and smart factories continues to expand, fostering new growth momentum.
Technology R&D	• Committed to R&D in the ePaper field, including ePaper film, color, flexible, and module technologies. The focus also extends to core areas such as wireless power supply technology, ePaper timing control chips, and product reference design development. • Actively developing environmentally friendly, low-energy ePaper technology by continuously reducing ePaper module material usage and enhancing low-energy features. This approach aims to achieve carbon reduction, energy conservation, recycling, and innovation, resulting in products with a lower carbon footprint.
Operation Management	• With the completion and commissioning of the new headquarters building in Hsinchu in the second quarter of 2024, E Ink will gain new R&D capabilities and production capacity, embodying the Company's commitment to local investment and talent cultivation. • In response to E Ink's 2040 Net Zero and 2030 RE 100 goals, efforts will include enhancing energy efficiency, reducing greenhouse gas emissions, and adopting environmentally friendly manufacturing practices. Additionally, a low-carbon supply chain will be established, incorporating ISO 20400 Sustainable procurement Guidance to strengthen green supply chain management and promote a sustainable value chain in the ePaper industry.
Future Prospects	• E Ink is dedicated to the continuous R&D and innovation of ePaper technology, expanding product applications, and collaborating with ecosystem partners to promote the positive development of the ePaper industry. Through the widespread application of ePaper, global carbon emissions can be reduced, and companies can be driven towards digital transformation. • Guided by the brand vision "We Make Surfaces Smart and Green", E Ink leverages AIoT and sustainability trends, utilizing environmentally friendly ePaper to expand the applications in smart education, smart signage, smart retail, smart transportation, and smart logistics. This enables the Company to steadily advance towards sustainable profitability and development.

1-3 Sustainable Operations

1-3-1 Sustainable Vision, Mission and Policy

Ink firmly believes that sustainable development and corporate profitability are equally important missions. In the process of corporate survival, growth, and sustainable development, "profitability" and "sustainability" are inseparable. The Company must pursue profitability to be responsible to shareholders and investors, and also pursue sustainable development to be responsible to employees, society, and the environment in which the Company operates. Therefore, E Ink has set "Profitability and Sustainability" as its strategic goal, transforming the Company's brand vision from "E Ink on Every Smart Surface" to "We Make Surfaces Smart and Green." This demonstrates the Company's commitment to advancing both profitability and sustainability, driving continuous growth and implementing sustainable development.

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.
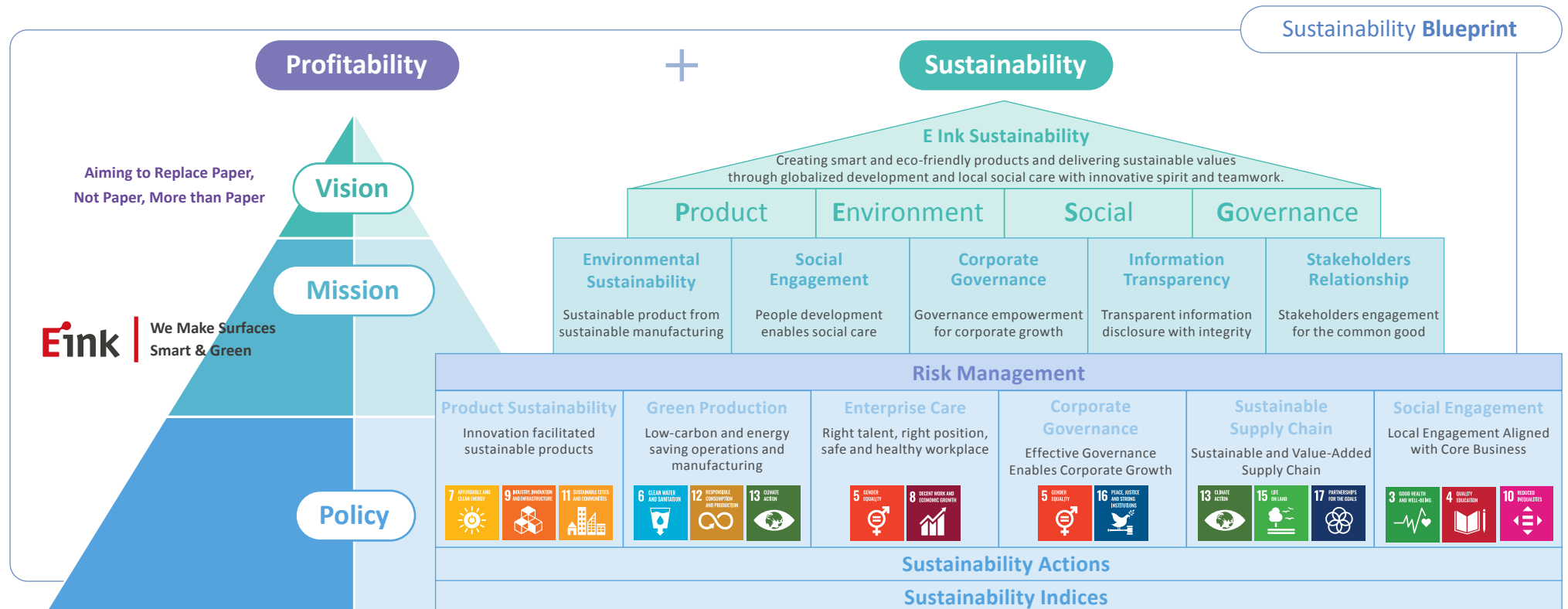
4 Scopes

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.

18 Actions
54 Indices

5 Pillars

In addition to the pillars of "Environmental Sustainability" focused on sustainable products and environmental protection, "Social Engagement" aimed at human development and social care, and "Corporate Governance" ensuring effective governance and corporate growth, the pillars of "Integrity and Transparency" for honest and responsible information disclosure, and "Stakeholder Engagement" for actively fostering harmonious relationships with stakeholders are also significant. These five pillars are fundamental to achieving corporate sustainability.

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 "Social Engagement" for core business integrated on local community service. Additionally, "Risk Management" spans across all pillars, identifying and mitigating risks to ensure successful execution of the six pillars.

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, the Company 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."

Product Sustainability
Innovation facilitated sustainable products

Product Realization & Technology Innovation
IP & Trade Secret, New Product & Technology, Development Resource, IP Management, Open Collaboration — 5

Expansion of Low Carbon Products
Sustainable Products, Green Revenue, Green Certification — 3

Green Production
Low-carbon and energy saving operations and MFG

Response to climate change
SHEE Policy, Risk & Opportunity, Internal Carbon Pricing — 3

Transformation to Net Zero
GHG, Energy & Electricity, Renewable Energy, Energy Storage, Environmental Initiatives — 5

Environmental Impact Mitigation
Environmental Management, Water Resource, Waste, Air Pollution, Manufacturing & Waste — 5

Enterprise Care
Right talent, right position, safe and healthy workplace

Facilitation of Workers' Human Right
Human Right Policy, Diversity & Equity & Inclusion — 2

Talent Attraction & Retention
Employee Compensation, Communication & Identity, Talent Retention, Employee Care, Employee Engagement — 5

Employee Development
Learning Motivation, Talent Reserve — 2

Ensuring Occupational Health & Safety
Safety Culture, Working Environment, Occupational Health — 5

Corporate Governance
Effective governance enables corporate growth

Strengthening Governance Structure
Board Structure, Corporate Governance Evaluation — 2

Risk Management Enhancement
Risk Identification, Risk Analysis, Risk Response, Risk Monitoring & Review — 4

Implementation of Ethics & Integrity
Regulation Compliance, Ethics & Integrity, Privacy, Cybersecurity — 4

Sustainable Supply Chain
Suppliers engaged sustainable supply chain

Building for Low Carbon Supply Chain
Local Procurement, Low Carbon Energy, Sustainable Collaboration — 3

Control & Mitigation Sustainable Risks
Supplier Behavior, Supply Chain Risk — 2

Advancement of Supply Chain Resilience
Sustainable Procurement, Resilience Strategy, Customer Satisfaction — 3

Social Engagement
Local Engagement Aligned with Core Business

Investing in Education & Cultural Diversity
Educational Collaboration — 1

Caring for Underserved Groups with Philanthropic Initiative
Philanthropic Initiative — 1

Caring for Ecological Restoration & Friendly Environments
Environmental conservation — 1

1-3-2 Sustainable Development and Corporate Sustainability Committee

In accordance with the sustainable development vision and blueprint, E Ink has established a functional "Sustainability Development Committee[Note1]" at the board level to strengthen governance, oversight, and the advancement of sustainability progress and performance. This committee coordinates with the operational-level "Corporate Sustainability Committee" to oversee the implementation of sustainability initiatives across various dimensions, including Product Sustainability, Green Production, Enterprise Care, Corporate Governance, Sustainable Supply Chain, Social Engagement[Note2], and 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, "Sustainable Supply Chain," "Social Engagement," and "Risk Management." Each sub-committee 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 from various departments across E Ink's global locations, including Taiwan, China, the US, Japan, and South Korea. The sustainability sub-committee holds monthly meetings to plan sustainability-related objectives and blueprints, and to confirm the progress of implementation. They report to the Chairman on a quarterly basis and to the Sustainability Development Committee every six months. Additionally, in accordance with E Ink's "Sustainability and Social Responsibility Principles," the Corporate Sustainability Committee reports to the Board of Directors every six months.

To strengthen E Ink's sustainability management and governance, the Sustainability Development Committee held a total of two meetings[Note 3] in 2023, during which seven reports and one discussion item were addressed. These included the progress of goals and indicators related to green production, product sustainability, corporate governance, sustainable supply chain, enterprise care, and social engagement, as well as the results of stakeholder engagement on relevant issues. Additionally, at four Board of Directors meetings, eight items were reported [Note 4], covering topics such as the results of greenhouse gas inventory and verification, the status of achieving sustainability development goals and indicators, the operation and outcomes of risk management policies and procedures, the Safety, Health, Environment, and Energy (SHEE) management policy, green production, product sustainability, and enterprise care, along with the results of stakeholder engagement on related issues.

Note 1: The Sustainability Development Committee is a functional committee under the Board of Directors. For more information about the Sustainability Development Committee, please refer to Chapter 2, Corporate Governance, of this report.

Note 2: The Social Engagement sub-committee was originally the Project and Stakeholder sub-committee. It was renamed in 2023 to focus on philanthropic initiatives and related projects.

Note 3: For detailed information on the operation of the Sustainability Development Committee, please refer to the Functional Committees section on the Corporate Governance page of the E Ink official website.

Note 4: For details on the reports presented by the Sustainability Development Committee to the Board of Directors, please refer to Chapter 2, Corporate Governance, of this report.

History

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 sustainability issues to corporate operations, E Ink has actively enhanced its sustainable development efforts. The "Corporate Social Responsibility Committee" has been upgraded and renamed as the "Corporate Sustainability Committee."

2022

A functional "Sustainability Development Committee" was established at the board level to strengthen governance and oversight of sustainability performance.

2023

The Sustainability Development Committee held 2 meetings, addressing a total of 8 items including reports, approvals, and discussion topics. Additionally, specific issues were presented at 3 Board of Directors meetings.

Sustainability Committee Structure
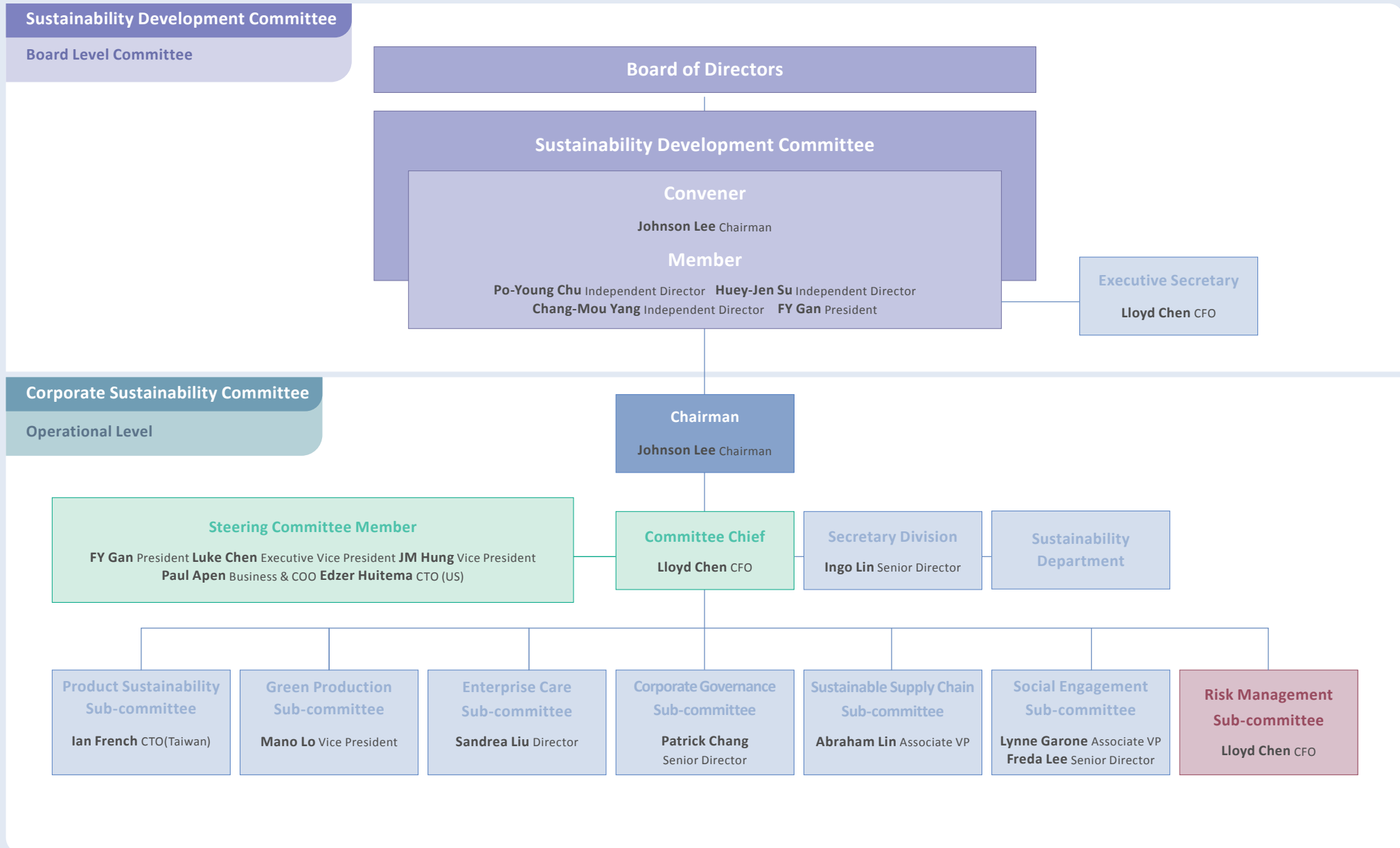
Sustainability Development Committee

Board Level Committee

Board of Directors

Sustainability Development Committee

Convener

Johnson Lee Chairman

Member

Po-Young Chu Independent Director   Huey-Jen Su Independent Director
Chang-Mou Yang Independent Director   FY Gan President

Executive Secretary

Lloyd Chen CFO

Corporate Sustainability Committee

Operational Level

Chairman

Johnson Lee Chairman

Steering Committee Member

FY Gan President **Luke Chen** Executive Vice President **JM Hung** Vice President
Paul Apen Business & COO **Edzer Huitema** CTO (US)

Committee Chief

Lloyd Chen CFO

Secretary Division

Ingo Lin Senior Director

Sustainability Department

Product Sustainability Sub-committee

Ian French CTO(Taiwan)

Green Production Sub-committee

Mano Lo Vice President

Enterprise Care Sub-committee

Sandrea Liu Director

Corporate Governance Sub-committee

Patrick Chang Senior Director

Sustainable Supply Chain Sub-committee

Abraham Lin Associate VP

Social Engagement Sub-committee

Lynne Garone Associate VP
Freda Lee Senior Director

Risk Management Sub-committee

Lloyd Chen CFO

1-3-3 Sustainable Approaches and Goals

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

Sustainability Sub-Committee	Material Topics	2023 Goals	Mid-to-Long-Term Strategy	SDGs	Chapters
Product Sustainability	• Market Expansion • Product Research, Development and Innovation • Green and Sustainable Product Development	• Continuous increase in new patents and technological breakthroughs • Maintain energy in new technologies and products, ensuring revenue contributions from new products • Sustain contributions from energy-saving products and reduce product carbon footprints • Enhance product environmental indicators and plan product life cycle analysis	Innovation for Low-Carbon Sustainable Products		3-1 Green Sustainable Products 3-2 Research, Development and Innovation 3-3 Low Carbon Sustainability
Green Production	• Climate Change Mitigation and Adaptation • Energy and Greenhouse Gas Management • Resource Management and Circular Economy	• Achieve 10% usage of renewable energy • Continuously promote energy-saving projects across sites, enhancing overall energy-saving rates • Expand Scope 3 inventory, continually reduce greenhouse gas emissions, and explore negative emissions technologies • Continuously identify climate-related risks and opportunities	Low-Carbon and Energy Saving Operations and Manufacturing		4-1 Transformation to Net Zero 4-2 Comprehensive Environmental Management System 4-3 Energy and Greenhouse Gas Management 4-5 Resource Circularity
Enterprise Care	• Talent Attraction and Retention • Occupational Health and Safety • Talent Training and Career Development	• Enhance employee skills and increase training hours • Launch employee engagement surveys and assistance programs • Plan the new Hsinchu office building to obtain EEWH and LEED green building certifications	Creating a Healthy and Safe Workplace for Employees		6-2 Talent Attraction and Retention 6-3 Development and Growth of Employees 6-4 Employee Health and Safety Protection
Corporate Governance	• Corporate Governance • Ethics and Integrity • Information and Cyber Security	• Strengthen board structure and operations, enhance risk management mechanisms, and increase transparency for investors • Continuously define stakeholder needs and enhance stakeholder communication	Effective Governance to Promote Business Growth		2-1 Integrity and Sustainable Governance 2-3 Information and Cyber Security
Sustainable Supply Chain	• Sustainable Supply Chain Management	• Continuously deepen and optimize sustainable supply chain management systems	Sustainable and Value-Added Supply Chain		5-1 Supply Chain Management
Social Engagement		• Ongoing the core projects of social engagement • Collaboration with ecosystem partners to evaluate and plan the new "eRead for the Future" mobile library project • Promote environmental conservation projects linked to core business	Local Engagement Linked to Core Business		7-1 Social Engagement Concepts 7-2 Education and Culture 7-3 Philanthropic Activities 7-4 Environmental Conservation
Risk Management		• Identify and analyze short, medium, and long-term risks and opportunities in response to external environmental changes and internal operational conditions	Comprehensive Proactive Governance of Operational Risks and Opportunities		2-2 Risk Management

Note: The short-term, medium-term, and long-term goals of each sustainability sub-committee 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 Communication Effectiveness

Stakeholder Identification

E Ink values the expectations and needs of its stakeholders. By referring to the AA1000 Stakeholder Engagement Standard (AA1000 SES) principles of "Responsibility, Influence, Tension, Diverse Perspectives, and Dependency," the Corporate Sustainability Committee convenes representatives from various departments to identify six main categories of stakeholders. These include customers, employees, supply chain, government agencies/industry associations, society (community/ media/ non-profit organizations/ educational institutions), and shareholders.

Stakeholder Engagement Effectiveness

Representatives from E Ink's various departments identify and compile the concerns of different stakeholders based on their daily interactions. This report addresses the concerns and expectations of stakeholders in different chapters, responding to the relevant issues according to the GRI standards covered. It also provides clear and comprehensive information on special topics.

Customers | **Significance to E Ink** | E Ink is committed to maintaining product quality and service, aiming to provide customers with the best solutions and explore markets together, achieving mutual growth.

Material Topics	E Ink's Responses	Communication Methods and Frequency	2023 Outcomes and Engagement Results
• Product Innovation and Development • Market Expansion • Green and Sustainable Product Development • Energy and Greenhouse Gas	• Establish sustainable product management policies focused on innovation and green products, enhancing new technologies and product development to continuously offer advanced ePaper technology. Collaborate with customers to develop environmentally and eye-friendly ePaper products. • Expand the application market of technology and products through value chain ecosystem partnerships, ensuring mutual growth with ecosystem partners. • Incorporate environmental indicators in the development of new technologies and products. Conduct comprehensive product carbon footprint inventories for ePaper products, refining new product development based on these findings.	• New product development meetings (irregular) • New technology exchange meetings (irregular) • Customer site audits (irregular) • Customer satisfaction surveys and responses (annually)	• Conducted over 2,189 meetings with domestic and international customers, covering new technology exchanges and new product developments. • Collaborated with 173 ePaper value chain ecosystem partners, achieving over 130 new technology applications and product developments, and developed more than 20 product technologies with sustainable design concepts. • Integrated the benefits of renewable energy to calculate the carbon footprints of the "6.8-inch eReader module" and the "2.9-inch ePaper label module." As a result, compared to 2021, the carbon footprint was reduced by 29% in the eReader module and 12% in the ESL module.

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Employees

Significance to E Ink — Employees are significant assets for E Ink's ongoing innovation and progress. Establishing good labor relations is essential for creating sustained value.

Material Topics	E Ink's Responses	Communication Methods and Frequency	2023 Outcomes and Engagement Results
• Talent Attraction and Retention • Talent Training and Career Development • Occupational Safety and Health	• Comprehensive salary and benefits policies providing industry-competitive compensation along with diverse and comprehensive healthcare and support to assist employees in balancing work and life. • Extensive and systematic training programs based on job level and responsibilities, covering core, management, and professional competencies. Established the Acceleration Program of Potential Leaders (APPLE) to cultivate talent for the ePaper industry. • Implementation of occupational safety policies, management systems, and stringent monitoring of safety conditions across all sites and offices to exceed regulatory requirements and reduce employee exposure to hazardous environments.	• Employee dialogue meetings (annually) • Employee engagement surveys (annually) • Investigation of unlawful infringement (every three years) • Labor-management meetings (quarterly) • Employee welfare committee/ union meetings (quarterly) • Employee suggestion boxes (irregular) • Employee training (irregular) • Performance evaluations (annually) • Internal communications and announcements (irregular)	• For nine consecutive years, salary increases have been implemented, ranking first in average employee salary among listed optoelectronics companies with over 500 employees. • Continued labor-management meeting to foster relations, including four labor-management meetings (Taiwan sites), achieving 100% employee feedback, four employee welfare meetings (Taiwan sites), and 8 global employee dialogue meeting. • Global employee engagement survey average score of 80.7, with nine improvement action plans defined across three main operational areas. Received zero suggestions for lifestyle improvements and addressed one employee grievance. • Conducted 52 core competency training sessions, 516 management competency training sessions, and 2,788 professional competency training sessions. • The overall retention rate of the APPLE program reached 100%, with a promotion rate of 31% for reserve department heads and 24% for reserve managers.

Supply Chain

Significance to E Ink — Suppliers and contractors in the supply chain are crucial partners for E Ink. Through continuous management and interaction, we aim to build a more sustainable value chain.

Material Topics	E Ink's Responses	Communication Methods and Frequency	2023 Outcomes and Engagement Results
• Sustainable Supply Chain Management • Corporate Governance • Ethics and Integrity • Occupational Health and Safety • Climate Change Mitigation and Adaptation	• Established a "Supply Chain Management Policy" incorporating ESG elements into procurement policies to enhance sustainable supply chain management performance. • Beyond raising internal awareness of ethical business practices, E Ink reviews procurement contracts with integrity and fairness. Suppliers are audited annually following the "Qualified Supplier Regular Evaluation Method," covering ESG aspects. • New product introduction meetings with customers include discussions on green, environmentally friendly materials and equipment to explore feasibility. • Through training, E Ink encourages suppliers to jointly achieve the 2040 net-zero carbon target.	• Supplier visits (irregular) • Quarterly Business Review (QBR) and Quarterly Technical Review (QTR) project meetings (annually) • Supplier support and audits (annually) • Quality meetings (weekly) • Supplier training (irregular) • Supplier surveys (irregular)	• 100% of new suppliers signed the Supplier Code of Conduct. • Approximately two to three suppliers visit the Taiwan and Yangzhou sites monthly for business visits or work meetings. • Held nine QBR/QTR meetings • Conducted monthly audits and visits for three suppliers, audited the quality systems of eight new suppliers, and audited the quality processes of 22 existing key material suppliers. • Held weekly quality meetings with ten key material suppliers. • Arranged on-site personnel from three suppliers to the Yangzhou sites to address raw material issues. Completed ESG training for 67 significant suppliers.

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Government Agencies/Industry Associations

Significance to E Ink — E Ink continuously engages with industry peers and associations to promote industry development. E Ink strictly complies with government regulations and policies, actively cooperating with and promoting policies to fulfill its corporate social responsibility.

Material Topics	E Ink's Responses	Communication Methods and Frequency	2023 Outcomes and Engagement Results
• Corporate Governance • Ethics and Integrity • Energy and Greenhouse Gas Management • Green and Sustainable Product Development • Occupational Health and Safety • Information Security Management • Resource Management and Circular Economy • Climate Change Mitigation and Adaptation	• Timely response to government agencies and industry associations on industrial regulations, environmental protection, pollution prevention, and greenhouse gas policies. • Actively participate in industry-related associations and promote inter-industry exchanges, including but not limited to carbon reduction and net zero topics. For example, participating in the Taiwan Panel & Solution Association (TPSA) Occupational Safety and Environmental Protection Committee to draft carbon fee levies and rates, carbon trading issues, and provide recommendations to regulatory authorities. Collaborate with the Industrial Development Administration Ministry of Economic Affairs, to execute the "Panel Industry Carbon Reduction Promotion and Guidance Application Plan." • Strengthen employees' awareness of anti-corruption, antitrust, and anti-insider trading through systematic ethics-related education and advocacy, strictly complying with relevant laws and regulations to become a trusted enterprise among external stakeholders. • Conduct research and enhancements on information security issues.	• Official correspondence (irregular) • Market Observation Post System (upload/disclose related content as required) • Participation in government regulatory advocacy, including pollution prevention and regulatory briefings (at least twice a year) • Greenhouse gas reporting (annually) • Collection of information from government websites (quarterly) • Project meetings, including but not limited to consultations with regulatory authorities or industry associations on relevant policies (as per project schedule) • Government routine and special audit (irregular)	• Participated in over 24 regulatory advocacy briefings organized by government agencies. • Underwent nine on-site occupational safety and environmental protection inspections by the government, with no major violations. • Attended six TPSA Occupational Safety and Environmental Protection Committee meetings. • Participated in over 12 industry association meetings on occupational safety and environmental protection (Taiwan sites). • Participate in multiple seminars and forums organized by the Chinese Software Association, Computer Audit Association, and others to stay updated on the latest information security issues.

Society (Community/ Media/ Non-Profit Organizations/ Educational Institutions)

Significance to E Ink — E Ink continues to care for local communities, underserved groups, and schools, demonstrating corporate responsibility and making positive contributions to society. In addition, E Ink strives for information transparency through active responses to the public.

Material Topics	E Ink's Responses	Communication Methods and Frequency	2023 Outcomes and Engagement Results
• Talent Attraction and Retention • Talent Training Development of Green and Sustainable Products	• Actively cultivating the employer brand, enhancing E Ink's image among young students, and providing equal employment and development opportunities for every candidate. • Bridging industry and academia through cooperative projects to develop a talent pool.	• Campus recruitment activities (irregular) • Industry-academia cooperation projects (irregular)	• Held three campus recruitment activities. • HR Asia Best Companies to Work for In Asia for the third consecutive year. • Engaged in industry-academia cooperation with five universities, both domestically and internationally.
• Product Research and Development Innovation • Market Expansion • Green and Sustainable Product Development • Corporate Governance	• Publishing the latest news on ePaper technology and applications, corporate performance, through press releases, media events, and interviews, responding promptly and actively to media requests to enhance external stakeholders' understanding of E Ink.	• Press releases, media interviews, and media events (irregular) • Timely response to media needs (irregular)	• Released 46 press releases and conducted 15 media interviews. • Held a media events, including 4 press conferences, 4 earnings calls, and one shareholder meeting media interview.

Shareholders

Significance to E Ink — E Ink values opinions from shareholders and considers these insights an important reference for the Company's continuous improvement.

Material Topics	E Ink's Responses	Communication Methods and Frequency	2023 Outcomes and Engagement Results
• Product Research and Innovation • Market Expansion • Talent Attraction and Retention	• The Company interacts with shareholders through multiple channels, listens to their suggestions for future strategic development, and maintains transparency on its official website and public information platforms. These include financial reports, annual reports, new technologies, and customer collaborations.	• Shareholders' meeting (annually) • Quarterly investor conferences (quarterly) • Investor interviews, meetings, and forums (irregular) • Real-time responses to shareholder inquiries (irregular)	• Held one shareholder meeting with an attendance rate of 86.5% of all issued shares. • Legally issued 58 significant announcements. • Held 4 corporate briefings and participated in 70 corporate briefings upon invitation, providing financial and business information to investors through physical meeting or conference calls.

1-4-2 Material Topics Identification Process

Material Topics Identification Process

Based on the stakeholder identification results, E Ink follows the principles of GRI 3 and double materiality analysis to plan the re-identification of material topics every three years. Additionally, the Company conducts an annual review to assess the impact of its operations on the environment, society (including human rights), and governance (ESG). This includes evaluating the financial and non-financial impacts of sustainability issues on business operations and considering stakeholder concerns and feedback. Based on this analysis, E Ink sets corresponding short, medium, and long-term sustainability goals, which are linked to senior management remuneration to ensure effective implementation of these goals.

Note: For detailed policies on senior management remuneration, please refer to Chapter 2 on remuneration policies; for sustainability indicators linked to senior management remuneration, please refer to Appendix I.

Step 1
Identification of Sustainability Issues

25 Sustainability Issues

By referencing both domestic and international industry issues, global sustainability frameworks, evaluations, and initiatives such as MSCI, S&P Global Corporate Sustainability Assessment (CSA), SASB, and Task Force on Climate-related Financial Disclosures (TCFD), along with grievance mechanisms and internal departmental feedback, E Ink identified 91 impact factors encompassing both positive and negative effects on the Company. These factors were subsequently categorized into 27 sustainability issues. In 2023, after evaluation, the "Risk Management and Response" topic from the previous year was removed, and the "Greenhouse Gas Management" topic was merged with the Material Topic "Energy Management," resulting in 25 sustainability issues.

Step 2
Evaluation of Sustainability Issues

181 Questionnaires

E Ink authorized responsible departments to distribute online questionnaires to internal and external stakeholders. Based on "Stakeholder Concern Levels" and "Company Impact on Sustainability Issues," high, medium, and low-intensity analyses were conducted to identify their importance. A total of 181 questionnaires were collected, including 173 from internal or external stakeholders and 8 from senior management. Moreover, through the double materiality analysis approach, assessing the financial impact and likelihood of occurrence of sustainability issues, E Ink used this data as a basis for adjusting the material topics to refine its potential impact assessments.

Step 3
Identification and Prioritization of Material Topics

13 Material Topics

E Ink, through expert consultations, internal meetings of the Sustainability Management Department, and the Risk Management Group, re-evaluates the items and impact levels of the previous year's material topics and secondary topics. This evaluation considers the interrelationship between corporate risk issues and sustainability topics, as well as incidents of penalties. Consequently, the assessment of material topics is integrated into the enterprise risk management (ERM) process, with subsequent prioritization displayed in a materiality matrix. In 2023, E Ink identified a total of 13 material topics, 11 secondary topics, and 1 tracking topic, which were disclosed and reported following final approval by the Board of Directors.

Step 4
Disclosure and Reporting of Material Topics

Continuous Communication and Response

The 13 material topics will be disclosed in this report in accordance with the recommendations of the GRI Standards. The 11 secondary topics will be continuously monitored for their impact by the Corporate Sustainability Committee, with progress explained through short, medium, and long-term goals. All information is comprehensively disclosed in this report to meet stakeholder expectations. Going forward, the Company will continue to review the significance of various sustainability issues and adjust the material topics as necessary based on valuable stakeholder feedback, ensuring the transparency, reasonableness, and balance of the report's disclosures.

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E Ink's Material Topics Matrix

● Economic Governance Aspect   ■ Environmental Aspect   ▲ Social Aspect

Company Impact on Sustainability Issues (vertical axis)

● Market Expansion

● Product Research, Development and Innovation
▲ Talent Attraction and Retention

● Operational Performance and Financial Results

▲ Talent Training and Career Development
■ Resource Management and Circular Economy
● Information Security Management

● Green and Sustainable Product Development
● Corporate Governance
● Integrity Management
▲ Occupational Health and Safety
● Sustainable Supply Chain Management
■ Energy and Greenhouse Gas Management
■ Climate Change Mitigation and Adaptation

13 Material Topics

▲ Promotion and Communication of Labor Relations
● Business Partner Management

● Regulatory Compliance
▲ Product Quality and Responsibility

11 Secondary Topics

■ Biodiversity
■ Air Pollution Management
● Tax Transparency

● Brand Management
▲ Human Rights

■ Water Resource Management

▲ Social Engagement and Care

1 Tracking Topics

Low — Medium — High

Stakeholder Concern Levels

Note: Topics are identified as material if both stakeholder concern levels and corporate impact levels are ≥ 0.6 (moderate to high intensity). Topics with levels ≥ 0.2 (low intensity) are considered secondary topics and will be continuously monitored and explained.

Material Topics Impact Assessment and Value Chain Mapping

✚ Positive Impact ━ Negative Impact ● Causing ➡ Contributing ▲ Being Directly Linked to Negative Impacts

Aspect	Material Topic	Impact Description	Corporate		Value Chain Impact			GRI Standards	Chapter	Material Topic Change
			Operational Financial Impact	Risk Classification	Upstream	Opera-tions	Downst-ream			
Economic Governance	Product Research, Development and Innovation	Continuously optimize product functions and technologies to enhance competitiveness. ✚ Technology and product innovation ━ Intellectual property infringement	High	Extremely High		●		Custom Topic	3-2 Research, Development and Innovation	Maintained
	Market Expansion	Strategically plan product development to capture market revenue. ✚ Increased revenue ━ Increased uncertainty	Medium	Extremely High		●	▲	Custom Topic	3-1-3 Expanding ePaper Applications	Maintained
	Green and Sustainable Product Development	Develop energy-saving and carbon-reducing ePaper products to protect consumer health. ✚ Enhanced product environmental benefits ━ Increased costs	Medium	High	➡	●	▲	Custom Topic	3-3 Low-Carbon Sustainability	Maintained
	Integrity Management	Establish and adhere to codes of ethics, internal controls, insider trading, IP management, personal data protection, and prohibit corruption and anti-competitive behavior. ━ Damage to corporate reputation	Medium	Low		●		205 Anti-corruption 206 Anti-competitive Behavior	2-1-2 Integrity Management	Maintained
	Sustainable Supply Chain Management	Integrate sustainability elements into supply chain management to ensure compliance with environmental and human rights standards. ✚ Stable supply ━ Insufficient supply chain management	Medium	High	➡	●		308 Supplier Environmental Assessment 414 Supplier Social Assessment	2-1-2 Integrity Management 5-1 Supply Chain Management	Maintained
	Information Security Management	Implement information security management systems to protect personal and company confidential data. ━ Leakage of confidential information	High	Extremely High	➡	●	➡	Custom Topic	2-3 Information and Cyber Security	Maintained
	Corporate Governance	Ensure transparent and robust board governance to enhance business ethics and operational stability. ✚ Enhanced corporate operations ━ Inadequate internal control	Medium	Low		●		Custom Topic	2-1-1 Board and Functional Committees	Maintained
Environmental	Energy and Greenhouse Gas Management	Comprehensive GHG inventory and actively engage in carbon reduction measures to improve energy efficiency and transition to low carbon. ✚ Diversified energy usage ━ Resource consumption	Low	Low		●	➡	302 Energy 305 Emissions	4-3 Energy and Greenhouse Gas Management	Merged with "Greenhouse Gas Management"
	Climate Change Mitigation and Adaptation	Actively engage in climate governance and develop mitigation and adaptation strategies to strengthen corporate resilience. ━ Failure in mitigation and adaptation actions	Medium	High		●	➡	201-2 Financial implications and other risks and opportunities due to climate change	4-1 Transformation to Net Zero	Maintained
	Resource Management and Circular Economy	Actively manage process waste and integrate circular economy concepts in product design to enhance resource efficiency. ✚ Resource reutilization ━ Waste disposal	Medium	Low		●	➡	306 Waste	4-5 Resource Circulation	Maintained
Social	Talent Attraction and Retention	Attract professional talent and enhance overall compensation and benefits. ✚ Balanced talent retention ━ Talent loss and gap	Medium	Extremely High		●		401 Employment	6-2 Talent Attraction and Retention	Maintained
	Occupational Health and Safety	Ensure the health and safety of employees and non-employees, creating a safe and healthy workplace. ━ Increase in occupational hazards	Low	Low		●		403 Occupational Health and Safety	6-4 Employee Health and Safety Protection	Maintained
	Talent Training and Career Development	Focus on diverse talent development and performance, arranging training at various stages and performance evaluations. ✚ Enhanced human capital ━ Decline in employee skills and satisfaction	Medium	Extremely High		●		404 Training and Education	6-3 Development and Growth of Employees	Upgraded from secondary topic to material topic

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

Note 2: "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.

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Explanation of Disclosure for Secondary Topics

In 2023, after evaluating the relevance of various topics to operational risks, penalty incidents, and consulting expert meetings, E Ink selected 11 secondary topics for continuous monitoring and partial disclosure in the report. Among these, "Risk Management and Response" from the previous year was removed; "Social Engagement and Community Involvement" was downgraded to a tracking issue; "Greenhouse Gas Management" was merged with the material topic "Energy Management"; "Tax" was renamed "Tax Transparency"; and "Employee Training and Career Development" was upgraded to a material topic.

Secondary Topics	Impact Description	Chapter	Material Topic Change
Regulatory Compliance	Adhering to regulatory compliance as a fundamental principle, disclosing major penalties related to environmental, product, and labor regulations and providing responses.	1-2-1 Business Performance	Maintained
Product Quality and Responsibility	Providing high-quality products and services, obtaining product quality and customer audit certifications.	5-2 Commitment to Quality	Maintained
Operational Performance and Financial Results	Annual operational results, financial data, and market forecasts.	1-2-1 Business Performance	Maintained
Business Partner Management	Actively collaborating with upstream and downstream partners to establish the ePaper industry ecosystem.	3-1-4 ePaper Ecosystem	Maintained
Brand Management	Continuously investing in brand and image management activities to enhance stakeholder understanding and support.	Chapter 7 Social Engagement: Integrating Core Business into Local Care	Maintained
Water Resource Management	Managing water resource consumption, promoting water-saving initiatives and water quality management.	4-4-1 Water Resource Management	Maintained
Air Pollution Management	Managing the production process to control the emission of hazardous substances like volatile organic compounds (VOCs).	4-4-2 Air Pollution Prevention	Maintained
Biodiversity	Commitment to and targets for biodiversity, reducing impacts related to products and operational activities.	2-2-3 Nature and Climate-related Financial Disclosures 7-4 Environmental Conservation	Maintained
Human Rights	Establishing human rights policies, conducting regular human rights due diligence.	6-2-1 Respect for Human Rights	Maintained
Promotion and Communication of Labor-Management Relations	Promoting harmonious labor-management relations, establishing smooth communication channels and providing effective responses.	6-2-2 Labor-Management Relations and Communication	Maintained
Tax Transparency	Tax management, transparency, and communication with stakeholders.	1-2-1 Business Performance	Renamed

02 Corporate Governance

Effective Governance for Business Growth

Performance Achievements

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

Independent Directors	Female Director	average age
3 seats	**2** seats	**60.7**

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

Zero incident of significant information security breaches or virus incidents caused any impact or loss to production operations.

Ranked in the top **5**% of the 10th Corporate Governance Evaluation of OTC companies.

2-0 Management Approach of Sustainable Topics

Strong corporate governance structure

Corporate Governance ● Material Topics

GRI Sustainability Topics
3-3 Management of material topics

Policy Commitments
Adhering to the spirit of corporate governance practices and ensuring their implementation, we maintain operational and informational transparency, emphasizing the rights and interests of stakeholders.

Sustainability KPIs	Management Objectives	▶Short-term Goals (2023)	▶Result (2023)	▶Short-term Goals (2024)	▶Mid-term Goals (2025)	▶Long-term Goals (2030)
Board Structure	Policy Implementation			Clearly defines management objectives and implementation status regarding director diversity policies		
	The Proportion of Independent Directors[1]	40%	Surpass, reached 43%	40%[2]	40%	50%
	The Proportion of Female Directors[3]	20%	Surpass, reached 29%	29%[4]	29%	40%
Corporate Governance Evaluation	Corporate Governance Evaluation	Ranked in the top 5%	Achieved		Ranked in the top 5%	

Note 1: Independent Director Ratio: The percentage of independent directors in relation to the total number of board seats.
Note 2: The target for the Independent Director Ratio is 40%, which was achieved ahead of schedule during the 12th Board election.
Note 3: Female Director Ratio: The percentage of female directors in relation to the total number of board seats.
Note 4: The target for the Female Director Ratio is 29%, which was achieved ahead of schedule during the 12th Board election.

Implementing Business Integrity

Ethics and Integrity ● Material Topics

GRI Sustainability Topics
2205-1 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 understands the critical importance of integrity in business operations and adheres firmly to these principles. This includes the establishment and adherence to codes of professional ethics, internal controls, insider trading regulations, intellectual property management, and personal data protection. Furthermore, the company strictly prohibits corruption and anti-competitive behavior.

Sustainability KPIs	Management Objectives	▶Short-term Goals (2023)	▶Result (2023))	▶Short-term Goals (2024)	▶Mid-term Goals (2025)	▶Long-term Goals (2030)
Ethics and integrity	Number of Incidents of Ethics and Integrity Compliance	0 incidents	Not achieved, one incident[5]		0 incidents	
	Ethics and integrity awareness cultivation -Completion rate for New Employee Training Programs and Coverage of Training	100%	Achieved		100%	
Privacy	Policy Implementation	Establishment of a group privacy policy for the overall data utilization and collection	Achieved	Establishment of a group privacy policy for the overall data utilization and collection	Conducting regular compliance reviews	
	Privacy Protection - Annual Privacy Violation Cases	0 incidents	Achieved		0 incidents	

Note5: In 2023, E Ink received one report through the public whistleblowing channel. After investigating the relevant facts, it was found that there might be a violation of E Ink's Code of Integrity. For details, please refer to section 2-1-2 Ethics and Integrity

Intensifying the Operation of Risk Management

Risk Management and Response ◎Secondary Topics

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Result (2023)	▶ Short-term Goals (2024)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
Risk Identification	Risk Identification	Regularly identify and adjust and add new risk items according to international trends and industry changes, including emerging risk	Achieved	Regularly identify and adjust and add new risk items according to international trends and industry changes, including emerging risk		
	Fostering Risk Management Awareness-Coverage Of Education And Training On Risk Courses	**100%**	Achieved	**100%**		
Risk Analysis	Risk Analysis	Evaluating the likelihood of risk items and operational impacts using a risk matrix	Achieved	Evaluating the likelihood of risk items and operational impacts using a risk matrix		
Risk Management	Risk Management	Establishing crisis management and business continuity plans	Achieved	Establishing crisis management and business continuity plans		
		Executing major crisis event response and drills		Executing major crisis event response and drills		
		Reducing the proportion of high-risk items		Reducing the proportion of high-risk items		
Risk Monitoring and Review	Risk Monitoring and Review	Summarizing the key points of risk management, risk assessments, and risk mitigation measures, and reporting to the Board of Directors twice a year	Achieved	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

Information and Cyber Security ◉Material Topics

GRI Sustainability Topics
Custom topics

Policy Commitments
To maintain the high availability of the company's information systems and ensure the security of the information environment, as well as to protect the company's trade secrets and prevent the improper use, leakage, alteration, or destruction of information systems and their data. These efforts aim to sustain the company's competitive advantage, gain the trust of customers, and ultimately achieve the primary goal of sustainable business operations.

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Result (2023)	▶ Short-term Goals (2024)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
Information and Cyber Security	Information and Cyber Security	Accomplishing regular review of ISO/IEC 27001:2013 in Taiwan	Achieved	Transferring to ISO/IEC 27001:2022 in Taiwan	Passing ISO/IEC 27001:2022 verification in Taiwan	
	Information and Cyber Security Risks				Insuring cyber insurance in Taiwan	

Compliance with Laws and Regulations ◎Secondary Topics

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Result (2023)	▶ Short-term Goals (2024)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
Compliance with Laws and Regulations	Compliance with laws and regulations- Number of Incident of Significant Violation Annually [Note]	**0** incidents	Achieved	**0** incidents		
	Human Rights Protection - Number of Incident of Human Rights Policy (Employee Aspect) Violations Annually	**0** incidents	Achieved	**0** incidents		

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

2-1 Business Integrity and Sustainable Governance

2-1-1 Board of Directors and Functional Committees

Remuneration Committee — Audit Office — Legal Div. — IT Div. — HR Central Div. — Public Relations Div.

Board of Directors

Audit Committee — Sustainability Development Committee — Corporate Strategy Committee — Finance Center

Chairman Office

President Office

Business Center: Electronic Central Div., eReader BU, North America, Product Marketing Div., Module Central Div., eNote BU, Netherlands, Business Process Improvement Div., Waveform Central Div., Retail BU, Tokyo, Innovation Products Dept., IoT BU, Shenzhen, Seoul

Operation Center: Asia (Linkou, Hsinchu, Yangzhou), North America (South Hadley)

Research & Development Center: Asia (Linkou, Hsinchu, Yangzhou, Tokyo), North America (Billerica, Fremont)

Overview of Organizational Structure

Department	Function Units	Responsibility and Scope of Work
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	• 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 and Operation Center	• 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	eReder BU, eNote BU, Retail BU, IoT(Internet of Things, IoT) BU, Global Sales Center, Product Marketing Division, Business Process Improvement Division, Electronic Central Division, Module Central Division, Waveform Central Division and Innovation Products Dept.	• Responsible for strategic planning and management of global business and product • Product Development- IC design, driving waveforms, panel development, touch/front light design, module processes, system development and application development • Planning and execution of new products, new applications, new markets, new business models, and ecosystem establishment
Operation Center	Operation Center based in Asia and North America	• 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, North America and five laboratories	• 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 Affair Department	• Accounting bookkeeping and control • Capital management and project investment analysis • Sustainable operations management • Planning and execution of public affairs

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 on June 29th, 2023, comprising a total of seven seats, including three independent directors and one female director. The average age of the board members is 60.7 years old. The current director's term of office is three years, which began on June 29th, and will end on June 28th, 2026. The board will be reelected at the end of the term in 2026.

E Ink has established a policy for board member diversity, in accordance with the "Corporate

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

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

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 2024, 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 criteria are included but not limited.

In addition, E Ink's operational scope encompasses display technology, electronic products, electronic materials, chemicalmanufacturing, and operational strategies. Therefore, in accordance with E Ink's operational needs, individuals withexpertise 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.

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 of seats	7	3	3	2
Proportion in the total number of board members	100%	43%[Note3]	43%	29%[Note4]
Diversity Policy	1. The basic requirements and values are achieved. 2. All the directors have adequate experience and professional knowledge in relevant fields.			
Consecutive Tenure of Independent Directors	Independent director cannot serve more than three consecutive terms.			
Average Tenure of All Directors (As of January 23, 2024)	4.4 years			

Note 1: 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.

Note 2: For more details about the directors' compliance with the independence criteria, please refer to 2023 Annual Report.

Note 3: On June 29, 2023, E Ink elected the twelfth board of directors, comprising a total of 7 seats. Independent directors hold 3 of these seats, accounting for 43% of the total board seats, calculated as 3/7 = 43%.

Note 4: On June 29, 2023, E Ink elected the twelfth board of directors, comprising a total of 7 seats. Female directors hold 2 of these seats, accounting for 29% of the total board seats, calculated as 2/7 = 29%.

Title	Name	Functional Committee Oversight and Governance Responsibilities	Professional Knowledge and Skills							Industry Experience Categorized by GICS Level 1[Note2]
			Leadership Decision	Business and Operations Management	Industry Experience	Financial Management	Risk Management	Sustainability Governance	Information Management and Cyber Security	
Chairman	Johnson Lee	Convener of Sustainability Development Committee. Governance of risk management, information and cyber security, and the natural environment	V	V	V	V	V	V	V	GICS 45 Information Technology
Director	FY Gan	Governance of climate change, human rights, occupational safety and health, and sustainable supply chain	V	V	V	–	V	V	V	GICS 45 Information Technology
Director	Luke Chen	-	V	V	V	–	–	V	–	GICS 45 Information Technology
Director	Sylvia Cheng	-	V	V	–	V	V	–	–	GICS 50 Communication Services
Independent Director	Po-Yong Chu	Convener of the Audit Committee Member of Remuneration Committee and Sustainability Committee	V	V	V	V	–	V	–	GICS 20 Industrials
Independent Director	Huey-Jen Su	Convener of Remuneration Committee Member of Audit Committee and Sustainability Committee	V	V	V	V	V	V	–	GICS 35 Health Care
Independent Director	Chang-Mou Yang	Member of Audit Committee, Remuneration and Sustainability Committee	V	V	V	–	V	V	–	GICS 45 Information Technology

Note 1: The experience includes work experience, management roles, academic achievements, consulting experience, and conducting relevant research. Information on the independence of directors, please refer to E Ink Website - Board of Directors or 2023 Annual Report.
Note 2: The industry experience of directors is assessed based on the first-tier classification of the Global Industry Classification Standard (GICS). The industry definitions reference the classification standards available on the S&P GICS website.

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 2023, there were a total of 6 board meetings, 5 Audit Committee meetings, and 4 Compensation Committee/ Remuneration Committee meetings and 2 Sustainability Committee meetings. The average attendance rate of directors in the board meetings for the year 2023 was 100%[Note 2]. There were 41 important decisions made in the 6 board meetings in 2023, 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 2023 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%

Sustainability Related Motion Reported to the Board of Directors in 2023[Note]			
Board of Directors meeting session		Acknowledgement, Discussion, and Election Motions	Execution status
May 5, 2023	18th meeting of the 11th Board of Directors	Report the Greenhouse Gas Inventory and Verification Plan for E Ink and its subsidiary	Has been complied
		Report on Sustainability Goals, KPIs, and Achievements	Has been complied
		Report on the "Risk Management Policy and Procedures" operating status and results	Has been complied
		Report on " Safety, Health, Environment, and Energy Management Policy" (Including Environmental Safety and Health, Climate Change, Water Resources, Waste, and Energy Management Policies)	Has been complied
Jun 29, 2023	1th meeting of the 12th Board of Directors	Propose to appointment of the second members of the Sustainability Development Committee of E Ink	Has been complied
Nov 3, 2023	3th meeting of the 12th Board of Directors	Report on Sustainability Goals, KPIs, and Achievements in Green Manufacturing, Product Sustainability, and Corporate Social Responsibility	Has been complied
		Report on the "Risk Management Policy and Procedures" operating status and results	Has been complied
		Report on Stakeholders, Concerned Issues, and Communication and Response Outcomes	Has been complied
Dec 7, 2023	4th meeting of the 12th Board of Directors	Report on the execution status of conduction of business integrity management for E Ink in 2023	Has been complied

Note: The above is an excerpt of sustainability related motion report to the Board of Directors in 2023. For a comprehensive list of the key decisions made by the Board of Directors in 2023, please refer to the please refer to "Operation of the Board of Director Meetings" in the 2023 Annual Report.

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 reagarding to conflicts of interest in 2023 are as follows (for more detailed information, please refer to the 2023 Annual Report):
- Board of Directors: There were four occurrences of this situation in four meetings of the Boards.
- Audit Committee: None.

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. The results of the 2023 internal performance evaluation of the Board of Directors and functional committees are listed as follows:

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 2023, each director exceeded 6 hours[Note] of continuing education, with a total of 81 hours of continuing education. For more details about CPE of the Board please refer to the 2023 Annual Report.

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.

Implementation Rate of Continuing Education of Board Members

100%

Scope	Evaluation Dimensions			Scores (Total Score 100)
Board of Directors	• Involvement and suggestion in company operations • Improvement the quality of decision-making of Board of Directors	• Composition and Structure of Board • Selection and Continuing Education of Directors	• Internal Controls	97.2/100
Board Members	• Understanding of company goals and mission • Awareness of Director Responsibilities	• Involvement and Suggestion in Company Operations • Management of Internal Relationships and Communication	• Professionalism and Continuing Education of Directors • Internal Controls	98.5/100
Audit Committee	• Involvement and suggestion in company operations • Awareness of the roles and responsibilities of Audit Committee	• Improvement the quality of decision-making of Audit Committee • Audit Committee Composition and Member Selection	• Internal Controls	99.0/100
Remuneration Committee	• Involvement and suggestion in company operations • Awareness of the roles and responsibilities of Remuneration Committee	• Improvement the quality of decision-making of Remuneration Committee • Remuneration Committee Composition and Member Selection		99.5/100
Sustainability Development Committee	• Involvement and suggestion in company operations • Awareness of the roles and responsibilities of Sustainability Development Committee	• Improvement the quality of decision-making of Sustainability Development Committee • Sustainability Development Committee Composition and Member Selection		98.9/100

Functional Committees

Functional Committees	Responsibility	Practices in 2023
Audit Committee	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 term of the third committee members ended on June 29, 2023 • New members for the fourth committee were appointed, with a term of 3 years, on June 29, 2023. • A total of 5 meetings were held in 2023, with an average attendance rate of 100% by the Audit Committee. For more details, please refer to the 2023 Annual Report.
Remuneration Committee	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 term of the fourth committee members ended on June 29, 2023, and new fifth committee members were appointed on the same day. • A total of 4 meetings were held in 2023, with an average attendance rate of 100% by the Remuneration Committee. For more details, please refer to the 2023 Annual Report.
Sustainability Development Committee	The Sustainability Development Committee governs and oversees the effectiveness of sustainability initiatives. Its scope of work includes the development of environmentally friendly products, green and eco-friendly production, climate change response, employee development and occupational safety and health, corporate governance and integrity management, sustainable supply chain development, stakeholder communication and social engagement, and the management of operational risks and opportunities. The Sustainability Development Committee, under the Board of Directors, connects with the existing operational-level "Corporate Sustainability Committee" to oversee the sustainability efforts and implementation of various sub-committees, including Product Sustainability, Green Manufacturing, Enterprise Care, Corporate Governance, Sustainable Supply Chain, Social Engagement, and Risk Management[Note].	• The term of the first committee members ended on June 29, 2023. • New members for the second committee were appointed on June 29, 2023. • A total of 2 meetings were held in 2023, with an average attendance rate of 100% by the Sustainability Development Committee. For more details, please refer to the 2023 Annual Report.

Note: About the operation of Sustainability Development Committee, please refer to <u>Chapter 1-3 Sustainability Development</u> of this report.
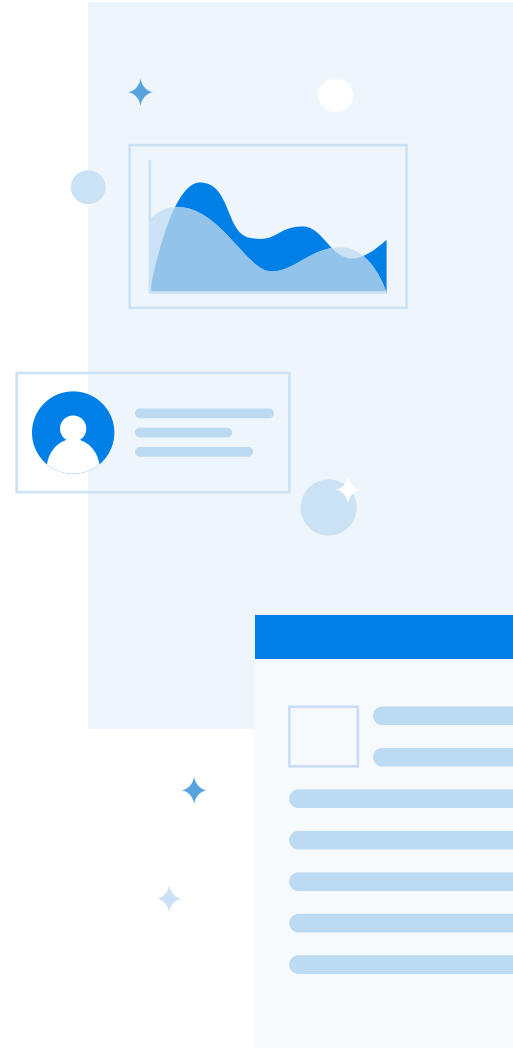
Remuneration Policy

Senior Executive Remuneration Policy

E Ink's remuneration policy of senior executives, including the Chairman, CEO, President, and Vice Presidents, is highly linked to the operational performance and sustainability indicators of the company. The performance and the relevant remuneration, including salary, bonuses, profit sharing, short-term and long-term incentives, will all be reviewed by the Remuneration Committee before they are submitted to the Board of Directors for approval.

In addition to the monthly "guaranteed compensation", the "variable compensation" is evaluated and decided in accordance with the performance results of organization goals. The Remuneration Committee will evaluate and prescribe the remuneration recommendations by adopting the performance oriented compensation tools firstly, including profit sharing and the deferred retention bonuses, in every year end. In 2023, variable compensation for senior executives accounted for over 60% of their total compensation; more than 30% of this variable compensation was in the form of deferred bonuses or shares to be paid out over the next 1-2 years.

Guaranteed Compensation	The guaranteed compensation of our senior executives is evaluated based on the position held, the scope of responsibilities, their contribution to the company's operational goals, and the assessment takes into account the company's annual performance, future risk exposure, and the typical pay levels adopted by the peer companies for the similar positions.
Variable Compensation	With respect to our variable compensation, it shall take into consideration the competitiveness of total compensation in the industry and the effect of motivation among different incentive tools. The variable compensation is determined by the correlation between the organization goals and both performance of the organization and the senior executive. The performance indicators include: • Financial metrics such as revenue, operating profit, earnings per share (EPS), return on equity (ROE%), and total shareholder return (TSR%). • Sustainability metrics related to climate change, such as greenhouse gas emissions reduction and energy productivity, as well as other metrics reflecting the practice of sustainable development. • Risk Management: Mitigate and adapt to high-risk items to achieve organization goals.

Long-term Incentive Policy

Every year, E Ink sets goals for organizational performance and operational project, focusing not only on shareholder interests but also incorporating comprehensive environmental, social, and corporate governance (ESG) indicators. The company issues Employee Stock Options (ESOP) or Employee Restricted Stock, granting them to team members based on the strategic responsibilities of managers and their impact on organizational performance. The performance period is set for a maximum of 3 years, employees are eligible to exercise the stock options after vested based on a predetermined proportion and schedule. The total vesting period spans 5 years. Additionally, to attract and retain senior executives and to lead the team with performance-oriented approaches, the Company provides bonuses equivalent to approximately 20% of their annual salary, deferred for 1-2 years after achieving the Company's operational goals. Through various incentive compensation mechanism over different timeframes, E Ink aims to work hand in hand with the senior management team to achieve the company's short, medium, and long-term operational goals, thereby creating greater value for 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.

Senior Executives' Stock Ownership Policy

To enhance corporate governance and operational efficiency, as well as to strengthen the alignment between the performance, operational results of senior executives, and long-term interests of shareholders, a high-level executive stock ownership policy has been implemented. According to this policy, the Chairman, CEO and President are required to hold stocks with a value of at least 10 times their guaranteed compensation, while other senior executives must hold stocks with a value of at least 5 times their guaranteed compensation. As of 2023, the senior executives have successfully reached the targets.

Compensation Status

Ratio of annual compensation of the highest-paid individual to the mean annual compensation of employees in 2023[Note 1]	Ratio of the highest-paid individual's compensation to employee median compensation in 2023	Rate increased of compensation of the highest-paid individual to the median compensation of employees in the Company [Note2]
33.1×	38.1×	5-10%

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)/(The median annual income of full-time non-managerial employees)

Shareholding Status

Senior Executives[Note3]	Shareholding Value (Multiple of Guaranteed Compensation)[Note4]
Johnson Lee, Chairman & CEO	21.7×
FY Gan, President Luke Chen, Executive Vice President Lloyd Chen, Chief Finance Officer Ian French, Chief Technology Officer (Taiwan) YS Chang, Senior Vice President JM Hung, Vice President Mano Lo, Vice President Tung- Liang Lin, Vice President	10.1×[Note5]

Note 3: Senior Executives of E Ink Holding (Taiwan Region)

Note 4: Shareholding value is calculated based on the closing stock price dated December 29, 2023.

Note 5: Guaranteed salary multiple = Average stock value held by senior executives / Average guaranteed compensation.

2-1-2 Ethics and Integrity

E Ink operates with integrity, adhering to principles of honesty and uprightness in all business activities. The company maintains a zero-tolerance policy towards corruption, bribery, monopolistic practices, and unfair competition, continuously upholding the values of integrity, honesty, fairness, accuracy, and transparency in both word and deed. Under the framework of E Ink's operational guidelines, various policies and directives are established to comply with different regulatory areas, including business ethics, sexual harassment prevention, financial reporting, internal controls, insider trading, intellectual property management, and personal data and privacy protection. These specific policies and directives help enhance the efficiency and effectiveness of E Ink's operations, professional ethics, and regulatory compliance.

Policies and Regulations of E Ink [Note]

- Corporate Governance Principles
- Business Integrity Code of Conduct
- Sustainability and Corporate Social
- Responsibility Principles
- Rules for Board of Directors
- Performance Assessment
- Organizational Regulations of the Audit Committee
- Procedures for Fund Lending and Endorsements/Guarantees
- Procedures for Acquisition or Disposal of Assets
- Internal Significant Information
- Processing Procedures
- Prevention of Insider Trading Management Procedures
- Group Tax Policy and Management Regulations
- Antitrust Compliance Guidelines
- Conflict of Interest Prevention Policy
- Operational Procedures for Financial and Business Transactions among Related Parties

Note: 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.

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.

3 Impovement and Tracking

1 Prevention

2 Detaction

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. With the core principle of operating with integrity, E Ink implements measures of anti-corruption, anti-bribery, anti-competition/ antitrust. In accordance with the " E Ink Business Integrity Code of Conduct," further preventive measures against dishonest behavior are established to analyze business activities with higher risks of such behavior within the scope of operations. Relevant preventive measures are strengthened to enhance a comprehensive management mechanism for prevention, detection, tracking, and improvement.

- Offering and acceptance of bribes
- Illegal political donations
- Improper charitable donations or sponsorship
- Offering or acceptance of unreasonable presents or hospitality, or other improper benefits
- Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights
- Engaging in unfair competitive practices
- 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

Building a Culture of Integrity by Training and Education

Adhering to the "E Ink Business Integrity Code of Conduct," E Ink strictly requires all employees to comply. The company conducts various relevant courses, including anti-corruption, anti-competition, code of conduct regulations, responsibilities, whistleblowing procedures, and trade secret protection. In 2023, the completion rate for integrity management training for all new employees was 100%. Additionally, updates on related laws and regulations are irregularly communicated to all employees through internal websites and email announcements. In the second quarter of 2023, an internal announcement promoting integrity management was published to ensure the implementation of the integrity management policy. Furthermore, the Human Resources Division is responsible for managing integrity operations, promoting integrity

policies, conducting education and training, and handling whistleblowing procedures. The operations and implementation status are reported annually to the Board of Directors.

Achievements of 2023 Business Integrity Related Training and Education						
Course Topic	Business Integrity	Anti-Corruption	Anti-Bribery	Anti-Competition/ Antitrust	Prevention of Insider	Protection of Trade Secrets
Training Completion (Number of People) [Note]	390	1,325	1,246	428	866	126
Training Hours (Hours) [Note]	264.1	1,060.2	1,032.5	556.4	812.5	99.8

Note: The total training completion number and hours include regular and new employee training.

Anti-Corruption Training Courses and Risk Assessment

In 2023, the anti-corruption training extended to E Ink's overseas sites, such as the Yangzhou sites. requiring members of overseas companies to participate in the online courses and pass the online anti-corruption tests. The online training courses on anti-corruption policies, through explaining corruption cases and regulations, reminded employees to adhere to anti-corruption principles in their business activities to reduce incidents of corruption. In 2023, a total of 1,325 employees participated in anti-corruption-related training courses, amounting to 1,060.2 training hours.

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. In 2023, there were no reported incidents of corruption at E Ink.

The Results of E Ink's Training on Anti-Corruption Policies and Procedures Communication in 2023

Category	Management Level			Employees			Suppliers		
Region	Taiwan Sites	China Sites	US Sites	Taiwan Sites	China Sites	US Sites	Taiwan Sites	China Sites	US Sites
Quantit[Note]	153	52	15	666	375	64	67	312	0
%	90.0%	94.6%	30%	94.1%	25.3%	14%	100%	100%	0

Note: Management Level and Employees units are counted by headcount; Suppliers are counted by the number of companies.

Anti-Corruption Risk Assessment
In 2023, there were zero incidents of corruption, and anti-corruption is classified as a low-risk item in risk management framework. The Company plans to establish an ISO 37001 Anti-Bribery Management System.

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

In 2023, 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.

Anti-Trust Compliance- Training and Education

As a leading global enterprise in ePaper technology, E Ink upholds principles of integrity and honesty, strictly adhering to antitrust laws. E Ink's compliance education and training program on antitrust laws covers all levels, from senior management to frontline employees, offering training on the fundamental concepts and conduct guidelines of antitrust laws. This training encompasses various roles and business responsibilities. Through regular and repeated education and training, E Ink aims not only to ensure that employees comply with the law but also to deeply understand the spirit of the law, thereby proactively avoiding potential illegal activities during business operations.

In 2023, E Ink conducted online antitrust training, successfully overcoming geographical boundaries. Through online interactions and discussions, participating employees gained a concrete understanding of the direct connection between antitrust laws and their own business activities. This was highly beneficial in preventing potential violations of anti-trust clauses in business. In 2023, there were no incidents of anti-trust behavior involving E Ink.

Protection for Confidential Information and Date

As a global leader in ePaper display technology, E Ink firmly believes that the value and protection of confidential information are key factors in maintaining a competitive advantage in the industry. Therefore, E Ink continuously optimizes the effectiveness of key technologies, information management, and technology transfer. Additionally, the company enhances awareness and vigilance regarding the protection of confidential information through comprehensive employee education and training, thereby reducing the risk of information leakage. For transactions with customers and suppliers, E Ink enforces the protection

A-Level Certificate of 2023 TIPS

of confidential information through the signing of confidentiality agreements, ensuring the best interests of the company, shareholders, employees, customers, and suppliers are preserved. E Ink currently implements a "Privacy Policy" to ensure that confidential information is appropriately and effectively protected. In 2023, there were no incidents of privacy violations involving E Ink.

To ensure the appropriate storage methods and related protection measures for the various levels of confidential documents, E Ink implemented the Taiwan Intellectual Property Management System (TIPS) in 2021. According to this standard, E Ink established confidential document management procedures, categorizing confidential documents into two levels: "Confidential" and "Highly Confidential." Responsible personnel manage these documents according to their confidentiality level to ensure clear compliance. Additionally, E Ink conducts annual internal audits based on TIPS guidelines to ensure that employees adhere to and protect the company's trade secrets during the operations. In 2023, one internal audit was conducted, revealing five minor deficiencies and three recommendations, all of which were addressed and improved within the year. Besides strictly enforcing confidentiality agreements with employees, customers, and suppliers, E Ink also emphasizes trade secret-related obligations during the recruitment and resignation processes of new employees. Furthermore, E Ink enhances the protection of confidential information through strict access control and rigorous management of confidential data.

E Ink 2023 CORPORATE SUSTAINABILITY REPORT

Privacy Protection

E Ink recognizes the importance of personal data protection and has established the "E Ink Personal Data Protection Regulation" to ensure that all departments collect, process, and use personal data with adequate protection measures. In line with these procedures, E Ink has set up the Personal Data Protection Executive Team, with the Legal Division serving as the annual execution and consolidation unit. The executive team regularly request relevant departments, including Legal, General Affairs, Occupational Safety, Finance, IT, Human Resources, Document Management, Operations, and Audit, 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. Personal data 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 2023, 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.

E Ink Privacy Policy ➡

Detection ▶ **Ensuring Compliance with Management Mechanisms**

Internal Control and Audit Procedures

E Ink adheres to principles of integrity in corporate governance, with strict compliance with all relevant laws as the fundamental principle and spirit. Regarding regulatory adherence, each department of E Ink fulfills its respective responsibilities, aligning with the regulations of local authorities and internalizing those into the company's operational guidelines and daily operational standards, ensuring strict conformity. E Ink's Audit Office in charge of internal audit and conducts audit procedures annually based on regulations and internal operational standards, revising the scope and items of the audit as necessary to prevent any illegal activities and to ensure the company's sustainable operation. Concurrently, each department periodically identifies regulations, assesses the applicability and impact risk on the company, and takes corresponding actions to ensure regulatory adherence. In the event of any legal violations, E Ink will, in accordance with the requirements and regulations of the competent authorities, transparently disclose the reasons for the violation with integrity, without any concealment.

Establishing Whistleblowing Channel

E Ink supports a culture of transparency and ethical conduct, providing public whistleblowing channels. Employees and external parties can report concerns via email (Appeal@eink.com), mail, or web portals. Upon receiving a report, E Ink's Human Resources Department will investigate and verify the case, ensuring the confidentiality of the whistleblower's identity and the content of the report. If the report is substantiated, strict measures will be taken to prevent corruption and unfair practices.

Improvement and Tracking ▶

Continuous Refinement Measures for Improvement

E Ink utilizes internal control procedures and public whistleblowing channels to detect internal malpractices such as violations of integrity management, corruption, bribery, fraud, violation, and insider trading. In 2023, one case of integrity management violation was reported. Upon investigation, it was found to potentially violate E Ink Business Integrity Code of Conduct. The case was handled and rectified according to the company's regulations. Additionally, an internal announcement promoting integrity management was issued to enhance the awareness of integrity management among all employees.

Note: This integrity management case was reported by a stakeholder through the public whistleblowing channel and was investigated and substantiated.

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.

The priority dimensions and measures for enhancement

▼

1. Comprehensive promotion of sustainable development

▼

2. Enhancing information transparency for investor

▼

3. Strengthening board structure and operations
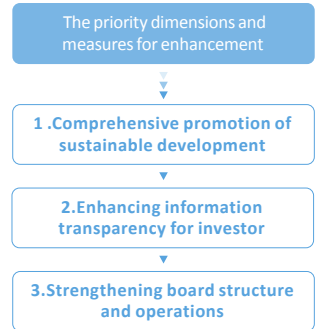
In the 10th Corporate Governance Evaluation conducted by the TWSE and TPEx, a total of 1,706 listed and OTC companies underwent assessment. The evaluation criteria were categorized into four major dimensions for assessment.

E Ink has achieved an outstanding performance in the 10th 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 Results of the 10th Corporate Governance Assessment	Key Measures and Performance of Corporate Governance in 2023	Goals and improvement Measures in 2024
Ranking of OTC Companies Top **5%** **Ranking Categories for Electronic Companies with a market capitalization of over NTD 10 Billion** **11%~20%**	• Enhanced shareholder meeting participation by uploading video recordings of the entire meeting on the Company's website. • Established "Rules Governing Financial and Business Matters Between this Corporation and its Related Parties ." • Implemented the promotion of sustainability goals.	• Elevated the review level of the Sustainability Report to the Board of Directors. • Held the shareholders' meeting before the end of May to protect shareholders' rights. • Conducted the shareholders' meeting both physically and video conference, and provided live streaming to offer diverse participation channels for investors.

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.

E Ink's Audit Office regularly assesses the company's risks and formulates audit plans. To develop a risk-based plan, the internal audit supervisor consults with and seeks confirmation from senior management and the Board of Directors regarding the company's strategies, objectives, risks, and management processes. The risk assessment considers the likelihood of events occurring, their impact on achieving objectives, and the effectiveness and priority of existing controls. The internal audit also includes operational audits to review the company's operational activities and related management mechanisms, thereby identifying opportunities for operational improvements.

The Audit Office conducts project audits based on findings from operational audits, risk assessment results, and key items aligned with the Company's business strategies to thoroughly examine relevant operations. In response to changes in the company's business, risks, operations, plans, systems, and controls, the internal audit supervisor reviews and adjusts the audit plan as necessary. The audits are executed according to the plan, with results reported periodically or as needed to the Board of Directors and the Audit Committee. This reporting ensures that management is informed, enabling the achievement of management objectives and reasonably assuring the continued effectiveness of the internal control system.

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

Planning the annual audit plan for next year

Complete the Taiwan Stock Exchange's Market Observation Post System (MOPS) declaration

The audit team conducts confirmation and evaluation based on the following tasks

· Risk assessment　　· Self-assessment results of annual internal control

· The annual audit status　· Laws and regulations

Approved by the Board of Directors

Initiating annual audit plan has been initiated and submitting relative reports

· Audit report　　· Report of exception tracking

· Report of Audit result

Communication between Independent Directors and the Head of Internal Audit

In 2023, 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 2023 Annual Report.

Communication Focus

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.

Internal Audit Execution Status

In 2023, E Ink conducted a total of 42 audits across its Taiwan sites, Yangzhou sites, and the US sites. Within the five major systems of internal audits, a total of 35 deficiencies or recommendations were identified, with a subsequent improvement rate of 57%[Note]. Moving forward, E Ink will continue to monitor the status of improvements on these deficiencies or recommendations to further mitigate potential risks in the operational process.

Audit Scopes	Audit Aspects	Risk Assessment Summary	Number of Finding or Recommendation (A)	Number of Improvements Completed Regarding Finding or Recommendation[Note] (B)	Ratio of Finding Improvement (B/A)
Operations Management	Procurement and Payment, Sales and Payment, Information Security, Production, Payroll and Personnel, Research and Development	Procurement, Purchase, Sales Orders, Sales, Inventory Management, Personnel, Responsibility Assignment, Information Security Checks	32	25	78%
Financial Management	Financing, Investment, Procedures for Fund Lending, Endorsements/Guarantees, Procedures for Acquisition or Disposal of Assets, Related Party Transactions, Preparation of Financial Statements	Loan, Guarantees, Funds, Compliance with Legal Regulations, Public Information Checks	3	3	100%
Business Integrity	Anti-Corruption, Prevention of Insider Trading	Letter of Integrity and Integrity Commitment, Prevention of Insider Trading	0	0	0
Legal Compliance	Personal Data Protection, Audit Committee Operations, Board of Directors Operations, Remuneration Committee Operations	Compliance with Legal Regulations	0	0	0
Subsidiary Supervision	Subsidiary Procurement and Payment, Production, Financing, Information Security, Procedures for Acquisition or Disposal of Assets, Payroll and Personnel	Procurement, Purchase, Inventory Management, Personnel, Responsibility Assignment, Information Security Checks	0	0	0

Note: The number of Improvements Completed Regarding Finding or Recommendation is counted up to March 31, 2024.

2-2 Risk Management

The high and rapid volatility of the global economy and politics, coupled with the increasing severity of climate change, presents environmental, social, and governance risks for businesses. To strengthen corporate governance and implement effective risk management throughout its operational processes, E Ink follows the principles and guidelines of the "ISO 31000 Risk Management System" and the "Practical Guidelines for Risk Management in Listed and OTC Companies." issued by the Financial Supervisory Commission. E Ink has established a comprehensive "Risk Management Policy and Procedure," which was approved by the Board of Directors in November 2022. By integrating risk management into operational activities and daily management processes, E Ink aims to enhance operational resilience and management performance, allocate resources effectively, and achieve the goal of sustainable corporate operations.

2-2-1 Risk Governance and Management

In response to the dynamic changes in the environment, E Ink implements a cyclical risk management process encompassing five steps: risk identification, risk analysis, risk assessment, risk response, and risk monitoring and review[Note1] .

E Ink identifies potential risk events that may prevent the company from achieving its goals or cause losses or negative impacts. This identification process covers macro aspects such as the economy, industry, politics, regulations, and the natural environment. It is integrated with the Company's sustainability goals, material topics in sustainable management, past business experiences, and the focus of stakeholders. The identified risk items classified into six risk categories: strategic, operational, financial, information and cyber security, compliance of laws, regulations and ethics, and emerging risks.

During the risk analysis phase, risk items are further analyzed for the short, medium, and long-term likelihood and the associated financial and non-financial impact levels. Qualitative or quantitative measurement standards are used to calculate the risk value (R). The risk matrix is then used to compare, filter, and rank the risk values of risk items to identify and determine material risk items that need management. For material risk items, including financial and non-financial items, impact assessments are conducted through stress analysis and sensitivity testing. In the risk response phase, response plans and performance indicators are established and continuously monitored. The response plans consider the company's strategic objectives, internal and external stakeholder perspectives, and available resources to mitigate and adapt to material risks. This ensures continuous control, mitigation, or elimination of risks and necessary adaptations to enhance the company's risk management tolerance and resilience. The process and results of risk management are documented to provide a basis for review and reporting.

E Ink regularly[Note2] identifies, analyzes, and assesses risks and opportunities impacting operations through continuous review of internal and external operations, external environments, and changing issues. The company formulates business continuity plans to manage risks and crises, aiming to control, mitigate, or eliminate material risk items, increase risk tolerance and resilience, and reduce the ratio of high-risk items. This approach ensures the implementation of risk governance and management, fulfilling the company's commitment to sustainable operations. Additionally, considering the specific information needs and requirements of different stakeholders, the frequency and timeliness of reporting, reporting methods, and the relevance of information to the company's goals and decisions, E Ink conducts risk reporting and disclosure to provide external stakeholders with comprehensive information, ensuring their best interests are fully protected.

Note 1: For detailed information on the risk management process, please refer to the "Risk Management Policy and Procedures."
Note 2: At least yearly

Audit of Risk Management Prodcedures

E Ink has established Risk Management Policies and Procedures through a systematic and institutionalized risk management process. The company built its mechanism to identify operational risks and assess the feasibility of risk mitigation and risk adaptation. Based on the self-assessment results of the relevant accountable business units, the Audit Office evaluated the design and execution of E Ink Risk Management Policies and Procedures and confirmed the effectiveness.

Risk Management Procedure

- Risk identification
- Risk analysis
- Risk assessment
- Risk response
  - Risk Mitigation
  - Risk Adaptation
  - Risk Documentation
  - Risk Reporting
  - Information Disclosure
- Risk response, and risk monitoring and review
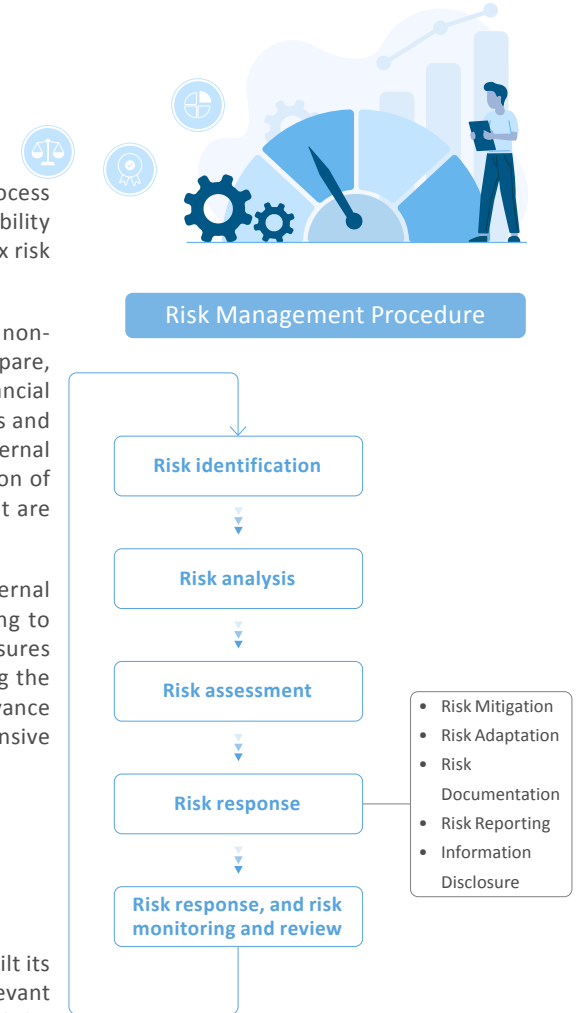
Risk Management Organization

E Ink structures its risk management organization based on the Three Lines of Defense Model. The Board of Directors serves as the highest governing body of risk management and is responsible for risk oversight, with the Chairman supervising risk governance. At the operational level, each risk issue is linked to organizational functions. Each function center and business unit serves as the First Line of Defense, where the highest responsible supervisor of the unit manages and responds to risk issues. These owners manage risks and implement mitigation and adaptation strategies to reduce the potential impact of risks on operations, ensuring the achievement of operational objectives.

The Second Line of Defense is managed by the Risk Management sub-committee of the Corporate Sustainability Committee, which is independent of the operational units. This sub-committee sets control standards, oversees compliance, supervises the implementation of risk management and provides risk-related expertise and assistance to the operational business units to ensure the achievement of risk management objectives. The Chief Financial Officer oversees and manages this process. The responsible operational units and the Risk Management sub-committee of the Corporate

Sustainability Committee hold quarterly cross-departmental and cross-regional meetings to conduct risk sensitivity analysis and stress tests, maintaining a proactive and comprehensive risk management mechanism. The Sustainability Development Committee of the Board of Directors regularly reviews the risk management implementation status, offers necessary improvement suggestions, and periodically reports the effectiveness of risk management to the Board.

The Third Line of Defense is the Audit Office, responsible for the internal audit of E Ink's risk management. Following the risk management procedures, the Audit Office conducts annual risk management audits, performing independent and objective audits according to the Risk Management Policy and standards. This ensures the effectiveness and adequacy of the risk management, control, and governance processes, thereby enhancing the value of the organization's risk management.

Note: At least once a year.
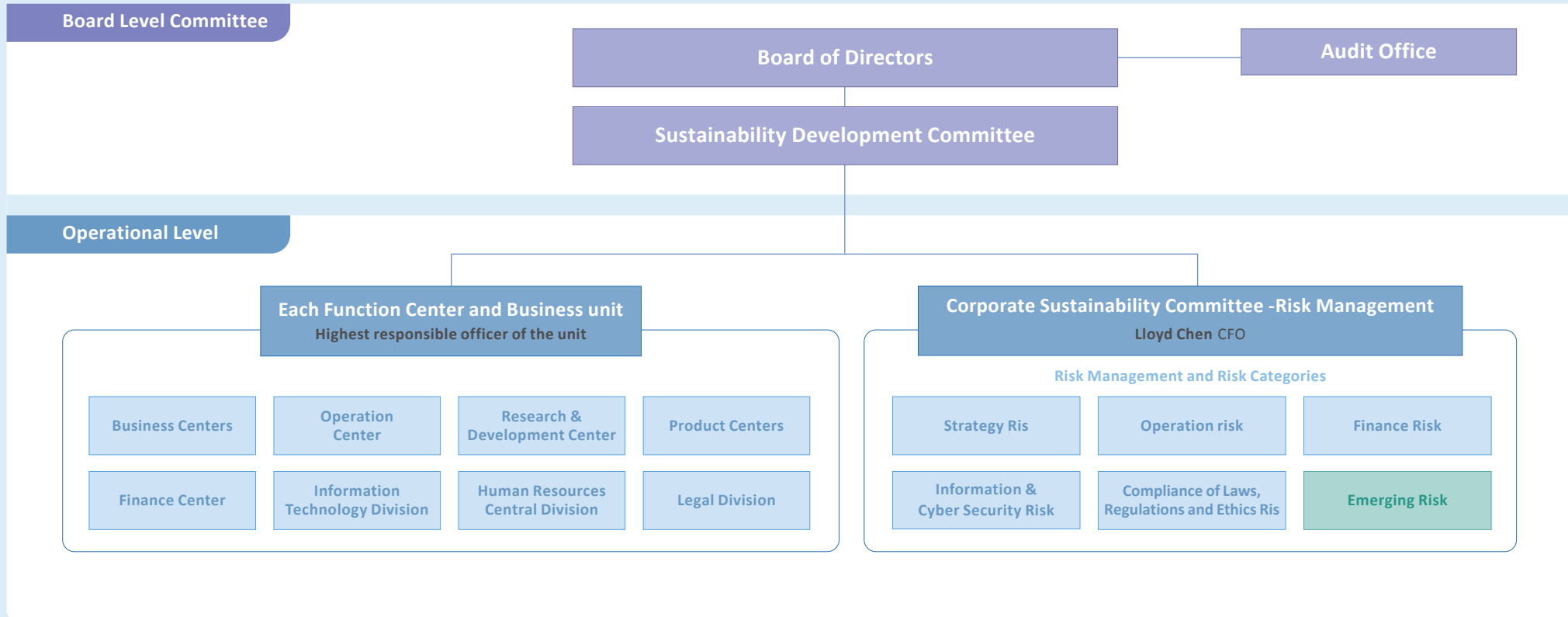
Board Level Committee

| Board of Directors | Audit Office |

| Sustainability Development Committee |

Operational Level

Each Function Center and Business unit
Highest responsible officer of the unit

| Business Centers | Operation Center | Research & Development Center | Product Centers |
| Finance Center | Information Technology Division | Human Resources Central Division | Legal Division |

Corporate Sustainability Committee -Risk Management
Lloyd Chen CFO

Risk Management and Risk Categories

| Strategy Ris | Operation risk | Finance Risk |
| Information & Cyber Security Risk | Compliance of Laws, Regulations and Ethics Ris | Emerging Risk |

2-2-2 Identification of Corporate Risk

Risk Identification and Review

In accordance with the Risk Management Policy and Procedures, E Ink has identified 76 potential risk items, including strategic risks, operational risks, financial risks, information and cyber security risks, compliance and integrity risks, and emerging risks. These risks have been comprehensively identified as potentially hindering the company's goal achievement or causing losses or negative impacts. Although emerging risks currently have no significant impact on operations, potential medium to long-term effects are expected. E Ink has referred to the World Economic Forum's "2023 Global Risk Report" and "2024 Global Risk Report" to identified three emerging risks closely related to its operations.

E Ink uses impact (I) and likelihood (L) as risk quantification metrics to identify and review risk exposure. The risk identification survey was completed by global function center and department-level managers and above, assessing the risk exposure based on the likelihood and impact of financial, strategic, operational, and other financial and non-financial indicators within their scope of duties. The results of the risk identification survey were further analyzed to define the risk exposure level and determine the risk appetite level of the 76 potential risk items. These items were then categorized into three levels of risk with corresponding management measures, including:

- Low Risk Items: These are within the interval of risk appetite, indicating that E Ink is willing to accept these identified risk items. Appropriate management strategies are needed to monitor and maintain risks at this level.
- High Risk Items: These fall within the interval of risk tolerance, necessitating proactive management strategies to ensure risks are controlled within acceptable limits.
- Extreme High Risk Items: These are within the interval of risk treatment, indicating that the risk level extremely exceeds E Ink's risk appetite. This requires necessary mitigating actions with designated responsible functions to conduct risk treatment measures and reduce the risks to a controllable level.

From 2023 to 2024, 34 material risk items were identified, including 13 extreme high-risk items and 21 high-risk items. These were further categorized into three significant risk themes—strategic, operational, and financial—and eight risk categories for significant risk management. Compared to the risk identification results from 2022 to 2023, the number of extreme high-risk items decreased from 14 to 13, achieving the goal of reducing the proportion of high-risk items. However, due to economic, industrial, geopolitical changes, and the expansion of operational scale, the number of high-risk items increased from 26 to 34. Therefore, E Ink's units will continue to control, mitigate, or eliminate risks to enhance risk tolerance and resilience.

Risk Matrix

High

Impact (I)

Technological research and development
Failure to information and cyber security protection
Decline in demand for application products
Product quality and safety
Inflation

Geopolitics
Economic fluctuations
Concentration of sales

National conflicts
Improper operational planning
Prolonged economic stagnation
Material shortages
Customer relations
Government fostering of competitors through policies and resources
Failure to mitigate climate change

Demand for green sustainable products
Insufficient implementation of smart manufacturing
Increase in procurement Costs
Market monopoly
Fluctuation of exchange rate and interest rate
Improper capacity planning

Delay in new plant construction schedule
Impact of supply and demand on commodities
Supplier management
Inventory management
Rapid changes in supply and demand
Delay in digital transformation

Talent attraction and retention
Talent development
Excessive capacity expansion
Product development efficiency
Product launch timing

Government green energy and energy consumption policies

Low

Low   **Likelihood (L)**   High

Risk Categories

- ■ **Strategy**
- ■ **Operation**
- ■ **Information technology**
- ■ **Finance**
- ■ **Compliance and Integrity**
- ■ **Emerging risk**

Risk Level	**Risk Management Type**
Extreme High Risk Items	Risk Treatment
High Risk Items	Risk Tolerance
Low Risk Items	Risk Appetite

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.
		Geopolitics	Geopolitical tensions, particularly between the US 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 2024 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.
	Production Supply and Planning, Green production	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 factory.
		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.
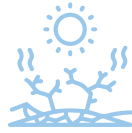
Eink

Emerging Risks Identification and Mitigation Strategies

Emerging Risk	Description	Potential Impact to E Ink	Mitigating Actions
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	• 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.	• 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 36% renewable energy usage (RE36) by 2023. • 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 2-2-3 Nature and Climate-related Financial Disclosures.
Failure to information and cyber security protection	Cyberattacks and ransomware not only disrupt business operations but also lead to the leakage of trade secrets, technical patents, and customer data, exposing companies to financial losses and reputational damage. This affects its operational development and competitiveness.	• E Ink globally holds over 6,600 valid technical patents. If patent information is not properly managed, the leakage of trade secrets and technical patents could result in E Ink losing its competitive edge in core ePaper technology. Additionally, the improper disclosure of confidential information, especially customer product development details, could lead to a loss of customer trust, exposing E Ink to risks such as customer attrition and legal actions. • If the information security firewall fails to block ransomware and phishing attacks, E Ink could face hacker intrusions into its internal data centers and be exposed to the risk of paying substantial ransom compensations.	• Implement ISO/IEC 27001: 2013 Information Security Management System to establish a high-security information protection network based on five major information security strategies: "Identify," "Protect," "Detect," "Respond," and "Recover." Additionally, continuously monitor external cyberattack behaviors and use external intelligence rating systems to understand E Ink's information security risk index, thereby optimizing information security management measures. • Introduce Intellectual Property Management Standards (TIPS) to establish a systematic intellectual property management mechanism. • Develop a Business Continuity Plan (BCP) to ensure that significant disaster events do not lead to operational termination risks. Each year, select 1-2 items for emergency response drills for information security incidents, ensuring that in the event of a major cybersecurity incident, operations can be promptly restored to achieve the goal of uninterrupted operations. • Regularly conduct information security advocacy, education, training, and drills, and enhance employee awareness of phishing emails and ransomware, thereby strengthening information security protection awareness. For more details on information security management policies and related response measures, refer to Section 2-3 Information Security.
Biodiversity loss and ecosystem collapse	Human and business activities can disrupt biodiversity and ecosystems, causing ecological imbalances and biodiversity loss. The long-term negative impacts of these activities may lead to food shortages, water scarcity, and climate disasters, adversely affecting human health and living environments.	• The site selection and construction process of E Ink's new facilities may impact local wildlife habitats, posing a risk of biodiversity loss. • The sourcing of renewable energy may cause damage to natural habitats and biodiversity, leading to long-term negative effects on ecosystems. • Maintaining ecological balance and sourcing eco-friendly renewable energy will increase operational costs related to natural management. • Ecological imbalances resulting in water shortages can affect E Ink's supply of water resources.	• Implement the "Biodiversity and Non-Deforestation Commitment" to ensure that the energy sources at operational sites do not impact biodiversity. • Setting the goal to achieve a net positive impact on the environment and ecosystems by 2030. • Construct new facilities as green buildings and increase the revenue ratio of environmentally friendly products. The Hsinchu sites is scheduled to be completed as a green building, aiming to meet LEED Gold certification standards. • Ensure that the renewable energy sources acquired by the supply chain (or value chain) do not impact biodiversity and that operational sites do not affect ecosystems. Due diligence is conducted for newly acquired renewable energy sources. For more details, see section 7-4 Environmental Conservation - Promoting Natural Environment Conservation. • Introduce the Taskforce on Nature-related Financial Disclosures (TNFD) framework to assess the risk management items required for the natural environment in operations and supply chains. For more details, see section 2-2-3 Nature and Climate-related Financial Disclosures.

Risk Culture and Awareness

Enhancing risk culture and awareness at all levels is crucial for effectively implementing risk management. Integrating the concepts of risk management, prevention, mitigation, and adaptation into daily operations and decision-making processes will help achieve this goal. E Ink adopts two strategies—shaping a risk culture and fostering risk awareness—to assist all employees in developing a strong sense of risk. These strategies help in identifying potential risks in daily workflows and taking appropriate measures to prevent or mitigate them, thereby avoiding potential losses. By identifying risks from within, E Ink can seize development opportunities, promoting innovation and sustainable growth.

Shaping Risk Cultural

Risk Cultural Establishment	Linking Risk Item Management with Goals and Performance Indicators	Incorporating Risk Assessment into New Product and Technology Development
E Ink establishes a comprehensive risk culture from the board level to the operational level. • The Sustainability Development Committee, under the Board of Directors, oversees the implementation of risk management, as well as the management and response strategies for material risk items. The committee promotes various risk management activities in accordance with the scope, organization, responsibilities, and procedures defined in the "Risk Management Policy and Procedures." • The management of material risk items is discussed at the annual strategic meeting, chaired by the senior management team. Senior executives responsible for material risk items explain the management and response strategies for each risk. Through a cross-departmental meetings, risk response strategies are collectively focused and adjusted, thereby substantively linking these strategies to the work goals and content of the relevant departments.	E Ink incorporates risk management concepts into its operations and evaluations. The Company has established internal reward systems, such as the Intellectual Property Management and Reward Program and the Employee Reward Program, to encourage employees to propose new technologies and patents with both innovative and risk-mitigation perspectives. These proposals are evaluated according to specific criteria, and approved submissions are awarded bonuses accordingly. Additionally, risk management outcomes are included in the annual performance evaluations of senior executives, making it one of the assessment indicators for their compensation. Through the goal management of senior executives, risk management practices are promoted, thereby strengthening the company's overall risk culture awareness. Note: For more detail please refer to Remuneration Policy of this chapter.	As a leader in the ePaper industry, E Ink continuously develops advanced ePaper technologies to solidify the company's market position. Through the "Sustainable Product Management Policy," innovation and R&D integrate intellectual property rights and product risk management. The development of new technologies and products considers minimizing internal and external risks associated with the product lifecycle, including technology, research and development, production, use, and disposal/recycling. This approach helps maintain the intellectual property management system, focus on patent deployment, and align with technology and product implementation and target markets. Additionally, within the internal regulations of the "New Product Development Procedure," E Ink stipulates that during the new product development and design process, risks related to cost, feature and performance, restricted environmental substances, sales, and market should be assessed. This evaluation aims to prevent or reduce potential risks arising from the transition of new technologies to production and manufacturing, thereby optimizing R&D benefits.

Cultivating Risk Awareness

E Ink cultivates risk awareness through training on risk management and specific risk items. Beyond continuous risk-related training for Board members—the highest governing body—to enhance their oversight and review capabilities, risk management courses are also planned for senior executives in 2024. E Ink not only plans courses on significant risk items such as information security and product technology development but also addresses potential operational risks. These include topics on integrity management and regulatory compliance, employee health and safety, and climate change risks, with training arranged for all employees to comprehensively enhance knowledge of various risk items.

In 2023, E Ink achieved a 100% coverage rate in risk management awareness training, totaling 6,979.8 training hours. Establishing a robust risk culture and increasing risk awareness are crucial for enhancing corporate competitiveness and ensuring long-term success.

Overview of Risk Management Topic Course

Risk Categories	Risk Items	Training Course Content	Training Course Topic/Risk Content	Target Audience
Strategy	Product technology development	Product Patent Protection	Confidentiality Data Protection	All employee
Operation	Integrity management and regulatory compliance	Integrity management and regulatory compliance	Anti-Corruption	All employee
			Antitrust	
			Prevention of Insider Trading	
Operation	Employee health and safety	Workplace Safety	Occupational Safety and Health Related Courses	
Emerging risk	Information security	Information Security	Information Security Related Courses	
Emerging risk	Failure to mitigate climate change	Climate Change and Greenhouse Gas Management	ISO 14001, ISO 14064-1, ISO 50001	Environmental and related personnel

Note: For more details, please refer to the 2023 Annual Report.

2-2-3 Nature and Climate-Related Financial Disclosures

E Ink identifies nature and climate risks and opportunities based on the frameworks of Taskforce on Nature-Related Financial Disclosures (TNFD)[Note] and Task Force on Climate-related Financial Disclosures (TCFD). By deepening the understanding of the impacts brought by nature and climate change, E Ink uses risk and opportunity assessment tools. Relevant responsible units analyze risks and opportunities from various aspects, including policies and regulations, international initiatives and trends, technological developments and market changes, reputational risks, and short, medium, and long-term material risks. Scenario analysis is introduced to develop effective management measures, adaptation, and mitigation strategies, with the support and participation of senior executives to enhance resilience to nature and climate change. The key elements of E Ink's nature and climate-related financial disclosures are summarized below. For detailed information, please refer to E Ink's "Nature and Climate Report," which will be published for the first time in 2024.

Note: Adopting the TNFD Version 1.0 framework released in September 2023.

Download Nature and Climate Report ➡

Governance

Board of Directors and Functional Committees

The Board of Directors of E Ink is the highest governance body responsible for risk management. It regularly approves the management strategies for nature and climate-related risks and opportunities and oversees the overall effectiveness of the risk management mechanism. This includes reviewing and approving policies and procedures related to nature and climate change risks, making decisions on significant nature and climate issues, resource allocation, and evaluating the linkage between executive remuneration and climate-related topics.

Corporate Sustainability Committee

The Corporate Sustainability Committee at the operational management level is responsible for reviewing strategies, goals, and performance tracking related to nature and climate-related risks.

Risk Management Sub-Committee

Following the risk management policies and procedures, the Risk Management Sub-Committee defines the risk control order and supervises the management of nature and climate-related risks.

Green Production Sub-Committee

The Green Production Sub-Committee implements and manages actions related to nature and climate change risks and opportunities. Their responsibilities include identifying and evaluating nature and climate change risks and opportunities, analyzing strategic and financial impacts, formulating management guidelines based on significant nature and climate-related risk items, setting objectives and indicators, and reviewing execution status and future plans. Additionally, significant nature and climate-related risks and opportunities will be integrated into the company's risk management mechanism to facilitate comprehensive risk management by the Risk Management Sub-Committee.

Strategy

E Ink identifies natural and climate-related risks and opportunities through the TNFD and TCFD frameworks, peer assessments, existing and emerging climate change regulations, and cross-departmental communications. Material risks and opportunities are integrated into the company's risk management mechanism. The Green Production Sub-committee is responsible for developing adaptation and mitigation strategies and reviews significant natural and climate-related risks and the financial impacts every six months, reporting annually to the Corporate Sustainability Committee.

In accordance with TNFD and TCFD recommendations, corresponding methodologies and analytical tools are utilized to identify and summarize material risks related to nature and climate change. Seven material natural risks—water scarcity, air quality, landslides, fire hazard, extreme heat, tropical cyclones, and pollution—are integrated with material climate risks and opportunities. These are managed within the domains of "Net Zero Emissions Energy Transition," "Low-Carbon Product R&D," and "Building a Sustainable Supply Chain." Strategies include planning for net-zero carbon pathways, improving energy efficiency, increasing the proportion of renewable energy use, enhancing low-carbon product development capabilities, collaborating with the government, industry, and academia to develop energy-saving products, and managing the supply chain to mitigate the impacts of climate change.

Natural Related

- E Ink uses the LEAP (Locate, Evaluate, Assess, and Prepare) approach methodology to identify the correlation between E Ink's global operational sites, 67 significant suppliers, and biodiversity-sensitive areas and protected zones. The results show that none of E Ink's global operational sites or key supplier locations are situated in biodiversity-sensitive areas. E Ink carefully manages operations near biodiversity-sensitive areas and significant suppliers, including enhanced monitoring, developing conservation plans, providing personnel training, and offering guidance to ensure that business activities align with principles of natural sustainability, reflecting E Ink's commitment to ecological conservation.

- The WWF Biodiversity Risk Filter is utilized to identify nature-related risks in E Ink's business activities. The analysis indicates that E Ink faces seven material natural physical risks: water scarcity, air quality, landslides, fire hazard, extreme heat, tropical cyclones, and pollution, as well as one natural reputational risk concerning labor/human rights.

- Based on material natural risk items, the scenarios of "Natural Ecosystem Services" and "Trend Regulatory Requirements" are used. Four different natural scenarios are considered to evaluate E Ink's impact, potential risks and opportunities, potential financial impacts, risk and opportunity management strategies, and stakeholders related to these scenarios.

Climate Change Related

- E Ink uses a cross-departmental approach to evaluate climate change risks and opportunities, applying assessment tools to analyze the company's value chain (operations, upstream, and downstream) for short-term (within 5 years), medium-term (5-10 years), and long-term (beyond 10 years) risks, opportunities, and potential financial impacts. The analysis includes the impact of significant climate-related risks and opportunities on business operations, strategies, and financial planning. In 2023, five material climate-related risks were identified: the transition to low-carbon technologies and processes, carbon fee imposition, increased severity of extreme weather events (e.g., typhoons, floods, landslides), competitiveness of low-carbon products, and rising costs of raw materials (including electricity). Four opportunities were also identified: enhancement of low-carbon product development capabilities, expansion of new applications market for ePaper products, increasing market demand for environmentally friendly products, and promotion of low-carbon green production.

- By considering two types of risks—transition risks (e.g., carbon pricing) and physical risks (e.g., flooding and landslides)—along with worst-case, stringent, and other scenarios such as E Ink's 2040 net-zero carbon commitment, IEA NZE 2050, IEA STEPS, SSP1-1.9, and SSP5-8.5, E Ink assesses the impact on the value chain and specific financial implications.

Risk Management

- E Ink's risk management mechanism includes risk governance, risk identification and assessment, risk mitigation and adaptation, and risk disclosure and reporting.

- E Ink plans to evaluate natural and climate-related risks and opportunities every three years based on the TCFD framework, peer assessments, existing and emerging climate change regulations, and cross-departmental communications.

- The Green Production Sub-committee conducts an annual risk assessment of natural and climate change risks and opportunities. Material risks and opportunities are integrated into the company's risk management mechanism. The Green Production Sub-committee develops adaptation and mitigation strategies and reviews the financial impacts of significant natural and climate-related risks every six months, reporting annually to the Corporate Sustainability Committee.

Metrics and Targets

- In accordance with the "Kunming-Montreal Global Biodiversity Framework" 2030 action targets, E Ink aims to ensure that by 2030, at least 30% of degraded terrestrial, inland water, marine, and coastal ecosystems are effectively restored to enhance biodiversity and ecosystem functions and services. This includes improving ecological integrity and connectivity, and preventing, reducing, and eliminating pollution impacts on nature and ecosystems. E Ink integrates these goals with significant nature-related risks to develop relevant indicators and targets.

- Based on scenarios published by the Intergovernmental Panel on Climate Change (IPCC) to limit average warming to 1.5 ° C or more stringent temperatures, E Ink initially sets annual targets for Taiwan sites, with plans to extend these goals to major global production bases, collaborating internationally to mitigate the impacts of climate change.

- Nature-related metrics and targets include the ratio of sustainable raw materials used in products, the ratio of recycled raw materials used in products, water use intensity, collaborations with government, industry, and academia, and the promotion of environmental conservation.

- Climate change-related metrics and targets include carbon emission intensity, the proportion of renewable energy used, the recycling rate of waste, investment in R&D, and the number of suppliers using renewable energy.

- E Ink also links manager performance bonuses to nature and climate-related risk and opportunity metrics and targets to strengthen the company's management in these areas.

2-3 Information and Cyber Security

2-3-1 Information and Cyber Security Management

With the rapid development of information technology and the widespread use of various information applications, information security faces significant challenges. External malicious attacks can lead to data breaches, ransomware, and operational disruptions, causing substantial losses to the Company. To enhance information security management, E Ink implemented the ISO/IEC 27001:2013 Information Security Management System in 2022. The Hsinchu site and Linkou site successfully obtained ISO/IEC 27001:2013 certification in 2023, demonstrating E Ink's robust capabilities and commitment to information security management. The company plans to extend ISO/IEC 27001:2013 certification to its operations in the United States and China to strengthen its global information security network.

Information and Cybersecurity Management Strategy and Procedures

E Ink aims to "reduce information security risks and ensure business continuity." Information security governance follows the ISO 27001:2013 ISMS standards, focusing on three main aspects: organization, processes, and personnel. Additionally, E Ink references the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) to formulate five key information security strategies: Identify, Protect, Detect, Respond, and Recover. These strategies guide the planning of security systems and management tasks.

Using the PDCA (Plan-Do-Check-Act) management cycle, E Ink continuously establishes, implements, monitors, and improves its information security management processes. In 2023, there were no official penalties or fines imposed, nor were there any information and cybersecurity breaches. Consequently, no clients, customers or employees were affected by such breaches.

Certificate of ISO 27001

> In 2023, zero incident of official penalties or fines

Information and Cybersecurity Security Management Strategies

Information Security Identification:	Monitor and analyze internal and external information security vulnerabilities, conduct regular security health checks and incident scenario drills, and identify the risk levels of information systems through periodic vulnerability scans and penetration tests.
Information Security Protection	Conduct information security education and training, set up and maintain firewalls, encrypt and control access to servers and endpoint hard drives, control access to networks and mobile devices, ensure secure VPN connections, manage email and file security and encryption, and perform cybersecurity insurance evaluations.
Information Security Detection and Response	Utilize an information management platform, coordinate cybersecurity defenses, and collect external information security intelligence.
Information Security Recovery	Perform regular backups of emails, data, and systems, manage offsite hosts, and conduct backup restoration drills.

Organization and Responsibilities of the Information Security Management Committee

The application of emerging technologies, personal data protection, intellectual property rights protection, and ethical risks are becoming increasingly difficult to defend against. To prevent information security-related risks and comprehensively enhance information cybersecurity management and protection capabilities, E Ink established the "Information Security Management Committee" in 2022. The committee is overseen and supervised by the Board of Directors, with the Chairman serving as the Chief Committee Member [Note 1]. The committee comprises senior executives from various cross-departmental functional units, including the General Manager, Chief Financial Officer, Vice President of the Operations Center, and Vice President of the Product Development Center. In the same year, a dedicated information security unit, the "Information Security Department," and an "Emergency Response Team" were also established. These units are led and overseen by the Chief Information Security Officer (CISO)[Note 2] within the Company, who is responsible for information and cybersecurity protection efforts. The Information Security Department reports the performance of the Information Security Management System (ISMS) to the Information Security Management Committee twice a year. The Information Security Management Committee regularly reports the effectiveness of information security management and the direction of information security strategy to the highest governance body, the Board of Directors, for periodic review and revision. In 2023, the Information Security Committee reported to the Board of Directors once.

Board of Directors

Information Security Management Committee

Audit Office	**Information Technology Division**	**Legal Division**	**Human Resources Central Division**	**Finance Division**	**Public Relations Division**
• Auditing the implementation and effectiveness of information security policies	**Information Security Department** • Information security system planning, monitoring and implementation of information security management • Assessment of control solutions for systems and information technology • External assessment operation for information security incident response and management **Emergency Response Team** • Information system maintenance and operation, management and resolving abnormal incidents	• Planning and delivering educational training to employees • Guidelines for personnel regulations and disciplinary measures related to violations of information security principles	• Consultation on information security issues related to regulatory categories • Interpretation of legal provisions	• Material Information announcement of significant information security Emergency Response Team incidents	• News release announcement of significant information security incidents

Note 1: Since 2019, E Ink Chairman Johnson Lee has led the Information Division of E Ink Group, which oversees 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 strengthening of information and cyber security management at E Ink. This includes the establishment and supervision of the Emergency Response Team in 2020 and the formation of the Board-level "Information Security Management Committee" in 2022. Additionally, a dedicated "Information Security Department" has been established, responsible for managing information and cyber security management, preventing information security-related risks, and comprehensively enhancing information security management and protection capabilities.

Note 2:The Chief Information Security Officer (CISO) of E Ink is James Huang, who serves as the Associate Vice President of the Information Technology Dept.

2-3-2 Information and Cyber Security Risk Impact and Response Strategies

Business Continuity Management

E Ink has established a "Business Continuity Management Procedure" to systematically protect the Company's critical processes and systems from being disrupted by significant incidents, disasters, or information security attacks. Through business impact analysis and drills, E Ink comprehensively identifies the risks associated with the interruption of critical resources and systems. Annual emergency drills for information security incidents ensure that in the event of a major cybersecurity incident, operations can be promptly restored to achieve uninterrupted business continuity.

In 2023, E Ink conducted information security disaster drills for key operational systems, including the ERP system and the Manufacturing Execution System (MES), as detailed below:

Key Systems	Information Security Incident Emergency Drill Description	Performance in 2023
ERP	The ERP system damage and restoration drill simulated irreparable damage to the ERP system. Restoration and verification were conducted using backup systems to meet predetermined objectives. This ensures that in the event of unforeseen disasters, the system can be rapidly restored according to the plan, maintaining continuous business operations.	• Recovery Point Objective (RPO): 1 hour • Recovery Time Objective (RTO): 2 hours
Production and Manufacturing System	The Hsinchu site's MES management system abnormality drill simulated a malfunction in the MES management system. The abnormality reporting and handling process was initiated, and the system was inspected through routine operations and debugging methods. The drill involved gradually identifying system issues and their dependent components, confirming recovery steps, and ensuring the system met set objectives. This ensures that in the event of unforeseen disasters, E Ink can swiftly restore the system according to the plan, maintaining continuous operations.	• Recovery Point Objective (RPO): 24 hours • Recovery Time Objective (RTO): 8 hours

Information Security Insurance

External information threats are becoming increasingly severe, with many companies experiencing varying degrees of malicious attacks. As cyber-attack tools become more readily accessible, the frequency of intentional or unintentional malicious activities targeting enterprises has seen a sharp rise. If a company suffers a business interruption due to external malicious attacks, the resulting losses can be immeasurable. E Ink aims to minimize the losses incurred during significant information security incidents, enhance information security resilience, and ensure that external support is available when needed to mitigate the impact.

Plan Progress	2023	Completed the evaluation of high-risk items for insurance coverage.
	Q4 2023	Completed to the Information Security Management Committee and the Chairman of the Committee.
	Q4 2024	Implement information security insurance.

Information and Cyber Security Risk Impact and Response Strategies

To mitigate the impact of information security risks on operations, E Ink conducts an annual information security risk management drill. This includes asset inventory, risk identification and assessment, and the development of risk treatment strategies. Additionally, monitoring and review mechanisms are established, utilizing Security Information and Event Management (SIEM) tools and a dedicated security monitoring team. Regular reviews and updates of information security policies and measures are carried out to address new threats and risks, ensuring information security and business continuity. Emergency response plans are in place to handle potential information security incidents and disasters. Furthermore, information security awareness is enhanced through targeted educational training courses for employees. In 2023, no information security incidents occurred.

1. **Asset Inventory :** Comprehensive identification and classification of E Ink's information assets, including hardware, systems, software, data, and processes. A detailed asset list is maintained, recording each asset's owner, value, and sensitivity, with protection priorities assigned based on their importance.

2. **Risk Identification:** In-depth analysis and assessment of potential risks across information assets, from hardware and software to data and processes, ensuring a thorough risk identification process.

3. **Risk Assessment:** Conduct risk assessments for each asset, considering threats, vulnerabilities, and risk impacts. High-risk items are prioritized, and quantitative analysis is performed using a risk matrix.

4. **Risk Treatment:** Develop risk response strategies, selecting options to accept, transfer, mitigate, or avoid risks. Based on the assessment results, specific improvement measures are planned, such as patching vulnerabilities, enhancing security defenses, establishing emergency plans, or purchasing cybersecurity insurance.

5. **Monitoring and Review:** Establish monitoring systems to regularly track system performance and security incidents. SIEM tools are used to analyze logs, and periodic security reviews ensure the effectiveness of implemented measures.

6. **Emergency Response Plan:** Develop response plans for handling information security incidents and disasters, covering scenarios from data breaches and ransomware attacks to natural disasters. Ensure plans include contact information, recovery steps, and testing procedures.

7. **Employee Education and Training:** Implement information and cyber security education and training programs to enhance employee awareness and recognition of security risks. Employees are trained on identifying social engineering attacks, spam, and malicious attachments.

8. **Regular Review and Improvement:** Periodically review information security policies, procedures, and control measures. Adjust and optimize based on review findings to address emerging threats and risks.
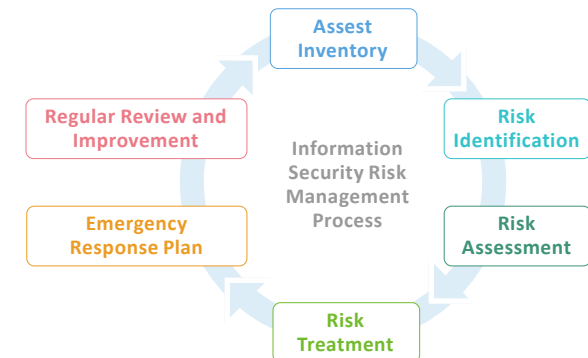
Information Security Risk Management Process: Assest Inventory → Risk Identification → Risk Assessment → Risk Treatment → Emergency Response Plan → Regular Review and Improvement

2-3-3 Enhancing Information and Cybersecurity Awareness

Project	Implementation Details	Implementation Results in 2023		

Education and Training of employees

Implementation Details:

- Regularly conduct information and cyber security awareness training, and clearly inform employees of their obligations to maintain information and cyber security and confidentiality through contract terms, thereby enhancing the information and cyber security awareness of all employees and IT personnel.
- In 2023, provide general information and cyber security training to all employees, with subsequent annual training for new employees during onboarding.
- Achieve a 100% training rate of ISO 27001 for all employees in the Information Department in 2023.
- Conduct two social engineering drills in 2023 to assess employees' information and cyber security awareness and practical application.
- Schedule four online information and cyber security training sessions for all employees in the Company in 2023.
- Conduct information security announcements and awareness campaigns for all employees in the Company in 2023.

Implementation Results in 2023:

Trainees	Training Course	Performance in 2023	
		Number of trainees	Completion rate
nformation Security Department and employees involved in ISO/IEC 27001 project	ISO 27001	42	100%
The newly hired indirect employees	Orientationand training for new employee	43	100%
All employees	Schedule a total of four information security training courses	4,168	99.47%
Designated employees from social engineering drills	social engineering drills 1 and 2	704	100%
All employees	a total of 12 information and cyber security awareness informative article	884	100%

Network Security Management

Implementation Details:

- Implement endpoint and wireless network security control systems to prevent non-company devices from accessing the internal network.
- Engage external parties for network exposure monitoring and external vulnerability scanning, periodically update firewall firmware, and patch software security vulnerabilities as needed to prevent hackers from infiltrating and stealing confidential company data or causing damage.
- Integrate with Windows AD authentication to identify various user internet behaviors and malicious threats, facilitating network forensics and audit tracking.
- Utilize cloud-based big data analysis and machine learning to integrate malware community databases, enabling real-time global joint defense measures against various known and unknown types of attacks.

Implementation Results in 2023:

- Since 2022, continuously implement an external intelligence rating system to understand the company's external threat levels through external threat intelligence. This system tracks the company's risk levels, risk factors, exposure monitoring, and vulnerability analysis reports, directing and monitoring the responsible personnel to undertake risk mitigation actions and patch vulnerabilities.
- In 2023, continue to optimize various information security measures, maintaining E Ink's risk factor at 95 points with an A-level risk rating.

Device Security

Implementation Details:

- Install comprehensive antivirus software on all computers and servers in the Company.
- Implement a vulnerability scanning system platform.

Implementation Results in 2023:

- Install antivirus software on all office computers, achieving a coverage rate of over 95%.
- Implement additional security control measures to ensure the safety of personal computers and servers for special operational requirements.
- Introduce a vulnerability scanning system platform in 2023, with plans to conduct annual vulnerability scans on all group servers.

Email Security Management

Implementation Details:

- Utilize an advanced email protection system with external rating and sandboxing capabilities to enhance the group's defenses against new forms of business fraud, multi-layered URL phishing, and various malicious email attachments.

Implementation Results in 2023:

- Effectively block external malicious emails, resulting in zero information security incidents caused by external emails in 2023.

Information System Backup, Verification and Restoration

Implementation Details:

- Implement an effective backup system and monitoring mechanism, regularly backing up all information systems and reporting the status.
- Establish robust disaster recovery drills and data verification mechanisms to ensure the accuracy of backup data and the familiarity of personnel with recovery procedures.
- Set up offsite backup systems for critical information systems, such as the SAP ERP and significant databases.

Implementation Results in 2023:

- The existing backup system and monitoring mechanism effectively meet current needs. Annual backup and restoration drills are conducted for critical systems to ensure effective recovery in case of unexpected incidents. The execution rate for 2023 targets was 100%.
- Offsite backup systems are established for significant information systems, such as SAP ERP and significant databases, ensuring continuous business operations during information security incidents.

Emergency Handling of Abnormal Events

Implementation Details:

- Establish comprehensive management procedures to ensure employees know how to report and respond to information system anomalies or significant information security incidents.
- Implement ISO 27001 certification in 2022, using international standards to develop methods for handling information security incidents and establishing an information and cyber security reporting team to create procedures and personnel assignments for different levels of incidents.

Implementation Results in 2023:

- Complete the information and cyber security incident reporting procedures and operational processes, and execute them through the Business Continuity Plan.

03 Product Sustainability

Innovation for Low-Carbon Sustainable Products

Performance Achievements

Green revenue over **99**% in the past 3 years.

New product contributed in over **51**% in the past 3 years.

Invested NTD 3.6 Billion in R&D expense, accounting for **13**% of revenue

587 R&D personnel in global, accounting for **21**% of total workforce

50 times less CO_2e emission from eReader than from TFT-LCD tablets

693 new patents added, with over **6,600** cumulative valid patents orldwde

12 thousand times less CO_2e emission from 10-inches ePaper ESLs than from TFT-LCD ESL

Completion of over **130** new technology applications and product developments

12 open collaborations with external organizations and enterprises

200 thousand tons less CO_2e emission from ePaper bus stop signs than from TFT-LCD

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

Carbon foot print (CFP)
6.8-inch e-book module is **3.06** $KgCO_2e/pc$
2.9-inch ePaper label module is **0.59** $KgCO_2e/pc$

"Lean Design & Material Reduction", "Energy Conservation & Carbon Reduction", "Recycling", and "Innovation" as the 4 sustainability design dimensions, encompassing **20** product design technologies

3-0 Management Approach of Sustainable Topics

Product realization and technology innovation

Market Expansions ◉ Material Topics

GRI Sustainability Topics
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.

Sustainability KPIs	Management Objectives	▶Short-term Goals (2023)	▶Result (2023)	▶Short-term Goals (2024)	▶Mid-term Goals (2025)	▶Long-term Goals (2030)
New Product and Technology	Proportion of New Product Developed in Past 3 Years to Revenue	9%	Surpass by **51%**	3%	18%	26%

Product Research, Development and Innovation ◉ Material Topics

GRI Sustainability Topics
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 CO_2e 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.

Sustainability KPIs	Management Objectives	▶Short-term Goals (2023)	▶Result (2023)	▶Short-term Goals (2024)	▶Mid-term Goals (2025)	▶Long-term Goals (2030)
IP and Trade Secret	Number of New Effecitve Patents Annually	300	Surpass by **693** new effective patents		300	
	Accumulative Number of Effective Patents	6,000	Surpass by **6,612** effective patents		6,000	5,000
	Number of Trade Secret Proposals	170	Surpass by **172** trade secret proposals	170	220	280
Intellectual Property Management	Taiwan Intellectual Property Management System (TIPS)	Maintaining **A-level** certification	Achieved		Maintaining A-level certification	
Development Resource	Proportion of R&D Workforce to Total Workforce	22-27%	Not achieved by **21%**[Note]		22-27%	
	Proportion of R&D Expense to Revenue	10-15%	Achieved		10-15%	

Note: The total number of R&D employees globally increased in 2023 compared to 2022, but the target was not met due to challenges such as a shortage of global technology professionals and high demand.

Product realization and technology innovation

Business Partnership Management ◎Secondary Topics

Sustainability KPIs	Management Objectives	▶Short-term Goals (2023)	▶Result(2023)	▶Short-term Goals (2024)	▶Mid-term Goals (2025)	▶Long-term Goals (2030)
Industry-Government-Academia Collaboration	Promoting Industry-Government-Academia Collaboration	**1** collaboration project	Surpass by **12** collaborative projects		**1** collaboration project annually	

Expansion of low carbon products

Green and Sustainable Product Development ◉Material Topics

GRI Sustainability Topics
Custom topics

Policy Commitments
E Ink has established a "Sustainable Product Management Policy," integrating the concepts of product life cycle, ecodesign assessment, and 4R green sustainability product inspection standards into the design and development process. This approach emphasizes lean design and material reduction, energy conservation and carbon reduction, recycling and circular utilization, and green certification. By applying these strategies across the entire product lifecycle --from raw material selection and manufacturing to distribution, sales, usage, and end-of-life recycling --E Ink enhances the low-carbon sustainability feature of ePaper products, significantly reducing overall environmental impact.

Sustainability KPIs	Management Objectives	▶Short-term Goals (2023)	▶Result(2023)	▶Short-term Goals (2024)	▶Mid-term Goals (2025)	▶Long-term Goals (2030)
Sustainable Proudcts	Sustainable Product Development- Number of New Project Developed Annually	**1**	Achieved		**1-2**	**2-3**
	Upgrading Existing Products for Sustainability- Number of New Product Upgraded Annually	**1**	Achieved		**1-2**	**2-3**
	Optimization of Product Packaging Materials- Reduction of Packaging Tray Usage	**13%**	Achieved	**5%**	**10%** (compared to 2023)	**10%** (compared to 2025)
	Proportion of Sustainable Raw Materials Used in Specified Products (% by weight)	2024 New Targets	**0%**	**10%**	**12%**	**15%**
	Proportion of Recycled Raw Materials Used in Light Guides/ Touch Panels for Specified ePaper Modules (% by weight)	2024 New Targets	**0%**	**3%**	**5%**	**10%**
Green Revenue	Proportion of FTSE Russell Green Revenue to Revenue	**>99%**	Achieved		**>99%**	
Ecosystem	Value Chain of Ecosystem- Accumulated Number of Partners Annually	**135**	Surpass by **173** partners	**190**	**150**	**200**

3-1 Green and Sustainable Product

3-1-1 Green and Sustainable Product Management

E Ink, a global leader in ePaper display technology, centers its sustainable product management on "Product Sustainability - Innovation for Low-Carbon Sustainable Products." E Ink established the "Sustainable Product Management Policy[Note]" through two principles , "Research and Development Innovation" and "Green Products," leveraging its competitiveness in sustainability and low carbon.

Note: The Sustainable Product Management Policy was reported and approved by the Board of Directors on May 10, 2024.

Research and Development Innovation

In the process of transforming new technology research and development into commercial products, E Ink focuses on the strategies intellectual property and product risk management, the expansion of diverse ePaper product applications, the active operation and expansion of the ePaper ecosystem, and cross-disciplinary collaboration with industry, government, universities, and institutes. These strategies deepens internal R&D innovation and stimulates sustainable technology and product design momentum through external interdisciplinary cooperation.

Green Products

By focusing on "Lean Design and Material Reduction" "Energy Conservation and Carbon Reduction," "Recycling," and "Green Certification," E Ink enhances the low-carbon sustainability of ePaper products throughout the processes of raw material selection, production and manufacturing, distribution and sales, usage, disposal, and recycling.

3-1-2 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 and blue light emission, as well as a comfortable reading experience.

The Operating Principle of ePaper	
Reflective Display Technology	• The light source comes from the environment or external sources, eliminating the need for continuous backlighting, which reduces power consumption and lowers carbon emissions, making it environmentally friendly. • It does not emit light and does not cause blue light harm, providing a comfortable reading experience without straining the eyes. • It is readable in sunlight; the stronger the external light source, the better the display effect.
Bi-stable Principle	• The black-and-white or color electronic ink in ePaper, driven by an electric field, moves to a designated point and remains stable without consuming power. • ePaper consumes only a minimal amount of power when changing images, and maintaining a static display uses no power at all, making it more energy-efficient and environmentally friendly compared to conventional displays.

Bi-Stable / Reflective / Flexible

Color　Pen Writing　Wide View Angle　Easy on the Eyes　Low Power Consumption

Always On　Paper-Like　Sunlight Readable　Light Weight　Shutterproof　Flexible

▶ more info in video

Technology Principle of Electronic Ink

Transparent Top Electrode

Microcapsule

Clear Fluid

Bottom Flectrode
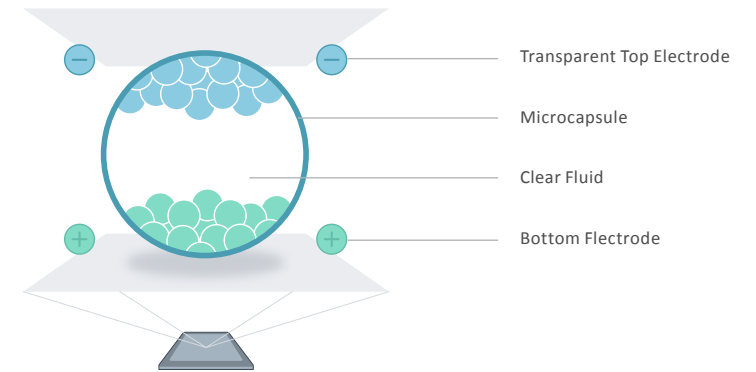
ePaper, the Paper Like Dispaly

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

Protection Sheet

E Ink Films

TFT Backplane (Glass or Plastics)

▶ more info in video

3-1-3 Expandinge ePaper Applications

Utilizing the environmentally and visually friendly display features of ePaper, it is suitable for various Internet of Things (IoT) display applications, including retail, transportation, hospitals, logistics, and home life. This enables customers integrate ePaper as the primary display interface in various fields. Current visible market applications include eReader, eNote, Electronic Shelf Label (ESL), Signage, and wearable ePaper devices. E Ink will continue to invest in the development of ePaper display technology and product applications to expand the global application market.

With the brand vision of "We Make Surfaces Smart and Green," E Ink focuses on the trends of Artificial Intelligence of Things (AIoT) and sustainable development, using environmentally and visually friendly ePaper. The Company aims to expand applications in smart education, smart signage, smart retail, smart transportation, and smart logistics, promoting continuous and stable profitability while achieving sustainable development goals.

Note: For more information on ePaper applications, please refer to 3-3-2 and 3-3-3 of this chapter.

3-1-4 ePaper Ecosystem

E Ink continues to innovate and expand its ePaper technology and product applications. E Ink is committed to partnering with software and hardware manufacturers, as well as the upstream and downstream supply chain of various application industries, with the goal of mutual prosperity. By building an ePaper ecosystem, E Ink aims to accelerate solving end-user issues and realizing diverse smart application scenarios and realize diverse smart application scenarios, continuously moving towards the vision of smart living and sustainable cities. To accelerate the widespread adoption and diverse development of low-carbon ePaper applications, E Ink collaborated with ecosystem partners to establish the E-paper Industry Alliance (EPIA) in December 2020, with Johnson Lee, CEO of E Ink Holdings, serving as the chairman of the alliance. As of December 2023, the alliance has reached 173 members, marking a new milestone in the ePaper industry. Centered on green, low-carbon ePaper, the alliance demonstrates the cohesion and unity of industry ecosystem companies, aligning with the strategic needs of digital economy development and driving industry growth. E Ink will continue to work with ecosystem partners to deepen ePaper applications in digital reading, new retail, education and office, transportation, healthcare, industrial, aviation and logistics.

eReader

eNote

Retail

Internet of Things (IoT)

Annual ePaper Industry Ecosystem Development Summit Forum

CINNO·ePaper Insight and IOTE IoT Exhibition Co-host the 2023 "New Vision, Paperless Realm" First Annual ePaper Industry Innovation Application Forum

Overview of E Ink's ePaper Ecosystem

Key IC Supplier

- ePaper applications and market growth momentum are strong.
- E Ink brand stands for eco-friendliness, energy efficiency and eye comfort, hardware and software companies offer new value-driven options in the blue ocean market.

ePaper Films & Functional Films

E ink

- E Ink develops various types of ePaper key materials and peripheral materials tailored to terminal fields and application needs.
- E Ink provide application reference designs to shorten design and market launch time for customers.
- By promoting innovative applications under the E Ink brand, we connect the entire ePaper ecosystem with this brand name, making E Ink synonymous with ePaper materials or display modules.
- E Ink offers diverse business models and opens strategic collaborations with key ePaper materials and display module manufacturers. This enables more partners to produce competitive ePaper modules, expand market reach, and produce more competitive ePaper display modules of different sizes, reducing development bottlenecks for end products and markets.

Hardware manufacturers

Software Developers

Content Providers

System Integrators

Brand Customers

Service Providers

End Customers

- E Ink promotes new ePaper applications in various fields, helping end users understand the value ePaper brings to their domains, such as improving operational efficiency and optimizing the total cost of ownership (TCO).
- End customers specify the use of terminal devices designed with E Ink display products.
- End customers who support environmental sustainability concepts choose to purchase E Ink's green technology and products that align with IoT energy-saving and sustainability trends.

ePaper Module Supplier

TFT Backplane Suppliers

- E Ink ePaper technology provides brand partners with products that are non-emissive, always-on without consuming power, and flexible. This enables brand customers to create new types of products, addressing the unmet needs that emissive display technologies cannot fulfil.
- E Ink's green technology and product design characteristics meet the needs of IoT energy efficiency and ESG sustainability trends.

3-2 Research and Development Innovation

3-2-1 Intellectual Property

E Ink's competitive advantage is built on its advanced ePaper technology and products. Through solid intellectual property management, patent protection, and comprehensive risk management strategies, E Ink maintains an intellectual property management system, focusing on patent deployment for core and related technologies, product implementation, and target markets. Additionally, E Ink considers the entire product life cycle (Life Cycle Assessment, LCA) in technological research and development. This includes the selection of product materials, production and manufacturing, distribution and transportation, usage, and disposal and recycling, to minimize internal and external risks. These efforts aim to achieve the development of innovative and green products, cementing E Ink's industry leadership position.

Patent and Intellectual Property Strategy

E Ink's patent portfolio extensively covers various aspects of ePaper technology, including Basic Principle, Optical Layers and Imaging Film, Electrical and Layer, Display Module Design and Manufacturing, Driving Algorithms and Waveforms, and Device and Application. In 2023, E Ink added 693 new patents, bringing the total number of active patents globally to 6,612. This robust patent portfolio reinforces E Ink's continued leadership position in the ePaper industry.

E Ink's global patent management is overseen by the Patent Committee, which comprises directors and above from the R&D departments. The Company has established a reward system for patents and trade secrets and regularly holds patent review meetings to select high-value patent and trade secret proposals. Approved proposals are rewarded with bonuses, and patent applications are submitted externally with the assistance of patent firms. In 2023, E Ink maintained the A-Level Certification under the Taiwan Intellectual Property Management System (TIPS) in Taiwan. E Ink plans to sustain this A-level certification in the medium and long term to ensure comprehensive intellectual property management.

A-Level Certification of 2022 TIPS
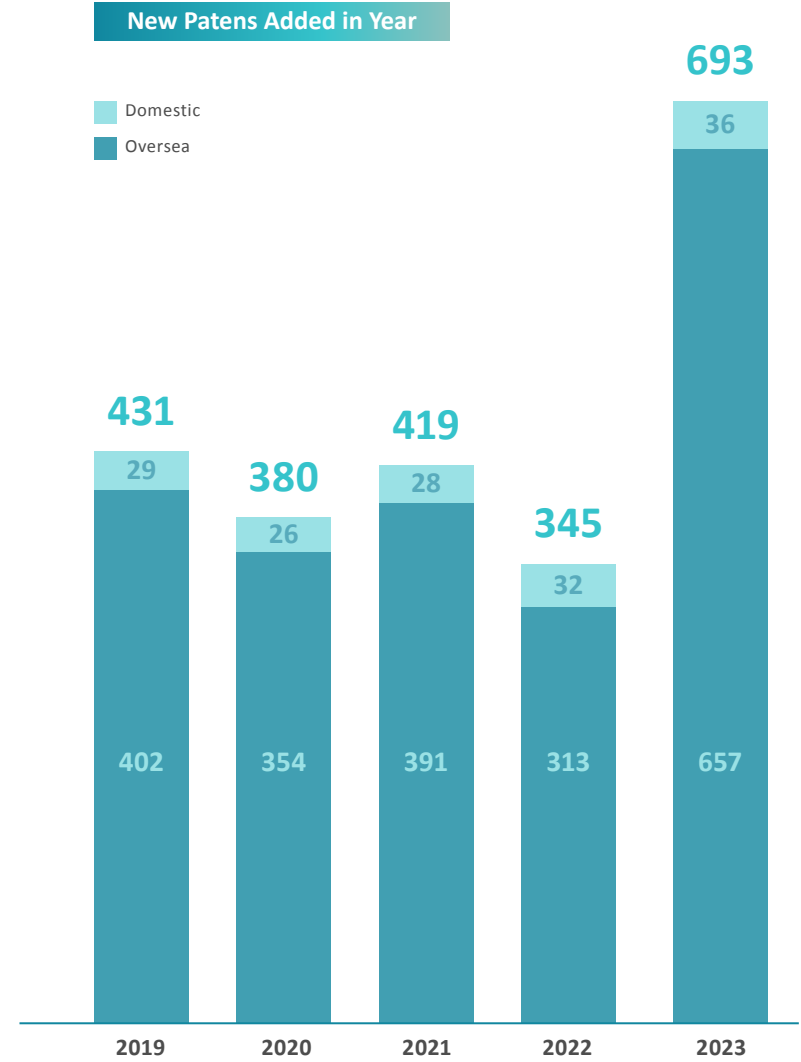
New Patens Added in Year

Domestic
Oversea

Year	2019	2020	2021	2022	2023
Total	431	380	419	345	693
Domestic	29	26	28	32	36
Oversea	402	354	391	313	657

Investment In Research and Development Resources

E Ink continues to dedicate itself to the research and development of ePaper technology and related products. In addition to advancing black-and-white ePaper modules, color ePaper films (Front Plane Laminate, FPL), and ePaper driving waveforms (Waveform) technology, the company also focuses on developing related technologies such as ePaper timing controller integrated circuits (TCON IC), wireless power supply, and touch handwriting. E Ink consistently launches new products in the ePaper field, receiving favorable market responses.

To meet the Company's long-term growth and planning needs, E Ink has been increasing its investment in R&D expenses and personnel annually. This growth in resources fuels the momentum for technological and product innovation, providing the market with advanced, innovative, and environmentally and vision-friendly products. This solidifies E Ink's leading position in the ePaper market and ensures sustainable and leading development in the highly competitive display industry.

- In 2023, E Ink invested approximately NTD3.65 billion in research and development, accounting for 13% of revenue.
- In 2023, E Ink had 587 R&D personnel worldwide, making up 21% of the total number of employees.
- E Ink's R&D personnel- are distributed across sites in Taiwan, the US, China, and Japan, contributing to global R&D synergies through the specialized expertise of regional talents.
- In Taiwan sites, 6% of E Ink's employees have doctoral degrees and 58% have master's degrees, relying on high-quality talent to lead exceptional technological development.

R&D Investment

Legend: R&D Expenses (Million NTD); R&D Expense-to-revenue Ratio[Note]

Year	2019	2020	2021	2022	2023
R&D Expenses	2,374	2,467	2,649	3,461	3,647
Ratio	17%	16%	13%	12%	13%

Note：As E Ink has experienced rapid revenue growth in recent years which lead to the proportion of R&D expenses to revenue has decreased.

R&D Personnel- by Region

Legend: Number of employee; Ratio[Note2]

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

Taiwan sites

Year	2023	2022	2021	2020	2019
Number	309	307	295	307	303
Ratio	22%	21%	27%	35%	34%

US sites

Year	2023	2022	2021	2020	2019
Number	239	222	190	193	161
Ratio	54%	52%	49%	51%	42%

China sites

Year	2023	2022	2021	2020	2019
Number	34	35	34	44	44
Ratio	4%	4%	3%	6%	6%

Other- Tokyo site[Note1]

Year	2023	2022	2021	2020	2019
Number	5	5	10	17	18
Ratio	42%	42%	56%	68%	56%

R&D Personnel in Taiwan- by Education Background

Legend: Doctoral degree; Master degree; Bachelor degree; High school graducated

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

Year		Doctoral degree	Master degree	Bachelor degree	High school graducated
2023	Ratio[Note]	6%	58%	34%	2%
	Number of employee	19	189	109	8
2022	Ratio[Note]	6%	58%	34%	3%
	Number of employee	19	180	105	8
2021	Ratio[Note]	7%	57%	32%	3%
	Number of employee	20	173	99	10
2020	Ratio[Note]	7%	57%	33%	3%
	Number of employee	20	170	99	10
2019	Ratio[Note]	8%	63%	28%	1%
	Number of employee	20	163	73	3

3-2-2 Research and Development Achievement

In 2023, E Ink developed over 130 new technologies and product applications, focusing on three types of color ePaper technologies, ePaper films, ePaper modules, and related application technologies. Some of these technologies take between 1 to 5 years to transition from research and development to commercialization. The development of new products is key to driving E Ink's growth, with 51% of the 2023 revenue coming from products developed within the past three years, highlighting the significant and crucial contribution of new products to revenue.

In the future, E Ink will continuously invest in research and development, focusing on the development of innovative, low-power reflective display technologies. The core of E Ink's research and development will be black-and-white and color FPL, with further integration of thin-film transistor (TFT) backplanes, display driver chips, and ePaper driving waveforms. By building a comprehensive ePaper ecosystem, E Ink will collaborate with partners across industry, government, universities, and institutes to drive innovation and development. Together with the Company's customers, E Ink will explore innovative applications, continuously expanding new applications to promote sustained revenue growth.

Ratio of New Products Contribution to Revene in 2023 (%)

Legend:
- New Products of 2020
- New Products of 2021
- New Products of 2022
- New Products of 2023
- Total

Data points:
- 2021: 5, 24; Total 29
- 2022: 2, 21, 19; Total 42
- 2023: 20, 23, 9; Total 51
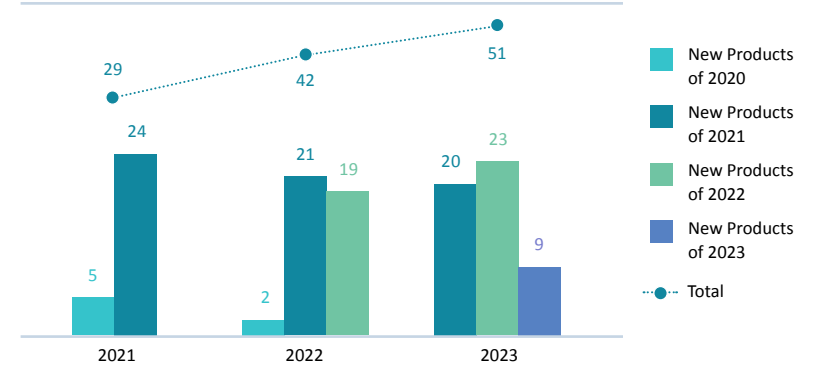
Key Technologies and R&D Achievements

E Ink Spectra™ 6

Technology Overview

E Ink Spectra 6 is based on the E Ink Spectra technology platform, enhancing the color spectrum and advanced color imaging algorithm. It offers saturated and vibrant full-color displays to improve the effectivenss of advertisement and marketing.

Technology Advantages

- Rich and saturated colors with high contrast, providing color effects comparable to advanced color printed paper.
- Available in various display sizes, allowing customers to select the appropriate size based on different application scenarios.
- Resolution: Up to 200 pixels per inch (PPI); Contrast ratio: 30:1
- Operates in a temperature range of 0° C to 50° C.
- E Ink Spectra 6 enables a partial image flashing effect, E Ink Sparkle™, which enhances the effect of advertising messages through motion that provide a more eye-catching way to enhance product promotion effectiveness.

Applications

- Advertising Signage and Public Information Displays

E Ink Kaleido™ 3

Technology Overview

Based on Print Color ePaper Technology, it enhances color printing technology and optimizes the ePaper module structure design to achieve superior 4,096-color performance and printing effects. The color saturation is increased by 30% compared to the previous generation E Ink Kaleido Plus, which can display clearer fonts and more vivid colors. This offers a detailed and comfortable digital content reading experience, suitable for content that is rich in image information, such as charts, maps, pictures, textbooks, and advertisements. The E Ink Kaleido 3 ePaper module comes in various sizes, including 7.8 inches, 10.3 inches, and 13.3 inches, suitable for eReader and eNote. To cater to various reading and note-taking scenarios, E Ink Kaleido 3 is equipped with E Ink ComfortGaze front light technology, which reduces the amount of blue light reflected from the display surface, making reading more comfortable and reducing blue light harm.

Technology Advantages

- The display features 4,096 colors and 16 grayscale levels, with a black-and-white resolution of up to 300 ppi and a color resolution of up to 150 ppi.
- The page-turning speed is the same as that of black-and-white ePaper.
- The operating temperature ranges between 0° C and 50° C.
- The colors are displayed with a warm and soft effect, making it suitable for eReaders and eNotes that display rich image information.

Applications

- eReader and eNote
- Monitor

E Ink 2023 CORPORATE SUSTAINABILITY REPORT

About this report

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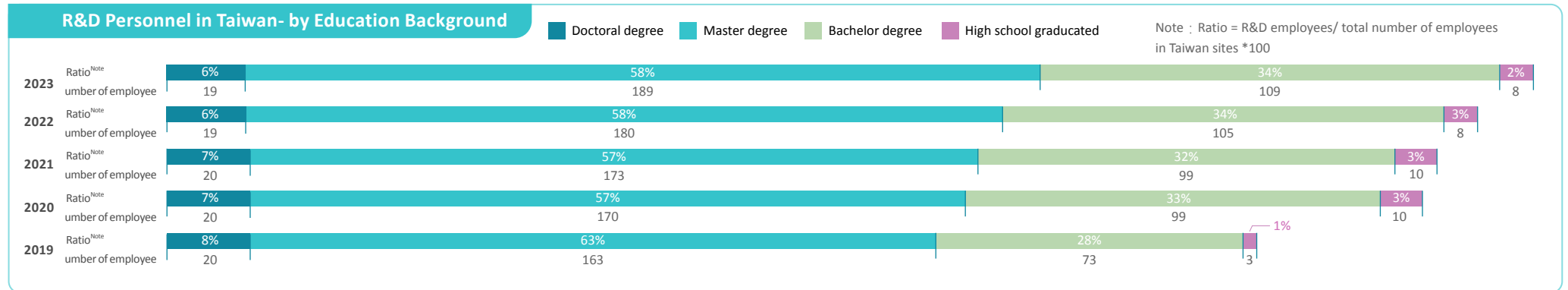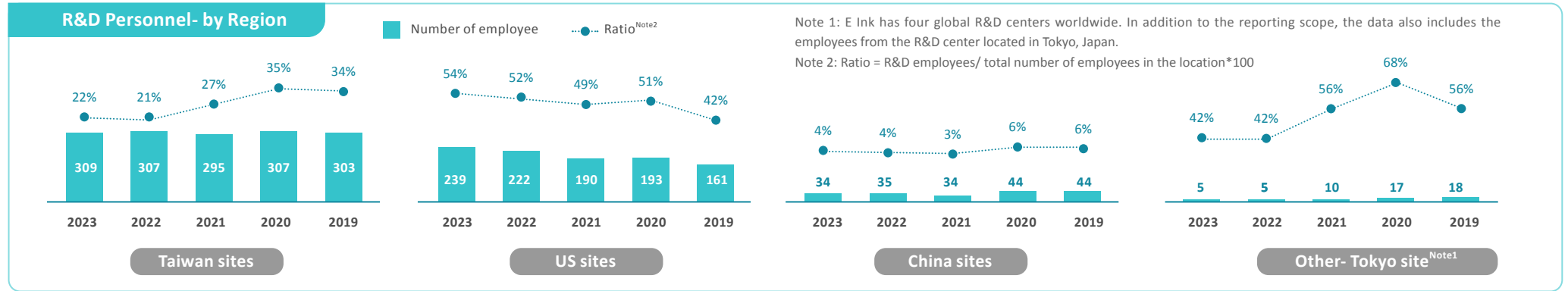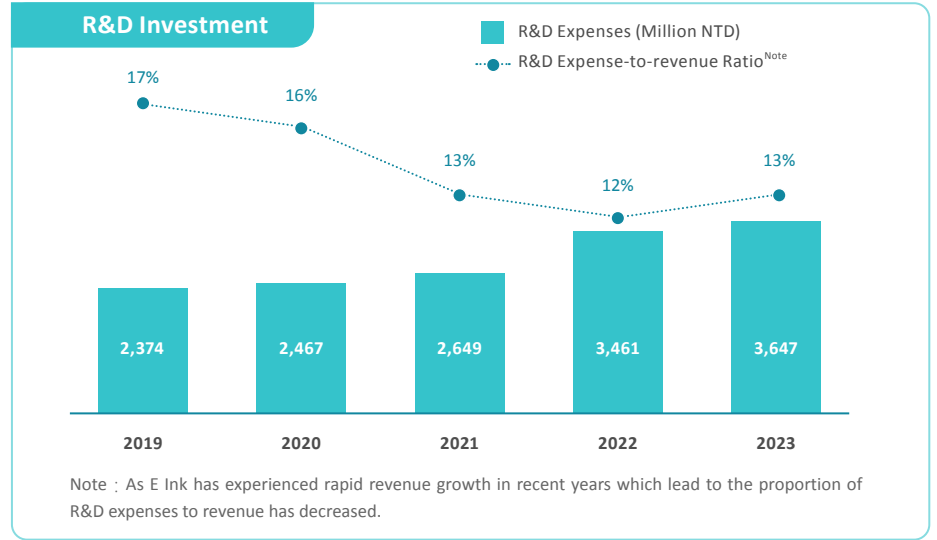
3-3 Low-Carbon Sustainability - Green Products

04 Green Production

05 Sustainable Supply Chain

06 Enterprise Care

07 Social Engagement

Appendix

E Ink Kaleido™ 3 Outdoor

Technology Overview

Based on Print Color ePaper Technology and utilizing the RGB color display principle, the black-and-white FPL (Front Plane Laminate) presents a warm and rich color display, offering 4,096 colors. The display effect is close to that of printed posters or signage. With wide temperature characteristics, it can be applied to Digital Out-of-Home (DOOH) signage, making it suitable for a broader range of outdoor temperatures. It features dynamic color display capabilities while maintaining the quality of poster texture. This technology provides colorful and rich information with low-carbon and environmentally friendly features for outdoor public information displays.

Technology Advantages

- Many European countries have introduced regulations limiting the operating hours of digital signage due to the energy crisis. E Ink Kaleido 3 Outdoor's ultra-low power consumption feature can be combined with solar panels to operate using renewable energy, bypassing power grid implementation and replacing high-energy-consuming digital signage.
- When used for outdoor information displays, E Ink Kaleido 3 Outdoor color ePaper allows for rapid dynamic updates of information, significantly enhancing functionality and environmental benefits compared to traditional paper posters.
- The operating temperature range is between -15 ° C to 65 ° C, which allows it to operate in extremely cold or hot areas without the need for expensive, high-energy-consuming heating or cooling equipment, reducing additional power consumption.

— **Applications** —

- Transportation signage
- DOOH (Digital Out-of-Home) advertising signage

E Ink Gallery™ 3

Technology Overview

Based on E Ink ACeP (Advanced Color ePaper), the full-color ePaper technology platform, E Ink Gallery achieves a full-color display effect with four-color electronic inks: cyan, magenta, yellow, and white. This makes it suitable for displaying digital content with rich colors, such as picture books, textbooks, and magazines. E Ink Gallery 3 enables a digital handwriting function that allows writing not only in black and white but also in various colors. The latency of writing has been improved to as low as 30 milliseconds. E Ink Gallery 3 adopts the latest front light technology, E Ink ComfortGaze, which reduces the amount of blue light reflected from the display surface, providing a low blue light and visually healthy digital reading experience.

Technology Advantages

- The page-turning speed for black-and-white text has been improved to 350 milliseconds. The fast color display mode is as quick as 500 milliseconds, the standard mode ranges from 750 to 1,000 milliseconds, and the best color display mode is 1,500 milliseconds. Compared to the first-generation Gallery, which required 2 seconds for black-and-white display updates and 10 seconds for color, this represents a significant speed enhancement.
- The resolution has improved from 150ppi to 300ppi, with an operating temperature range of 0° C to 50° C, meeting the environmental and specification requirements of eReaders.

— **Applications** —

- eReader
- eNote

E Ink Prism™ 3
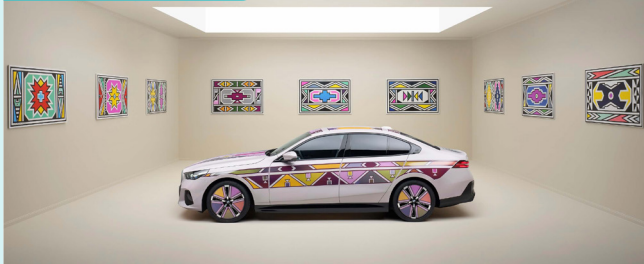
Technology Overview

Unlike matrix-based color ePaper technology, E Ink Prism 3 is a segmented display technology with dynamic color-changing features and offers eight color options. By programmatically editing the color dynamics of the color-changing ePaper and integrating pattern designs, it can create rich, dynamic display surfaces. Due to the durability and flexibility of the ePaper, manufacturers and designers can shape it freely and integrate it into a wide variety of materials.

Technology Advantages

- The low-power E Ink Prism 3 can be powered by batteries or renewable energy sources, eliminating the need for power outlets.
- Customized designs : Designers can choose to combine intricate patterns and colors on the product surface to further enhance its features.
- Without the need for a TFT backplane, E Ink Prism 3 can display various 2D shapes such as circles, triangles, and irregular shapes.

— **Applications** —

- Consumer electronics
- Architectural appearance and residential space
- Outfits
- Automobile

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Solar-powered Sustainable Smart ePaper Shelf Tag and Warehouse Picking System

Technology Overview

Collaborating with supply chain partners, E Ink has developed and implemented a complete system architecture. The system integrates Realtek Semiconductor's RTL8762 low-power Bluetooth chip series, Formosa Plastics Corporation's thin-film dye-sensitized solar cells, Uneo's shelf matrix pressure sensors, and E Ink Spectra 3100, the four-color ePaper. This solution is used in retail scenarios, employing color ePaper as a consumer advertising interface. Indoor light, harnessed by the solar cells, extends the system's lifespan, aiding stores in precision marketing and enhancing the customer shopping experience.

Technology Advantages

- Designed pressure sensors on the product shelves, creating an aesthetically pleasing flat surface. This design achieves the dual functions of displaying products and detecting their quantities within the same space.
- The shelf labels are made with E Ink Spectra 3100, featuring clear promotional colors in black, white, red, and yellow that effectively capture consumer's attention and are visible from 180 degrees.
- Integrate indoor thin-film solar technology on the sides of shelf tags to enable renewable energy-powered price changes, extend battery life, and achieve Net Zero Carbon Emissions in a business space.
- Track product quantity changes in real-time and integrate with the backend picking system for effective inventory management. This capability allows retailers to conduct promotions more flexibly and in real-time. For instance, when the expiration date of perishable foods is approaching, promotions can be instantly implemented, reducing food waste.

Applications

- Smart Retail - Electronic Shelf Labels

Battery-free Color ePaper eBadge with Cloud Solution

Technology Overview

Leveraging the zero power consumption feature of ePaper for maintaining image display and its low power requirement for refreshing the display, wireless power technology has been developed. This technology updates the display information with minimal power transmitted instantaneously, eliminating the need for a battery. The identification badge display uses a 4.01-inch E Ink Gallery, marking the first color ePaper solution to achieve a battery-free design. This battery-free design enhances security, extends lifespan, and reduces hardware costs and weight.

Technology Advantages

- The Paper-like display quality of ePaper offers a visual experience as clear and readable as traditional paper. Combined with a simple and optimized interface design, the color ePaper smart health check card enables examinees to quickly and intuitively identify their next check-up item, saving time, reducing the need for medical guidance, and improving the overall efficiency of the health check process.
- The battery-free color ePaper eBadge can be applied to various fields such as enterprises and exhibitions. Its reusable and ultra-low power consumption features enable end-user fields to move towards net-zero carbon emissions.

Applications

- ePaper Smart Card in Health Check-up Processes
- Identification Card

3-2-3 Open Innovation

Embracing an open innovation mindset, E Ink has collaborated with various industries, government agencies, universities, and institutes to promote 12 interdisciplinary cooperation projects. These initiatives focus on the development of ePaper-related technologies, such as ePaper application products, driver ICs, and flexible backplanes. This accelerates the innovation and development of ePaper technology and application products, providing customers with superior ePaper technology and solutions. By leveraging diverse expertise from different fields, innovation and development in technology and products are implemented, stimulating sustainable technology and product design and implementation capabilities. The summary of the key open innovation projects is listed as follows:

Collaboration Partners	Projects	Achievements
Academic Institutions (Domestics)	Smart Retail Electronic Label Sensor Training System	By using distance sensors to collect information in retail stores and combining it with artificial intelligence (AI) for cusomter behavior analysis, helping retailers optimize their sales strategies.
	Ambient Light Sensor for the Front Light of eReaders and eNote Front Light	Successfully developed a solution that automatically adjusts the front light brightness according to ambient light conditions, allowing eReaders and eNote applications to achieve greater energy efficiency when the front light is on.
Multinational Corporations	Flexible Indium Gallium Zinc Oxide (IGZO) Backplane Used in ePaper Modules	The flexible IGZO backplanes will be used in the next generation of foldable or rollable ePaper applications.
Corporation (Domestics)	Driver IC for ePaper	Successfully developed a driver IC specifically for 1. 5-inch to 12-inch ePaper shelf labels and segment ePaper displays. This innovation enhances the color display effects of ePaper and reduces the power consumption of ePaper labels.
	System on Chip (SoC) Integrated with Timing Control Chip for Tablet	The independently developed timing controller IC into a tablet system-on-chip (SoC) developed by a renowned domestic company, significantly improving the page-turning speed of eReaders and optimizing user experience. Through innovative power management technology, the overall system power consumption is greatly reduced, allowing the device to operate in standby mode for over 10 weeks. Based on this, both parties jointly promote the eReader for the education market.
Startups (Foreign)	eNote with Solar-Powered Back Cover	Collaborated with a startup to develop an eNote back cover with energy harvesting functionality. Utilizing the startup's solar power material technology, which converts various forms of light, such as outdoor natural light or indoor ambient light, into renewable energy, the harvested energy is stored in devices like lithium batteries and supercapacitors. This provides power for the eNote, enhancing its environmental benefits by reducing reliance on non-renewable energy sources.

3-3 Low-Carbon Sustainability

3-3-1 Positive Environmental Impact

Although E Ink's ePaper display products have been classified as environmentally friendly, energy-saving, and carbon-reducing green products (Green Product, GP), there is a continuous need to advance and provide even more environmentally friendly and superior products. This is aimed to achieve the goal of "innovation-based environmentally friendly ePaper products." Therefore, E Ink focuses on innovation and adheres to the three deminsion of "Lean Design & Material Reduction", "Energy Conservation & Carbon Reduction" and "Recycling". By integrating the product life cycle concept with the Ecodesign Assessment method[Note1], E Ink has established its green sustainable product inspection standards- 4R[Note2], including Reuse, Repair, Recycle, and Regenerate. Over 20 products and technologies have been designed, continually improving the energy efficiency of products, reducing the carbon footprint in processes such as manufacturing, packaging, and shipping, and substantially minimizing environmental impact.

Additionally, to enhance the ratio of sustainable raw materials used in new products, education and training are provided to personnel involved in R&D, product development, manufacturing, and procurement. The training focuses on sustainable materials and sustainable products goals and processes, explaining the responsibilities of different units at various stages of product design, development, and manufacturing. For example, procurement personnel are instructed to incorporate the procurement of sustainable raw materials and materials into their daily workflows to increase the ratio of sustainable materials used in products.

Dimensions of Sustainable Products Design

Lean Design & Material Reduction

Innovation

Recycling

Energy Conservation & Carbon Reduction Recycling

Lean Design & Material Reduction: Focuses on reducing the usage and waste of product materials and packaging. The selection of product materials considers minimizing the negative environmental, social, and economic (sustainability) impacts, collaborating with internal and external stakeholders to pursue the best practices in sustainable raw materials.

Recycling: Products should be designed to incorporate recyclable materials and easy disassembly, and proper disposal of waste should be ensured. The selection of product materials strives to maximize the use of recyclable materials.

Energy Conservation & Carbon Reduction: Product energy usage efficiency enhanced and carbon footprint reduced. The selection of product materials aims to maximize the use of materials with low carbon footprints and low environmental impacts.

Note 1: Ecodesign Assessmen is conducted at the early stages of product design, considering the potential environmental and social impacts throughout the product's life cycle. This allows for the optimization of the product design to minimize its impact on the environment and society. Ecodesign Assessment considers and evaluates New Concept Development, Selection of Low Impact Materials, Reduction of Material Usage, Optimization of Production Techniques, Optimization of Distribution, Reduction of Impact During Use, Optimization of Initial Lifetime, and Optimization of End of Life System. For the materials used in products, risks related to environmental and social impacts are assessed to prioritize and select the most appropriate materials.

Note2: The 4R green sustainable product inspection standards are used to evaluate the degree to which materials and substances used in the life cycle stages of newly designed products conform to Reuse, Repair, Recycle, and Regenerate criteria. Materials conform to 4R criteria are considered as sustainable materials, the materials used in a product meet at least two of these criteria, it is internally assessed as a green sustainable product. Furthermore, product design teams are encouraged to ensure their designs align with the green sustainable product design principles.

Key Sustainable Products Design

	Technology/ Product	Features	Environmental Benefits
Lean Design & Material Reduction	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.
	Electronic Ink Material Reduction Research and Development	By optimizing the electronic ink manufacturing process to reduce the use of chemical solvents.	Reduceing the use of chemical solvents by approximately 47%
	Integration of Materials and Electronic Components for ePaper Module	1.Reducing plastic materials used by integrating ePaper module stacking. 2.Integration of ePaper driver IC and TFT backplane reduces the use of electronic components.	1.Reducing the use of plastic materials by 48% to 55% 2.Reducing the use of driver ICs.
	Integrated Power Control IC	Integrating functions of electronic component 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	Integrating multiple system boards of testing jigs used during ePaper module production into a single system board.	Integrating two system boards into a single system board, reducing the number of system boards by 50% compared to 2022.
	Process Automation	Introducing robotic automation to achieve automated calibration of ePaper driving waveforms.	Shortens the calibration time for ePaper driving waveforms by 57%, resulting in 40% of energy savings.
	Design and Implementation of Material Reduced Packaging	1.Optimizing packaging material usage by eliminating plastic protective pads, thereby reducing environmental impact. 2.Developing packaging suitable for different sizes of ePaper modules, reducing the carbon footprint and development costs of packaging manufacturing and transportation. 3.Optimizing packaging structure design to increase product carrying capacity and reduce the amount of packaging used.	1.Reading an average of 18. 4 metric tons of carbon-containing plastic waste annually. 2. Reducing the number of packaging materials developed for electronic consumer products from 120 to 100 per year, decreasing the number of parts by 20%. 3. Reducing the use of packaging materials to minimize waste generation.
Energy Conservation & Carbon Reduction	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 any power consumption. This technology has been implemented at the Health Examination Center of Tungs' Taichung Metroharbor HospitalNote. Note：Please refer to 3- 3- 3 Environment and Visual Friendly- Green Product Development.
	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 power 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 20- 30% depending on the specific product.
	Solar Protective Case for eNote	By combining the large surface area of the eNote protective case with solar panel technology, the eNote battery can be recharged, effectively extending battery life.	By using renewable energy technology, the use of non-renewable energy is reduced, and carbon emissions are decreased.
	New Coating Materials	Front light-equipped ePaper products, such as eReaders and eNotes, that use new coating materials can enhance the brightness of the front light under the same front light specifications.	Under the same front light specifications, it can save approximately 20-40% of power consumption.
Recycling	Using Recyclable Plastic Materials	Using recyable materials for 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 feature by reducing thickness of packaging.	Reduces the usage of packaging trays by 13%.
	Reuse of Packaging	Utilizing recycled packaging materials for sample shipments to promote material recycling and reuse.	Implement material recycling and circular use.
	Introduction of Materials to Enhance Repairability	By using new repairable materials, improving the repair rate of defective ePaper modules and reducing the damage rate of disassembled electronic components.	During the repair process of defective products, reduce electronic component wear and minimize environmental pollution.

Green Certification

E Ink conducts green-related verification or certification for the materials and products of ePaper. The selection of product materials must comply with restricted Substance Management Regulations, Chemical Management Procedures, Biodiversity and No-Deforestation Commitments, and the No Conflict Minerals (Conflict Minerals, CM) Policy. Additionally, there is a concerted effort to increase the use of materials that are third-party certified and traceable to their source.

Assessment of Carbon Footprint of Products

In 2021, E Ink, following the "Life Cycle Assessment" management concept, conducted an inventory and evaluation of greenhouse gas emissions for the "6.8-inch eReader module" and the "2.9-inch ePaper label module" according to the "ISO 14067: 2018 Product Carbon Footprint" standard. In 2022, the 6.8-inch eReader module and the 2.9-inch electronic shelf label module obtained the ISO 14067: 2018 Product Carbon Footprint verification, becoming the first ePaper modules in the world to pass carbon footprint standard verification. In 2023, further integration of renewable energy for carbon reduction benefits was achieved, and in collaboration with suppliers, more accurate carbon footprint coefficients were calculated and low-carbon materials were selected. The results showed a 29% reduction in the carbon footprint of the same eReader compared to 2022, while the electronic shelf label saw a 12% reduction. E Ink takes a systematic approach to carbon footprint management, from inventory and evaluation to action, continuously optimizing the environmental performance of its products. By integrating the effects of green electricity and other methods, E Ink actively reduces the carbon footprint of its products[Note], demonstrating its commitment and contribution to environmental protection.

$KgCO_2e/pc$

ISO
ISO 14067

6.8" **3.3** -29% → **2.4**

2.9" **0.59** -12% → **0.52**

2022　　　2023
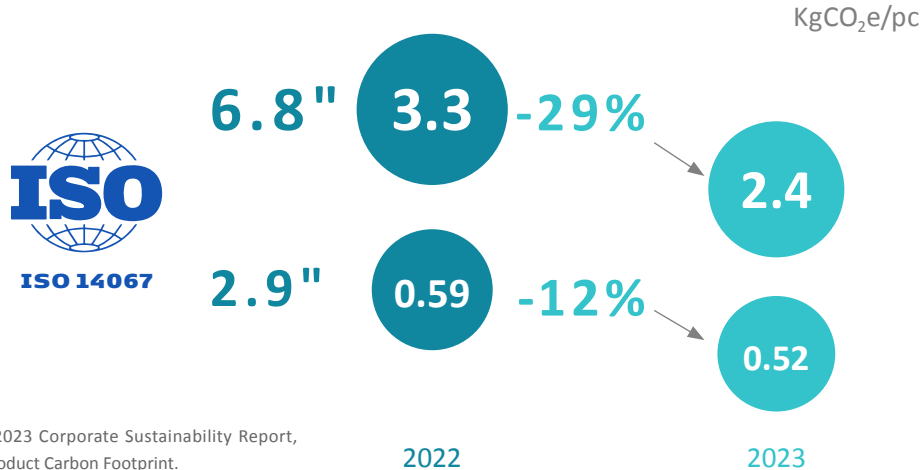
Note: E Ink 2023 Corporate Sustainability Report, Chapter 4 -Product Carbon Footprint.

Harvard School of Public Health Research:
ePaper is three times healthier for the eyes compared to LCD screens

In March 2023, E Ink collaborated with the Harvard School of Public Health on a peer-reviewed study to examine the effects of display screens on human retinal cells. The research revealed:

- The light spectrum emitted by backlit or front-lit displays is a primary cause of stress on retinal cells.
- Retinal cells stressed by blue light produce reactive oxygen species (ROS), which accumulate during prolonged viewing, leading to photo-oxidative retinal damage.
- ePaper devices equipped with E Ink ComfortGaze™ front light exert three times less stress on retinal cells compared to LCD devices.
- The color temperature setting affects the stress level on retinal cells, and adjusting the color of an LCD to day or night mode is less effective than using a lighting solution designed for eye safety.
- ePaper devices without front light do not emit blue light, thus avoiding retinal cell stimulation.

TÜV Paper-like Screen

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[Note] and received the Quality-mark certification and the China-mark certification from TÜV Rheinland.

Note: On a scale of 0-100, with higher scores indicating a closer resemblance to the reading experience on paper.

Green Revenue

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, 99.93% of E Ink's revenue in 2022 is categorized as green revenues, indicating a positive environmental impact. In addition to the environmental benefits offered by ePaper products, the technology also exhibits better energy efficiency and lower power consumption compared to conventional 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.

2020-2022
Green Revenue

>99.9%

FTSE Russell Green Revenue 2.0 Data Model

- The FTSE Russell Green Revenues Classification System utilizes the Green Revenues 2.0 Data Model to evaluate 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.

Green Sectors

FTSE Russell

Water Infrastructure and Technology

Energy Generation

Energy Equipment

Energy Management and Efficiency

Environmental Resources

Environmental Support Services

Food and Agriculture

Transport Equipment

Transport Solutions

Waste and Pollution Control

Green Revenues

3-3-2 Sustainable Low-Carbon Product Value

ePaper, utilizing bistable and reflective display technology principles, has become an environmentally and visually friendly display interface. With its ultra-low power consumption, durability, and flexibility, ePaper has been widely developed into diverse green products across various fields, including eReaders, eNotes, retail shelf labels, logistics tags, transportation, and public display boards. E Ink conducted a comparative study on carbon dioxide emissions of ePaper compared to paper, TFT-LCD, and other display media. The study results indicated that ePaper offers significant low-carbon benefits. The findings are as follows:

Green Products and Applications

01 eReaders

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

Assumption of Environmental Benefits

If 160 million eReaders worldwide download 50 eBooks each over a five-year period, this totals 8 billion eBooks. In comparison, if all these books were read in paper form, it would equate to 59.68 million tons of CO_2e, approximately equal to the annual carbon absorption of 246,001 Da' an Forest Parks. Compared to paper books, using eReaders can significantly reduce CO_2e emissions by about 91,859 times. Additionally, compared to reading on TFT-LCD tablets, eReaders can reduce CO_2e emissions by approximately 49.6 times, equivalent to reducing 32,000 tons of CO_2e[Note].

160M eReaders operate for 5 years

Charts for reference only, not drawn to scale

	eReader 49.6×	eReader 91,859×
649 tons	**32,000 tons**	**59.68M tons**
CO_2e		
ePaper eReader Operate for 5 years	**TFT-LCD Tablet** Operate for 5 years	**Paper Books** Paper consumed in 5 years amounts = 8,000M books 7.46KgCO₂/per book
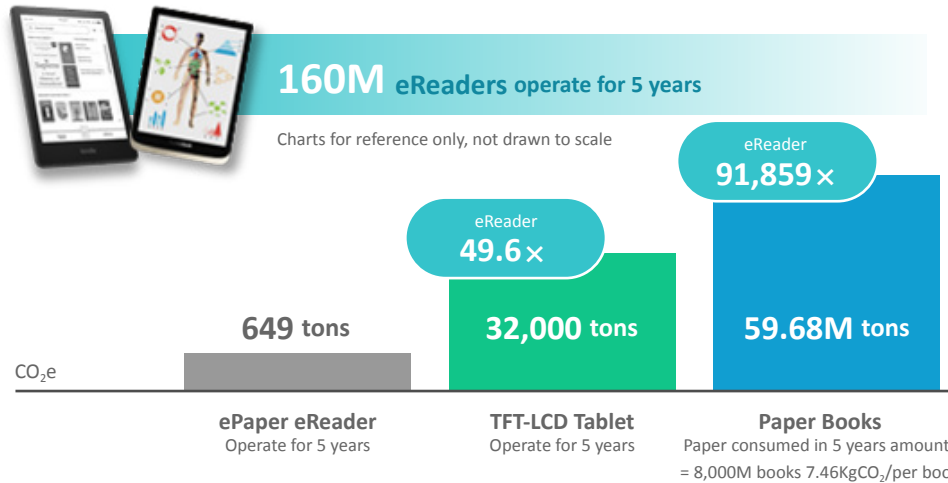
Note: In a reading scenario, assuming the consumption of 10 books per year, each consisting of 300 pages, and considering the following energy consumption values: downloading via WiFi: Each book consumes 1.5×10^{-4} kWh; reading on a tablet: Each page consumes 2.68×10^{-5} kWh; reading on an eReader (ePaper): Each page consumes 0.005×10^{-5} kWh. Taking into account a carbon emission factor of 0.495 kg CO_2e/kWh. The carbon emissions from producing one book are equivalent to 7.46 kg CO_2e. The Da'an Forest Park absorbs approximately 242.6 metric tons CO_2e per year.

02 ESL

Replace paper price label, enable smart retail

Assumption of Environmental Benefits

If there are 30 million 10-inch ePaper tags used as retail signage worldwide, with each tag updating its displayed image four times per day, using ePaper tags instead of TFT-LCD tags, it would further reduce CO_2e emissions by approximately 1.75 million tons, equivalent to a reduction of 12,000 times in CO_2e emissions[Note].

30M pcs 10" electronic tag operate for 5 years

Charts for reference only, not drawn to scale

	ePaper Tags 12,000×
147 tons	**1.75M tons**
CO_2e	
ePaper Tags Operate for 5 years	**TFT-LCD Tags** Operate for 5 years
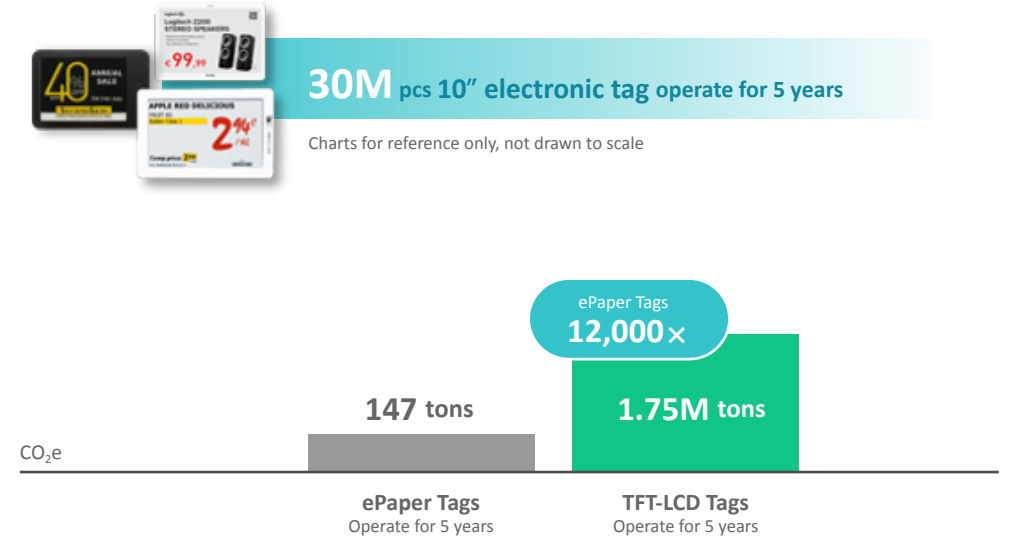
Note: Scenario- 10-inch TFT-LCD shelf labels operates for 5 years, the total power consumption would be 118 kWh (based on a current of 450mA, operating for 12 hours per day, 365 days per year). However, in the case of using a 10-inch ePaper shelf labels, the power consumption over a 5-year battery lifespan would be 0.01 kWh. The carbon emission is 0.495 kg CO_2e/ kWh (Energy Bureau Announcement - 2022 Carbon Emission Coefficient).

03 ePaper Smart Bus Stop Displays

Replacing TFT-LCD displays to enable smart city transportation

Assumption of Environmental Benefits

According to the "Public Transport Integrated Information Flow Service Platform," it is estimated that there are 64,437 bus stop signs across 22 counties and cities in Taiwan. If a 32-inch ePaper display is used as the interface for smart bus stop signs, compared to LCD 32-inch signs, it is estimated that over a minimum product lifespan of 5 years, approximately 200,000 metric tons of CO_2e emissions can be reduced [Note].

If 64,000 Digital Bus Stops in Taiwan operate for 5 years

Charts for reference only, not drawn to scale

ePaper Bus Stops
20,000 ×

CO_2e

0 tons

200,000 tons

ePaper Bus Stops
Operate for 5 years

TFT-LCD Bus Stops
Operate for 5 years

Carbon Tax Benefits
NTD 55Million

Using a 5-year, based of Taiwan's proposed carbon fee of US$ 10 per metric ton for calculation
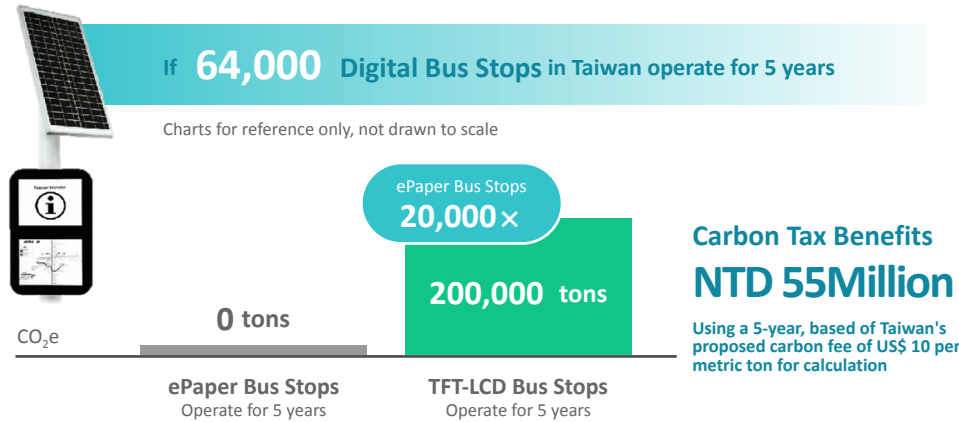
Note: Scenario, Power Consumption 3.4kWH/day (32″ TFT-LCD),Carbon Emission 0.495 kg CO_2e/kWh (Energy Bureau Announcement - 2022 Carbon Emission Coefficient)

04 Indoor ePaper advertising signage

Replacing paper posters and TFT-LCD electronic signage

Assumption of Environmental Benefits

Calculate using a 31.5-inch color ePaper indoor advertising signage [Note1] that changes images every 50 seconds, with each image change taking 20 seconds, it would change images approximately 1,234 times per day, resulting in about 0.0328 kilograms of CO_2e emissions [Note2]. Compared to using TFT-LCD signage, ePaper signage can reduce CO_2e emissions by approximately 26 times [Note3].

If using 31.5″ color ePaper indoor advertising signage for 1 day

Charts for reference only, not drawn to scale

ePaper Advertising signage
26 ×

CO_2e

0.0328 kg

0.8554 kg

ePaper advertising signage
Operate for 1 day

TFT-LCD advertising signage
Operate for 1 day
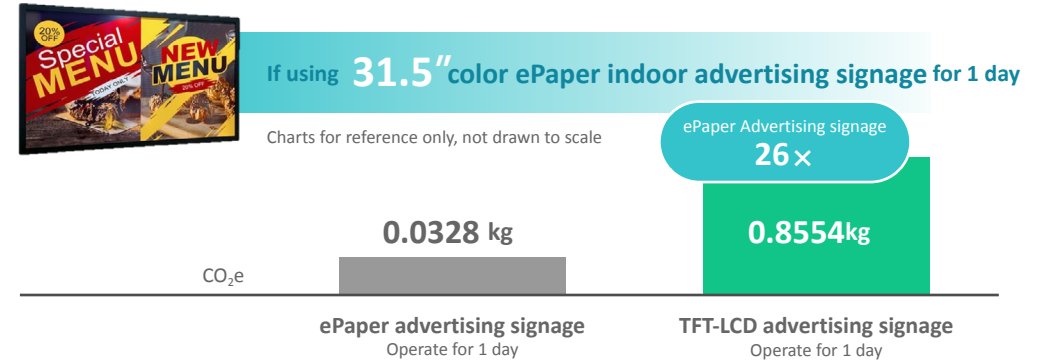
Note 1:31.5-inch Spectra 6 is 12V; 1 cycle (image change 20s + stay 50s) = 70s; 1 day = 1,234 cycles of 70s

Note 2:The daily power consumption of a 31.5-inch Spectra 6 is 0.066kWh; 0.495 kg CO_2e/kWh (Energy Bureau Announcement - 2022 Carbon Emission Coefficient); 0.066 kWh × 0.495 kg CO_2e = 0.032 kg CO_2e

Note 3:The daily power consumption of a 32-inch Samsung professional commercial display QMR-B series is 1.728 kWh; 1.728 kWh × 0.495 kg CO_2e = 0.855 kg CO_2e; 0.855 kg CO_2e/ 0.03 kg CO_2e = 26.09 times

Shanghai expanded the construction of carbon-neutral ePaper bus stop signs in 2023

In 2022, having obtained the audit statement from the international verification body BSI, Shanghai Aoma Information Technology Service Co., Ltd. provided operational management services for Shanghai Jiushi Public Transport Group Co., Ltd. This included 1,500 solar-powered 31.2-inch ePaper bus stop signs in Shanghai. The audit statement was implemented according to PAS 2060:2014, achieving carbon neutrality.

On April 26, 2023, the Shanghai Road Transport Administration announced during the "2023 Public Livelihood Interview" that the construction of ePaper bus stop signs would continue to accelerate throughout 2023. This initiative aims not only to achieve the benefits of green, low-carbon environmental sustainability but also to enhance the public transportation experience. According to information from the 2023 Public Livelihood Interview by the Shanghai Road Transport Administration, Shanghai plans to:

- Achieve full coverage within the central areas of seven districts and the central ring area of Pudong New District.
- Strengthen efforts to increase the coverage rate of ePaper bus stop signs in suburban areas such as Chongming, the entire Pudong, Jiading, Minhang, Baoshan, and Fengxian.
- Ensure that the coverage rate of ePaper bus stop signs in Shanghai exceeds 30%, with the goal of including the five new districts- Lingang New Area, Nanhui New City, Jiading New City, Qingpu New City, Songjiang New City, and Fengxian New City- aiming for a coverage rate of no less than 50%.

The global first Carbon Neutral Bus Stop Operation — management

3-3-3 Environmentally and Visually Friendly – Green Product Development

ePaper Empowers the Development of Environmentally and Visually Friendly Products

Digital Reading and Education: Vision Care for Readers

Features

- ePaper features ultra-low power consumption and a paper-like texture, making itsuitable for prolonged reading sessions.
- The display principle of ePaper differs from self-illuminating displays such as TFTLCD 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.

Applications

- eReader
- eNote

Achivements

- The application market for eReaders and eNotes is experiencing steady growth, with numerous brand customers successively launching new products featuring E Ink Kaleido 3 and E Ink Gallery 3. These brands include mooInk, Bigme, BOOX, and Onyx, offering end users two different color interface options.
- The growth trend of eNotes with digital pen writing functionality is also evident. In 2023, brand customers continue to launch related products. For example, Rakuten Kobo is accelerating the evolution of eReaders, not only replacing paper books but also steadily moving towards the goal of replacing single-use paper.

Bigme Galy
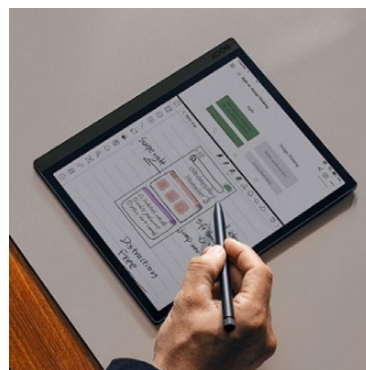
Onyx BOOX Tab Ulta C

Smart Equipment Inspection System, Utilizing eNote Devices Featuring E Ink Kaleido™ 3

E Ink collaborated with AIOI Systems Co, LTD., a group company of TOPPAN Holdings Inc., to provide eNote devices featuring E Ink Kaleido™ 3 for AIOI's Smart Equipment Inspection System. AIOI's Smart Inspection System provides an advantage through digital transformation (DX) by increasing productivity while eliminating paper waster and digitizing systems.

Healthy Screen

ePaper is referred to as the "Healthy Screen" due to its low carbon footprint, low   blue light, and minimal light pollution, offering numerous benefits for the eyes, the environment, and the screen itself. Since 2023, E Ink has been actively promoting the importance of eye care by establishing the "Healthier Screen Time" initiative. This initiative advocates for healthy screen time and has applied for the "Eye Love E Ink" trademark, emphasizing the impact of displays on eye health. This also represents E Ink's commitment to eye health, overall wellness, and environmental protection.
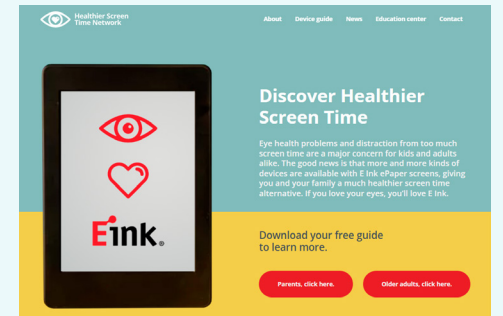
Smart Healthcare: Decentralized Healthcare Ecosystem

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.

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.

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.

Hospitals Continue to Implement Smart Medical Solutions Using ePaper as the Primary Display Interface

In 2023, Hsinchu NTUH Branch and Biomedical Hospital Zhubei Branch introduced the "Smart Bedside Card System. "YuanRung Hospital established the" Ward Smart Care Application System" and integrated ePaper bedside cards. Taipei Veterans General Hospital adopted E Ink ePaper for medication storage management, smart dispensing systems, and smart medication carts, significantly improving management efficiency and medication accuracy.

Tungs' Taichung Metroharbor Hospital Introduces Color Battery-Free ePaper Smart Cards in Health Examination Processes

In 2023, E Ink partnered with Tungs' Taichung Metroharbor Hospital to introduce color battery-free ePaper smart cards in health examination processes. These cards are connected to the smart hospital system, with wireless communication technology updating the latest progress on the display, replacing paper and pen to reduce handwriting errors. The introduction of battery-free ePaper smart cards helps improve the identification of patients by healthcare personnel and enhances workflow efficiency. Patients can also experience reduced waiting times, expediting the completion of health examination processes.

Smart Retail: Low-Carbon Digital Solutions

In response to advancements in internet technology and the shift in consumer behavior brought about by e-commerce, global retailers are accelerating their digital transformation, promoting the integration of online and offline channels into omnichannel retail marketing. ePaper Electronic Shelf Labels (ESLs) can dynamically display prices, replacing printed paper labels. This transition significantly enhances environmental friendliness, efficiency, and accuracy, helping retail stores expedite their goals of achieving net-zero carbon emissions and sustainability.

Features

- Among various types of displays used in similar applications, devices using ePaper as a display can save a significant amount of power compared to other display technologies.
- With a wide viewing angle of nearly 180 degrees, ePaper remains highly readable under various lighting conditions, compared to traditional paper.
- Offering high contrast and vibrant colors, ePaper captures the attention of consumers and enhances visual appeal.
- ESLs integrated with software systems enable wireless and real-time content updates, reducing the need for manual updates, minimizing human contact, and lowering the error rate associated with manual label replacements.

Applications

- Black and white/ color ePaper shelf labels
- Black and white/ color ePaper advertising signage

Achievments

- As the retail industry's digitalization accelerates, the market size for digitalizing retail stores worldwide is set to further expand. Facing rising labor costs, hypermarkets are adopting digital labels to replace traditional paper labels, especially in Europe and America, effectively enhancing work efficiency and reducing management costs. New internet-enabled offline stores show high acceptance of ePaper shelf labels, achieving online and offline integration and driving annual increases in adoption.

FamiSuper Implemented Full-Color ePaper Digital Signage

In 2023, E Ink introduced full-color ePaper digital signage in the fresh produce section of "FamiSuper," replacing traditional paper posters. Leveraging innovative retail combined with digital technology, the store can update poster content in real-time, showcasing vibrant and colorful fresh food items more clearly and effectively to communicate product and promotional information to consumers. The low power consumption of ePaper displays also meets the convenience store operators' sustainability and carbon reduction goals.

E Ink 2023 CORPORATE SUSTAINABILITY REPORT

Smart Aviation: Paperless Transportation Process

Implementing Smart Luggage Tags (Electronic Bag Tags, EBT) utilizes wireless transmission and updated battery-free ePaper technology, combined with flexible ePaper. Through the airline's app, electronic luggage tags are generated after obtaining authorization from the cloud. Using the built-in NFC sensor of smartphones, power is obtained to enable real-time data communication and message display updates. This technology reduces the use of single-use tags, enhances ground staff efficiency, focuses on improving passenger service quality, and promotes operational efficiency and environmental friendliness.

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 accuracy was found to be over 99%, which is higher than the 97% accuracy of printed paper labels.

Applications
- Smart luggage tags

Achivements
- Using ePaper luggage tags not only allows passengers to expedite the check-in process for their luggage but also enables full-process tracking of their bags. Several airlines have already adopted EBTs, including Qatar Airways, British Airways, Air France-KLM, Alaska Airlines, Qantas, Lufthansa, Swiss International Air Lines, Austrian Airlines, China Eastern Airlines, and China Southern Airlines. According to market research firm ePaper Insight, the global market for ePaper luggage tags exceeds 600 million units and is expected to enter a period of rapid growth in the coming years.

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 ePaper 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 eco-friendly, non-light-polluting, and zero-carbon-emission.

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.

Achivements
- Collaborating with multiple companies, E Ink has introduced ePaper bus stop signs worldwide. As of December 2023, over 70,000 ePaper bus stop signs have been implemented globally.

04 Green Production

Low-Carbon and Energy-Saving Operations and Manufacturing

Performance Achievements

The targets for near-term, long-term, and overall net-zero have **PASSED** validation from the **Science Based Targets initiative (SBTi)**

Completed **100%** **greenhouse gas inventory** and external verification for all global sites

Achieved **ISO 50001** **implementation** and external verification at the Yangzhou sites

Utilized **36%** renewable energy globally (RE36)

Increased internal carbon pricing to **600** NTD / metric tons CO_2e

Converted **282** tons of waste plastic into **solid recovered fuel**

Reduced **greenhouse gas emissions** compared to 2021

27% ↓

Decreased **greenhouse gas emission intensity** compared to 2021

47% ↓

Reduced **water intensity** compared to 2021

32% ↓

Increased **waste recycling rate** compared to 2021

47% ↑

Conducted carbon footprint inventories for **5** products

Received an **A-** **leadership** level in the climate change section and a **B** **management** level in water security from the CDP questionnaire

4-0 Management Approach of Sustainable Topics

Response to Climate Change

Climate Change Mitigation and Adaption ◉ Material Topics

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

Policy Commitment
E Ink established the "E Ink Policy on Safety, Health, Environment, and Energy Management" (referred to as " SHEE Management Policy) ") and adopted the Task Force on Climate-related Financial Disclosures (TCFD) to assess climate change risks and opportunities, set targets for reduction, and continuously promote energy-saving and carbon reduction measures.

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Result (2023)	▶ Short-term Goals (2024)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
SHEE Policy	SHEE Policy Management	Publishing revised SHEE management policy	Achieved	Reviewing SHEE management policy annually		
Risks and Opportunities	Management of Climate Related Risks and Opportunities	Completing financial impact of climate-related risks and opportunities by TCFD framework	Achieved	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	Achieved	Implementing internal carbon pricing continuously		Planning internal carbon pricing mechanism
Environmental Initiatives	Environmental Related initiatives	• Achieved SBTi target validation • CDP Climate Change Questionnaire: rated A-Leadership level	Achieved	• CDP Climate Change Questionnaire A-Leadership level or higher • CDP Water Security Questionnaire B-Management		• CDP Climate Change Questionnaire A Leadership level • CDP Water Security Questionnaire A-Leadership level or higher

Transformation Path to Net Zero

Energy and Greenhouse Gas Management ◉ Material Topics

GRI Sustainability Topics
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 Commitment
In addition to implementing the " SHEE Management Policy," E Ink is committed to achieving 100% renewable energy (RE100) usage across all global sites by 2030 and reaching the goal of net zero carbon emissions by 2040.

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Result (2023)	▶ Short-term Goals (2024)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
Energy and Electricity	Energy Productivity	USD 10 thousand /MWh	Not achieved, reaching USD **8.5** 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	**20%**	Surpass by **36%**	**30%**	**40%**	**100%**
Greenhouse gas (GHG) Emissions	Absolute target of GHG emission	• Scope 1 and scope 2 emissions: 42,600 tons CO_2e • Scope 1 emissions: 3,600 tons CO_2e • Scope 2 emissions: 39,000 tons CO_2e	Achieved	• Scope 1 and scope 2 emissions: 40,000 tons CO_2e • Scope 1 emissions: 4,000 tons CO_2e • Scope 2 emissions: 36,000 tons CO_2e	• Scope 1 and scope 2 emissions: 55,000 tons CO_2e • Scope 1 emissions: 4,000 tons CO_2e • Scope 2 emissions: 51,000 tons CO_2e	• Scope 1 and scope 2 emissions: 4,000 tons CO_2e • Scope 1 emissions: 4,000 tons CO_2e • Scope 2 emissions: 0 tons CO_2e
	GHG Emission Intensity (Scope 1 and 2)	**10%** reduction compared to the baseline year	Surpass by **47%** reduction compared to the baseline year	**30%** reduction compared to the baseline year	**20%** reduction compared to the baseline year	**70%** reduction compared to the baseline year

Note 1: Due to a revenue decline in 2023 and the addition of a new pollution control facility, increased electricity usage caused a slight drop in energy productivity, resulting in not meeting the target.
Note 2: E Ink plans to reach carbon peak in 2025, so the emission reduction target for that year is set higher than in 2024.
Note 3: The baseline year is 2021.

Environmental Impact Mitigation

Water Resource Management　◎Secondary Topics

Sustainability KPIs	Management Objectives	▶Short-term Goals (2023)	▶Result (2023)	▶Short-term Goals (2024)	▶Mid-term Goals (2025)	▶Long-term Goals (2030)
Water Resource	Water Resource Usage	**3%** reduction compared to the baseline year	Exceeded, reduction of **4%**	**4%** reduction compared to the baseline year	**5%** reduction compared to the baseline year	**10%** reduction compared to the baseline year
	Water Recycle Rate in Production	**50%**	Not achieved, reached **32%**[Note 1]	**35%**		**50%**
	Water Use Intensity	**10%** reduction compared to the baseline year	Surpass by **32%**	**20%** reduction compared to the baseline year		**30%** reduction compared to the baseline year

Note 1: In 2023, E Ink implemented a water-saving plan for manufacturing processes. Although the overall water intake was reduced, the quality of the discharged water exceeded the recycling standards, resulting in a decrease in the amount of water recycled and thus a lower overall manufacturing water recycle rate.
Note 2:The baseline year is 2021.

Resource Management and Circular Economy　◎ Material Topics

GRI Sustainability Topics
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 Commitment
In addition to actively supervising waste treatment processes to ensure reduced environmental impact, efforts are also made to improve the efficiency of raw material use, enhance recycling and waste reduction measures in the manufacturing process, and develop circular economy models to implement sustainable development measures.

Sustainability KPIs	Management Objectives	▶Short-term Goals (2023)	▶Result (2023)	▶Short-term Goals (2024)	▶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	Surpass by **60%**	**60%** reduction compared to the baseline year		**65%** reduction compared to the baseline year
Waste	General Waste Recycling Rate	**50%**	Surpass by **56%**	**55%**		**60%**
	Implementation of Product Recycling / Circular Economy Project	Completed **1** project	Achieved	Accumulated completion of **2** projects	Accumulated completion of **3** projects	Accumulated completion of **5** projects

Note :The baseline year is 2021

Air Pollution　◎Secondary Topics

Sustainability KPIs	Management Objectives	▶Short-term Goals (2023)	▶Result (2023)	▶Short-term Goals (2024)	▶Mid-term Goals (2025)	▶Long-term Goals (2030)
Air pollution	Reduction of VOC (Volatile Organic Compounds) Emissions	**10%** reduction compared to the baseline year	Not achieved, increased by **3.7%**[Note1]	**10%** reduction compared to the baseline year	**20%** reduction compared to the baseline year	**30%** reduction compared to the baseline year

Note 1: Due to the increase in production capacity in 2023 compared to the baseline year, there was a slight increase in VOCs.
Note 2: The baseline year is 2021.

4-1 Transformation Path to Net Zero

Faced with the severe challenge of global climate change, achieving net-zero transformation has become a global consensus. For instance, the United Nations Climate Change Conference (COP) actively promotes global cooperation in carbon reduction to meet the goals of the Paris Agreement. The European Union's Carbon Border Adjustment Mechanism (CBAM) requires importers to purchase corresponding CBAM certificates based on the carbon emissions of carbon-intensive products for entry into the EU market. The United States' Clean Competition Act (CCA) is a similar carbon tariff policy. Taiwan is committed to achieving the vision of "2050 Net-Zero Transition" through the implementation of the Climate Change Response Act.

As a leading global ePaper display technology enterprise, E Ink is dedicated to developing various innovative technologies and providing revolutionary products to enhance user experiences and achieve environmental friendliness in the production and use stages. E Ink actively responds to domestic and international climate change and carbon reduction initiatives and actions, demonstrating a commitment to limiting global temperature rise to within 1.5 ° C and pledging to achieve net-zero emissions across the value chain by 2040. Additionally, E Ink views net-zero transformation as a corporate mission and is working towards achieving carbon reduction goals across the value chain annually.

4-1-1 Climate Change Engagement

To achieve the 2040 net-zero emissions goal, E Ink not only actively participates in global climate change initiatives and actions to ensure alignment with domestic and international reduction targets but also aims to collaborate with other leading companies to establish climate actions with a global perspective.

Aligning with Domestic and International Climate Change Reduction Targets and Actions

Since 2005, E Ink has progressively completed greenhouse gas inventories and third-party verifications for all sites and offices, serving as the basis for future carbon reduction efforts. Simultaneously, E Ink is committed to promoting international standard certification of its internal environmental and energy management systems to strengthen environmental management mechanisms. Additionally, E Ink adopts the Task Force on Climate-related Financial Disclosures (TCFD) framework to identify climate change-related risks, financial impacts, and opportunities [Note]. In recent years, by participating in numerous global climate initiatives, E Ink has demonstrated proactive involvement and influence in climate action, earning recognition from domestic and international stakeholders.

Note：For more detailed information, please refer to E Ink's " 2023 Nature and Climate Report" published in 2024.

Verified Ambitious Targets through SBTi Validation

E Ink's near-term, long-term, and net-zero reduction targets were officially validated by the Science-Based Targets Initiative (SBTi) in August 2023, marking that the reduction targets in Scopes 1, 2, and 3 contribute to keeping the global average temperature rise within 1.5° C. SBTi also recognized E Ink's net-zero targets as the most ambitious among the verified goals. Additionally, E Ink received the "Best Newcomer" award from the RE100 Leadership Awards, recognizing its achievements in promoting renewable energy in 2022, aiming for 100% renewable energy use by 2030 (RE100) and achieving net-zero emissions by 2040.

E Ink's GHG reduction targets approved by SBTi

Item	2030 Near-term Target	2040 Long-term Target	2040 Net zero target
Scope 1 and 2	**80%** reduction compared to the baseline year	eduction compared to the baseline year **90%**	Achieve net-zero in the value chain
Scope 3	**25%** reduction compared to the baseline year		
Proportion of renewable energy use	Increase from **0.21%** in the baseline year to **100%**		

Note 1: The baseline year is 2021.

Note 2: The baseline year emissions for Scope 1 and 2 are 45,995.8 metric tons CO_2e; Scope 3 covers categories 1, 2, 3, 5, 7, and 10 in the GHG Protocol, with emissions of 207,283.9 metric tons CO_2e.

Note 3: The targets cover 100% of the baseline year emissions of scope 1 and 2.

Climate Change Initiatives or Actions

2023
- Passed SBTi target validation
- Achieved 36% global renewable energy usage (RE36)
- Received "Best Newcomer" Award from the RE100 Leaders Award
- Won the Climate Leader Award at the Taiwan Corporate Sustainability Awards (TCSA) and the Gold Award in the Environmental Category at the Taiwan Sustainability Action Awards (TSAA)

2022
- First display company to join RE100
- First display company globally to join the "The Climate Pledge (TCP)"
- First electronics company in Taiwan to join EP100 for energy efficiency improvement
- 100% renewable energy use at sites in the US, Shenzhen, China, Korea, and Japan

2021 First participation in a renewable power purchase agreement (PPA)

2020 Established E Ink's Renewable Energy Project Team

2019 Signed the TCFD initiative and became a TCFD Supporter

2017 Being among the first to purchase T-RECs

2015 Began participating in the Bureau of Energy's Green Power Program under the Ministry of Economic Affairs

2005 Initiated greenhouse gas inventory

Actively participate in low-carbon initiatives and actions

E Ink, aligning with the goals of the Paris Agreement, is committed to ensuring that global temperature rise does not exceed 1.5℃ above pre-industrial levels by the end of this century and to achieve the commitment of net-zero by 2040. The Green Production sub-committee of E Ink Corporate Sustainability Committee actively participates in lobbying activities and industry association memberships focused on carbon reduction, to jointly promote the formulation of climate change-related policies and regulations.

- The Taiwan Panel & Solution Association (TPSA) launched the "Net Zero Carbon Circular Economy" initiative in 2023 to support Taiwan's 2050 Net Zero Emissions Pathway. E Ink, a founding member and director of TPSA, actively engages in the Ministry of Economic Affairs' Industrial Development Bureau's 2023 Low Carbon Production Promotion Plan for the manufacturing sector. This includes regular meetings to discuss annual greenhouse gas inventory results, energy-saving technology sharing, updates on Taiwan's renewable energy status, the impact of carbon fees, and concerns about negative emissions technologies.

- The European Chamber of Commerce Taiwan's Low Carbon Initiative (ECCT-LCI) aims to introduce the best low-carbon solutions and regulations from the EU and Europe to various industries, raising awareness of sustainable development and encouraging the adoption of low-carbon solutions to help Taiwan reduce carbon emissions. E Ink, as a member of ECCT-LCI, participates in legislative consultation meetings on renewable energy and resource recycling with public departments, such as the "Legislative Direction Consultation Meeting on Information Circulation Promotion Law" held by the Environmental Protection Administration, assisting in the acceleration of environmental sustainability-related legislation.

E Ink continues to deepen its "E Ink Policy on Safety, Health, Environment, and Energy Management" through the Green Production sub-committee of the Corporate Sustainability Committee, which regularly reviews and monitors climate-related performance, public policy engagements, and lobbying activities. Additionally, the policy is also applicable to direct lobbying activities and trade association memberships. The Chairman oversees the implementation results, which are regularly reported to the Board of Directors through the Corporate Sustainability Committee to ensure alignment with the goals of the Paris Agreement. If the climate-related actions of lobbying, industry or trade associations in which E Ink participates are nonaligned with the Paris Agreement, misaligned, significantly weaker than, or contradict E Ink's climate change policy positions, E Ink will publicly disclose its stance on climate actions, continue discussions with the association to align with corporate goals, and evaluate participation in other suitable business and industry associations.

4-1-2 Net Zero Carbon Emission Goals and Blueprint

E Ink's 2040 Net-Zero Emission Pathway and Strategy

E Ink is committed to gradually implementing carbon reduction targets and responding to domestic and international climate initiatives. Using 2021 as the baseline year, E Ink has outlined a pathway and five major strategies to achieve net-zero emissions. Although initially assumed to reach peak carbon emissions by 2025 under continuous capacity expansion, E Ink aims to bring forward the peak year to 2021 due to the proactive dual strategy of energy saving, carbon reduction, and the procurement of renewable energy. This strategy is expected to result in a steady decline in overall carbon emissions post-peak, moving us towards achieving RE100 by 2030 and net-zero emissions by 2040. This reflects E Ink's commitment and results in advanced planning for clean and green net-zero initiatives.

In 2023, E Ink's carbon reduction measures, driven by the net-zero emission pathway, have achieved significant results. These include completing the carbon inventory and certification of global operation centers, completing carbon footprint inventories for five products, using 30,277 thousand kWh of renewable energy, and improving equipment operational efficiency. Looking forward, E Ink will continue to review the progress of the net-zero carbon emission journey, with a particular focus on strategies such as natural carbon sinks, carbon capture and storage technologies, and the acquisition of carbon credits to further achieve mitigation goals beyond its value chain.

E Ink's Net Zero Pathway

Completion of carbon inventory verification for global operation centers

Completion of carbon footprint assessments for five products

RE100 for the U.S. sites, offices in Japan and South Korea

Gradual replacement of manufacturing equipment

Purchasing PPAs and RECs to achieve the goal of RE40

Value chain decarbonization

BAU (Business as Usual)

Purchasing PPAs and RECs to achieve the goal of RE100

Collaborating with external negative emissions technologies

Implementing ISO 50001 energy management system in global operation centers

RE40
↓**20%** in Scope 1 and 2 emissions intensity compared to 2021

RE100
↓**70%** in Scope 1 and 2 emissions intensity compared to 2021
↓**80%** in Scope 1 and 2 emissions compared to 2021
↓**25%** in Scope 3 emissions compared to 2021

Achieving **NET ZERO** in Scope 1, 2, and 3
EP100

Greenhouse Gas Emissions

NET ZERO PATHWAY

Baseline year

E ink

SCIENCE BASED TARGETS

APPROVED

BUSINESS AMBITION FOR 1.5℃

Near Term	Long Term	Net Zero
1.5℃	1.5℃	2040

SBTi commends E Ink's ambitious net zero target, currently the most ambitious designation available through the SBTi process.

- Utilizing renewable energy
- Improving equipment energy efficiency
- Replacing inefficient equipment
- Supply chain decarbonization

- Negative emissions technologies (nature-based solutions, carbon capture and storage)
- Carbon credits acquisition

2014   2021   2023   2025   2030   2040

Five Major Strategies for Net-Zero Actions

1. Establish international environmental management
Promote greenhouse gas inventories, carbon footprint inventories, and related environmental management systems.

2. Energy efficiency enhancement
Upgrade and replace outdated equipment, improve equipment efficiency, and implement office energy-saving solutions.

3. Utilize low-carbon energy
Increase the proportion of renewable energy usage.

4. Reduce carbon emissions in the value chain
Require the supply chain to save energy or adopt renewable energy.

4. Focus negative emissions technologies
Pay attention to natural carbon sinks, carbon capture and storage, permanent carbon removal, and the acquisition of carbon credits.

4-2 Comprehensive Environmental Management System

4-2-1 Environmental Policy and Management

E Ink Policy on Safety, Health, Environment, and Energy Management

E Ink has established the "E Ink Policy on Safety, Health, Environment, and Energy Management" (hereafter referred to as "SHEE Management Policy"), committing proactively to formulating strategies, management objectives, and quantitative performance indicators for sustainability issues such as environmental protection, occupational safety and health, climate change, water resources, waste management, and energy consumption. The policy is applicable to E Ink's entire operations, employees, contractors or individuals under the company's supervision. By implementing appropriate management systems, methodologies, and tools, these sustainability issues are properly managed, effectively executed, and integrated into daily operations and production processes to achieve key goals, including clean production and waste reduction, climate change mitigation and adaptation, safe operations and worker health (including employees, contractors, subcontractors, and related external stakeholders), as well as energy saving and creation. Furthermore, E Ink regularly discloses the performance results of its SHEE Management Policy to ensure compliance among workers and to communicate and collaborate with stakeholders.

> E Ink Policy on Safety, Health, Environment, and Energy Management ➔

Organizational Structure

E Ink has established the SHEE Management System Implementation Committee, composed of senior executives and employee representatives from each site. This committee is responsible for the daily promotion of SHEE initiatives, including cross-departmental communication and coordination, management duties, and collaboration with government agencies and industry associations. Furthermore, the "SHEE Management Policy" has been elevated to the board of directors for approval and overseeing, aiming to enhance the governance effectiveness of the policy.

Responsibilities of the SHEE Management System Implementation Committee

Governance and Oversight
- The Board of Directors serves as the highest governance and supervisory body for all issues.
- Promotes and supervises sustainability issues such as environmental protection, occupational safety and health, climate change, water resources, waste management, and energy consumption.

Planning
- Develops related strategies and plans, management objectives, and quantitative performance indicators, clearly defining the responsibilities and divisions of each unit.
- Defines the roles of various issues and plans collaboration with government agencies and public associations.

Execution
- Executes plans and procedures, gathering necessary information and feedback.
- Coordinates with government agencies and public associations.

Monitoring and Review
- Regularly tracks the effectiveness of plan implementation, proposes improvement plans, and reports to demonstrate SHEE performance.
- Reviews discrepancies between goals and outcomes based on coordination results with government agencies and public associations, proposes improvement plans, and reports accordingly.

The Structure of the SHEE Management System Implementation Committee

Board of Directors

Chairperson
Taiwan sites: General manager
Yangzhou sites: General manager

Management Representatives
Taiwan sites: Core team
Yangzhou sites: SHEE Promotion team

SHEE Implementation Teams

Taiwan Sites **12** functional units within the factory
1 Director as the management representative
3 senior executives and **37** employee representatives

Yangzhou Sites **12** functional units within the factory
1 Director as the management representative
3 senior executives and **26** employee representatives

Establishment of International Environmental Management Systems

Since 2002, E Ink's global sites have progressively obtained international environmental management system certifications and established systematic management procedures. Through the "Plan, Do, Check, Act (PDCA)" cycle mechanism, the Company continuously improves in areas such as environmental protection, climate change, safety and health, and energy management.

International Environmental Management Systems	Target Year		
	2023	2025	2030
ISO 14001:2015 Environmental management system external verification coverage (%) Note1	⊗ 100 75	80	100
ISO 50001:2018 Energy management system external verification coverage (%) Note1	✓ 75	80	100
ISO 14064-1:2018 Greenhouse gas inventories external verification coverage (%) Note2	✓ 100	100	100
ISO 14067:2018 Product carbon footprint categories	✓ Cumulative 2 product categories	Cumulative 3 product categories	Cumulative 4 product categories

✓ Achieved   ⊗ Not Achieved

Note 1: By 2025, the scope will cover E Ink's four global operational production sites, including the Hsinchu and Linkou sites in Taiwan, the Yangzhou sites, and the South Hadley in the US sites. After 2026, E Ink plans to increase the number of operational production sites from four to five.

Note 2: This scope includes the operational, production, and sales sites of E Ink and its subsidiaries consolidated in the income statement.

Progress

To strengthen the environmental management mechanisms at its global operational production sites and offices, E Ink plans to establish systems in accordance with ISO 14001, ISO 50001, and ISO 14064-1 standards and obtain external certification or verification by 2030.

In 2023, E Ink achieved its coverage targets for ISO 50001 and ISO 14064-1, and completed carbon footprint assessments for five products (including internal audits and external verifications). However, the implementation schedule for ISO 14001 at the US sites was delayed until 2024, resulting in a coverage rate of only 75%, thus failing to meet the 2023 target for this standard.

Establishment and Promotion of the Energy Management System

Improving energy efficiency is a key strategy in reducing greenhouse gases. E Ink follows ISO 50001 to gradually establish an energy management system, implement energy reduction policies, analyze energy efficiency, energy use, and energy consumption to determine the areas of significant energy use and identify opportunities. Subsequently, energy management objectives are set and control measures are taken to achieve energy performance. Additionally, E Ink integrates energy-saving and carbon reduction concepts into product design to lower product energy consumption. Moreover, new facilities are designed with green building principles to systematically reduce the carbon footprint of products.

Plan	Energy Audits and Action Plan	• Conduct comprehensive energy use audits to identify significant energy use hotspots and enhance energy performance. • Develop energy-saving and carbon reduction action plans based on audit data, including quantifiable reduction targets and low-carbon energy use goals.
Do	Implementation and Operation	• Implement energy-saving and carbon reduction actions, such as equipment replacement, efficiency upgrades, renewable energy use, and energy-efficient product design. • Promote and conduct employees training to improve employees' knowledge and skills in energy management.
Check	Monitoring and Measurement	• Monitor and measure the effectiveness of various reduction measures to analyze energy performance before and after implementation.
Action	Management Review and Continuous Improvement	• Continuously improve plans to achieve targets.
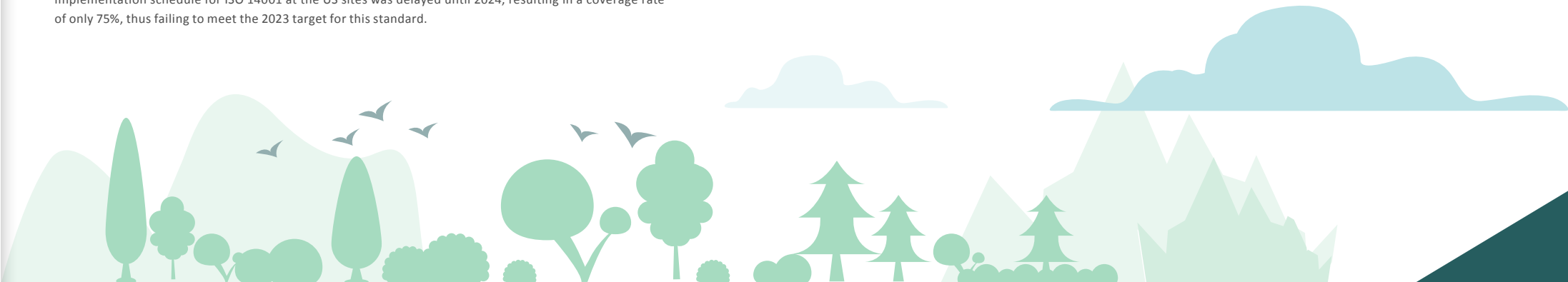
Product Carbon Footprint Audits

Initiation of a Four-Phase Product Carbon Footprint Audit Plan

As an upstream company in the ePaper ecosystem, E Ink collaborates with suppliers and customers to design and manufacture environmentally friendly low-carbon products, which is a key direction for E Ink's green manufacturing. Therefore, E Ink not only promotes greenhouse gas audits and reduction measures within the organization but also initiates a four-phase Product Carbon Footprint (CFP) audit plan to drive carbon reduction throughout the value chain. This plan aims to identify reduction potential at each stage of the product lifecycle and achieve the goal of lowering the product's carbon footprint.

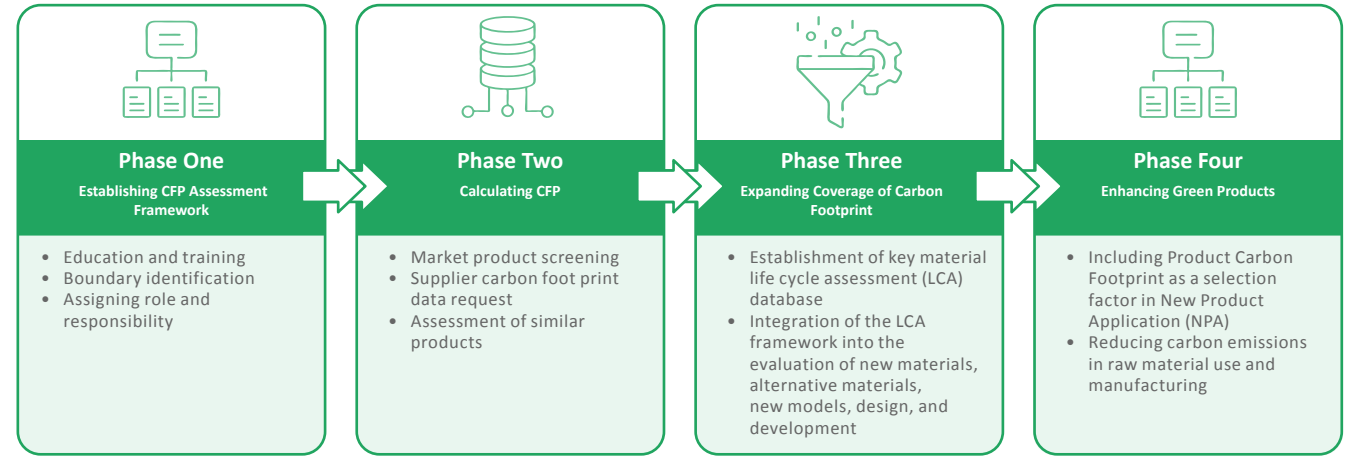| Phase One	Phase Two	Phase Three	Phase Four
Establishing CFP Assessment Framework	**Calculating CFP**	**Expanding Coverage of Carbon Footprint**	**Enhancing Green Products**
• Education and training • Boundary identification • Assigning role and responsibility	• Market product screening • Supplier carbon foot print data request • Assessment of similar products	• Establishment of key material life cycle assessment (LCA) database • Integration of the LCA framework into the evaluation of new materials, alternative materials, new models, design, and development	• Including Product Carbon Footprint as a selection factor in New Product Application (NPA) • Reducing carbon emissions in raw material use and manufacturing

E Ink's core products, ePaper material films, and modules, are supplied to downstream customers through a B2B (Business to Business) model and further assembled into end products with ePaper displays. The boundary for E Ink's product audits is Cradle-to-Gate, meaning only the carbon emissions from raw materials and manufacturing stages are calculated. Although this boundary does not extend to end-product recycling responsibilities, E Ink actively collaborates with downstream customers to facilitate the potential for end-product recycling.

Advancing to Phase Three: Establishing a Product Carbon Footprint Calculation Mechanism

In 2023, E Ink has officially advanced to Phase Three by implementing Life Cycle Assessment (LCA) software and a carbon footprint coefficient database to establish a product carbon footprint calculation mechanism. The products will undergo carbon footprint assessments at both the R&D and mass production stages. E Ink employs systematic measures for carbon footprint management, continuously improving the environmental performance of its products through audits, assessments, and actions. By incorporating the carbon reduction benefits of renewable energy, selecting environmentally friendly low-carbon materials, and other reduction measures, E Ink is actively reducing the carbon footprint of its products, demonstrating a strong commitment to environmental protection and contribution.

Product Development Phase	Description
R&D	Conduct carbon footprint forecasts for ePaper products to provide green product targets for R&D, manufacturing, and material selection. Focus on the environmental impact during the R&D phase to implement appropriate environmental measures early in the development process, meeting customer's needs for next generation products with low-carbon feature.
Mass Production	Following the ISO 14067 standard framework, E Ink collects data on raw material usage during the material phase and electricity consumption during the manufacturing phase to estimate the carbon footprint of major mass-produced product models. This process not only verifies the predicted values from the R&D design phase but also prepares for future external verification. E Ink also incorporates the benefits of renewable energy, selects more environmentally friendly low-carbon materials, and implements other reduction measures to estimate the carbon footprint reduction benefits of existing products. For example, the carbon footprint of the 6. 8-inch eReader product in 2023, after incorporating reduction benefits, decreased by 29% compared to 2021, demonstrating E Ink's commitment to reducing the carbon footprint of its products.

The Boundary of E Ink's CFP Assessment

The CFP assessment boundary

Upstream Suppliers and E Ink	Downstream Customers

Raw material -Production and extraction	Manufacturing -Module manufacturing	Distribution	Usage	Waste Management

Cradle   **Gate**   **Grave**
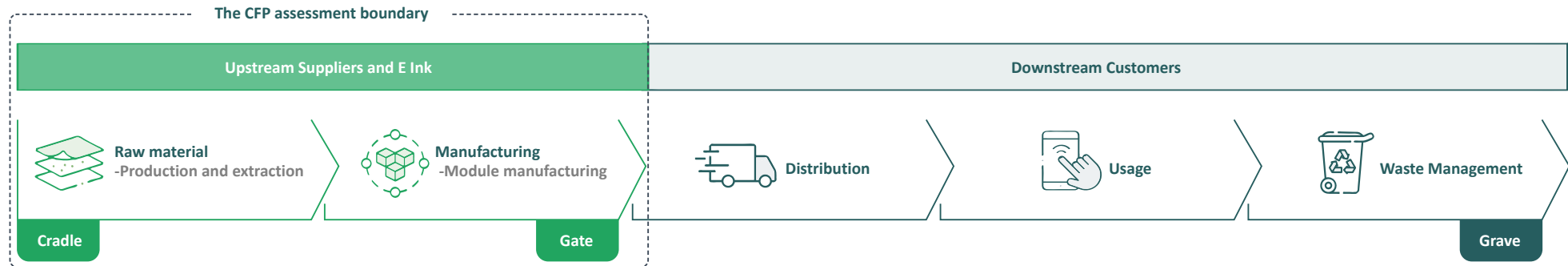
4-3 Energy and Greenhouse Gas Management

E Ink adheres to the ISO 14064-1 standard to conduct annual greenhouse gas inventories. Based on these inventories, the company plans and implements energy-saving and carbon reduction strategies. Regular review meetings are held to track the effectiveness of these strategies, allowing for adjustments to be made in response to actual conditions.
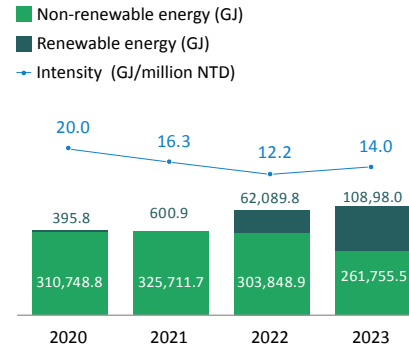
4-3-1 Energy Usage

In 2023, the global energy consumption of E Ink's production sites and offices was 370,753.5 GJ, with electricity accounting for 83.0%, natural gas 14.0%, steam 2.7%, and diesel and gasoline combined 0.3%. The use of renewable energy (including electricity, natural gas, steam, diesel, and gasoline) increased from 0.2% in the 2021 baseline year to 29% in 2023 (with electricity comprising 36% renewable energy). Electricity is the primary energy source for production equipment and facility systems; steam is mainly supplied to the process equipment at the Yangzhou sites; natural gas is used for process equipment at the US sites; diesel is used for generators and transport vehicles; and gasoline is used for company cars. To address the growth in energy consumption, E Ink aims to enhance equipment efficiency, improve the management of electricity use in production processes, and utilize low-carbon energy as the main reduction strategies for the future. Additionally, E Ink promotes energy-saving management plans for offices and public areas, enhancing employees' energy-saving and carbon reduction awareness through advocacy activities and educational training.

4-3-2 Greenhouse Gas Emissions

In addressing the global challenge of climate change, companies must continuously invest in reducing greenhouse gas emissions from their operations to mitigate environmental impacts. In 2023, the total greenhouse gas emissions from E Ink's global sites and offices amounted to 33,748.9 metric tons of CO_2e, a 27% reduction compared to the 2021 base year. Scope 2 emissions from purchased energy accounted for 30,071.6 metric tons of CO_2e, representing 89% of the total greenhouse gas emissions. Due to the achievement of the RE100 target at the US sites, the emissions primarily generated from the Taiwan sitse, the Yangzhou site, and overseas offices.

Energy Consumption

- Non-renewable energy (GJ)
- Renewable energy (GJ)
- Intensity (GJ/million NTD)

Percentage of Renewable Energy Usage(%)
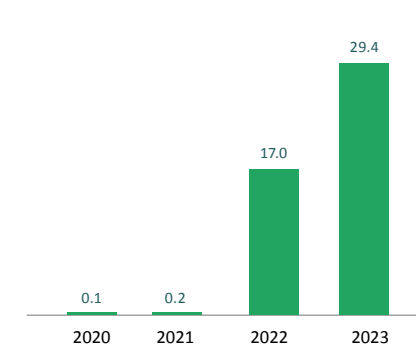
Energy Consumption by Emission Sources (GJ)

- Electricity
- Natural gas
- Steam
- Diesel and gasoline
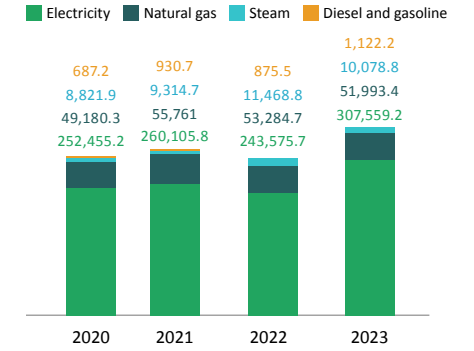
Note 1: The energy usage and intensity cover the operational, production, and sales sites of E Ink and its subsidiaries consolidated in the income statement.
Note 2: The energy types included in the energy intensity measurement are electricity, natural gas, steam, diesel and gasoline.
Note 3: The proportion of renewable energy usage includes the total of electricity, natural gas, steam, diesel and gasoline. Specifically for electricity, the renewable energy usage reached 36% in 2023.

Scope 1 and 2 GHG Emissions   Unit: Metric tons of CO_2e

Scope 1 and 2 GHG Emissions

- Scope 1
- Scope 2

Scope 1 Emissions

- US Sites
- Yangzhou Sites
- Taiwan Sites
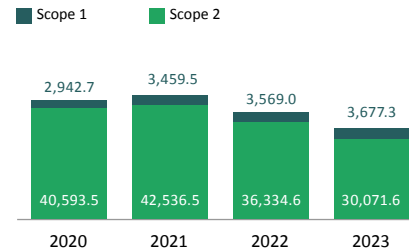
Scope 2 Emissions
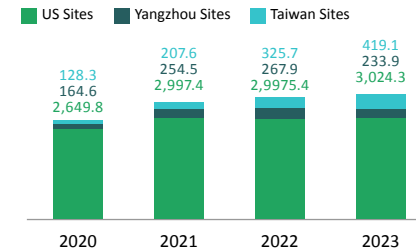
- Taiwan Sites
- Yangzhou Sites
- US Sites
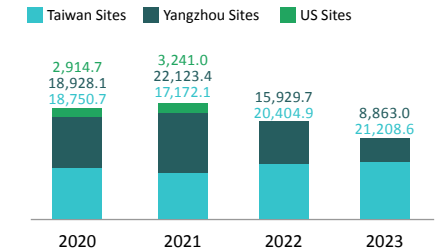
Note 1: Conversion factors are calculated using energy calorific values announced by local governments.
Note 2: The Global Warming Potential (GWP) values are based on the Fifth Assessment Report (AR5) of the IPCC.
Note 3: The consolidation of greenhouse gas emissions is conducted using the operational control approach.
Note 4: The categories of greenhouse gases included in the calculations are CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, and NF_3.
Note 5: Scope 2 greenhouse gas emissions from 2020 to 2023 are calculated based on the market-based method.
Note 6: All greenhouse gas emission data have been verified by a third party.

Scope 3 GHG Emissions

Since 2021, E Ink has been calculating Scope 3 emissions (also known as indirect emission sources) in accordance with ISO 14064-1 and the Greenhouse Gas Protocol (GHG Protocol). In 2023, E Ink completed the inventory of all applicable indirect emission sources to identify and understand the risks and opportunities within the value chain, enhance stakeholder engagement, and establish a basis for developing reduction strategies. The results of the 2023 inventory are disclosed in the table below, with "Purchased Goods and Services" and "Fuel- and Energy-Related Activities" accounting for 64% of its total Scope 3 emissions.

Categories[Note1]	GHG Protocol Categories	Explanation	2023 Emissions (Metric Tons CO_2e)[Note2]
Indirect Greenhouse Gas Emissions from Organizational Use of Products (upstream)			
* Purchased Goods and Services	1	Based on E Ink's product carbon footprint inventory results, calculate the carbon emissions of raw materials used during the raw material stage (including TFT backplane, FPL, Tray, and FPC flexible printed circuit boards).	37,342.3
Capital Goods	2	Emissions generated from equipment or buildings purchased to meet manufacturing needs. Estimates are based on significant capital expenditures disclosed in the E Ink annual report, categorized into equipment and buildings. Due to the incomplete establishment of the methodology, the Scope 3 Evaluator is temporarily used for estimating the emissions for this category.	3,755.4
* Fuel- and Energy-Related Activities[Note 3]	3	Emissions generated from energy resource consumption, including gasoline, diesel, natural gas, and electricity, are converted using the cradle-to-gate coefficients announced by the Environmental Protection Administration.	9,062.9
*Waste Generated in Operations[Note 4]	5	Emissions from outsourced transportation and disposal of waste generated during the production process at the sites, including household waste and process waste such as waste solvents and plastic films.	686.5
Upstream Leased Assets	8	Not applicable, as there are no upstream leasing activities for the products.	-
Indirect Greenhouse Gas Emissions from Transportation			
*Upstream Transportation and Distribution[Note 5]	4	Emissions from transporting purchased raw materials and consumables from the supplier's shipping location (actual address or a representative site selected from the website) to the company's receiving site. Transportation between the company's sites is not included in this calculation.	1,580.1
*Business Travel[Note 6]	6	Emissions from transportation modes (including airplanes, high-speed trains, rental cars, personal vehicles, and taxis) used for employees' domestic and international business travel.	338.4
*Employee Commuting[Note 7]	7	Emissions from employee commuting, including transportation from home to the workplace.	2,284.1
*Downstream transportation and distributio[Note 8]	9	Emissions from transporting products to ports or airports via road, sea, or air. This calculation excludes transportation between the site and subcontractors.	1,159.2
Indirect Greenhouse Gas Emissions from Organizational Use of Products (downstream)			
Processing of Sold Products	10	Emissions generated during the processing of sold intermediate products into end products are estimated based on the sales volume values of major products disclosed in the annual report. Due to the incomplete establishment of the methodology, the Scope 3 Evaluator is temporarily used for estimating the emissions for this category.	13,391.6
Use of Sold Products	11	Emissions generated during the use phase of sold products over their expected lifespan are estimated based on the sales volume, lifespan, and energy consumption of major products disclosed in the annual report. Due to the incomplete establishment of the methodology, the Scope 3 Evaluator is temporarily used for estimating the emissions for this category.	91.8
End-of-Life Treatmentof Sold Products	12	Emissions generated during the end-of-life disposal process of sold products are estimated based on the shipment volume of major products and waste treatment coefficients. Due to the incomplete establishment of the methodology, the Scope 3 Evaluator is temporarily used for estimating the emissions for this category.	2,540.4
Downstream leased assets	13	Not applicable, as there are no downstream leasing activities for the products.	-
Franchises	14	Not applicable, as there are no franchises.	-
Investments	15	All subsidiary companies have been included in the emissions inventory calculation.	-
Total			**72,232.7**

Note 1: * Indicates that the 2023 emissions for this item have been verified by a third party.
Note 2: The Global Warming Potential (GWP) values are based on the Fifth Assessment Report (AR5) of the IPCC.
Note 3: Calculated based on the consolidation of Taiwan (Hsinchu sites, Linkou sites, and Zhongli sites), Yangzhou, and US sites.
Note 4: Calculated based on the Yangzhou sites.

Note 5: Calculated based on the consolidation of Taiwan (Hsinchu sites, Linkou sites, and Zhongli sites).
Note 6: Calculated based on the consolidation of Taiwan (Hsinchu sites and Linkou sites) and US sites.
Note 7: Calculated based on the consolidation of Taiwan (Hsinchu sites and Linkou sites) and Yangzhou sites.

4-3-3 Energy Conservation and Carbon Reduction

As E Ink expands its product range and production capacity, energy consumption has correspondingly risen. According to the 2023 energy usage and greenhouse gas inventory results, over 90% of greenhouse gas emissions primarily stem from electricity consumption. Therefore, improving energy efficiency and using low-carbon energy have become core strategies in E Ink's efforts toward energy conservation and carbon reduction. To achieve the goal of reducing Scope 3 emissions by 25% by 2030, E Ink prioritizes collaboration with tier-one suppliers, encouraging them to set carbon reduction and renewable energy usage targets to achieve net-zero carbon emissions. Simultaneously, E Ink continues to monitor developments in natural carbon sinks and carbon trading to fully participate in international net-zero carbon emission initiatives.

In 2023, E Ink implemented 10 energy conservation measures, total reducing annual energy consumption by 2,289.3 MWh and CO2e emissions by 1,276.9 metric tons. The greenhouse gas emission intensity in 2023 decreased from 1.33 in 2022 to 1.24 metric tons of CO2e per million NTD in revenue, a 47% reduction compared to the 2021 base year. Due to the continued impact of the global display market, E Ink's energy productivity decreased from 9.9 to 8.5 thousand USD revenue per MWh in 2023, but this still represents a 72% improvement compared to the 2018 base year. The energy consumption intensity in 2023 was 14.0 GJ per million NTD, an increase of 20% from the previous year but a 16% decrease compared to the 2021 base year.

Energy Efficiency Improvement

Major Reduction Measures in 2023

In 2016, E Ink transformed to focus on the R&D and manufacturing of ePaper technology, simultaneously launching an energy transition plan. Despite the continuous expansion of operations and business, which significantly increased revenue, electricity consumption did not rise significantly, realizing the concept of profit and sustainable development. Over the years, E Ink's Taiwan sites has consistently achieved an average annual electricity savings rate of over 2%, surpassing the 1% required by regulations for large scale electricity users.

Enhancing process efficiency is the primary strategy for energy conservation and carbon reduction. First, each stage of the process is reviewed to ensure optimal operation. Second, process parameters are refined. Third, automated production and information management are introduced. Finally, standardized operating procedures are established. These standardized procedures are replicated at other sites, reducing working hours, increasing productivity, and lowering energy consumption.

Additionally, E Ink actively utilizes big data to monitor energy consumption, tracking the energy usage of major equipment in real-time. Facility equipment accounts for 60% of total electricity consumption, with air conditioning, air pollution control equipment, and air compression systems being the top three energy-consuming devices. Considering that many pieces of equipment were purchased 30 years ago when the facility was first established, these devices are both outdated and highly energy-intensive. Therefore, alongside process improvements, E Ink is also actively replacing equipment to accelerate energy-saving progress.

Greenhouse Gas Emissions

- ■ Intensity (Metric Tons of CO_2e/ million NTD)
- —•— GHG Emissions (Metric tons of CO_2e)

Year	Intensity	GHG Emissions
2020	2.83	43,536.2
2021	2.34	45,995.8
2022	1.33	39,903.6
2023	1.24	33,748.9
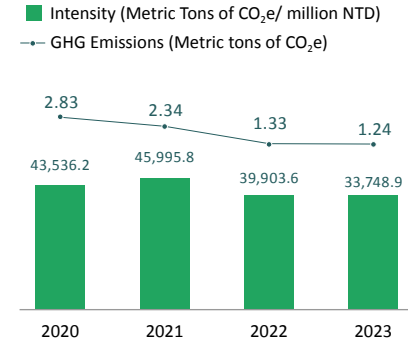
Energy Productivity (Thousand USD/MWh)

Year	Value
2020	6.0
2021	7.8
2022	9.9
2023	8.5
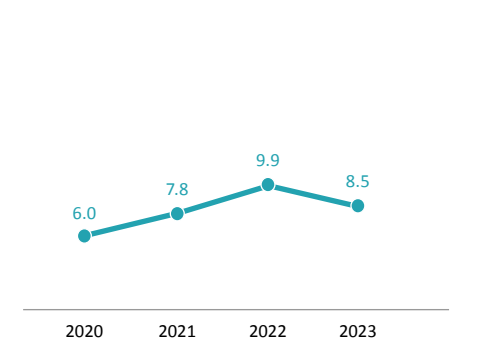
Global Site Reduction Measures

Action	Category	Description	Annual Electricity Savings (MWh)	Annual Carbon Reduction (Metric Tons CO_2e)
Efficiency Improvement	Air Compression Systems	Install Zero Air Loss Drain Valves with automatic drainage based on liquid levels to reduce gas loss and improve compressed air usage efficiency	1,658.5	921.8
		Retrofit vacuum machines for energy savings		
	Process Equipment	Modify FPL production equipment and optimize production scheduling to reduce electricity consumption		
		Reduce heating power output during the production		
		Optimize production scheduling for thermal shock equipment		
	Facility Equipment	Optimize production scheduling for liquid ring vacuum pump		
Equipment Replacement	Lighting Systems	Replace lighting fixtures in cleanrooms with energy-efficient LED lights	630.8	355.1
	Air Conditioning Systems	Replace the pre-cooling coils with abnormal fan resistance in the Make-up Air Unit to improve operating efficiency		
		Replace cooling towers		
	Process Equipment	Replace with energy-efficient high-temperature thermal oil machines		
		Total	2,289.3	1,276.9

Internal Carbon Pricing

To promote low-carbon transformation, E Ink established an internal carbon pricing (ICP) in 2019 based on the "Options for Carbon Pricing in Taiwan" report published by the Grantham Research Institute on Climate Change and the Environment at the London School of Economics. This report recommended a carbon price based on Taiwan's policy regulations and industry characteristics. E Ink set the initial ICP at NTD 280 per metric ton of CO_2e for Taiwan. In 2022, E Ink planned to adjust the ICP regularly, referencing the international carbon trading market and the estimated cost of renewable energy procurement. This initiative aims to encourage low-carbon investments, improve energy efficiency, and enhance employees' awareness of carbon management. By 2023, E Ink adjusted the ICP in Taiwan to NTD 600 per metric ton of CO_2e.

2023-2025 Taiwan ICP(NTD per metric ton of CO_2e)

Year	Value
2023	600
2024	1,000
2025	2,100
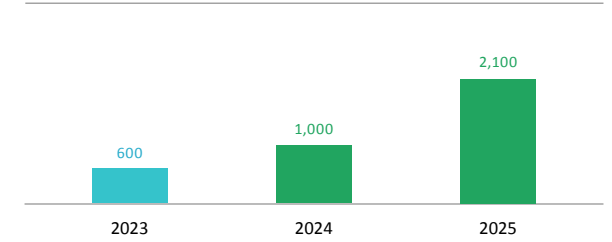
Low-Carbon Production

E Ink is committed to reducing carbon emissions in its product manufacturing process. Since 2015, E Ink has launched four major smart manufacturing initiatives to shorten cycle times and increase overall production efficiency.

Product Evolution

- **2006** Production of **the first ePaper product**, applied to SONY eReader
- **2010-2016** **Industry Transformation** Integration and fusion of ePaper industry technology
- **2019** **Initiation of the color ePaper project**
- **2021** **The era of color ePaper**

Phase Tasks

- **2015** Process Integration and Optimization
- **2018** Equipment Integration and Automation
- **2020** Systematized Data Collection
- **2022** Precision Predictive Intelligence
- **2023-2024** Mass production

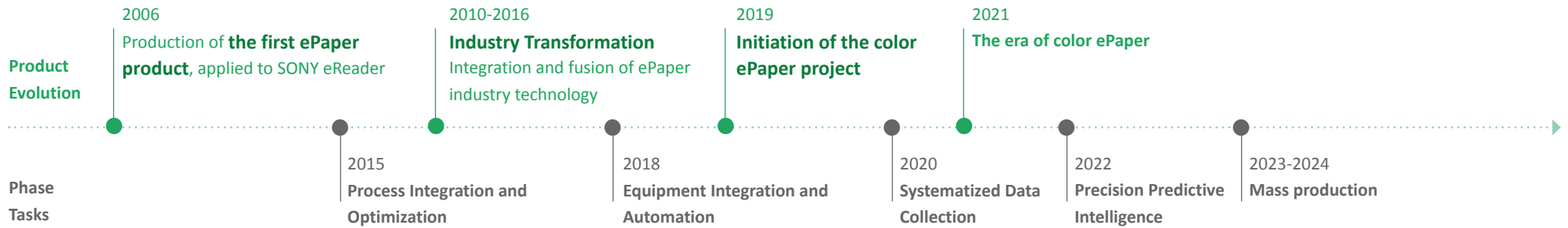| Phases	Equipment Integration and Automation (2018 – Present)	Systematized Data Collection (2020)	Precision Predictive Intelligence (2022)	Mass production (2023 – 2024)
Objective Description	• **Implemented phased automation of the production lines at the Yangzhou sites.** The first phase focusedon 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 sites.** 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.	• **Smart Data Collection and Monitoring** Established a central real-time monitoring system and big data management to systematically collect data on products and equipment. • **Applications of Data Mining** Collected data is used for smart process parameter adjustments and quality control, and it provides predictive maintenance analysis.	• **Smart Reporting and Production Management** Combine planned production with flexible manufacturing to meet diverse demands, optimizing big data management for production. • **Precision Predictive Maintenance** Reduce unexpected downtime, shorten average repair time, and improve maintenance efficiency. • **Smart Process Parameters and Quality Control** Utilize automatic optical smart inspection and AI defect classification to provide feedback to upstream processes, maintain real-time process parameters, reduce scrap rates, and offer references for subsequent process choices and product quality management.	• **Introduction of Large-Scale Color Automation Equipment** Expanded high-speed production lines from notebook size to TV size, incorporating technology to address uniformity and speed requirements as products scale up. • **Advanced Inspection Technology** Developed adaptive focus and virtual reference points in inspection technology to accommodate larger sizes. Additionally, introduced AI technology to create virtual defect models for rapid large-area modeling, enhancing detection rates.
Implemented Sites	Yangzhou sites production line and Linkou sites FPL production line	Yangzhou sites module production line	Yangzhou sites module production line and Hsinchu FPL production line	Yangzhou sites module production line and Hsinchu FPL production line
Achievements	Achieved a **20%** reduction in production lead time	• Increased the production capacity of the Yangzhou sites by **23%**, with a **36%** reduction in total manpower. • Increased the production capacity of the Linkou sites FPL production line by **91%**.	ntroduced Systems Including Manufacturing Execution System (MES), Automated Data Collection and Transmission System, Enterprise Resource Planning System (SAP), and ongoing CIM project at the Hsinchu sites	Enhance production efficiency and product yield to accommodate larger product sizes.

Green Building

As the ePaper market continues to grow, E Ink has initiated capacity expansion and recruitment efforts. Consequently, the Hsinchu headquarters is expanding its operations to establish an ePaper R&D and manufacturing center, focusing on the development and production of ePaper films, color ePaper, and other technologies. In 2023, E Ink implemented a low-carbon operation strategy, including the construction of new factory buildings that comply with green building standards. These buildings are planned to be operational in 2024 and will apply for LEED green building certification, representing 33% of the Company's total building footprint.

For future new factory buildings, E Ink will incorporate sustainability principles and environmental ecology considerations from site selection to the construction process to minimize the impact on the surrounding environment. The buildings will be designed and constructed to green building specifications and will obtain LEED certification, demonstrating E Ink's commitment to low-carbon, energy-saving operations and production.

Expand the Use of Renewable Energy

Surpassed the 2024 Renewable Energy Procurement Target

In 2022, E Ink was the first display company to join the RE100 initiative, committing to achieving RE100 by 2030. The company is planning its RE100 path based on the characteristics of each site to gradually implement the renewable energy usage goal. Since 2017, E Ink has been laying out renewable energy procurement, being among the first to purchase renewable energy certificates (RECs) and sign power purchase agreements (PPAs).

Additionally, in choosing PPAs, E Ink primarily focuses on rooftop solar and wind power projects to ensure maximum environmental benefits. By the end of 2023, E Ink achieved a global renewable energy usage rate of 36% (RE36), surpassing and achieving its 2024 renewable energy target a year ahead of schedule. The company's facilities in the US, along with offices in Tokyo, Japan, and Seoul, South Korea, have all reached the RE100 goal of using 100% renewable energy.

RE Pathway by Targets and Actual Procurement (%)
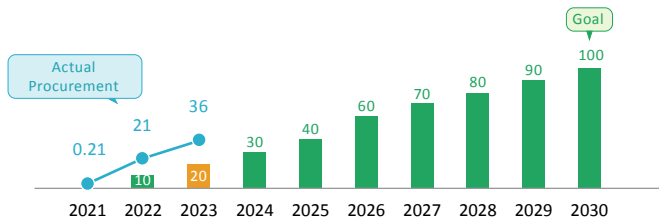
Renewable Energy Procurement in 2023, Calculated by Sites

Achievements in 2023 include the purchase of 27,121 RECs (equivalent to 27,121 MWh), PPA power supply of 3,038 MWh (equivalent to 3,038 RECs), and self-generated solar power of 119 MWh. Through these efforts, renewable energy reduced Scope 2 emissions by 12,733 metric tons of CO_2e.

Sites/ Offices	Description of Implementation	PPA (MWh)	Renewable Energy Certificate (MWh)	Self-Generated and Self-Used (MWh)	Renewable Energy Target (%, A)	Renewable Energy Actual (%, B)	Target Achievement Rate (%, B/A)	Carbon Reduction Volume (Metric Tons CO_2e)
Taiwan	In Taiwan, renewable energy acquisition is challenging and expensive. Therefore, E Ink is developing diverse renewable energy sources, such as biomass and geothermal energy, to steadily increase renewable energy procurement. Additionally, small amounts of renewable energy certificates (T-REC) are also purchased.	3,038	-	-				1,504
					5	8	160	
			700	-				344
Yangzhou	Purchased Green Energy Certificates (GEC) and solar power generation in China.	-	13,558	119	20	53	265	7,732
US	Purchased Renewable Energy Certificates (REC) in the US.	-	12,700	-	100	100	100	3,076
Overseas Offices	Purchased The Certificate of Green Power in Japan; Confirmation of Renewable Energy Use in South Korea; and Green Energy Certificates (GEC) in China.	-	163	-	100	100	100	77
Total		3,038	27,121	119	20	36	180	12,733

Use more Environmentally Friendly Renewable Energy Sources

Promoting Sustainable Green Energy

In addition to procuring solar and wind energy, E Ink purchased renewable energy certificates (T-REC) from Chung Hwa Pulp Corporation (CHP), the largest biomass energy supplier in Taiwan, in 2023. This transaction marks the largest scale of T-REC trading since CHP initiated renewable energy certificate trading. CHP have Taiwan's only, earliest, and largest lignin biomass energy generation facility, which converts lignin by-products from the pulp production process into energy. This practice is an excellent example of a green circular economy and a high-quality embodiment of sustainable biomass energy.

E Ink plans to further collaborate with CHP to increase the procurement of biomass renewable energy certificates, ensuring the "additionality" and "diversity" of renewable energy sources, and promoting the development of the green circular economy. Additionally, to continuously increase and diversify the proportion of renewable energy used, E Ink plans to actively increase its renewable energy suppliers and aims to expand to six suppliers by 2024.

CHP Lignin Biomass Energy Generation

Wood → wood Chip Import → wood Chip Factory → Diddester → Lignin → Lignin Solution Tank → Evaporrator (Concenttration)

Cellulose

Plupup andd Paper Manucat

Cogeneration

Renewable Energy Certificates
T-REC

Steam   Electricity
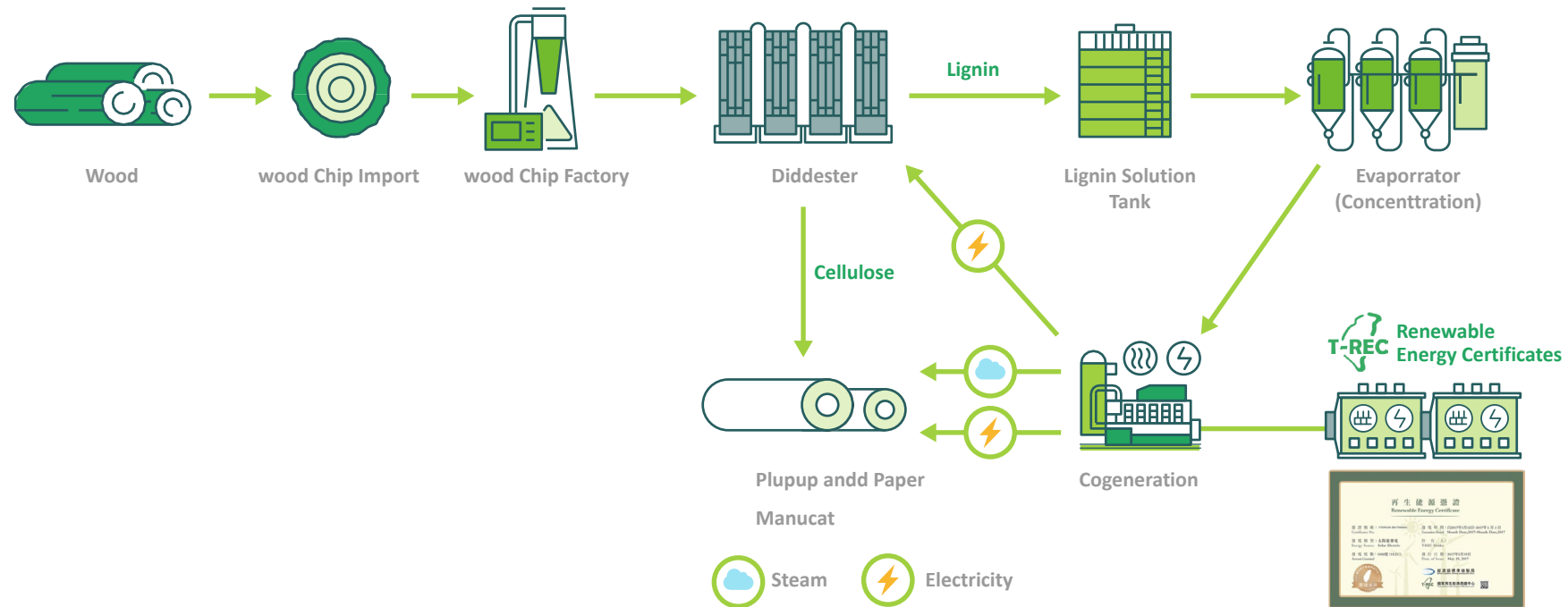
4-4 Environmental Impact Mitigation

4-4-1 Water Resources Management

E Ink's process water covers cooling, equipment cleaning, and other water demands in the production process. To enhance water resource management, E Ink adopts the PDCA cycle mechanism, continuously improving management efficiency. First, water resource risk identification is conducted to recognize water stress risks and water usage hotspots in each site, thereby prioritizing the most critical water resource management challenges. Next, set quantitative reduction targets and timelines, continuously monitor and review water usage to help concentrate resources on alleviating water resource issues.

Plan	Water Resource Risk Identification and Action Plan	• Setting targets: Clearly define targets for improving water use efficiency and reduction. • Conducting risk identification: Analyze the risks associated with water use, identifying extraction risks and usage hotspots. • Developing action plans: Based on the risk identification results, formulate measures to enhance water efficiency and reduce consumption.	
Do	Management Review and Continuous Improvement	• Implement continuous improvement plans: Execute the aforementioned measures, including improving water resource use efficiency, promoting water-saving measures, establishing monitoring systems, improving wastewater quality, and introducing process water recycling applications. • Educational training plans: Provide relevant educational training for employees to enhance water-saving awareness and skills.	
Check	Implementation and Operation	• Monitoring and evaluation: Regularly monitor water resource usage and evaluate the effectiveness of implementation to ensure it meets the expected targets. • Risk assessment: Continuously assess the risks associated with water resource extraction and usage hotspots to ensure the effectiveness of risk control.	
Action	Monitoring and Measurement	• Adjusting action plans: Modify action plans based on review results to ensure goal achievement. • Implementing Improvement Measures: Continuously improve water resource management measures, including technology updates and process optimization, to enhance management efficiency and water-saving effectiveness.	

Water Resource Risk Identification

In recent years, climate change has led to frequent extreme weather events, posing significant challenges to water resource management. Both the Taiwan and Yangzhou sites face threats from droughts and floods, underscoring the importance of water resource management in business operations. E Ink conducted a comprehensive water resource risk analysis using the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI). The analysis results indicate that Taiwan and the US sites face low to medium water risks, while the Yangzhou sites is exposed to medium to high water risks. In response to the increasing risk of water scarcity due to climate change, E Ink will continue to monitor water resource usage and water scarcity risks. At the same time, it will assess and implement water optimization strategies to ensure the effective management and sustainable use of water resources.

Comprehensive Water Resource Risk Analysis

Low	Risk	High

Low(0-1)	Low-Moderate (1-2)	Moderate-High (2-3)	High(3-4)	Extremely High (4-5)
South Hadley (US sites)	Taiwan sites Billerica (US sites) Fremont (US sites)	Yangzhou sites		
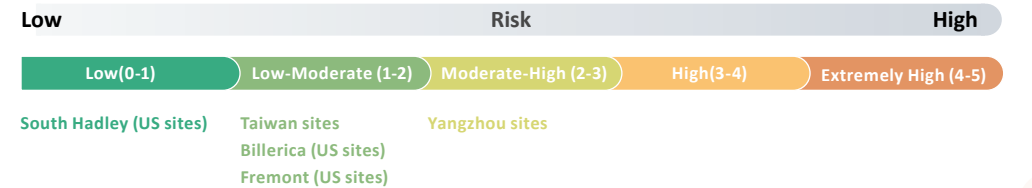
Note 1: The three sites in the US are located on the West Coast and East Coast, each facing different water resource risks. Therefore, risk disclosure is conducted on a per-site basis.

Note 2: The individual sites in Taiwan and Yangzhou are located in the same water resource risk areas. Therefore, risk disclosure is not conducted on a per-site basis.

Water Consumption

E Ink's primary water sources for its Taiwan, Yangzhou, and the US sites are municipal water supplies, without reliance on surface or groundwater. In 2023, the total water consumption for the three main sites reached 0.47 million m³ (equivalent to 473.2 million liters), 1% decrease from the previous year. Among the three sites, the Yangzhou site had the highest water consumption, accounting for 56% of the total. Therefore, E Ink will prioritize improving water efficiency at the Yangzhou site to reduce the Company's overall water usage.

Water Withdrawal, Discharge, and Consumption (Million m³)

The Water Withdrawal Distribution in 2023 — Yangzhou Sites 56%, Taiwan Sites 38%, US Sites 6%
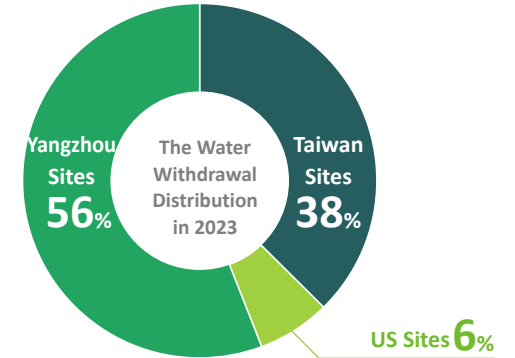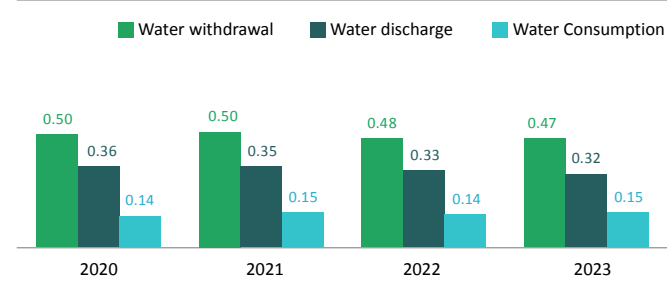
Water Quality Management and Discharge

In 2023, E Ink' discharge wastewater volume was 0.32 million m³ (equivalent to 318.7 million liters). All process wastewater discharges comply with local regulatory requirements. E Ink strictly adheres to local regulations for wastewater treatment and conducts water quality testing, regularly monitoring wastewater discharge conditions and making necessary operational adjustments to ensure the quality of discharged wastewater meets local discharge standards. If any non-compliance is found, corrective improvement plans will be initiated.

In 2023, the wastewater discharged from the Hsinchu sites had levels of Biochemical Oxygen Demand (BOD), Chemical Oxygen Demand (COD), Suspended Solids (SS), and heavy metals that were significantly below the regulatory standards of the Hsinchu Science Park. Additionally, since the end of 2010, the Yangzhou sites has discontinued the use of organic cleaning agents through process improvements, switching to pure water for raw material cleaning. This change has resulted in COD and SS levels in the wastewater being significantly lower than the discharge standards. In January 2011, with approval from the Yangzhou Environmental Protection Bureau, the site ceased operating its wastewater treatment facility, conducting regular tests to ensure system stability. This effectively reduced operational costs and minimized the environmental impact of water treatment. The former wastewater pool has been transformed into an ecological pond, used for fish farming and hydroponic vegetable cultivation.

Hsinchu Sites Wastewater Quality (mg/L)
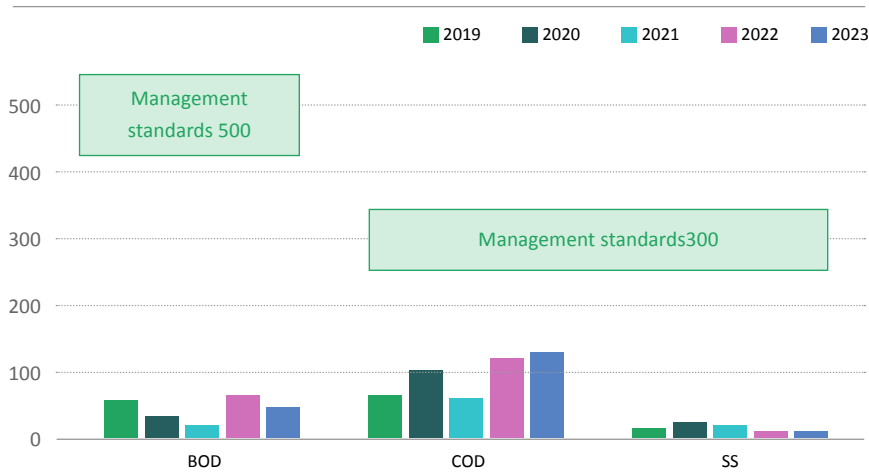
Yangzhou Sites Wastewater Quality (mg/L)
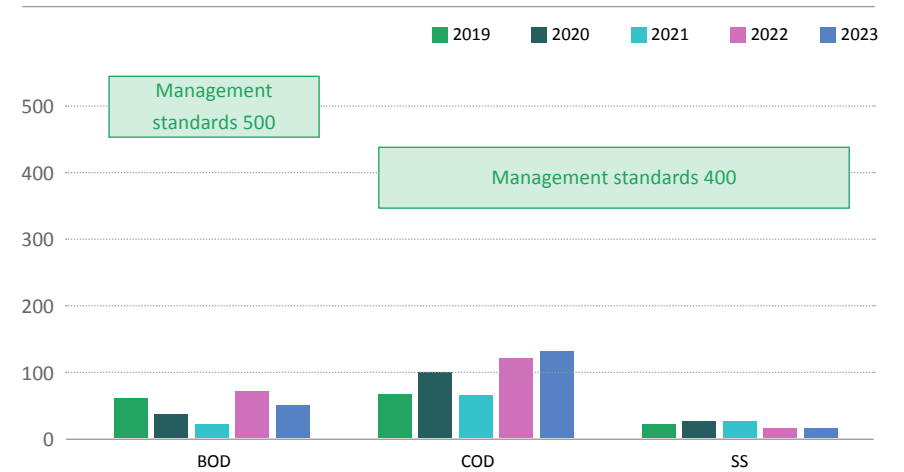
Water Conservation Plans and Measures

Taiwan's terrain, characterized by its mountainous regions and short, rapid rivers, makes it challenging to store effective rainfall. Additionally, recent climate change has led to frequent extreme weather events, with alternating droughts and heavy rains, making water resource management increasingly important. China faces similar issues with floods and droughts, bringing global attention to water resource management. E Ink recognizes the preciousness of water resources and places a high emphasis on effective water resource management.

In 2023, the water recycling rate reached 26%, an increase of 2% from the previous year. The recycling rate for process water reached 32%, up 1% from 2022. The water intensity was 17.4 m³ per million NTD in revenue, which is approximately 11% higher than in 2022 but 32% lower than the 2021 baseline year. In 2021, the Hsinchu sites in Taiwan introduced a new ePaper production line. Despite maintaining a high water recycling efficiency of over 70%, the water quality exceeded recycling standards, reducing the recycled volume and consequently lowering the overall water recycling rate. With the continuous introduction of optimized water resource utilization measures, recent years have seen improvements in both the water recycling rate and the process recycling rate.

Water Recycling Rate[Note1](%)

2020	2021	2022	2023
32	23	24	26

Process Water Recycling Rate[Note2](%)

2020	2021	2022	2023
38	28	31	32

Water Intensity (m³/million NTD)

2020	2021	2022	2023
32.3	25.6	15.7	17.4

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+ Total recycled water)

Water-Saving Measures

E Ink's Hsinchu sites in Taiwan is equipped with an advanced rainwater harvesting system to efficiently utilize natural resources while reducing reliance on municipal water supplies. This system includes components such as collection devices, filters, and storage tanks, capable of collecting and treating rainwater within the site for reuse. Through the operation of these facilities, E Ink not only significantly reduces rainwater discharge from the site but also recycles rainwater for various purposes such as plant irrigation and domestic use, achieving both environmental protection and resource conservation. In addition to continuously promoting existing water-saving measures and water resource recycling systems, the main water-saving measures for 2023 are summarized as follows:

Category	Action	Descriptions	Annual Water Saving	Investment (NTD)	Benefits per Year
Air Conditioning System Energy Saving	Boiler Waste Heat Reuse	The 90° C boiler wastewater discharged by the group company, YFY was found to meet the standards for use in E Ink's internal production areas after water quality testing. Therefore, E Ink decided to recycle this portion of the hot water for reuse. This not only meets the hot water needs of the production process but also saves the hot water generated by the current boiler operations, achieving the goals of efficient resource utilization and energy saving and emission reduction.	Saved **1,257.3** tons of steam purchase per year	NTD 0.11 million	• Saved NTD **1.45** million in steam purchase costs • Saved NTD **0.44** million in boiler hot water production costs • Total carbon reduction of **673** tons per year

4-4-2 Air Pollution Management

Each of E Ink site face different air pollutant emission management challenges due to process differences. The primary emissions at the Hsinchu sites in Taiwan include Volatile Organic Compounds (VOCs), Hydrochloric Acid (HCl), and Hydrogen Fluoride (HF). Meanwhile, the Linkou plant in Taiwan, the Yangzhou plant, and the US sites primarily emit VOCs. To address these challenges, E Ink has established and implemented air pollution control facilities at each sites to ensure that emission concentrations and quantities comply with local environmental regulations.

Air Pollution Control Measures

In response to increasingly stringent environmental regulations in Taiwan, E Ink not only selects high-efficiency pollution control facilities but also continuously enhances the performance. Through the implementation of operational environment monitoring and inspection, E Ink ensures the stable operation of environmental protection facilities, effectively reducing pollutant emissions and minimizing environmental impact. Key air pollution control measures implemented in 2023 are listed below.

Emissions of VOCs (Metric ton)

Year	Value
2020	8.1
2021	12.7
2022	12.5
2023	13.1

Yangzhou Sites 5%

Percentage of VOCs Emissions from Global Manufacturing Sites in 2023

Taiwan Sites **30%**

US Sites **65%**

The Hsinchu sites uses CTO (Catalytic Oxidizer) incinerators and RTO (Regenerative Thermal Oxidizer) incinerators

In response to the expanding of ePaper production lines, E Ink has introduced the advanced air pollution control equipment, utilizing Best Available Control Technology (BACT). This includes Catalytic Oxidizers (CTO) and Regenerative Thermal Oxidizers (RTO) to ensure efficient treatment and control of emissions. CTOs use catalytic action to efficiently convert harmful substances in exhaust gases, while RTOs manage exhaust treatment and emission control through periodic airflow direction changes and thermal regeneration. The combined treatment capacity of these two systems reaches 2,000 CMM, with treatment efficiency exceeding 95%, significantly higher than the legal requirement of 92%. In 2024, the new Hsinchu plant is also planned to adopt BACT, using a zeolite rotor concentrator and Thermal Oxidizer (TO), with a designed treatment capacity of 1,600 CMM and an expected treatment efficiency of over 95%.

Zeolite adsorption and catalytic oxidation furnace (CTO)

Zeolite wheel and regenerative thermal oxidation furnace (RTO)

Installation of an additional organic exhaust activated carbon adsorption system for air pollution control

At Yangzhou Sites, 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 → Wet scrubber → Active charcoal → Discharged at a height of 15 meters
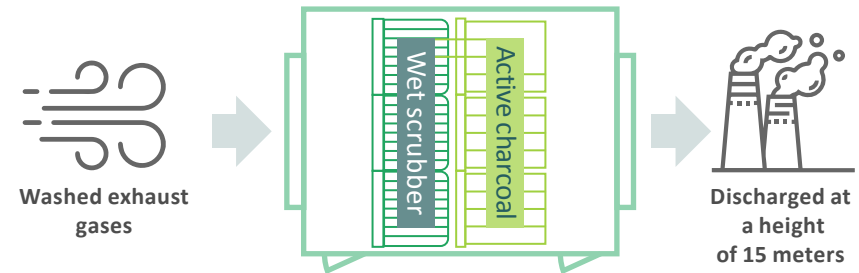
4-5 Resource Circularity

E Ink is committed to achieving environmental sustainability goals by setting resource management targets aimed at increasing waste recycling rates and improving the efficiency of raw material use, thereby reducing resource consumption.

4-5-1 Raw Material Use and Waste Generation

In 2023, E Ink's global sites generated a total of 2,530 tons of waste, a 15% reduction compared to 2022. The overall recycling rate increased from 38% in 2022 to 56% in 2023. Specifically, the US sites improved its recycling rate by 11%, the Yangzhou sites by 35%, and the Taiwan sites by 6%.

Plastic Films Usage (tons)
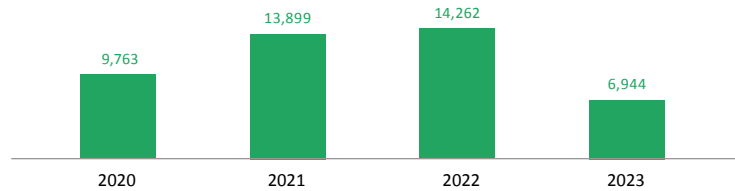
Note: Data for 2020- 2021 pertains to the Linkou sites; data for 2022- 2023 includes both the Linkou and Hsinchu sites.

Organic Solvent Usage
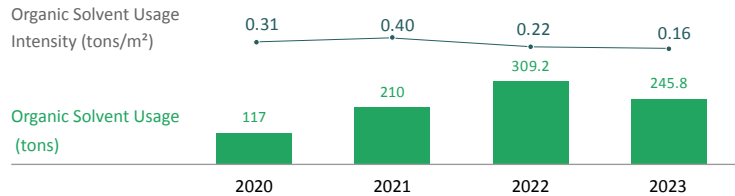
Waste Recycling Rate (%)
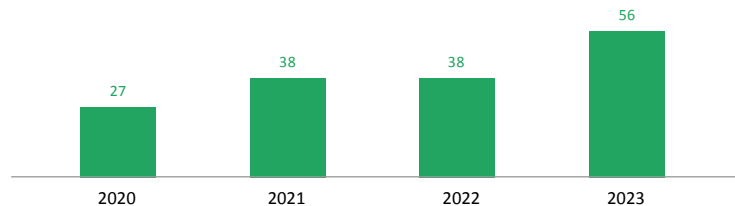
Waste Generation and Disposal (metric tons)

Waste Categories	Waste Disposal Categories		2020	2021	2022	2023
General		Total Waste Recycling	295.9	614.2	1,084.9	1,343.1
	Waste Disposal Methods	Waste incinerated with energy recovery	0.0	0.0	995.6	426.4
		Waste incinerated without energy recovery	650.2	708.3	105.9	102.2
		Waste landfilled	3.4	0.0	17.6	13.2
		Waste with other disposal method	84.7	17.9	23.0	18.9
	Total waste generated		**1,034.2**	**1,340.5**	**2,227.0**	**1,903.8**
Hazardous		Total Waste Recycling	39.2	26.1	56.5	73.1
	Waste Disposal Methods	Waste incinerated with energy recovery	0.0	0.0	459.8	450.7
		Waste incinerated without energy recovery	177.7	303.9	218.9	102.4
		Waste landfilled	0.0	0.0	0.0	0.0
		Waste with other disposal method	0.4	0.0	18.8	0.0
	Total waste generated		**217.3**	**330.0**	**754.0**	**626.2**
General and Hazardous		Total Waste Recycling	335.2	640.3	1,141.4	1,416.2
	Waste Disposal Methods	Waste incinerated with energy recovery	0.0	0.0	1,455.4	877.1
		Waste incinerated without energy recovery	827.8	1,012.2	324.8	204.5
		Waste landfilled	3.4	0.0	17.6	13.2
		Waste with other disposal method	85.1	17.9	41.8	18.9
	Total waste generated		**1,251.5**	**1,670.4**	**2,981.0**	**2,530.0**

Total Waste Generated
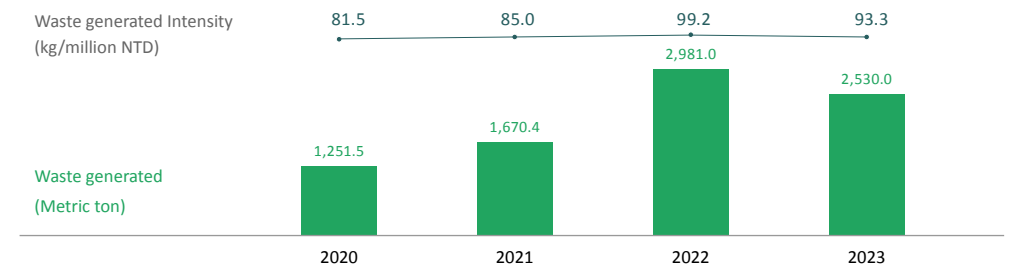
4-5-2 Resource Circularity Management

In 2023, E Ink strengthens overall resource management to achieve zero waste according to the Zero Waste to Landfill Standard (UL 2799). The Company set a goal for the Taiwan and Yangzhou sites to achieve a 95% waste conversion rate from 2024 to 2025. By thoroughly understanding the UL 2799 standard, reassessing the waste baseline, conducting detailed evaluations of waste management, and providing employee education and training, E Ink enhanced employees' understanding of waste classification standards, identification, sorting, on-site storage, and final disposal methods. This effort aims to reduce landfill treatment and thermal energy waste from incineration, ensuring that E Ink meets the UL 2799 standard within its facilities.

Based on the 2023 waste generation analysis, the main types of waste at the Taiwan sites include adhesive films, waste solvents, household waste, production consumables, wiping cloths, empty chemical containers, and production packaging materials. To reduce the overall waste generation and the proportion of waste treated by incineration and thermal recovery, E Ink, together with group companies, suppliers, disposal companies, and other stakeholders, jointly promotes the 4R waste management plan (Reduce, Reuse, Recycle, Recovery). By formulating strategies such as lean utilization to reduce waste, sustainable green energy through a circular economy, and proper disposal through recycling, the Company prioritizes converting waste that would otherwise be treated by thermal recovery and landfill, achieving waste reduction and management goals.

Disposal and Reduction Status
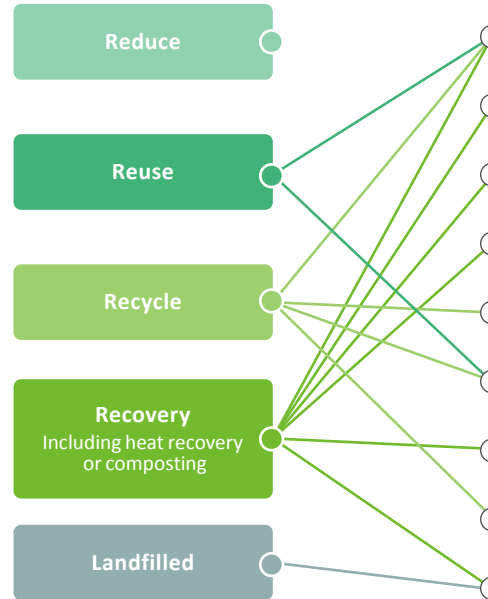
Taiwan Sites Waste Generation Analysis

Waste	Proportion (%)
Adhesive Film	44.1
Waste Solvent	28.3
Household waste and Production Consumables (e.g., Masks, Gloves)	7.4
Wiping Cloths	5.8
Empty Chemical Containers	4.0
Production Packaging Materials (e.g., Cartons, Pallets, Cores)	3.9
Waste Plastic	3.4
Household Recyclable	3.0
Others (e.g., Sludge, Non-recyclables)	<0.1

Disposal and Reduction Status categories: Reduce, Reuse, Recycle, Recovery (Including heat recovery or composting), Landfilled

4R Waste Management Plan

Strategy	Lean Utilization to Reduce Waste	Circular Economy and Sustainable Green Energy	Treatment of Disposal and Recycling	
Stakeholders	E Ink	Group Companies	Supplier	Vendor
Disposal Methods	Reduce / Reuse / Recycle	Recycle / Recovery	Reuse	Recycle / Recovery

Efficient Utilization and Waste Reduction

E Ink strictly adheres to waste management regulations to minimize environmental impact. The Company prioritizes the recycling and reuse of waste; non-recyclable waste is stored and incinerated, and waste that cannot be incinerated is disposed of in landfills. Through waste treatment analysis, the Taiwan sites focuses on reducing waste from production raw materials, waste solvents, domestic waste, and product raw materials.

Waste		Disposal and Reduction Status	2023 Achievements
Production Raw Materials	Reduce	Establish a classification management system for dozens of types of plastic materials and review the process for reducing plastic usage in production.	• Reduced 1 ton of transparent conductive film • Reduced 35 tons of film material usage
Waste Solvents	Recovery	In new manufacturing processes, distillation technology solvent recovery systems have been introduced for organic solvents such as toluene, isopropanol, methyl ethyl ketone, and ethyl acetate.	In 2023, conducted an assessment project estimating that the annual recycling volume of waste solvents will reach 388 tons in 2024, approximately 31% of the total annual waste at the Taiwan sites.
Household Waste	Recycle	• Enhance waste sorting labels on each floor of facilities and offices to improve waste sorting and recycling. • Compost restaurant food waste and separate and recycle paper lunch boxes.	Reduced household waste by approximately 18 tons compared to 2022.
Product Raw Materials	Reduce	Promote green product design through education and training aimed at reducing waste generated during product design, material selection, and production. Efforts are made to lighten product weight and reduce packaging materials in the design and manufacturing processes. Additionally, environmentally friendly concepts are integrated into the final disposal process of the products, ensuring that the product lifecycle aligns with environmental protection requirements as much as possible.	For details, please refer to Chapter 3 of this report: Product Sustainability.

Circular Economy and Sustainable Green Energy

E Ink Taiwan sites collaborates with the subsidiary of group company, YFY Packaging Inc. (YFY), to convert waste into products, reusable materials, or energy through recycling methods, ensuring the efficient utilization of waste. In 2023, a total of 282 metric tons of plastic were successfully converted into Solid Recovered Fuel (SRF) for use as recycled fuel. Additionally, E Ink, in partnership with YFY, promotes recycling packaging cartons. Waste cartons are transformed into raw materials for new cartons, achieving continuous resource recycling. In 2023, a total of 35.7 metric tons of waste cartons were successfully converted into new carton material.

Incineration Process of Waste Plastic into SRF

E Ink

YFY

Sort clean plastic → Transport by qualified vendors → Crush and sort raw materials → Granulate into SRF → Use SRF in SRF boilers as fuel

Treatment of Disposal and Recycling

In addition to implementing plastic reuse and classification management within the facility, E Ink ensures that some resources can be used as packaging, transportation, or production auxiliary materials during the manufacturing process, maintaining the potential for reuse. In 2023, E Ink actively established partnerships with suppliers, requiring the reuse of raw material packaging materials to reduce resource waste and increase the reuse rate of waste and resources. For waste that cannot be reused within the factory or by suppliers, E Ink collaborates with processing companies to create recycled products.

Disposal Methods	Treatments		2023 Outcomes
Production Packaging Materials	Reuse	Clean production packaging materials such as packing bags, cores, cartons, and foam are collected by suppliers for reuse.	• 38 metric tons of recycled weight from cores, pallets, and carton
	Recycle	Some waste plastics and waste wood are handed over to professional processing companies for recycling into new products.	• 36.9 metric tons of waste plastic shredded and granulated • 9.8 metric tons of waste wood processed into recycled wood for reuse

Furthermore, E Ink implements strict supervision of external units responsible for waste removal and treatment. Regular audits of partnered waste removal and treatment companies are conducted to ensure they comply with regulations and meet E Ink's expectations and standards. Since 2018, E Ink has been a member of The Allied Association for Science Park Industries and the Taiwan Panel & Solution Association (TPSA). Through third-party joint audits targeting waste removal and treatment companies, E Ink further ensures compliance with standards and enhances treatment levels. By utilizing random sampling, joint industry audits, and accompanying inspections and on-site audits, E Ink conducts comprehensive assessments of contractors in areas such as safety, hygiene, environmental protection, and fire safety. This ensures that partnerships are established with high-standard companies, safeguarding the quality and compliance of the waste treatment process.

2023 Contractor Management Performance

Item	Frequency
Random Sampling	3 times
Joint Industry Audits	19 times
On-Site Audits	3 times
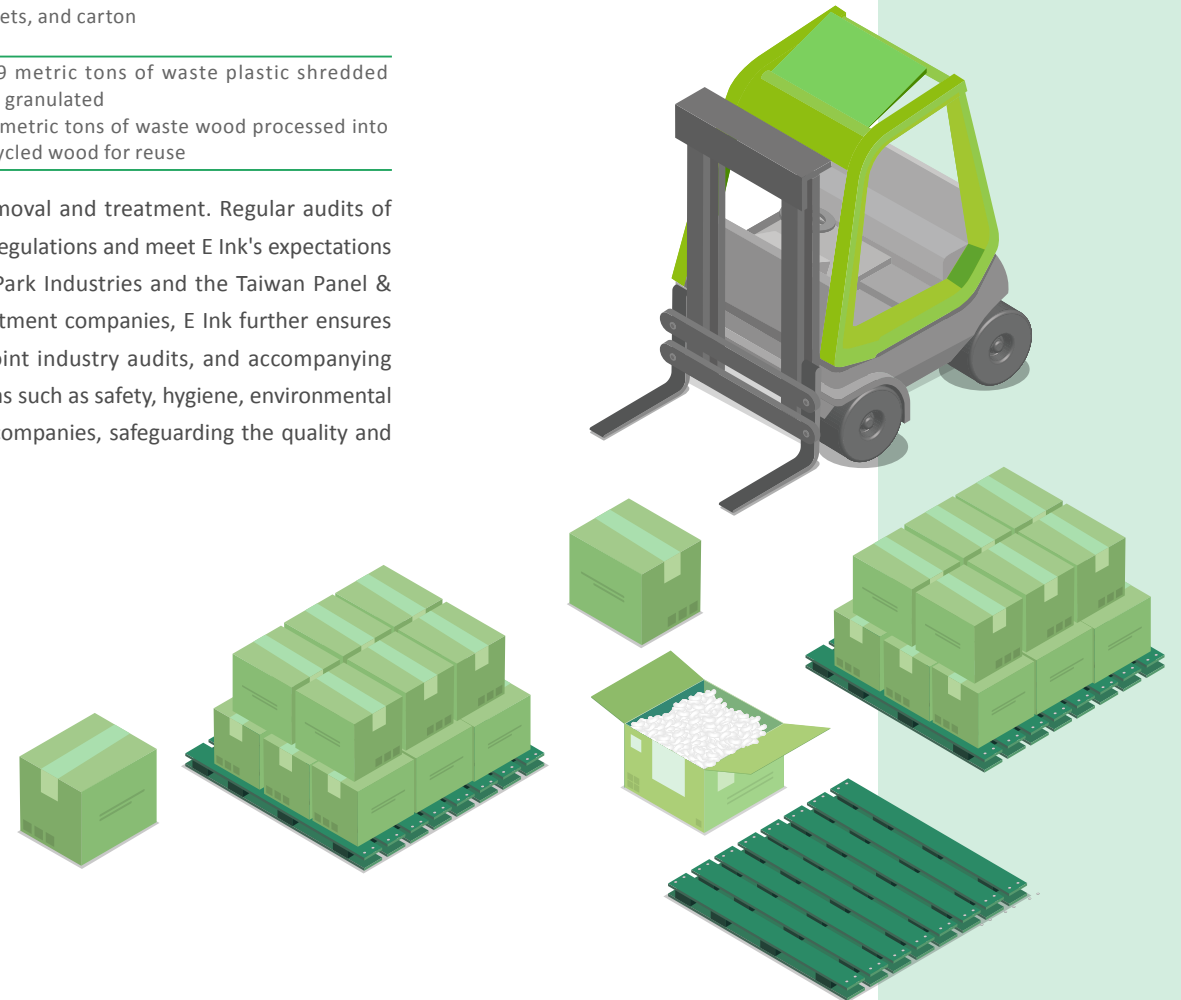
05 Sustainable Supply Chain

Suppliers engaged sustainable supply chain

Performance Achievements

A comprehensive supply chain management system is in place, with procurement practices reviewed to control **sustainability risks within the supply chain**

100% of significant suppliers have signed the **Guarantee of Supplier Code of Conduct**

audited suppliers **100**% passed the audit assessment

E Ink has been awarded an **A Leadership** rating from the CDP **Supply Chain Program** for the first time

141 **suppliers** completed the evaluation

>99% receiving an **A or B grade**

100% of customers who responded to the survey stated satisfied with E Ink's services

Target setting of significant supplier

44 significant suppliers set **RE100 target**

48 significant suppliers set **net zero carbon emission target**

8 **Suppliers** participated in the **green electricity group purchase initiative**, with a projected collective green electricity procurement of **77,000** kWh

Collaborated with **6 suppliers** to jointly develop ePaper products.

9 technical forums and sustainability exchanges with significant suppliers

100% of internal personnel and significant suppliers completed **sustainable procurement training**

Packaging Materials Recycling Project achieved a carbon reduction of **16** metric tons of CO_2e

Low-Carbon Logistics Management achieved a carbon reduction of **61** metric tons of CO_2e

E Ink 2023 CORPORATE SUSTAINABILITY REPORT

Developing a Green and Low-Carbon Supply Chain; Control and Mitigation Sustainable Risks; Advancement of Supply Chain Resilience

Sustainable Supply Chain Management ◉Material topics

GRI Sustainability Topics

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

E Ink enhances human rights, occupational safety, environmental protection, management systems, and ethical standards throughout its supply chain by implementing the "E Ink Supplier Code of Conduct " and the "E Ink Conflict Minerals Policy." Additionally, the Company manages its supply chain through evaluation and audit systems to mitigate the risk of supply chain disruptions. E Ink is committed to collaborating with suppliers to achieve sustainability goals, including using 100% renewable energy by 2030 (RE100) and reaching Net Zero Carbon Emissions by 2040, thereby realizing a vision of sustainable prosperity.

Sustainability KPIs	Management Objectives	▶Short-term Goals (2023)	▶Result (2023)	▶Short-term Goals (2024)	▶Mid-term Goals (2025)	▶Long-term Goals (2030)
Supplier Behavior Management	• Adherence to E ink's Supplier Code of Conduct • Adherence to the Vendor Clean Transaction Commitment • Compliance with Declaration of Metal Conflict-Free	Signing ratio of significant suppliers: **100%**	Achieved	Signing ratio of significant suppliers: **100%**		Signing ratio of significant and bill of material (BOM) suppliers: **100%**
Risk of Supply Chain	ESG Questionnaires	Replied ratio of significant suppliers: **100%**	Achieved	Replied ratio of significant suppliers: **100%**		Replied ratio of significant and bill of material (BOM) suppliers: **100%**
	Risk Assessment Supply Chain	Evaluation ratio of significant suppliers: **100%**	Achieved	Evaluation ratio of significant suppliers: **100%**	Evaluation ratio of first tier suppliers: **100%**	
	Risk Mitigation	**100%** of high-risk suppliers provide improvement plan	Achieved	**100%** of high-risk suppliers provide improvement plan		
	Due Diligence on Conflict Minerals	Complete **5%** of significant suppliers annually	Achieved	Complete **5%** of significant suppliers annually	Complete **10%** of significant suppliers annually	Complete **10%** of bill of material (BOM) suppliers annually
	On-site Supplier Audit	Audit ratio of significant suppliers: **100%**	Achieved	Audit ratio of significant suppliers: **100%**		
Local Procurement	Ratio of Local Procurement Amount	**>94%**	Achieved	**>94%**	**>95%**	**>96%**
Sustainable Procurement	Sustainable Procurement Training	Training completion ratio of procurement and quality assurance personnel: **100%**	Achieved	Training completion ratio of procurement and quality assurance personnel: **100%**		
		Training completion ratio of suppliersl: **>90%**	Surpass by **100%**	Training completion ratio of suppliers: **100%**		
Low-Carbon Energy	Number of Suppliers Using Renewable Energy	**29** suppliers (cumulated)	Achieved	Increased by **2** compared to 2023	Increased by **2** compared to 2024	Increased by **5** compared to 2025
Sustainable Collaboration	Sustainable and Energy Conservation Project Collaboration With Suppliers	**3** new collaborative projects	Achieved	**2** 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%**	Surpass by **90%**	Ratio of materials supplied by a second source among our significant suppliers reaches **60%**		
Customer Satisfaction	Ratio of Customers Rate Satisfaction Score of 80 or Above	**93%**	Surpass by **100%**	**93%**	**95%**	**96%**

5-1 Supply Chain Management

5-1-1 Supply Chain Management Policy

E Ink, the global leader in the ePaper industry, collaborates with ecosystem partners to advance the ePaper industry's development. E Ink's supply chain partners include raw material suppliers, component manufacturers, product assemblers, transportation providers, and various service providers. To establish a sustainable and resilient supply chain, E Ink implements the "Supplier Code of Conduct" and the "E Ink Conflict Minerals Policy." These policies ensure that the supply chain adheres to standards of business conduct, human rights, occupational safety, environmental protection, management systems, and ethics. E Ink also guarantee that supply chain workers receive fair treatment, have the freedom to choose their employment opportunities, and work in a safe and secure environment.

Aiming to create a "Sustainable and Value-Added Supply Chain," E Ink implements three major sustainability strategies: "Managing Supply Chain Sustainability Risks", " Establishing a Green and Low-Carbon Supply Chain," and " Enhancing Supply Chain Resilience." These strategies are further reinforced by the oversight mechanism of the board of directors. In addition to strengthening the overall sustainability and resilience of the supply chain, E Ink also expects suppliers to jointly achieve the goals of net-zero emissions by 2040 and 100% renewable energy use (RE100) by 2023, collaborating to control the global temperature increase to within 1.5° C.

Therefore, E Ink not only manages suppliers through supply chain evaluation and audit systems to reduce the risk of supply chain disruptions, but also incorporates environmental, governance, and social sustainability aspects into its procurement policy. Additionally, E Ink engages in regular communication with supply chain partners through periodic supplier conferences and related meetings, working together to achieve sustainable goals.

In 2023, E Ink was honored with the TCSA Taiwan Corporate Sustainability Award for Sustainable Supply Chain Leadership and received an A Leadership rating from the CDP Supply Chain Program, among other recognitions from domestic and international rating agencies. These accolades are a testament to E Ink's outstanding performance in sustainable supply chain management and its relentless efforts in sustainable development.
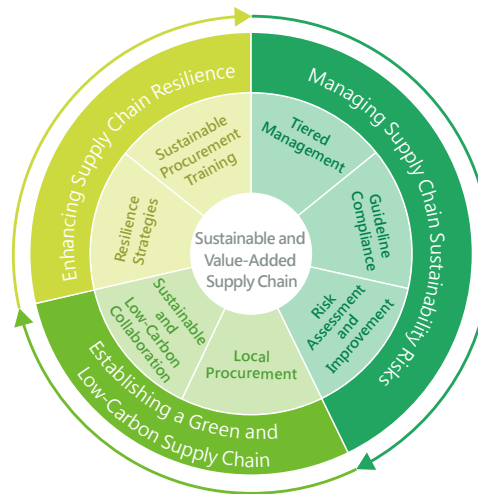
E Ink's Value Chain

The ePaper display is E Ink's core product. In addition to producing its own ePaper film (Front Plane Laminate, FPL), E Ink requires various raw materials and components, including Thin Film Transistor (TFT) backplanes, Driver ICs, flexible printed circuit boards (including but not limited to those with passive components), anti-glare films, light guides, Light Emitting Diode (LED) strips, touch modules, and optical adhesives. Consequently, suppliers of these raw materials and components are indispensable partners for E Ink.

Upstream	Operational	Downstream
Raw material and component procurement	**ePaper module manufacturing**	**System integrators and brand customers**
Significant suppliers: Chemical suppliers, plastic film manufacturers, TFT backplane manufacturers, IC suppliers	Manufacturing of ePaper film (Taiwan and the US sites), ePaper module assembly (Yangzhou sites)	Sales to relevant hardware and software companies

Note: E Ink's value chain boundaries and business relationships in 2023 remain largely unchanged compared to 2022.

5-1-2 Managing Supply Chain Sustainability Risks

E Ink manages supply chain risks effectively through a tiered supplier management system, categorizing suppliers into significant and non-significant groups. New suppliers and existing significant suppliers are required to sign the "E Ink Supplier Code of Conduct", "Clean Transaction Commitment", and respond to the "ESG Questionnaire." Additionally, they must pass evaluations or audits. This continuous review of suppliers' purchasing practices ensures their alignment with the E Ink Supplier Code of Conduct, meets E Ink's sustainability requirements, and avoids potential conflicts with E Ink's ESG requirements.

An annual transaction amount exceeding 5 million NTD is defined as a tier-one supplier
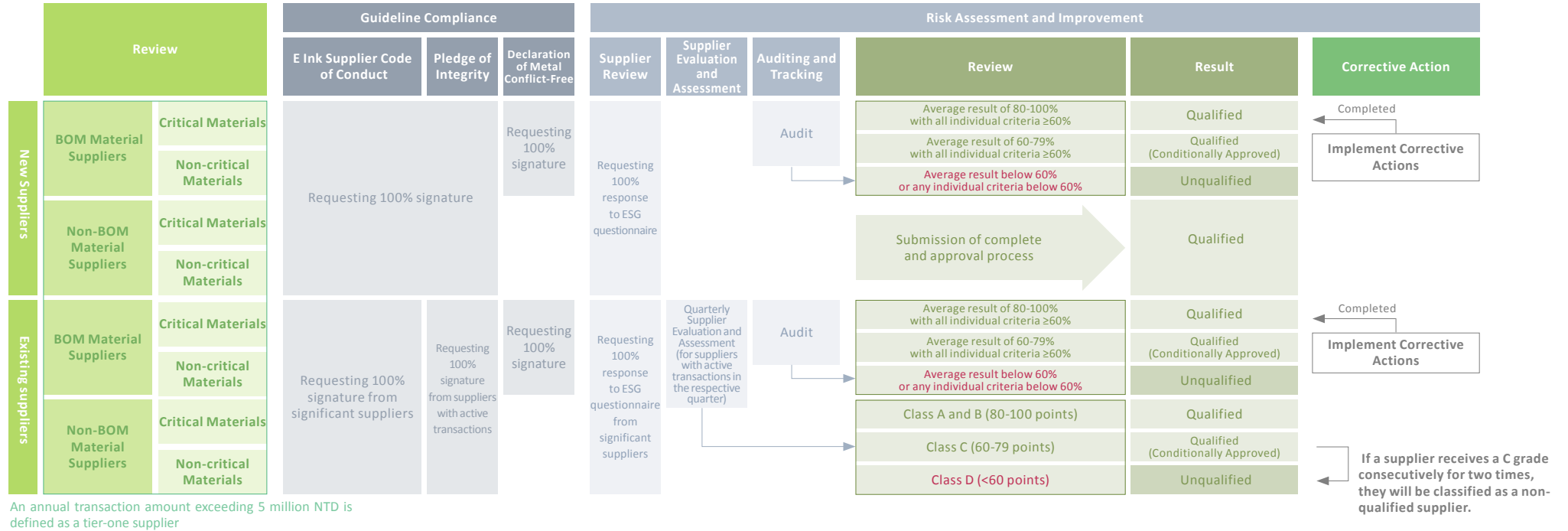
Tiered Management

To ensure that the development, evaluation, and approval processes for raw material suppliers follow clear procedures, thereby maintaining the quality and timeliness of supplier approvals and achieving supplier development benefits, E Ink classifies suppliers who directly supply materials and whose annual transaction amount reaches NTD 5 million as Tier-1 suppliers. Based on the characteristics of the materials, E Ink categorizes the direct materials in the Bill of Materials (BOM) into significant and non-significant categories according to their impact on product quality, the difficulty and risk of acquisition and supply. This classification facilitates subsequent supply chain evaluation and management. Additionally, E Ink reviews and updates the list of significant suppliers annually to ensure timely adjustments and optimization of supply chain management strategies.

Supplier Screening

In the process of identifying significant suppliers, E Ink not only considers whether the materials provided by suppliers are critical, exclusive, or involve key technologies, processes, and patents but also evaluates their potential substantial negative impacts on environmental, social, governance, and business relevance activities. Additionally, the specific risks associated with countries, sectors, and commodities are considered. A systematic evaluation mechanism is used to screen significant suppliers, serving as the basis for subsequent risk management prioritization and strategy formulation.

Aspects	Environmental	Social	Governance	Business Relevance	Country-specific risk	Sector-specific risk	Commodity-specific risk
Evaluation Criteria	Including but not limited to environmental management systems, renewable energy usage, reduction targets, significant penalties, etc.	Including but not limited to anti-discrimination policies, no child labor, educational training, significant penalties, etc.	Including but not limited to information and cyber security, risk management, sustainability strategies, etc.	Supply quality and capability, introduction of substitutes, expenditure proportions.	Geopolitically affected regions	Trade security	Conflict-free minerals, compliance with REACH regulations, compliance with RoHS directive, hazardous substance-free (HSF).

Guideline Compliance

E Ink Supplier Code of Conduct

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

To ensure that suppliers understand the content of the "Supplier Code of Conduct," E Ink requires significant and new suppliers to sign the "Supplier Code of Conduct Commitment Letter." This is aimed at ensuring that the supply chain respects employees, maintains a safe working environment, assumes environmental responsibility in business operations, and adheres to ethical conduct. In 2023, the signing rate for significant and new suppliers reached 100%.

Additionally, in response to international trends in biodiversity and forest conservation, E Ink established the "Biodiversity and Non-Deforestation Commitment" in 2022. This commitment aims to promote overall ecological awareness within the supply chain, reduce the potential negative impacts on biodiversity, and jointly protect the stability and balance of global ecosystems.

E Ink Supplier Code of Conduct

Labor · Health and Safety · Management SystemsStandards · Environment · Ethical Standards

Clean Transaction Commitment

Since 2018, after engaging with industry peers and reviewing current operations, E Ink has revised and updated its Clean Transaction Commitment. E Ink requires all its suppliers to sign the updated Clean Transaction Commitment to ensure that transactions between E Ink and its suppliers occur in a transparent environment and mutually beneficial cooperation. By 2023, all suppliers in Taiwan and China have completed the signing process, achieving a 100% signing rate. For the US, E Ink adopts a region-specific strategy based on the Foreign Corrupt Practices Act (FCPA) regulations, therefore suppliers at the US region does not require the signing of the Clean Transaction Commitment.

Supplier Clean Transaction Commitment

- Suppliers shall abide by pertinent laws, regulations and administrative regulations set forth for the industry by the government.
- Suppliers shall endeavor to engage in integral cooperation and fair competition.
- Suppliers shall not request for or offer illegal or undue benefits from/to E Ink employees.
- Suppliers shall comply with all applicable anti-corruption laws and regulations currently in place and in the future. Suppliers shall also comply with relevant regulations applicable to counterparts in transactions established by E Ink and agree not to request, promise, accept or offer bribes and other undue or improper benefits from/to personnel and related parties or designated parties of E Ink.
- Suppliers shall actively support any relevant investigations carried out by E Ink by revealing the facts and providing relevant information.
- Suppliers are obliged to report or inform E Ink should they discover any E Ink personnel from taking bribery, accepting inappropriate benefits, or engaging in any other unethical conduct.

Risk Assessment and Improvement

To encourage suppliers providing long-term raw materials to improve their manufacturing technology, quality standards, and management capabilities while simultaneously reducing costs and potential negative sustainability impacts of procurement on raw materials, E Ink is committed to establishing win-win partnerships with its suppliers. Additionally, to ensure the continuous supply of required raw materials, E Ink conducts regular reviews of its suppliers, including quarterly evaluations and annual audits, to ensure that supplier performance, sustainability metrics and their raw materials supplied align with E Ink's supply chain management strategy.

As the applications of ePaper continue to expand, E Ink needs to introduce new suppliers in related materials and technology fields to strengthen the supply ecosystem. To this end, the procurement unit first collects initial evaluation data from new suppliers and convenes a new supplier evaluation team meeting, which includes procurement, requisition, and quality assurance departments to jointly conduct risk assessments. The evaluation content covers risks in finance, operations, production, quality, and technology, as well as an ESG questionnaire to prioritize suppliers with better ESG performance and to exclude from contracting those unable to achieve the minimum ESG requirements within a set timeframe. Additionally, E Ink applies a minimum weight to ESG criteria in supplier selection and contract awarding, and it also enhances supplier management capabilities.

Supplier Review

▶ ESG Questionnaire

Since 2021, E Ink has initiated ESG questionnaire for suppliers, using the results to understand their actual progress in sustainability. In 2022, E Ink continued to deepen the content of the survey and expanded its scope. The ESG questionnaire[note] examines the current state of suppliers' sustainability management through three main aspects, twelve topics, and sixty-four questions. Simultaneously, the credibility of the supporting evidence provided with the questionnaire responses is systematically verified to serve as a basis for E Ink in formulating its sustainable supply chain execution plans.

In 2023, E Ink conducted a willingness survey with all significant suppliers to determine their agreement to follow and implement E Ink's "Biodiversity and Non-Deforestation Commitment." The goal is to jointly take responsibility for reducing negative impacts on the ecological environment, avoiding deforestation, and promoting the positive development of environmental ecology and biodiversity. The survey results indicated that 100% of significant suppliers responded positively and agreed to comply. Additionally, the response rate to the ESG questionnaire from significant and new suppliers reached 100%. In the future, E Ink plans to include biodiversity-related questions in the ESG questionnaire to ensure that all suppliers comply with E Ink's "Biodiversity and Non-Deforestation Commitment."

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

ESG Questionnaire Framework		
Aspects	**Themes**	**Questions**
Sustainable Supply Chain Objective	Environment	33
	Social	
	Governance	
Supplier Code of Conduct	Labor	25
	Health and Safety	
	Environment	
	Management	
	Ethical Standards	
Supply Chain Risk and Due Diligence	Revenue Dependency on Major Customers	6
	Company's Debt Repayment Capability	
	Litigation Cases	
	Multiple Supply Points	

Supplier Evaluation and Assessment

E Ink, following its regular evaluation methods for qualified suppliers, implements a supply chain evaluation process to ensure product quality. Each quarter, suppliers who provide raw materials regularly or over the long term are selected for joint evaluation by the materials management, quality assurance, and manufacturing technology departments. The evaluation criteria include quality, delivery time, after-sales service quality, sustainable development, and sustainability-related activities, with the latter accounting for 10% of each department's scoring. After completing the evaluation, suppliers are rated from A to D based on the weighted scores from each department. By the end of 2023, a total of 141 suppliers had completed the evaluation, with over 99% receiving an A or B grade. For suppliers rated C, the procurement and quality assurance departments will hold review meetings to provide timely guidance, and these suppliers will be prioritized on the discussion list for the Quarterly Business Review Meeting (QBR Meeting) for that season.

Supplier Evaluation Coverage

A 90-100 — **63.3%** — Qualified Supplier, E Ink can increase its procurement volume based on demand and may apply for exemption from factory inspections.

B 80-89 — **36.0%** — Qualified Suppliers

C 60-79 — **0.7%** — Listed as suppliers requiring guidance and observation, and purchase quantities will be reduced. Additionally, the following actions will be taken:
- A review meeting must be held within two weeks, and a supplier guidance plan should be arranged.
- Priority listing for the Quarterly Business Review Meeting (QBR Meeting) of the current season.
- If rated as C grade for two consecutive times, they will be classified as unqualified suppliers.

D 0-59 — **0%** — Unqualified Supplier

Auditing and Tracking

E Ink's audit procedures and content primarily refer to ISO 9001:2015, the Responsible Business Alliance (RBA) Code of Conduct, the Responsible Minerals Initiative (RMI), and sustainable criteria element as the basic quality system for conducting supply chain audits. The audit content includes ten aspects: NPI, process changes, IQC, process control, FQC-OQC, non-conformance control, field service, hazardous substance management (HSF), ESG management, and trading investments. In the ESG management aspect, a risk assessment is used to evaluate the potential negative impacts of a supplier's operations on the environment and society, such as environmental pollution and emissions, occupational health safety (OHS), and human rights issues, to reduce E Ink's potential operational, regulatory, and reputational risks of materials used. Additionally, during the incoming quality control process, the supplier's material traceability management capability is also evaluated to grasp environmental and social risks of the raw material production end or non-tier-one suppliers as much as possible.

An evaluation and audit team, composed of procurement, manufacturing technology, and quality assurance units, reviews the suppliers' self-assessment annually and verifies the consistency of the suppliers' responses through on-site or desk audits. For suppliers undergoing desk audits or assessment, E Ink requires them to provide supporting documents for subsequent verification. Additionally, to enhance supply chain quality management, E Ink also requires suppliers to establish a quality management system in accordance with ISO 9001 standards and obtain certification through on-site assessment by a third-party auditing body.

E Ink primarily selects new suppliers, existing suppliers rated as C-grade in Supplier Evaluation and Assessment, key components, and significant suppliers as audit targets. This approach aims to enhance suppliers' manufacturing technology, quality standards, and management capabilities, thereby reducing costs, ensuring the continuous supply of raw materials, and promoting win-win cooperation with suppliers. E Ink categorizes supplier audit scores into three results and two risk levels. High-risk suppliers are required to take corrective actions or improvement plans. Additionally, E Ink's Procurement and Quality Assurance departments are responsible for providing remote or on-site support and guidance on the implementation of corrective and improvement actions to help identify root causes and develop quantifiable improvement strategies. In 2023, a total of 29 suppliers underwent audit evaluations, including 15 significant suppliers. All suppliers successfully passed the evaluations and were qualified as approved suppliers. No suppliers were identified as having significant actual or potential negative impacts during the audit process, thus no further follow-up was conducted.

Additionally, E Ink encourages significant suppliers to obtain the Responsible Business Alliance (RBA) certification to ensure a safe working environment, respect for labor, and environmentally responsible production processes within the supply chain, thereby reducing social impact. In 2023, four significant suppliers achieved RBA certification.

E Ink's Recent Supplier Audit Status

Items		2020	2021	2022	2023
Number of supplier audits	Newly supplier	6	4	12	8
	Existing supplier	22	23	23	21
Average score of supplier audits		86%	87%	86%	86%
Audit situation of new suppliers		100% Passed			
% of improvement[Note]		-			

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

Supplier Audit Determination and Risk Categories

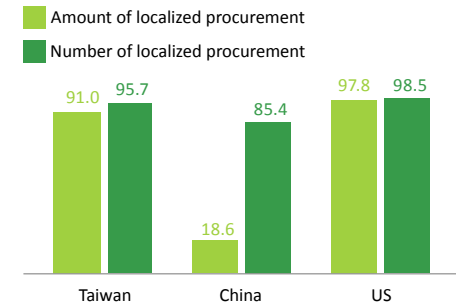| Risk Categories	Result	Description
Medium and low risk	Qualified	Average result of 80-100% with all individual criteria ≥60%
High risk	Conditionally Approved	Average result of 60-79% with all individual criteria ≥60%
-	Unqualified	Average result < 60% or any individual criteria <60%, excluded from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

5-1-3 Building a Green and Low-carbon Supply Chain

Localized Procurement

Suppliers play a crucial role in E Ink's sustainable operations. To enhance production efficiency and reduce the carbon footprint, E Ink prioritizes local procurement, considering cost, supply quality, delivery time, and risk management. The Company aims to gradually increase the local procurement ratio each year. Since 2019, E Ink has actively certified domestic suppliers to boost the local procurement ratio. In 2023, over 90% of the procurement amount and the number of local suppliers in Taiwan and the US were achieved. However, the performance of local procurement in China was lower compared to other regions due to the reliance on major materials from the US or Taiwan and the dependence on imported machinery and equipment during the module production phase. E Ink will continue to collaborate with local equipment suppliers to develop new materials and machines, further increasing the amount and number of local procurements.

Since 2022, E Ink has implemented the in-house Production Program to increase the in-house assembly rate of certain components, thereby reducing transportation distances and lowering carbon emissions. In 2023, E Ink not only increased the usage proportion of in-house produced glass touch panels to 70%, but also successfully introduced approximately 10% of in-house produced film touch panels into their products. This initiative reduced transportation-related carbon emissions by up to 35% for glass touch panels and up to 5% for film touch panels.

Localized Procurement Amount Ratio in 2023

- **Amount of localized procurement**
- **Number of localized procurement**

	Taiwan	China	US
Amount of localized procurement	91.0	18.6	97.8
Number of localized procurement	95.7	85.4	98.5

In-house Production Program

- **2022**
  Proportion of products with in-house produced glass touch panels approximately **57%**
- **2023**
  Proportion of products with in-house produced glass touch panels approximately **70%**
  Proportion of products with in-house produced film touch panels approximately **10%**
- **2024~**
  Continuous integration of Light Guide Plates (LGP) and Flexible Printed Line (FPL) Roll to Roll (R 2R) processes

Sustainable Low-Carbon Collaboration

Supply Chain Packaging Material Recycling and Carbon Reduction Program

▶ Packaging Recycling Project

In 2023, E Ink collaborated with three suppliers to promote the "Packaging Material Recycling Project." This initiative focuses on recycling and reusing five types of packaging materials: polyester plastic cores (PET Core), polyethylene (PE) cushioning materials, polyester plastic (PET) cushioning materials, polyester plastic (PET) pallets, and wooden pallets. By the end of 2023, approximately 31 metric tons of these packaging materials were reused, achieving a nearly 100% reuse rate for the five materials. According to the calculation method provided by the IPCC 2013, if these packaging materials were considered waste and incinerated, it would produce an estimated 0.519 kg of CO_2e per kg. This project successfully reduced CO_2e emissions by 16. 1 metric tons. Moving forward, E Ink will continue to collaborate with suppliers to advance sustainable business models and further expand carbon reduction efforts.

Supplier

Packaging Recycling Project

Low-Carbon Logistics Management

▶ Low-Carbon Logistics Management

To continuously fulfill E Ink's carbon reduction commitments across various operational processes, E Ink actively collaborated with suppliers in 2023 to promote paperless operations and improve logistics efficiency. These measures included implementing ride-sharing and backhaul strategies to gradually establish a low-carbon logistics system. Additionally, E Ink focused on recycling and reusing transport auxiliary materials such as plastic pallets, plywood, and paper pallets to further reduce carbon emissions. As a result, E Ink's low-carbon logistics management achieved a reduction of 61.2 metric tons of CO_2e emissions in 2023.

One-to-Many Carbon Reduction Plan

E Ink, together with 10 manufacturing suppliers, is promoting energy management and implementing 15 energy-saving measures. This initiative is in response to the Ministry of Economic Affairs Industrial Development Bureau's "Subsidy Program for Low-Carbon and Smart Manufacturing Upgrades for Large and Small Enterprises." The plan aims to be fully implemented by 2024. Upon completion, E Ink and its partner suppliers will collectively achieve an annual reduction of 1, 979, 000 kWh in electricity usage, equivalent to a reduction of 980 metric tons of CO_2e emissions per year.

One-to-Many Carbon Reduction Plan

Annual Reduction of 980 Metric Tons of CO_2e Emissions

- New Equipment Installation and Replacement
- Equipment Upgrades and Improvements
- Consumable Parts Replacement
- Energy Management

Supply Chain Carbon Reduction Program

To gradually fulfill E Ink's commitment to net-zero carbon emissions, E Ink launched the Supply Chain Carbon Reduction Program in 2023, inviting suppliers to join the net-zero carbon initiative. Initially, E Ink encouraged suppliers to set targets and specific timelines for renewable energy usage and net-zero or carbon reduction goals through a questionnaire survey. After discussions with suppliers, a total of 44 significant suppliers set RE 100 targets, and 48 set net-zero carbon targets in 2023. To continuously motivate suppliers to achieve their carbon reduction goals, E Ink considers suppliers' carbon reduction performance as a key indicator for evaluating their sustainability practices and future investment decisions. This performance is also included in the annual excellent supplier evaluation and quarterly assessments. Suppliers with an overall evaluation score between 90 and 100 can increase their purchase quantities as needed and apply for exemption from inspections. Additionally, in 2023, E Ink initiated a bulk purchasing action for green electricity (renewable energy), with eight suppliers participating. This initiative aims to help suppliers increase their usage of renewable energy, thereby reducing dependence on non-renewable resources. It is expected that the procurement of renewable energy by suppliers will exceed 77,000 kWh from 2023 to 2024.

Supply Chain Carbon Reduction Program

- **Step 1**
  Reduction Target Survey
- **Step 2**
  Collaborate with Suppliers on Reduction Measures
- **Step 3**
  Reduction Results and Tracking

More Low-Carbon Collaborations

In 2023, E Ink initiated and planned several projects aimed at promoting low-carbon solutions, achieving notable results. The impacts of the initiatives are as follows:

Collaborating with ePaper ecosystem partners to develop a full range of color ESL components

ePaper products are utilized in various fields, including smart retail, smart logistics, and smart warehouse. These applications not only reduce the use of paper resources but also support sustainable environmental development. As ePaper technology evolves from black-and-white to color, it further drives the growth of the ePaper market. E Ink will continue to collaborate with more ecosystem partners to develop low-carbon smart display solutions, expanding the application scope and fostering the innovative development of ESL technology.

Results in 2023

- **Six IC manufacturers** have successfully developed color ESL ICs, each completing product validation and entering mass production.

Expected Results in 2024

- The mass production of a full range of color ESL driver chips has been completed, further accelerating market penetration growth.
- Collaborated with a major US retail to conduct pilot installations in multiple stores.

5-1-4 Enhancing Supply Chain Resilience and Communication

Resilience Strategies

E Ink is actively committed to reducing costs and enhancing supply chain stability. In 2023, E Ink focused on shortening the supply chain and cultivating reliable trade partners. To address the rapid reorganization and trend towards shorter supply chains globally, E Ink incorporated local raw materials to reduce the need for international logistics, thereby establishing a more robust supply chain structure. Additionally, E Ink transitioned the production of module materials from a global factory model to regional manufacturing centers, promoting the development of a shorter supply chain for downstream manufacturing. The localization strategy for materials at the Taiwan and Yangzhou sites not only supports local economic development but also helps reduce the carbon footprint. For components such as TFT and ICs, E Ink adopted a strategy of diversified supply sources and introduced reliable trade partners to build a stable and efficient supply chain.

Alternative Material Evaluation and Control

To mitigate the risks of relying on a single supplier, reduce procurement costs, and ensure the stability of raw material supplies, E Ink has established a cross-departmental "Alternative Material Platform" meeting mechanism. This platform aims to provide more supplier options during the product design stage, addressing the issue of limited supplier choices, and ensuring that supply chain management can continue to optimize even after products enter mass production. Additionally, this strategy encourages existing material suppliers to continuously improve material quality and cost efficiency, thereby driving the entire supply chain towards higher standards of performance.

Key Operations and Achievements in 2023

- Simplified the design of ePaper raw materials and introduced new supply chains in Taiwan, effectively reducing raw material usage and logistics frequency, thereby lowering overall carbon emissions.
- Reduced reliance on long-distance module material suppliers by reorganizing and shortening the supply chain, increasing flexibility and responsiveness, and further reducing the carbon footprint during transportation.
- Increased the number of self-produced module materials, raising the proportion of local procurement.

Building Sustainable Supply Chain Capabilities

E Ink actively enhances the sustainability awareness of its procurement personnel and supply chain partners through a series of educational and training activities, such as sustainability literacy training courses, technical and business forums, and sustainability exchange meetings. This effort aims to build a comprehensive sustainable supply chain system. In 2023, E Ink further expanded the scope of sustainable procurement training, achieving the goal of 100% training completion for procurement and quality assurance personnel, as well as a 100% completion rate for significant suppliers.

Sustainability Literacy Training Courses

In 2023, E Ink offered two courses for procurement and quality assurance personnel: "ESG-Sustainable Supply Chain" and "Supplier Audit Evaluation and Management." These courses aimed to deepen employees' understanding of their role in the ESG program and the implementation of E Ink's sustainability initiatives, and to communicate sustainable management concepts to suppliers, jointly promoting the development of sustainable supply chain programs. Additionally, through this training, quality assurance personnel could fully grasp the mechanisms of supplier audit evaluation and management, effectively ensuring the operation of a sustainable supply chain through practical application.

Additionally, E Ink provides "ESG-Sustainable Supply Chain" training and remote or on-site support for all significant suppliers. This training shares E Ink's achievements and experiences in sustainable supply chain management, supplier codes of conduct, supplier risk assessment and due diligence, future planning, and access to information on how other peer suppliers or companies are performing. The trainings is aim to enhance suppliers' understanding of sustainable supply chain practices. This course not only improves suppliers' awareness of sustainable supply chains but also encourages them to establish their own sustainable procurement management systems. By doing so, suppliers can collectively address environmental, social, and economic risks and opportunities, promoting the sustainable development of the supply chain.

Technical Support and Business Forum

In 2023, in addition to ongoing business visits and supplier evaluations, E Ink organized nine technical support and business forums. These forums aimed to establish long-term, sustained, and more effective communication and feedback channels, enhancing collaboration with suppliers. Through these sharing and exchange meetings, E Ink gained deeper insights into suppliers' latest technological developments and long-term plans. This mutual understanding helped suppliers better grasp E Ink's needs, fostering joint progress in technology and maintaining strong, long-term partnerships. Besides technical exchanges, these meetings also reviewed the quality, service, pricing, and delivery schedules of existing cooperative products, serving as an effective communication platform to implement practical supply chain management operations.

2023 Sustainable Procurement Training Completion Rate

100% Procurement and Quality Assurance Units

100% Significant Suppliers

Alternative Material Development Application Process Flowchart

Discussion	Planning	Supervision

Discussion
- Every two weeks, a cross-departmental meeting is held, involving the product management, supply chain quality engineering, R&D, and procurement departments. During these meetings, the procurement and R&D departments present alternative material requirements. Once a consensus is reached among the attendees, a verification team is formed.

Planning
- After reaching a consensus in the meetings, the product management department arranges the verification plan, while the R&D department is responsible for conducting tests and verifications at each stage.
- The procurement department initiates an Engineering Change Request (ECR) and manages the verification through a systematic process. The R&D department submits the necessary verification data according to the system settings, which is then converted into an Engineering Change Notice (ECN).

Supervision
- The quality engineering department oversees the entire process to ensure all operations comply with material verification standards. The process is formally completed once it receives approval from the relevant departments.

Application for Alternative Material Development → Opening a Case for Alternative Material Development Platform → Feasibility Assessment for Alternative Material Development (N) → (Y) Product Functionality Validation (N) → (Y) Manufacturing Quality Validation Review (N) → (Y) Small Batch Production Review (Y) → Engineering Change Notice (ECN) → Supply Chain Quality Management Process

Engineering Change Request

5-2 Commitment to Quality

5-2-1 Quality Policy

> **Provide high quality products & services through continual innovation and improvement to meet or exceed customer expectations**

E Ink is committed to providing customers with high-quality products and services by establishing clear quality policies and objectives. The Company follows the ISO 9001 Quality Management System and operates under the "Plan, Do, Check, Act (PDCA)" cycle. The Taiwan sites, Yangzhou sites, and the two sites in the US (Billerica and South Hadley) have all obtained ISO 9001 Quality Management System certification or passed customer audits. This ensures that every stage, from customer service to production, meets the quality standards expected by customers, thereby fostering strong customer relationships. To comprehensively implement high-quality objectives, the Company systematically promotes these goals within the organization and integrates them into daily operations, ensuring all employees fully understand and adhere to the relevant regulations, thus providing high-quality products and services to customers.

Since 2018, E Ink's Taiwan and Yangzhou sites have continuously received the honor of being an A-grade Green Partner (GP) supplier from Sony, while the requirements cover all E Ink's product range, with this certification valid until 2027. This honor recognizes E Ink's outstanding quality performance.

5-2-2 Quality Risk Management

Risk management is a key factor in the quality management system. Therefore, E Ink has established a risk assessment and identification process aimed at identifying items that may pose high risks to business operations. Based on these high-risk items, response plans are developed to effectively reduce the potential impact on business operations. Through quality risk management measures, E Ink can more effectively control risks, continuously improve product quality, and meet customer needs, thereby enhancing competitiveness.

During internal audits, the quality system management process incorporates risk assessment activities

Each process identifies the highest-risk items based on their severity and occurrence rate, and proposes risk improvement measures

Annual Management Review Report Presenting risk identification results and improvement strategies.

During the next internal audit, E Ink will verify the effectiveness of risk improvements to reassess the highest-risk areas within the process and propose further risk mitigation strategies.

Quality Risk Management — Plan / Do / Check / Action

Continuously Improving Production Performance

E Ink not only formulates various quality improvement plans based on customer suggestions and feedback but also closely collaborates with customers. This includes regular product quality issue discussion meetings and biannual meetings with key customers to deeply explore topics related to business, design, and quality. These efforts help establish and maintain strong customer relationships. Additionally, E Ink encourages employees to identify issues that may affect production efficiency, product quality, and the efficient use of human and material resources in their daily operations and manufacturing processes. Employees are encouraged to propose and implement relevant improvement plans to effectively address bottlenecks in actual production and operational processes, ultimately achieving optimal production goals.

Process Improvement Planning

Adhering to the core principle of "One Team One E Ink" and integrating the core values of environmental protection, social responsibility, and corporate governance, E Ink implemented 40 cross-departmental collaborative projects in 2023. These projects aimed to drive comprehensive innovation in business processes, enhancing overall production efficiency while reducing environmental impact. The projects undertaken in 2023 covered various areas, including financial management, customer relations, product development, sales analysis, and supply chain efficiency improvement, all while embedding the core values of environmental protection, social responsibility, and corporate governance. The following table outlines the representative projects and their benefits in 2023:

Category		Project	Benefits	
Innovation	Information Security Enhancement	Online Key Technology Customer Service Platform (Online Service)	Enhance the protection of sensitive R&D data through the implementation of encryption technologies and access controls, preventing unauthorized access and data breaches, thereby strengthening intellectual property protection and the security and efficiency of R&D processes.	• **100%** improvement in data security control
Digital Transformation	Financial Management - Improving Financial Efficiency	Global Cash Balance System	Improve cash flow management efficiency through centralized account management, reducing the administrative workload and associated costs of managing multiple accounts.	• **90%** increase in work efficiency • **2.3** hours saved per month
		Cash Utilization Management	Effectively manage cash flows and risks through refined mechanisms for the loaning of funds and making of endorsements/guarantees.	• **85%** improvement in operational efficiency • **99%** improvement in data reporting accuracy
	Customer Relations - Enhancing Shipping Processes	Customer Shipping Specification Management System	Ensure proper management and compliance with customer shipping specifications, enhancing customer satisfaction by accurately matching customer needs with product shipments.	• **75%** improvement in operational efficiency • **100%** consistency of data presentation
	Sales Analysis - Strengthening Sales Forecast Accuracy	Sales Forecast Management System	Increase sales forecast accuracy, reducing resource waste and inventory overstock, thereby strengthening sustainable supply chain operations.	• **70%** improvement in operational efficiency • **100%** acquisition of real-time data
	Improving Production and Sales Efficiency - Enhancing Production Input Management	Production Management System Upgrade	Optimize production inputs and raw material management to reduce excess capacity and material waste, enhancing production flexibility.	• **87.5%** improvement in time efficiency • **15.2** hours saved per month
	Workplace Safety Enhancement	Visitor Entry Management System Meal Management System	Enhances the real-time accuracy of Visitor and Meal information, improving the safety of employees and visitors while reducing paper waste, through systematic management.	• **100%** acquisition of real-time information • Average monthly savings of 86.5 sheets of A4 paper • **5.6** hours saved per month

Promoting Quality Culture

Continuous Quality Improvement Proposals

To deeply embed the concept of quality into employees' work ethos, E Ink organized "The Best CIP Project Selection" event in 2023. This initiative, which includes proposal presentations, educational promotions, and reward mechanisms, encourages employees to collaborate on proposals, fostering consensus and enhancing quality awareness. In 2023, a total of 47 quality improvement proposals were received, covering areas such as optimization of management mechanisms, process improvements, efficiency enhancements, quality yield improvements, and reductions in costs or energy consumption.

Quality Slogan Design Competition

Through the quality slogan design contest, E Ink aims to deeply embed the concept of quality into the minds of its employees, further solidifying quality as a core part of the Company's culture. This activity not only sparks employees' creativity and enthusiasm but also enhances overall quality awareness and work standards. The top three quality slogans succinctly express E Ink's commitment to and pursuit of quality.

Guard Quality, Create Value! E Ink's Culture, Steadfast Commitment!

Neglecting quality renders efforts futile; hardship multiplies without it.

Prioritize customer benefits, focus on quality first.

5-2-3 Material Management

Strengthen Hazardous Substances Management

E Ink commits that no hazardous substances are in its products. To ensure that products and their components comply with restricted substance management commitments, adhere to current legal regulations, meet customer requirements, protect the environment, and mitigate impacts on ecosystems, E Ink imposes strict requirements on the raw materials provided by suppliers. During the development stage of new product components, all raw materials supplied by vendors must conform to restricted substance management standards, such as the Restriction of Hazardous Substances Directive (RoHS), the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH), the prohibition of conflict minerals, and the exclusion of halogens. Additionally, E Ink incorporates specific customers' restricted substance regulations into its controlled substance list after thorough review to further strengthen management. The control standards and supplier management regulations of specific customers are also strictly adhered to, requiring suppliers to provide relevant information on controlled substances. E Ink requires suppliers to confirm and respond to a declaration of non-use through a formal statement, achieving a 100% signing rate from raw material and component suppliers. Currently, all raw materials provided by suppliers are certified products. E Ink also uses packaging boxes with RoHS labels for transporting qualified products to facilitate identification. For instance, if the raw materials provided by suppliers contain restricted environmental substances or conflict minerals, they will be liable for corresponding compensation. There was zero product-related nonconformity or violations reported in 2023.
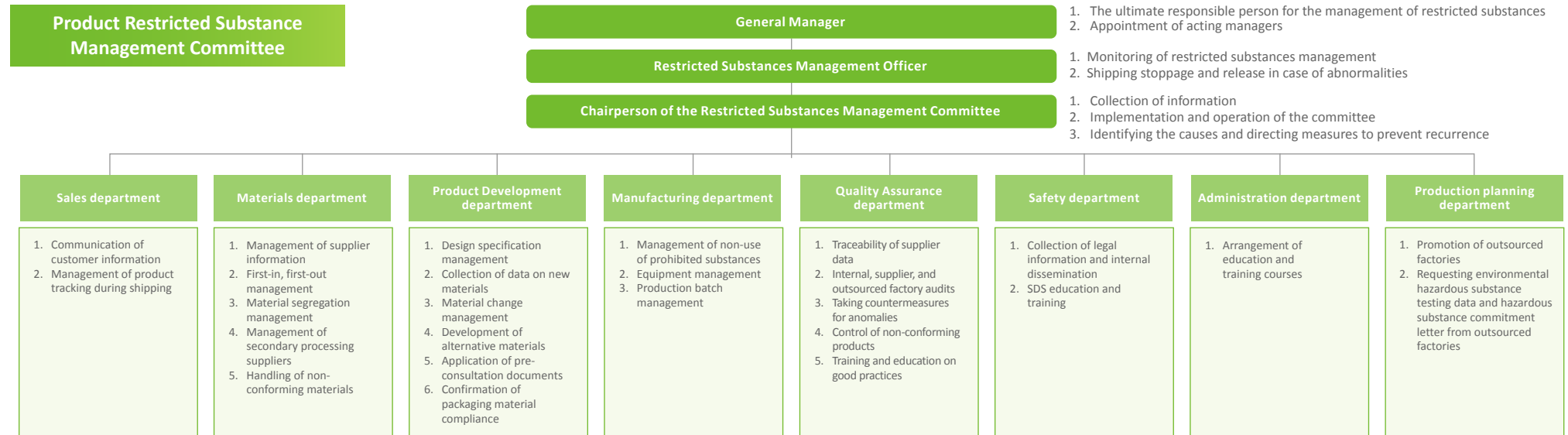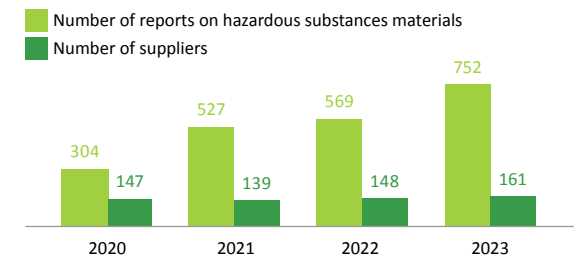
In 2021, E Ink's "Product Restricted Substances Management Committee" established the "Green Product" management regulations to ensure that all components comply with environmental standards and requirements. In addition to regular meetings and reviews to keep the management regulations up to date, the committee evaluates and adjusts control standards and operational methods in response to customer demands or changes in international restricted substance regulations. Subsequently, notifications are issued to all units.

As of 2023, E Ink's controlled restricted substance suppliers number 161, covering the requirements of key customers. Additionally, E Ink regularly reviews and updates its restricted substance material reports to continuously ensure that the materials provided by suppliers comply with green product regulations.

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

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

- Number of reports on hazardous substances materials
- Number of suppliers

Year	Number of reports on hazardous substances materials	Number of suppliers
2020	304	147
2021	527	139
2022	569	148
2023	752	161

Product Restricted Substance Management Committee

General Manager
1. The ultimate responsible person for the management of restricted substances
2. Appointment of acting managers

Restricted Substances Management Officer
1. Monitoring of restricted substances management
2. Shipping stoppage and release in case of abnormalities

Chairperson of the Restricted Substances Management Committee
1. Collection of information
2. Implementation and operation of the committee
3. Identifying the causes and directing measures to prevent recurrence

Sales department
1. Communication of customer information
2. Management of product tracking during shipping

Materials department
1. Management of supplier information
2. First-in, first-out management
3. Material segregation management
4. Management of secondary processing suppliers
5. Handling of non-conforming materials

Product Development department
1. Design specification management
2. Collection of data on new materials
3. Material change management
4. Development of alternative materials
5. Application of pre-consultation documents
6. Confirmation of packaging material compliance

Manufacturing department
1. Management of non-use of prohibited substances
2. Equipment management
3. Production batch management

Quality Assurance department
1. Traceability of supplier data
2. Internal, supplier, and outsourced factory audits
3. Taking countermeasures for anomalies
4. Control of non-conforming products
5. Training and education on good practices

Safety department
1. Collection of legal information and internal dissemination
2. SDS education and training

Administration department
1. Arrangement of education and training courses

Production planning department
1. Promotion of outsourced factories
2. Requesting environmental hazardous substance testing data and hazardous substance commitment letter from outsourced factories

5-2-4 Conflict Minerals Management

## E Ink Conflict Minerals Policy and Declaration

E Ink conducts responsible mineral sourcing due diligence for Conflict Minerals (CM) in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals, the framework of the Responsible Minerals Initiative (RMI), and customer requirements. E Ink also closely monitors he Reasonable Country of Origin Inquiry (RCOI) reports released by the RMI to stay informed about the country of origin of 3TG (Tungsten, Tantalum, Tin, Gold), as well as Cobalt (Co) and Mica (Mica), which are mined in ways that violate human rights. As a global citizen, E Ink actively promotes the Responsible Business Alliance (RBA) Code of Conduct and declares its commitment to not accepting minerals from conflict-affected areas. 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 formally announced the "Conflict Minerals Policy and Requirements" to suppliers in writing, mandating compliance from all suppliers and encouraging them to establish their own conflict minerals policies, which should be communicated to their respective downstream suppliers. In 2023, 100% of significant suppliers signed the declaration of metal conflict-free. E Ink will continue to promote the signing of this policy to progressively achieve the goal of 100% signing rate by significant and Bill of Material (BOM) material suppliers by 2025.

Mineral Source Country Investigation

E Ink requires the use of 3TG minerals in its products to ensure product functionality, it is crucial to ensure that all parts, raw materials, packaging materials, and components containing 3TG minerals do not originate from smelters or countries identified by the Responsible Minerals Initiative. Each year, at least 5% of significant suppliers undergo reasonable country-of-origin investigations for minerals. The results of these investigations are systematically compiled and periodically reviewed to generate monitoring reports and conduct internal audits. Improvement measures are then formulated to ensure product compliance. If E Ink discovers that the products provided by a supplier contain conflict minerals, E Ink will switch to using materials from a second-source supplier but will also further explore better alternative sources as substitutes to guarantee that all its products remain free from conflict minerals.
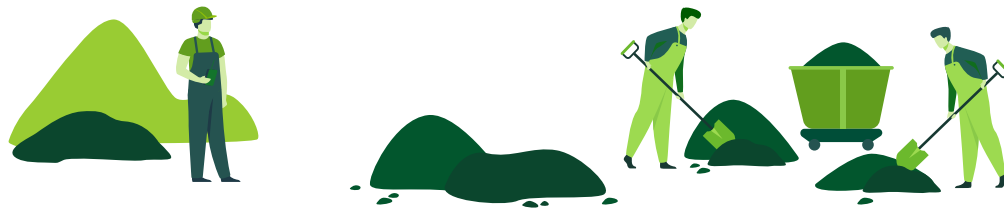
Due Diligence

To achieve the goal of 100% compliant mineral usage rate among suppliers, E Ink referred to the latest list of valid and qualified smelters published by RMI. The company conducted due diligence on all conflict mineral requirements from customers to track the sources of conflict minerals from suppliers. In 2023, a total of 62 suppliers underwent due diligence, confirming that these suppliers achieved a 100% compliant mineral usage rate, and all E Ink products were free of conflict minerals.

Conflict Minerals Management Process

Compliance with Conflict Minerals Regulations
▼
Mineral Source Country Investigation
▼
Due Diligence

Using the Conflict Mineral Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT), E Ink have identified the sources of 3TG, Cobalt (Co), and Mica smelters.

Achievements in 2023

E Ink has investigated **62** suppliers and verified **1,953** materials, ensuring that 3TG does **not** originate from conflict areas.

Suppliers are required to sign a declaration of metal conflict-free to confirm compliance with E Ink Conflict Minerals Policy and to ensure accurate and complete disclosure of the smelter sources.

Achievements in 2023

100% of significant suppliers have signed the declaration.

5-3 Customer Relationship Management

5-3-1 Customer Satisfaction and Response

E Ink values customer needs and considers customer satisfaction a key performance indicator for sales. Through close and proactive collaboration with customers, E Ink strives to achieve win-win outcomes in product development and sales. Based on the type of product sold, E Ink divides customer service into two categories: ePaper Modules and Front Plane Laminates (FPL). Each year, E Ink analyzes customer satisfaction through surveys to continuously improve its product technology and service quality. In 2023, in addition to providing the "Global ePaper Service System," facilitating ePaper technology exchanges, and offering on-site customer support, E Ink aims for deep communication and collaboration with customers. This approach seeks to create added value, jointly enhance service quality, and achieve mutual prosperity in the ePaper industry.

Acknowledgement of Customer Service

From 2020 to 2023, customer satisfaction survey results show that the average satisfaction score for E Ink's ePaper modules and ePaper films has exceeded 90 points for four consecutive years, reflecting the high level of customer approval for E Ink's products and services.

Results of Customer Satisfaction Survey

Revenue share from customers who responded the questionnaire (%)

2020	2021	2022	2023
86	80	90	91

Percentage of overall scores reaching satisfaction (%)

2020	2021	2022	2023
94.7	95.2	100	100

Note: An overall satisfaction score of 80 or higher is considered satisfactory

Satisfaction with ePaper Module(%)

■ Satisfaction → Target

	2020	2021	2022	2023
Satisfaction	88.0	92.2	94.3	94.6
Target	91.7	92.0	92.5	92.8

Satisfaction with ePaper FPL(%)

■ Satisfaction → Target

	2020	2021	2022	2023
Satisfaction	90.0	95.5	93.7	94.1
Target	90.5	91.5	93.0	94.0

Customer Satisfaction Enhancement Management (cycle):
- Customer Satisfaction Survey
- Customer Feedback and Suggestions
- Analysis and Discussion
- Continuous Improvement
- Monitoring Implementation Results

Customer Satisfaction Survey with Four Major Categories:

- New product technologies and innovations
  - • Product design
  - • Technical support services
- Sales and order delivery
  - • Order service
  - • Product delivery time
- Return materials authorization, RMA
  - • Repair product quality
  - • Service window
- Product quality and customer service
  - • Product quality
  - • Quality services
  - • Customer on-site audits

Real-time Response to Customer Feedback for Continuous Improvement

Since 2021, E Ink has implemented the "Global ePaper Service System," which not only provides real-time product quality status and integrates production data from different sites but also accelerates communication with customers and reduces their losses. Additionally, E Ink internally reviews customer feedback and promptly proposes corrective and preventive measures to continuously improve the quality of customer relationships.

Technical Interactions

E Ink actively expands and manages the ePaper ecosystem, considering customers as key partners in this development. To assist customers in accelerating their product development timelines, E Ink establishes a communication platform during the early stages of developing new ePaper and module products. Weekly training sessions are held, covering 14 courses on topics such as the characteristics of ePaper, product design, and process considerations. This platform supports customers during the initial phases of developing new ePaper and module products, thereby speeding up their development process. Additionally, through weekly training sessions that facilitate technical exchanges, E Ink and its customers jointly explore key facotrs in ePaper design and manufacturing processes, aiming to avoid common design and production errors.

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.
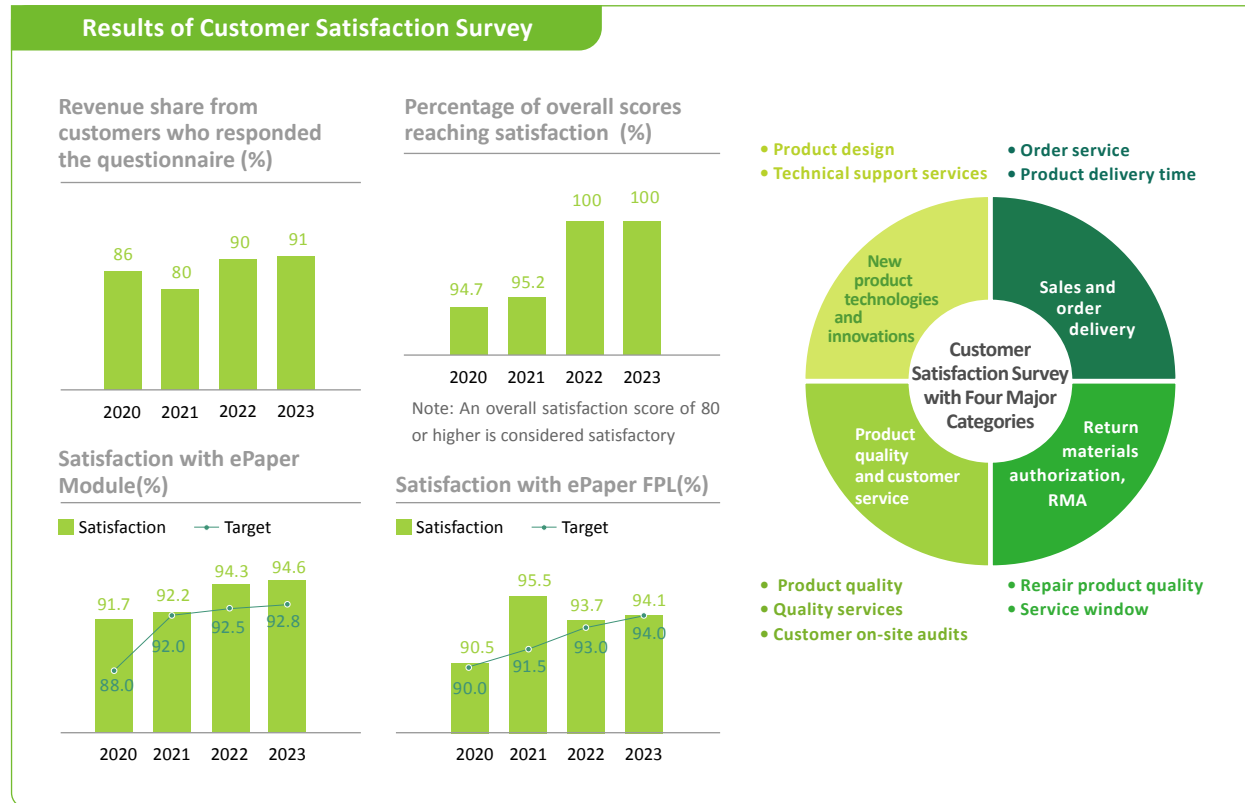
06 Enterprise Care

Creating a Healthy and Safe Workplace for Employees

Performance Achievements

The global proportion of female employees at E Ink is

34.2%

with a long term vision of reaching 40%

The global employee engagement score is

80.7

out of 100

9 **consecutive years**

of salary increases have been implemented

Zero incident of discrimination, harassment, or unethical behavior reported

The implementation of investigations and risk assessments regarding human rights violations showed that 80% were classified as low risk, while the remaining 20% required enhanced protective measures

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

E Ink University is being enhanced to promote education and training, featuring

89 professional maps for different job roles

323 courses

14.5 **thousands** participants in professional competency courses

E Ink University is establishing a talent pool for reserve management personnel.

6-0 Management Approach of Sustainable Topics

Talent attraction and retention   ◉ **Material topics**

GRI Sustainability Topics

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 efforts of every employee, actively creating a friendly environment, promoting labor-management communication, conducting regular annual health checks, and enhancing overall salary and benefits. The Company has implemented salary increases for nine consecutive years. In 2023, the global employee engagement survey scored 80.7 out of 100.

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Result (2023)	▶ 2024Short-term Goals (2024)	▶ 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	Over, average employee salary in Taiwan ranks in the top **2%** among listed optoelectronic companies.	Average employee salary in Taiwan ranks in the top **5%** 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 /engagement	**>70** scored	Achieved	**>75** scored	**>76** scored	**>78** scored
Talent retention	Talent retention	Turnover rate of high-performing talent **<6%**	Achieved	Turnover rate of high-performing talent: **<3%**		
		Turnover rate of employee: **<15%**	Achieved	Turnover rate of employee: **<15%**		Turnover rate of employee: **<14%**
Employee care	Employee supporting program	Maternity subsidy of NTD **6** thousands in Taiwan sites	Achieved	Maternity subsidy of NTD **6** thousands in Taiwan sites		Maternity subsidy of NTD **8** thousands in Taiwan sites
		Childcare measures and subsidies, establishment or contracted childcare facilities in Taiwan sites	Achieved	Childcare measures and subsidies, establishment or contracted childcare facilities in Taiwan sites		
		Implementation of Employee Assistance Program (EAP)	Achieved	Implementation of Employee Assistance Program (EAP)		

Management relations promotion and communication   ◎ **Secondary topics**

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Result (2023)	▶ 2024Short-term Goals (2024)	▶ 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	Achieved	Holding labor-management meetings on a quarterly base		
		Holding employee meeting once per year	Achieved	Holding employee meeting once per year		
		Resolution rate of proposals from labor-management meetings: 100%	Achieved	Resolution rate of proposals from labor-management meetings: 100%		

Human right ◎ Secondary topics

Protecting human rights of workforces

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Result (2023)	▶ 2024Short-term Goals (2024)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
Human right policy	Human rights policy training	Completion rate :**100%**	Achieved	• New employee completion rate :**100%** • The Taiwan sites conducts one human rights training course	Completion rate :**100%**	
	Human rights policy assessment	Conducting human rights impact assessments	Achieved	Human rights impact risk assessment conducted in Taiwan sites	Conducting human rights impact assessments 2025: US sites 2026: China sites Each region will undergo assessment every three years.	
Diversity, equal and inclusion	Women's care and gender equality	Proportion of female in all management to**20%**	Not achieved, reaching only **19.3%**[Note1]	Proportion of female to management role to **20%**		Proportion of female to management role to**23%**
		Proportion of female employees: **37%**	Not achieved, reaching only **34.2%**[Note2]	Proportion of female to employees: **35%**		Proportion of female to employees: **36%**
		New hires of female employees account for **25%**	Surpass by **31.8%**	New hires of female employees account for **25%**		New hires of female employees account for **26%**
		• Implemented one workplace-friendly measure in Taiwan that exceeds regulatory requirements • Conducted one DEI training course or seminar	Achieved	Established a diverse and inclusive workplace with two measures, including cultural development initiatives		
	Diversity and inclusion	Target rate of hiring of disability individuals:**1%**	Achieved	Target rate of hiring of disability individuals:**1%**		

Note 1: In 2023, the definition of a supervisor was redefined to focus on organizational supervisors, while the 2022 data included project supervisors.

Note 2: In 2023, the global employee classification was redefined, whereas the 2022 data included third-party personnel.

Talent Training and Career Development ◉ Material topics

Talent cultivation

GRI Sustainability Topics
GRI 404: Training and Education

Policy Commitments
E Ink places great emphasis on global talent development through systematic core competency planning. By tailoring education and training programs according to employees' job functions and different levels, E Ink aims to enhance overall competitiveness.

Sustainability KPIs	Management Objectives	▶ Short-term Goals (2023)	▶ Result (2023)	▶ 2024Short-term Goals (2024)	▶ Mid-term Goals (2025)	▶ Long-term Goals (2030)
Learning vitality	Enhancing employee learning motivation- course satisfaction	≧ **85%**	Achieved	≧ **85%**	≧ **87%**	≧ **88%**
Reserving talent	Cultivating capabilities of future talent	Completion rate of APPLE (Acceleration Program of Potential Leader, APPLE) ≧ **80%** in Taiwan sites	Achieved	Completion rate of APPLE (Acceleration Program of Potential Leader, APPLE) ≧ **90%** in Taiwan sites	• Promote APPLE to global • 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 Health and Safety ● Material topics

GRI Sustainability Topics

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.

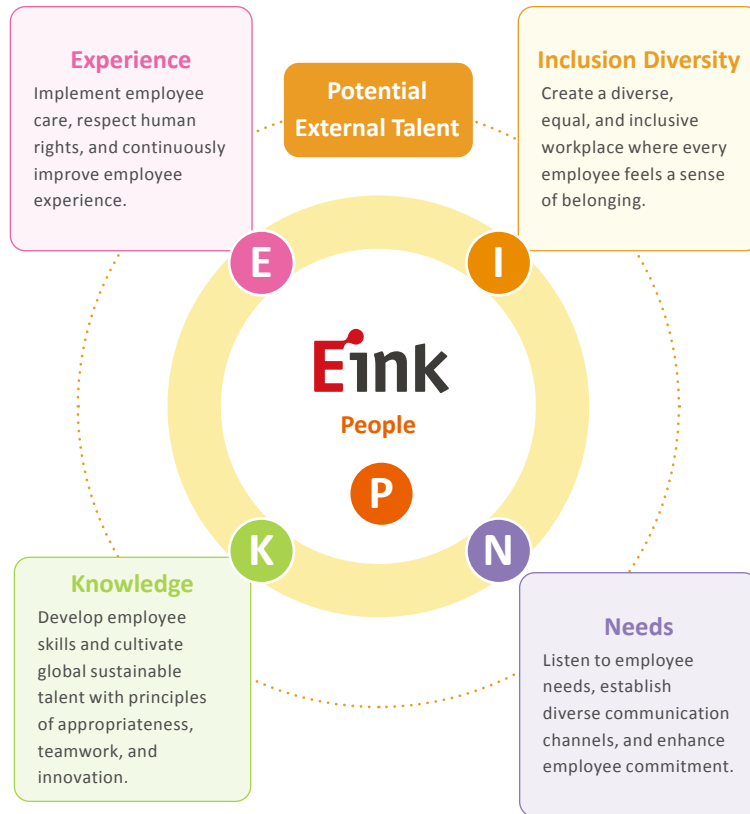| Sustainability KPIs	Management Objectives	Short-term Goals (2023)	Result (2023)	2024Short-term Goals (2024)	Mid-term Goals (2025)	Long-term Goals (2030)
Safety culture	Promoting Safety Culture-completion rate of Occupational Health and Safety Training	• Employee completion rate **100%** • Contractor completion rate at Taiwan sites **100%** • The Taiwan site reported zero major occupational injuries	Achieved			• Employee completion rate at Taiwan and Yangzhou sites **100%** • Contractor completion rate at Taiwan and Yangzhou sites **100%**
Working environment	Protecting workplace safety	Zero major occupational injuries in Taiwan sites	Achieved			Zero major occupational injuries in Taiwan sites
		• The Taiwan sites complies **100%** with occupational safety and health regulations • The Taiwan site has successfully renewed its ISO 45001 certification	Achieved	The Taiwan and Yangzhou sites maintain the validity of their ISO 45001 certifications	• The Taiwan and Yangzhou sites comply 100% with occupational safety and health regulations • The US sites has obtained ISO 45001 certification	
		Disabling Injury Frequency Rate **(FR)-0.5**	Not achieved[Note]	FR-2	FR-0.4	FR-0.3
		Disabling Injury Severity Rate **(SR)-10**	Not achieved[Note]	SR-20		SR-10
		The Taiwan sites has established a real-time visual occupational injury system	Achieved		The Taiwan site has established a real-time visual occupational injury system	
Employee health and well-being	Protecting employee health and wellbeing	Incident of Occupational disease caused by chemical exposure and physical hazards: **1**	Achieved		Incident of Occupational disease caused by chemical exposure and physical hazards: **<0**	
		2 health check systems in Taiwan sites exceed regulatory requirements	Achieved		**2** health check systems in Taiwan sites exceed regulatory requirements	

Note: Due to the differing approaches to handling employee disability situations at various E Ink sites, the achievement rate of the target was affected. Therefore, E Ink will reassess the reasonableness of the target and continue to enhance workplace safety to ensure effective management of the site environment and safety.

6-1 People Overview

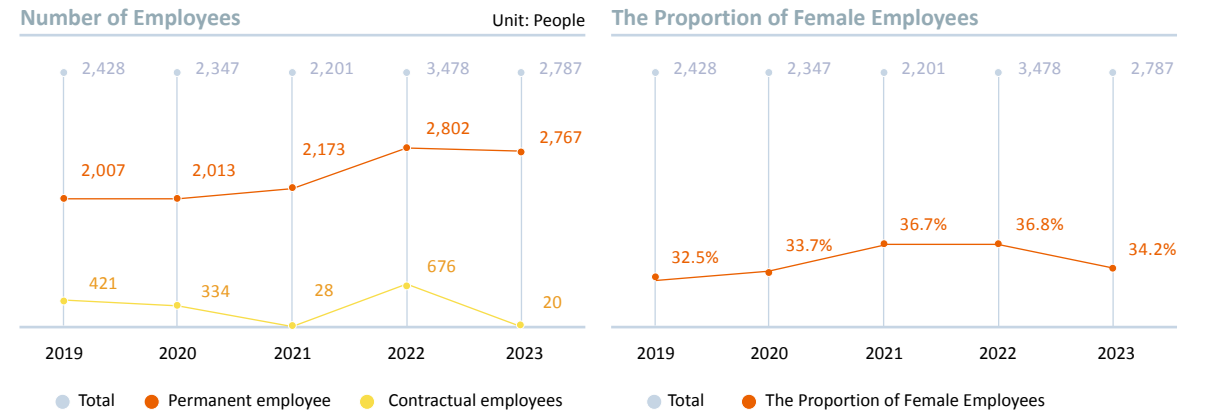### 6-1-1 Sustainable Human Capital Strategy

Facing global talent trends and changes in human resources and demographics in the post-pandemic era, E Ink advocates for a sustainable human capital strategy centered on the "P-E Ink" framework. This strategy focuses on four key areas: human rights, diversity and inclusion, employee needs, and talent development. By actively integrating internal and external resources, E Ink aims to promote sustainable talent initiatives to create a happy workplace where every employee is in the right position.

Potential External Talent

Experience
Implement employee care, respect human rights, and continuously improve employee experience.

Inclusion Diversity
Create a diverse, equal, and inclusive workplace where every employee feels a sense of belonging.

E ink
People

Knowledge
Develop employee skills and cultivate global sustainable talent with principles of appropriateness, teamwork, and innovation.

Needs
Listen to employee needs, establish diverse communication channels, and enhance employee commitment.

6-1-2 Workforce Overview

In 2023, E Ink's global workforce reached 2,787 employees, with 1,414 in Taiwan, 891 in China, 442 in the US , and 40 in other regions. Additionally, 713 non-employee workers were engaged through third-party contractors for production, security, and janitorial services. 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 female employees to maximize their potential. The Company aims to increase the proportion of female employees annually, with a long-term goal of achieving a 40% female workforce, thereby promoting gender equality in talent employment.

Note: The statistical scope of the total number of global employees including Taiwan, China , the US , and other regions such as sales offices in Tokyo Japan, Seoul South Korea, and Shenzhen China. In 2023, the composition of employees in China was adjusted, with labor workers categorized as third-party personnel and classified as non-employees.

Number of Employees — Unit: People

	2019	2020	2021	2022	2023
Total	2,428	2,347	2,201	3,478	2,787
Permanent employee	2,007	2,013	2,173	2,802	2,767
Contractual employees	421	334	28	676	20

The Proportion of Female Employees

	2019	2020	2021	2022	2023
Total	2,428	2,347	2,201	3,478	2,787
The Proportion of Female Employees	32.5%	33.7%	36.7%	36.8%	34.2%

Average Tenure of Global Employees — Unit: Years

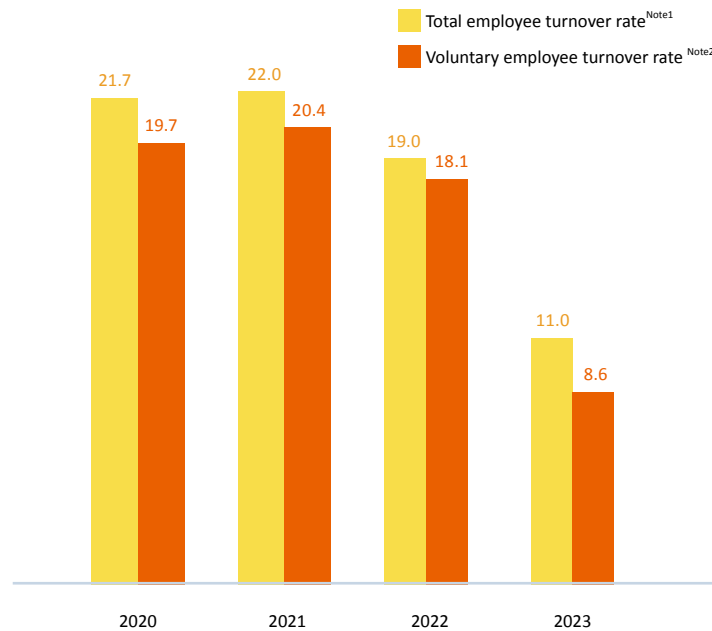|	Average
Male	6.4
Female	8.7

New Employees and Leavers

Regarding the employee turnover rate, the voluntary turnover rate stands at 8.6%. According to the survey on reasons for leaving, approximately 40.3% of employees cited "personal" 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 2023, the percentage of open positions filled by internal candidates[Note] was 19.1%, reflecting the E Ink'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.

Note: 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 Employees for the Fiscal Year)

Employee turnover rate   Unit：%

Legend:
- Total employee turnover rate[Note1]
- Voluntary employee turnover rate[Note2]

Year	Total	Voluntary
2020	21.7	19.7
2021	22.0	20.4
2022	19.0	18.1
2023	11.0	8.6

Factors of Employee Departure in 2023 (%)

- 28.2% Others
- 10.7% Work
- 40.3% Personnel
- 15.9% Salary
- 4.9% Management
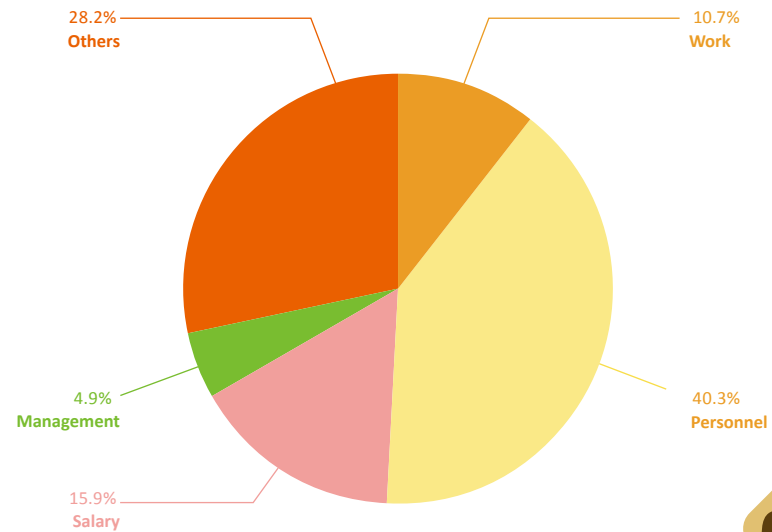
Note 1: Total Employee Turnover Rate = Total Number of Turnover for the Fiscal Year / ((Beginning of the Year + End-of-Period Employee Count)/2). The scope of the 2023 report has been revised to include other regions.

Note 2: Voluntary Employee Turnover Rate = Total Number of Voluntary Turnover for the Fiscal Year / ((Beginning of the Year + End-of-Period Employee Count)/2)

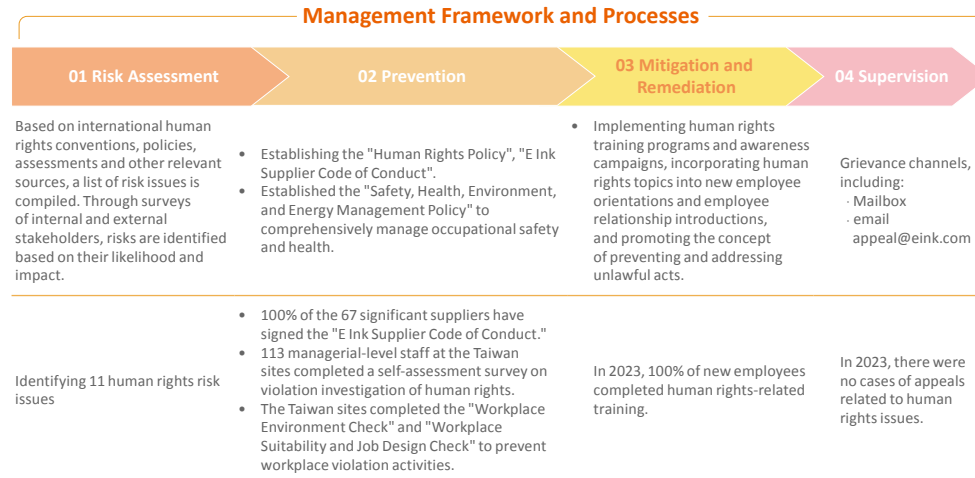## 6-2 Talent Attraction and Retention

6-2-1 Respecting Human Rights

E Ink Human Rights Policy

E Ink diligently complies with regulations in all E Ink's operating locations worldwide, adhering to the "International Bill of Human Rights," the "International Labour Organization 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)." Actions consistent with the Responsible Business Alliance (RBA) Code of Conduct are taken to prevent human rights violations. This policy applies to E Ink's own operation, affiliated companies, and requires its suppliers and partners to follow the same standards. For more details on E Ink's Human Rights Policy, please visit the "E Ink Human Rights Policy" section on E Ink website.

Human Rights Due Diligence and Management

To effectively implement the human rights policy and evaluate management effectiveness, E Ink identifies, assesses, and improves potential human rights issues arising from internal and external stakeholders, including its operations, value chain, and new business investments. Regular human rights risk due diligence is conducted to continuously protect labor rights. Additionally, significant human rights issues from the RBA, the UN Global Compact, and the Global Reporting Initiative (GRI) are referenced to systematically conduct comprehensive risk assessments. These assessments evaluate the likelihood and impact of human rights risks, proposing corresponding mitigation and compensation measures to minimize their impact on the business and create a safe and happy workplace.

Management Framework and Processes

01 Risk Assessment	02 Prevention	03 Mitigation and Remediation	04 Supervision
Based on international human rights conventions, policies, assessments and other relevant sources, a list of risk issues is compiled. Through surveys of internal and external stakeholders, risks are identified based on their likelihood and impact.	• Establishing the "Human Rights Policy", "E Ink Supplier Code of Conduct". • Established the "Safety, Health, Environment, and Energy Management Policy" to comprehensively manage occupational safety and health.	• Implementing human rights training programs and awareness campaigns, incorporating human rights topics into new employee orientations and employee relationship introductions, and promoting the concept of preventing and addressing unlawful acts.	Grievance channels, including: · Mailbox · email appeal@eink.com
Identifying 11 human rights risk issues	• 100% of the 67 significant suppliers have signed the "E Ink Supplier Code of Conduct." • 113 managerial-level staff at the Taiwan sites completed a self-assessment survey on violation investigation of human rights. • The Taiwan sites completed the "Workplace Environment Check" and "Workplace Suitability and Job Design Check" to prevent workplace violation activities.	In 2023, 100% of new employees completed human rights-related training.	In 2023, there were no cases of appeals related to human rights issues.

Violation Investigation of Human Rights

Taiwan Sites

From June to December 2023, E Ink conducted a self-assessment on Violation Investigation of Human Rights at managerial-level staff on workplace violation activities. A total of 113 department-level (including section-level) managers completed the self-assessment. The assessment involved reviewing personal conduct to identify any instances of workplace violation activities. If more behaviors listed in the self-assessment were marked as "yes," managers were advised to be mindful and adjust their attitude towards colleagues. The 2023 survey results identified 17 violation activities, with 4 of these behaviors being marked as "previously engaged in" during the self-assessment.

Workplace Violation Activities	Percentage of individuals who self-assessed having engaged in these behaviors
Have you ever belittled or devalued a worker in front of others?	2.6%
Have you ever yelled at, humiliated, or threatened a worker in private or in front of others?	2.6%
Have you ever given a worker excessive work, trivial tasks that underutilize their skills, or even no work at all?	0.8%
Have you ever denied a worker's request for leave?	2.6%

According to the 2023 violation investigation of human rights results, no significant violation activities were found, but potential risks still need to be monitored. Therefore, E Ink plans to launch internal training courses on human rights policy promotion in 2024 to further enhance awareness and emphasize the importance of human rights issues.

Yangzhou sites

A company-wide survey and risk assessment on workplace violation activities were conducted in April 2023. The human rights violation survey comprised two main sections: "External Violation Activities" and "Internal Violation Activities."

The external violation activities survey focused on potential external threats faced by E Ink workers, including unpredictable individual behavior, contact with clients with a history of violence, working alone or at night, and working in unfamiliar environments or under conditions involving valuable items. The internal violation activities survey concentrated on workplace culture and environment, including inappropriate behavior among colleagues, workplace bullying, work pressure, overtime work, inadequate space and facilities, and control measures to prevent internal violations. These surveys aimed to identify and mitigate factors that threaten employees' safety and well-being.

The survey results indicated that 80% of those at risk of violation activities were considered low-risk and could have their risks mitigated through communication and psychological counseling. The remaining 20% were classified as medium to high-risk, prompting an evaluation of the effectiveness of existing protective measures to ensure appropriate protections are effectively implemented.

Human Rights Due Diligence Investigation

As a global leader in ePaper technology, E Ink strictly adheres to domestic laws and international standards. In 2023, 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 as remediation. 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. For details on E Ink's human rights risk due diligence results, please refer to the "Human Rights Risk Due Diligence" section on our website.

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	• By receiving certification of ISO 45001 Occupational health and safety management systems, E Ink has established and implemented comprehensive operating procedures and guidelines to ensure the safety of employees and maintain a secure work environment.	High	Low	• 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.	• Establishing a management plan and allocating an annual budget for immediate improvement measures.	Implementing internal policies to prevent human rights abuses	Achieved	Employees Suppliers
Employee Health	• In accordance with the Occupational Safety and Health Act, E Ink has established employee health management regulations to plan and implement health checks, promotion activities, and other related matters.	Low	Low	• Conducting annual health checks for employees that surpass regulatory requirements in terms of frequency and scope. • Planning and implementing annual health promotion activities and educational seminars.	• 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 coordinating work resumption or job adjustments based on the circumstances.	Non-financial remediation	Achieved	Employees Suppliers
Child Labor	• In accordance with legal regulations, no child labor under the age of 15 is employed. For workers under the age of 18, necessary management practices and measures are provided as required by law. During the selection process, personal data is reviewed, and thorough verification is conducted upon reporting to ensure that the employment of all workers complies with legal standards.	Low	Middle	• During the selection process, personal data is reviewed to verify the age and job responsibilities of candidates. • During the onboarding process, employee data is thoroughly reviewed and cross-checked to ensure compliance with legal regulations.	• Handling tasks in accordance with the work rules.	Implementing internal policies to prevent human rights abuses	Achieved	Employees Suppliers Children
Forced and Compulsory Labor	• Overtime work requires prior notification to employees and their consent before it can be conducted. • Employment contracts signed with employees comply 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	• Overtime work requires prior notification to employees and their consent before it can be conducted. • Employment contracts signed with employees comply 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.	• Handling tasks in accordance with the work rules.	Implementing internal policies to prevent human rights abuses	Achieved	Employees Suppliers
Work Hours	• After establishing the work rules in accordance with regulations, they were 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. • Suppliers are required to sign the "Supplier Code of Conduct."	Low	Low	• To meet actual demand, an adequate workforce is recruited in accordance with production capacity. • Rules and regulations are regularly reviewed and updated to comply with regulatory changes and control working hours.	• Mechanisms for managing and tracking working hours are established. • In 2023, the work rules were amended in accordance with the latest regulations. After approval and filing, the updated rules were announced to all employees.	Implementing internal policies to prevent human rights abuses	Achieved	Employees Suppliers

Human Rights Issues	Management Practices	Probability of Occurrence	Impact Severity	Mitigation Measures	Remediation Measures	Types of Remediation Measures	Implementation of Remediation Measure	Risk Groups
Freedom of Association	• 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 is upheld through regular labor-management meetings, with minutes 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	• Organization, operation and management of open associations. • Labor-management meetings are held regularly.	• Handling tasks in accordance with the work rules.	Implementing internal policies to prevent human rights abuses	Achieved	Employees Suppliers
Gender Equality	• Publishing job vacancies and making appointments without considering gender as a screening criterion, encouraging candidates of all genders 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	• Publishing job vacancies and hiring candidates without considering gender as a screening criterion, encouraging candidates of all genders to apply. • Enhancing the promotion and education of gender equality among employees.	• Handling tasks in accordance with the work rules.	Implementing internal policies to prevent human rights abuses	Achieved	Employees Suppliers
Maternity Protection	• In accordance with the Occupational Safety and Health Act, E Ink has established the Maternity Health Management Regulations. 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	• 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.	• Employees can inform the medical room or the Human Resources Diviosn for assistance in arranging work schedule adjustments or shift changes.	Non-financial reward	Achieved	Female employees Suppliers
Non-Discrimination	• 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. • Employees are ensured recruitment, training, performance evaluation, remuneration, rewards, and promotions 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	• Publish job vacancies externally and prioritize the selection of candidates based on their merits, with 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.	• Handle tasks in accordance with the work rules. • Hold seminars on breaking microaggressions to strengthen colleagues' education and awareness of preventing harassment and illegal discrimination.	Implementing internal policies to prevent human rights abuses	Achieved	Employees Suppliers Indigenous people
People with Disabilities	• The work rules explicitly state the protection of the employment rights of underserved employees. • All employees have understood the provisions in the work rules regarding the employment rights of underserved employees. • Underserved employees 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	• Collaborate with relevant departments to strengthen the facilities and software measures in the workplace, ensuring the protection of the rights of underserved employees.	• Handling tasks in accordance with the work rules.	Implementing internal policies to prevent human rights abuses	Achieved	Employees Suppliers
Migrant Workers	• For 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 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	• Select legal intermediaries. • Prohibit intermediaries from confiscating foreign employees' passports, bank books, and residence permits. • Ensure that foreign employees receive the same basic wages, working hours, and holidays as local employees. • Conduct surveys to understand foreign employees' opinions and provide responses.	• Handling tasks in accordance with the work rules.	Implementing internal policies to prevent human rights abuses.	Achieved	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

6-2-2 Labor Relations and Communication

Talent is one of the most valued assets at E Ink, and the pursuit of harmonious labor relations is the driving force behind the Company's growth and progress. Through various formal and informal communication channels, E Ink fosters internal consensus, achieving the culture of "One Team, One E Ink." To maintain strong labor relations and promote collaboration with employees, E Ink has established diverse communication mechanisms to meet different demands. These diverse and timely methods help build good labor-management interactions, enhance employee recognition of the Company, and increase work enthusiasm. Currently, a union has been established in China, with a 100% participation rate among local employees. However, unions have not yet been established in Taiwan, the US, or other regions. Consequently, the overall independent labor union participation rate for E Ink employees is 31.4%.

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

Communication Channels	Description	Communication
Labor-Management Meeting/ Welfare Committee	Quarterly meetings where employee representatives can express colleagues' suggestions and opinions on specific issues to ensure smooth labor-management communication and consensus with the Company.	Quarterly
Internal Website- My E Ink	Platforms for communication and establishing corporate philosophy and culture, or for publishing news or announcements.	Irregular
Internal Communication Mailbox	Employee feedback boxes.	Irregular
Employee Town Hall Meeting	Regularly held employee forums or general meetings where employees can communicate openly and directly with the management team.	Yearly
Email Announcements	In 2023, a total of 114 announcements related to HR and the Welfare Committee were made, simultaneously notified to colleagues via email.	Irregular
ePaper Signage	Electronic posters to display Company policies, internal job vacancies, activity promotions, etc., ensuring that announcement information is integrated into the work environment.	Irregular
Grievance channel	Email: appeal@eink.com Hotline: 03-5643200#11199	Irregular
Labor Union (Yangzhou Sites)	Establishment of a union at the Yangzhou sites, where employees can express any opinions on personnel management or factory operations through the union, with responsible departments handling the follow-up.	Irregular

Labor-Management Meeting/ Welfare Committee

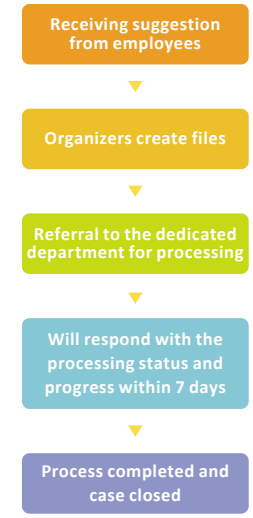Internal Website- My E Ink

Employee Town Hall Meeting

Email Announcements

The Employee Communication Meeting of Taiwan sites in 2023			
Meeting Name	Frequency of Meetings	Number of Proposals	Number of Resolutions
Labor-Management Meeting	4	19	19
Welfare Committee	4	15	15
Employee Town Hall Meeting	2	0	0

The Employee Communication Meeting of China sites in 2023			
Meeting Name	Frequency of Meetings	Number of Proposals	Number of Resolutions
Union Meetings	2	4	4
Employee Town Hall Meeting	2	0	0

The Employee Communication Meeting of US in 2023			
Meeting Name	Frequency of Meetings	Number of Proposals	Number of Resolutions
Employee Town Hall Meeting	4	1	1

Process of Responding Employee's Suggestions

Receiving suggestion from employees
▼
Organizers create files
▼
Referral to the dedicated department for processing
▼
Will respond with the processing status and progress within 7 days
▼
Process completed and case closed

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".

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.

2023 Employee Engagement Survey

To foster a friendly working environment, E Ink conducts a global employee engagement survey annually. This survey covers five key metrics: job satisfaction, purpose, identification and trust, stress and happiness, aiming to understand employees' engagement and commitment to the Company. In 2023, the survey achieved 100% distribution coverage, with questionnaires sent to 2,761 employees and 2,070 responses received, resulting in a responded rate of 75%. According to the analysis of the 2023 survey results, the average engagement score for all employees was 80.7[Note1], marking a 10% increase from 2022. Additionally, 81% of the overall survey responses indicated the top level of engagement[Note2]. By understanding employees' feedback, E Ink can develop targeted measures to address weaker areas of engagement, serving as a crucial reference for organizational management and enhancing employee engagement.

Note 1: The overall engagement score is out of a total of 100.
Note 2: The employee engagement levels reached a standard score of 70.

Metrics	Example of Questions	Core of the Employee Engagement Survey
Job Satisfaction	The Company provides all necessary work tools or laboratory equipment to help me effectively complete my tasks.	80.0
Purpose	I understand that my work contributes to the Company's development.	81.7
Identification and Trust	I receive support and assistance from my supervisor to resolve work-related issues.	80.8
Stress	My job allows me to balance my personal life.	80.1
Happiness	The welfare/activities offered by the Company (e.g., spring outings, family days, celebrations, etc.) are enjoyable and meaningful.	80.5

Employee Engagement Surveys Analysis by Categories

Categories		Average Scored
Age	Under 30	84.5
	31 ~41	80.2
	41~51	79.8
	51~61	80.2
	Over 61	86.0
Gender	Female	80.4
	Male	82.5

Categories		Average Scored
Job Role	Technician (Direct labor)	82.6
	Administrator	80.1
	Engineer	78.7
	Frontline supervisors (Manager/Assistant Manager level)	80.2
	Senior Executives (Director level and above)	80.8
Region	Taiwan	79.6
	China	82.7
	The US/ Japan/ Korea	77.9

6-2-3 Talent Recruitment

To move towards sustainable business operations, E Ink's talent recruitment strategy is aligned with medium- and long-term corporate strategies. E Ink develops forward-looking recruitment plans and finds suitable candidates through fair, open, and impartial selection processes. E Ink also actively promotes various project initiatives to achieve talent internationalization and localization of global talent, supporting the operation and development of overseas businesses.

In 2023, the overall demand for human resources in Taiwan continued to grow. To attract outstanding talent, E Ink utilized diverse recruitment channels, including online job banks, mobile vehicle advertisements, social media management, industry-academia collaboration[Note], and campus recruitment activities. These efforts break the constraints of time and location, allowing immediate contact with potential candidates, thereby expanding the talent pool and establishing a talent database.

Note: Industry-academia collaboration includes corporate visits/internships, guest lectures by industry experts, commissioned research, and professional talent scholarships.

Diverse interview channels without geographic restrictions
To implement talent internationalization, E Ink provides online interview channels to recruit both domestic and international talent. This approach overcomes time zone and geographic location limitations and, combined with competency assessments, evaluates whether candidates align with the company's core values. By using diverse recruitment and interview channels, E Ink ensures fairness in the hiring process and the suitability of talent, maintaining a high standard of employee quality and laying a solid foundation for the company's long-term development.

Digitalizing the Recruitment and Onboarding Processes
In 2023, E Ink digitized its recruitment process, simplifying and integrating cross-departmental procedures to enhance efficiency and accuracy while reducing the use of printed paper. This digitalization action not only saves costs but also accelerates discussions and approval processes. The Company will continue leveraging digital technology to optimize management, reduce costs, improve quality, and advance towards sustainable development.

Sustained Employment of Persons with Disabilities
E Ink supports the employment of individuals with disabilities. As of the end of December 2023, the Company hired 14 employees with disabilities. Among them, three are severely visually impaired and work as full-time massage therapists, while the remaining 11, with varying degrees of mild, moderate, severe, or extreme disabilities, are employed in E Ink's research, production, and support units. This meets the employment ratio requirements stipulated by Taiwan's regulations. Moving forward, E Ink will continue to actively conduct job evaluations internally to create more employment opportunities for individuals with disabilities.

Hiring Local Talent
To implement localized operations and enhance local market capabilities, E Ink hired 84.9% local senior management talent[Note] in 2023. By cultivating local professional talent, the Company aims to improve management efficiency and competitiveness.

Note: Senior management refers to organizational leaders at the assistant general manager level and above, including Chief Information Security Officers, accounting managers, and corporate governance officers.

2023 Campus Events

Campus Recruitment

E Ink engages in campus cultivation activities at significant colleagues with high talent density in the ePaper and display industries. Employees from various department at E Ink visit campuses to give specialized lectures and provide internship opportunities, allowing students to gain the latest technological insights amidst the rapidly changing industry. Through various competitions, they share the characteristics and technology of ePaper, combined with demonstrations of end products featuring ePaper. These efforts attract outstanding young talent and build the employer brand image.

Inheritance of Technical Knowledge

E Ink collaborated with the Department of Photonics at National Yang Ming Chiao Tung University to conduct a two-month interactive experimental course. This course enabled students to learn about the characteristics and technology principles of ePaper. Students had the opportunity to practically engineer the ePaper display through expert lectures. The course concluded with an exhibition of the students' projects, where E Ink served as the judging panel. The students responded enthusiastically to the experience.

Cultivating Talent

In Taiwan, E Ink offers internship opportunities to students from various universities, enabling them to gain early exposure to the professional environment. Through these internship programs, students can contribute innovative ideas to the team, fostering diverse perspectives and creative stimulation. Additionally, to cultivate key talents in advanced ePaper technology and support academic-industry research development, E Ink has established scholarships to encourage and support outstanding students.

The US sites maintains a robust partnership with several prominent universities' engineering departments, including Northeastern University, University of Massachusetts Lowell, San Jose State University, and University of the Pacific, through a six-month internship program. This experiential learning initiative allows students to alternate between academic studies and practical work experience in their fields of interest. All participants in this industry-academic collaboration receive remuneration during their internships. In 2023, 17 students participated in this program, gaining valuable insights and contributing to the company's innovative projects.

Corporate Visits

Through corporate visit activities, students not only learn about ePaper technology and its characteristics but also participate in tailored courses based on the specific attributes of their respective departments. Diverse job introductions are provided, and interactive Q&A sessions with rewards make the visits more engaging and enjoyable. These activities aim to give students a deeper understanding of E Ink.

Campus Recruitment

E Ink participates in university career fairs and hosts dedicated informational sessions to introduce ePaper products and applications. E Ink experts are invited to present job roles and responsibilities, allowing students to understand and deepen their appreciation for the Company. Additionally, E Ink collaborates with target departments and universities to host sessions that share company information, technology, applications, sustainable development, and alumni experiences. These efforts aim to boost students' confidence in E Ink's prospects and the future trends of the industry.

Science Club for Girls Chromatography Episode

E Ink shares chromatography knowledge with STEM students from potential elementary school, with the content created and taught by female employees within the Company who possess relevant expertise. This initiative not only enhances the students' understanding of ePaper applications but also promotes the awareness of diverse cultural perspectives.
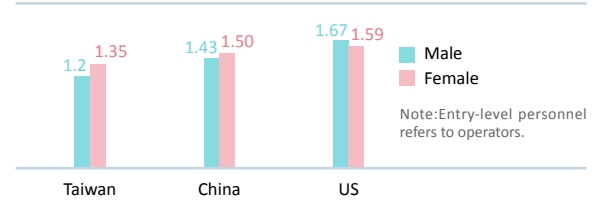
6-2-4 Salary and Benefits

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 worldwide. 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 adheres to the regulations of its operating locations and regularly participates in market compensation surveys to establish a fair and market-competitive compensation system. For example, the standard salaries for entry-level employees are all above the local statutory minimum wage. Additionally, E Ink reviews the market competitiveness of salary and benefits based on job market levels and individual performance each year. Over the past nine years, salaries have been increased annually. Over the past five years, as the E Ink's revenue and profits have continued to reach new highs, the Company has shared its success with global employees, with an average annual increase in per capita salary and benefits of approximately 3. 5%. From 2020 to 2023, despite the challenges of the pandemic, the average per capita salary and benefits grew by 20%. Starting in 2023, to recognize employees' contributions and retain outstanding staff, E Ink introduced additional retention bonuses based on employee performance and Company profitability, in addition to the existing annual performance bonus plan. This initiative aims to achieve higher performance and share profits with all global employees.

E Ink considers its employees as the most important asset, providing each one with an excellent working environment and developing competitive compensation policies based on global human resource development strategies. For example, in Taiwan, according to the 2022 information from the Taiwan Stock Exchange's Market Observation Post System, E Ink ranks first in the over-the-counter optoelectronics industry and in the top 2% of the listed optoelectronics industry in terms of overall salary benefits, average salary for full-time non-management employees, and median salary. E Ink's average employee welfare expenses are approximately 43% higher than those of listed optoelectronics peers and 53% higher than those of over-the-counter peers. At other locations, E Ink adheres to a group-wide, consistent approach to salary and benefits management, maintaining the Company's compensation policies while adapting to local conditions. This ensures that employees worldwide receive fair and competitive compensation and benefits in compliance with local laws and regulations.

Comparison between the Standard Salary of Base-Level[Note1] Employees and Local Minimum Salary in 2023

	Male	Female
Taiwan	1.2	1.35
China	1.43	1.50
US	1.67	1.59

Note:Entry-level personnel refers to operators.

Note 1 :The aforementioned differences are based on female employees, calculating the actual differences in salaries and bonuses between male and female employees.

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

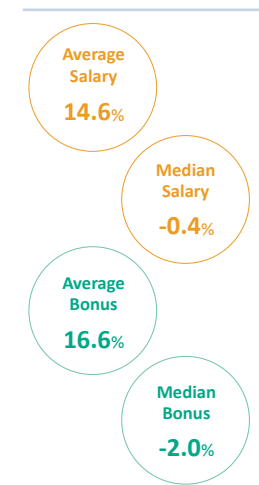| Number of Full-time Employees (Person)	Total Salary of Full-time Employees (NTD1,000)	Average Salary of Full-time[Note2] Employees (NTD1,000)	Median Salary of Full-time[Note2] Employees (NTD1,000)
Difference **19.7%**	Difference **30.3%**	Difference **8.9%**	Difference **13.3%**
2022 ▶ 1,140	2022 ▶ 1,484,791	2022 ▶ 1,302	2022 ▶ 1,089
2023 ▶ 1,365	2023 ▶ 1,934,946	2023 ▶ 1,418	2023 ▶ 1,234

Note2:The average salary and median salary for 2023, as well as the median salary for 2022, have been audited by CPAs.
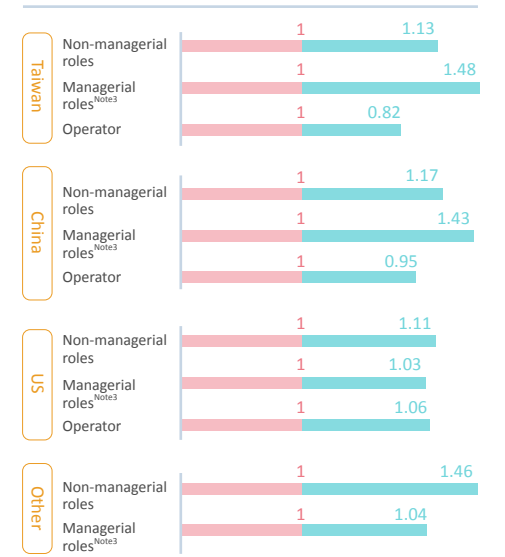
Percentage Difference in Salaries and Bonuses between Male and Female for 2023

Average Salary **14.6%**

Median Salary **-0.4%**

Average Bonus **16.6%**

Median Bonus **-2.0%**

The gender Compensation ratio in 2023

Taiwan	Non-managerial roles	1 / 1.13
	Managerial roles[Note3]	1 / 1.48
	Operator	1 / 0.82
China	Non-managerial roles	1 / 1.17
	Managerial roles[Note3]	1 / 1.43
	Operator	1 / 0.95
US	Non-managerial roles	1 / 1.11
	Managerial roles[Note3]	1 / 1.03
	Operator	1 / 1.06
Other	Non-managerial roles	1 / 1.46
	Managerial roles[Note3]	1 / 1.04

Note 3: Most of E Ink's senior management are male, leading to a significant disparity in compensation ratios within the managerial category.

Parental Leave

Item	Taiwan[Note4]			China[Note 5]			US[Note 6]			Others			Global		
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total eligible number for parental leave (People)	26	58	84	1	0	1	125	317	442	0	0	0	152	375	527
A:Total applicants of parental leave of absence in 2023	4	4	8	1	0	1	1	9	10	0	0	0	6	13	19
B:Total number of end of contract for parental leave in 2023	4	4	8	0	0	0	1	9	10	0	0	0	5	13	18
C:Total number of returning from parental leave in 2023	4	3	7	0	0	0	1	9	10	0	0	0	5	12	17
D:Number of employees who should reinstate in 2023 applying for leave extension	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
E:Number of employees reinstating after parental LOA in 2022 continuing service for one year	8	2	10	0	0	0	3	3	6	0	0	0	11	5	16
F:Number of employees reinstating after parental LOA in 2022	8	2	10	0	0	0	3	3	6	0	0	0	11	5	16
Reinstatement rate %=C/(B-D)	100%	75%	88%	-	-	-	100%	100%	100%	-	-	-	100%	92%	94%
Retention rate %=E/F	100%	100%	100%	-	-	-	100%	100%	100%	-	-	-	100%	100%	100%

Note 4: In Taiwan, all full-time employees eligible for statutory parental leave without pay can apply. The number of eligible applicants for parental leave in 2023 includes the following data:
(1) Employees who took maternity leave, paternity leave for prenatal checkups, or paternity leave during the report year and the preceding two years (excluding duplicate employees) and subsequently applied for parental leave.
(2) Employees who actually applied for parental leave during the report year and the preceding two years.
Note 5: In China, employees who have worked for more than two years and are raising a child under one year old are eligible for parental leave, which exceeds local regulatory requirements.
Note 6: In the US, local employees are entitled to 12 weeks of parental leave under statutory provisions. This applies within twelve months of a newborn's birth or when adopting a child. Therefore, parental leave in the US is defined as family care leave.
Note 7: According to Taiwan's Labor Standards Act, pregnant female employees are entitled to nine weeks of paid leave, including one week of prenatal checkup leave and eight weeks of maternity leave. Additionally, employers must provide one week of paid parental leave when employees accompany their spouses during childbirth.

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 2023
Enhanced Welfare	Welfare Subsidy	• Subsidy for maternity, illness, hospitalization, emergency, marriage and funeral • Annual travel allowance • Departmental dinners • Meal allowance	• The Welfare Committee provided a total of NTD 0.6 million in subsidies for childbirth, injury, hospitalization, emergencies, and wedding or funeral expenses for the year. • The Welfare Committee allocated NTD 7.7 million in annual travel subsidies, benefiting a total of 1,283 employees. • The Welfare Committee supported departmental dinners with a total subsidy of NTD 2.4 million providing NTD 1,800 per person per year, benefiting 1,335 employees. • E Ink offers daily meal subsidies to employees, with a subsidy of NTD 40 per meal, covering two meals per day.
	Employee Support Program	• Implementation of Employee Assistance Program (EAP)	• The Employee Assistance Program (EAP) has been implemented in the US for many years. It was introduced in China in the fourth quarter of 2022 and implemented in Taiwan in 2023, achieving an overall employee coverage rate of 99%.
		• Flexible working hours	• Non-shift or non-scheduled employees in Taiwan can arrange to start and finish work within a 30-minute flexible time window each day. Employees in the US can adjust their work hours as needed.
		• Remote work options	• Except for those whose roles in production, manufacturing, or other job natures depend on specific equipment, employees in the US can choose to work from home as needed.
		• Part-time work options	• Employees can opt to reduce their working hours for family care or childcare needs, allowing them to balance family and work responsibilities.
	Maternity and Child-Friendly Program	• Childcare facilities • Lactation facilities	• Employees are entitled to the childcare benefits, which include the privilege of priority admission to nurseries operated by affiliated corporate foundations. • The Taiwan sites is mandated by regulations to establish dedicated lactation rooms.
	Other Benefits	• Birthday/festive vouchers or gifts • Special discounts for purchasing products from affiliated company • Stress release massage service • Diverse dining options in the employee cafeteria • Free employee parking • Pre-leave and special leave system • Leave policies exceeding regulatory requirements	• The Welfare Committee distributed NTD 8.4 million gift vouchers and NTD 4.3 million in festive gifts for birthdays and holidays in 2023. • Employees receive over 10% cashback and occasional special discounts when shopping at various channels of affiliated company, such as Green & Safe. • Employees can enjoy free weekly stress-relief massage services, with a total of 970 employee appointments served. • In addition to buffet-style meals, bento boxes, and convenience store, employees are provided with limited special meal, with a total of 46 sessions organized. • Besides granting national holidays as per regulations, the Taiwan sites offers additional benefits by allowing employees to enjoy non-working Saturdays without makeup days mandated by the government. In 2023, each employee received a total of 6 paid leave days for makeup Saturdays.
Health Promotion	Medical Insurance and Healthcare	• Employee health check • Insurances covering Group insurance, travel insurance, occupational accident insurance • Employee health consultations	• Employee health check were conducted in three sessions, with a total of 810 participants, covering 62% of the workforce. • On-site physician services and consultations were held 48 times, with a total of 132 consultations provided.
Concentrate Centripetal Force	Organized by the Company	• International Women's Day • Spring outing • Autumn trip for expatriate employees • ESG Green Living Day • Annual Party	• There were 318 participants celebrating International Women's Day. • The spring outing activity featured six routes and 43 tour groups, with a total of 2,224 participants. • The autumn trip for expatriate employees had two tour groups, with a total of 208 participants. • "ESG Green Living Day," included a gourmet picnic and music concert, with approximately 1,500 participants. • The annual party, "CASINO NIGHT," had a participation of 1,350 people.
	Employee-Initiated Activities	• Diverse club activities	• The Welfare Committee established diverse club activities, including six sports clubs, two academic clubs, three recreational clubs, and one community service club, with a total subsidy of NTD 0.4 million for activity expenses. In the same year, six new clubs were established: the Reading Club, Linkou Handcraft Club, HipHop Jazz Dance Club, Linkou Running Club, Linkou Yoga Club, and Zen Study Club.
Combining Charitable Endeavors	Volunteering	• Volunteer leave	• To encourage employee participation in volunteer services, employees can apply for paid volunteer leave, with each employee in Taiwan entitled to 8 hours per year and each employee in the US entitled to 4 hours per year.

A total of **17 events** were organized, with approximately **7,786 participants** joined in these activities.

Welfare Items

Dragon Boat Festival Gift 📍 Taiwan

In 2023, the E Ink's Welfare Committee offered Edenred electronic gift vouchers, YFY Shop shopping points, and online discount codes from Green & Safe. This allowed employees to flexibly choose by preference, ranging from fresh and dry goods to daily necessities, fulfilling diverse needs and providing a personalized benefits experience.

The total value of these three Dragon Boat Festival gifts was approximately NTD 4.9 million.

Employee Activities

📍 Global and Taiwan

Earth Hour- Turn Off the Lights for One Hour

E Ink invited all employees to participate in the "Earth Hour" event on March 25th, encouraging energy conservation and raising awareness about reducing environmental impact. In the US, this initiative was expanded to "Earth Month," featuring activities such as seed giveaways and birdhouse painting, allowing employees and their families to join in protecting the planet.

Number of participants: **36** from Taiwan sites, **158** from China sites and **442** from the US sites.

International Women's Day

On March 8th, senior managers personally presented GODIVA chocolates as gifts for International Women's Day to express appreciation and gratitude for the contributions of female colleagues.

A total of **318** participants joined the event, with an investment of approximately **NTD 0.1 million**.

ESG Green Living Day

In 2023, E Ink collaborated with the 500 Times from United Daily News to host an ESG Green Living Day at the Hsinchu sites, featuring a gourmet music festival. The event invited famous Taiwanese snack vendors to participate. Emphasizing plastic reduction, employees were encouraged to use eco-friendly tableware, and an environmental-themed storytelling session was held. A special exhibition of ePaper products with professional guided tours was available, providing employees and their families with an in-depth understanding of the products. The event also featured performances by renowned singers and bands, allowing employees to invite friends and family to enjoy a picnic and music festival together.

The event saw participation from approximately **1,500** individuals, achieved an overall satisfaction rate of **73.7%**, and incurred costs exceeding **NTD 4.6 million**.

Others Taiwan activities

Outing   Annual Party- CASINO NIGHT

China sites | The Energy Conservation Promotion Week featuring the Low-Carbon Knowledge Competition and the Recycled Materials Design Contest

Through a series of competitions, E Ink promoted sustainability knowledge, environmental protection, and low-carbon concepts. The activities also included waste recycling and reuse, helping employees and their families understand the importance of carbon reduction. 。

204 participants

秋千人生   逐梦太空

米奇装饰画   高精度液体周转瓶

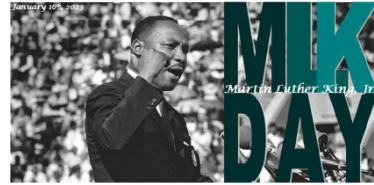**Employee Activities**

Other Actives at China sites

"Donate Blood, Share Life" Philanthropic Blood Donation Event

Autumn Charity Mountain Cleaning Activity

The US sites | Diversity, Equality, and Inclusion Awareness Communication

Through an internal blog, employees are provided with educational content during holidays or events, encouraging the recognition of the importance of diversity, equity, and inclusion.

The "Inkspiration" newsletter is published three times a year.
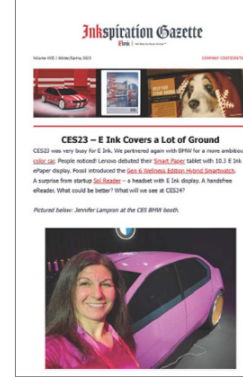
Other Activates at the US sites

Family Reunion Events for Employees and Their Families

Joint Travel Activities for Employees

Diverse Festive Celebrations: Halloween and Ugly Sweater Competitions

Clubs Initiated by Employees

📍 **Taiwan | Academic Club**

Hand-Made Club
Photography Club

Newly Established

Reading Club
Handicraft Club (Linkou)

📍 **Taiwan | Sports Club**

Strength Club, Mountaineering Club, Yoga Club, Badminton Club, Table Tennis Club, Basketball Club

Newly Established

Hip-Hop Jazz Dance Club, Running Club (Linkou), Yoga Club (Linkou)

📍 **Taiwan | Leisure Club**

Movie Club, Video Game Club, Health Forward Club

Newly Established

Zen Club

📍 **Taiwan | Service Club**

Inkers' Love, the Volunteer Community

📍 **US | Social**

YES
"Young Engineers and Scientists"

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 2023, the balance of the retirement savings account was NTD44.84 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. Thesecontributions 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 2023 Annual Report.

6-3 Development and Growth of Employees

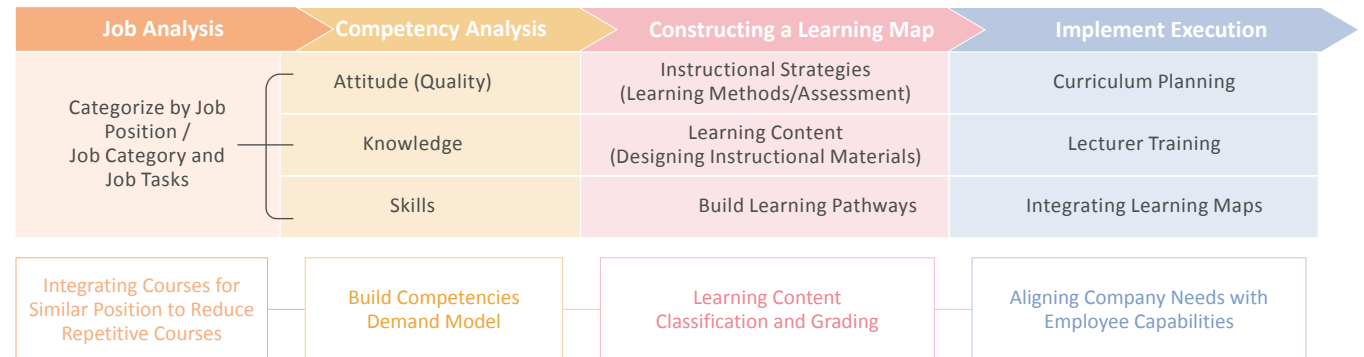## 6-3-1 Core Competencies and Training Roadmap

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.

Initiating action
Proactive and self-motivated, with the ability to take initiative to accomplish objectives and tasks beyond what is required. Displays a positive work attitude and does not rely solely on instructions to take action.

1. Quick response
2. Go beyond requirements
3. Independent action

Striving for Outstanding Performance
Establishes high-performance standards for both oneself and others, driven by a strong sense of mission to successfully fulfill tasks. Pursues personal excellence, motivated by a commitment to achieving high standards rather than merely meeting the expectations of others.

1. Establishing high standards
2. Take responsibility
3. Deliberate and comprehensive thinking
4. Encouraging others to take responsibility

Contributing to Team Success
Actively participate in team assignments to foster the accomplishment of team objectives.

1. Mutual goals
2. Collaboration
3. Lead by example
4. Execution
5. Information sharing

Adaptability
Maintaining high performance amidst changing work and environmental conditions, effectively adjusting to new work structures, processes, requirements and culture.

1. .Attempt to understand change
2. Adapt behaviors to align the change
3. Approach change with a positive and optimistic attitude

Continuous Learning
Actively seek learning opportunities and engage in them, applying newly acquired knowledge and skills to work.

1. 1Work-related
2. Extended impression
3. Challenge unfamiliar
4. Suitable approach
5. Apply what you have learned

Innovation
Develop innovative and feasible solutions to work situations, trying different or new methods to handle work problems or opportunities

1. Challenge established patterns
2. Expand the scope of thinking
3. Beneficial to Work
4. Apply multiple resources
5. Evaluate different solution

E Ink Training Road Map

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 E Ink'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.

Job Analysis	Competency Analysis	Constructing a Learning Map	Implement Execution
Categorize by Job Position / Job Category and Job Tasks	Attitude (Quality)	Instructional Strategies (Learning Methods/Assessment)	Curriculum Planning
	Knowledge	Learning Content (Designing Instructional Materials)	Lecturer Training
	Skills	Build Learning Pathways	Integrating Learning Maps

Integrating Courses for Similar Position to Reduce Repetitive Courses	Build Competencies Demand Model	Learning Content Classification and Grading	Aligning Company Needs with Employee Capabilities

Planning Education and Training Curriculum Based on Job Level

Based on the organizational culture and behavioral competencies, E Ink defined the foundational abilities for general employees, assistant managers, and department managers. Training courses were designed specifically for different functions, structured around core competencies, managerial skills, and professional expertise. These competency-based training and development programs aimed to enhance the performance of the employees.

Core Competency

The essential general education courses for all employees. To help employees understand the competencies and core spirit of the company, each new employee must complete the "Competency Introduction Course" upon joining. This ensures that the E Ink DNA is deeply embedded in every employee. In 2023, the completion rate for new employees was 100%.

Global Achievements in 2023

The total number of participants	Total Training Sessions	Training duration (Hours)
583	52	839

Managerial Competency

In line with the need for management competency development, the Company has designed and developed management training programs. These programs cover organizational goal setting, organizational development strategies, management capabilities, strategic goal management, departmental performance management, and work execution management, totaling 516 sessions.

Global Achievements in 2023

The total number of participants	Total Training Sessions	Training duration (Hours)
38,057	516	17,955

Professional Competency

To enhance the depth of talent and cultivate comprehensive key personnel, thereby strengthening organizational competitiveness, the Company offers professional departmental training and leverages external resources for knowledge exchange and experience sharing. This creates a comprehensive and diversified learning environment, resulting in a total of 2,788 training sessions.

Global Achievements in 2023

The total number of participants	Total Training Sessions	Training duration (Hours)
145,848	2,788	20,962

6-3-2 Diverse Training Channels

Comprehensive Training and Development Framework

In response to the rapid growth of the Company, E Ink has established a comprehensive training and development framework for employees from entry-level to management level, aligning with job functions and the Company's core values. This framework includes orientation programs, professional training, and elite programs to continuously develop employees and identify potential future leaders. Through mentoring, cross-cultural communication enhancement, job rotation opportunities, and expatriation programs, E Ink selects well-rounded management talents to build and sustain its talent pool.

Job Training

General Training

Adaptation Training
- Newcomers Training
- New Manager Training

General Education Training
- Corporate Culture
- Intellectual Property Regulations
- Occupational Safety/ Information Security
- Sustainable Development

Professional Training

Departmental Professional Training
- Professional Learning Roadmap
- Project/Task Assignment/ Rotation
- Project Reports/Case Study

Cross-Disciplinary Professional Training
- Quality Management
- Technical Forums

Management Training

Business Leadership
- Senior Management Functions

Team Leadership
- Middle Management Functions
- Foundational Management Functions

Personal Growth
- Self-Efficacy Training
- Problem-Solving Ability

Individual Learning

Continuing Education
- EMBA
- Degree and Certifications

Self-Learning
- Internet Resources
- Books
- Seminars

E Ink University (e-Learning)

Comprehensive Employee Education and Training

Program	Description	Business Benefits of the Program	Impact of Business Benefits	Coverage Proportion of the Total Employee
New Employees Training	E Ink's training for new employees focuses on conveying the company's overall culture and organizational structure to enhance understanding and recognition of the company. E Ink's values, philosophy, and resources are communicated immediately to reduce the time new employees spend acclimating and to help them quickly integrate into the corporate culture. **New Employee Guidance Program** In the New Employee Guidance Program, senior colleagues from respective departments act as mentors to help new employees become familiar with the work environment, company culture, and relevant professional knowledge. This enables new employees to quickly grasp the essentials of their roles through On Job Training (OJT). E Ink's Senior Coach Mentoring Program is offered to newly appointed supervisors at the managerial level and above. Through one-on-one mentoring with higher-level executives, they gain a deep understanding of company strategies, organizational operations, and resource integration. This effectively cultivates high-level management talent and serves as a crucial strategy for the company's leadership development.	Through the New Employee Guidance Program, new employees can rapidly familiarize themselves with their work and the company culture, effectively enhancing work efficiency and productivity while increasing satisfaction with the training. Additionally, the Senior Coach Mentoring Program cultivates internal leadership talent, improving the company's competitiveness and innovation capabilities.	compared to 2022 turnover rate **-8%**	10.0%
Professional Training Roadmap	To systematically enhance professional expertise and organizational competitiveness, tailored training plans are developed for different job roles, including basic and advanced professional courses, creating a training blueprint for each position. E Ink provides an abundance of professional learning resources aimed at stimulating creativity and enhancing overall competitiveness. Currently, the professional maps cover 89 job roles with 323 courses. As of the end of 2023, the completion rate of these trainings has reached 98.3%.	Through job-specific professional courses, employees focus on learning the skills and knowledge relevant to their roles, thereby increasing job satisfaction and loyalty while reducing employee turnover.	compared to 2022 The turnover rate in 2023 decreased by **8%** Employee engagement scores in 2023 increased by **9.9%**	23.7%
Acceleration Program of Potential Leader (APPLE)	Since 2022, the Potential Leadership Talent Development Program APPLE (Acceleration Program of Potential Leader, APPLE) was launched to strengthen the management competencies of mid-level managers. This program focuses on key areas of managerial competency development, aligning with strategies for talent development, performance enhancement, and optimal talent placement. E Ink has specifically designed a development plan to enhance the managerial capabilities of its supervisors. This includes creating Individual Development Programs (IDP), Group Development Programs (GDP), and management course plans based on critical behavioral indicators. These plans provide practical management knowledge, skills, and attitudes that supervisors can apply in their roles.	By proactively preparing a reserve of management talent, E Ink can effectively support company growth, reduce recruitment costs, and enhance technological development and production efficiency. This reserve allows for the selection of suitable candidates from the talent pool to fill gaps when establishing new sites, implementing new technologies, transferring technology across regions, or addressing shortages in international management.	compared to 2022 Overall retention rate **100%** Promotion rate for reserving directors **31%** Promotion rate for reserving managers **24%**	6.9%[Note]

Training Effectiveness For New Employees in 2023

Region	Number of Sessions	Number of Trainees
Taiwan	39	1,148
China	112	1,192
US	85	120
Others	0	0

Talent Selection → **Management Competency Evaluation** → **Development Plan** → **Effectiveness Tracking**

Talent Selection	Management Competency Evaluation	Development Plan	Effectiveness Tracking
· Performance · Willingness · Attitude	· Management Competencies · Professional Skills · Traits · Potential	· Task Assignment · Job Instruction · Self-Initiation · Intensive Training	· Continuous Development · Promotion/Rotation · Retention Plan · Presentation
High-Performance Personnel List	Questionnaire/Evaluation Tools	Individual/Group Development Plan	Implementation Report

The initial phase of the plan focused on training R&D-related organizations that hold critical technical expertise, including the Taiwan R&D Center and the Product Center. The first group held a results presentation 18 months after initiation, inviting both direct and indirect supervisors to review the interim outcomes. A new group started simultaneously in 2023, expanding the scope to various centers in Taiwan, with plans to implement the program globally across all sites in 2024, thereby continuously building the E Ink sustainability talent pool.

Results of Frist Group:
- The management competencies developed through the group development courses showed significant growth. The competency readiness for "driving results" among reserve managers increased by 16.7%, and the readiness for "leading change" among reserve directors increased by 17.9%, the highest growth rates among the corresponding management competencies.
- Post-assessments of management competency readiness indicated that the scores for reserve managers and directors were both higher than the pre-assessment scores, with all scores above 80. Additionally, over 60% of reserve managers are now ready to assume managerial roles, and over 50% of reserve directors are ready to assume director roles. When vacancies arise, suitable candidates can be selected from the talent pool to fill these gaps.

Note: These figures pertain only to the Taiwan region.

Comprehensive Training Organization

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 that embodying the Company's culture of "collaboration, continuous learning, and innovation." Through E Ink's online learning platform, employees from different sites can share educational and training resources without the constraints of geography and time zones. Employees can choose courses based on their duties.

Training Committee

E Ink established the Training Committee in 2020, by appointing training executives from each function center to integrate cross-departmental and cross-functional training resources. Through the joint efforts of training executives and training coordinators, E Ink has developed a unique professional job map, enabling new employees to quickly grasp job essentials and establish a common internal language by inheriting the experiences of their predecessors. Regular meetings are held to communicate project items with training executives, gather feedback from each center, and review training outcomes.

In 2023, the average training cost per employee across E Ink's global sites was NTD 4, 886[Note]. E Ink will continue to plan and expand course offerings based on organizational goals, learning blueprints, international trends, and product development status.

Note: Training costs include instructor fees, travel expenses, certification fees, and training platform account and maintenance fees.

2023 Education and Training Effectiveness

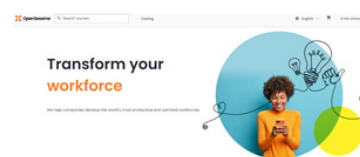|	Taiwan	China	US
Total Number of Courses Opened	791	4,166	428
Total Training Participants	18,202	266,555	4,869
Training Hours Completed	24,479.8	71,410.9	8,002.1
Average Course Satisfaction: Online/ In-person	92.2/94.8	91.6/90.6	73.8/87
Education and Training Effectiveness (Unit: Hours)			
New Employee Training	750.5	611.9	264.6
Core Competency Training	36	19.4	783.5
Management Competency Training	2,443.1	15,114.9	397.3
Professional Competency Training	2,768.8	14,450.1	3,743.4
General Education and Training	14,322.2	39,412.7	1,599.1

Diverse Learning Resources

e-Learning Platform

In 2019, E Ink implemented the e-Learning platform, integrated into the E Ink University system, enabling employees to learn and exchange knowledge autonomously, unrestricted by time and location. Through the platform, employees receive feedback from internal instructors upon course completion, enhancing their understanding. The Company has developed internal courses and introduced external resources, offering a rich array of learning opportunities. By 2023, 574 courses had been established.

CommonWealth Innovation Academy

This academy offers abundant online learning resources across six themes, including digital transformation and professional skills. The content is rapidly updated and diverse, allowing employees to learn as needed, unrestricted by time and location.

Chuan Xing Academy

The Chuan Xing Academy app provides manufacturing knowledge with short, easy-to-learn courses. In addition to online learning, it features knowledge competitions, community exchanges, and check-in functions, stimulating interest and enabling employees to learn anytime, anywhere.

OpenSesame

The OpenSesame cloud learning platform offers over 30, 000 online courses, allowing employees from the US sites to enjoy self-directed learning on topics including diversity, technology, business skills, leadership, and wellness. In 2023, 35 new courses were launched, with employees in theUS spending over 1, 000 hours on the platform.
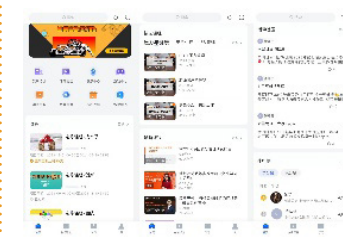
MIT Sloan Management Review

All managers across E Ink's sites can subscribe to this platform, which covers key topics in various fields, including information technology, artificial intelligence, innovation, leadership and management skills, marketing operations, and social responsibility. The aim is to foster internal discussions and introduce best practices from the innovative ideas in the publications to enhance organizational efficiency.

Duolingo

With gamified learning and a user-friendly interface, Duolingo attracts learners to easily master new languages. Its advanced algorithms provide personalized learning paths, ensuring employees can progress at their own pace and focus on improving weaker areas.

E Ink spares no effort in employee education and training, upholding the core competency culture of "continuous learning." Since 2021, the performance evaluation system has been linked with the training records on the E Ink University system, allowing supervisors and employees to directly view current and past training records. In addition to using course completion status, progress on the professional job map, and the number of certifications obtained as reference materials for performance evaluations, this system also helps supervisors identify employees' training needs to provide the necessary resources or assistance.

6-3-3 Performance Review and Development

E Ink conducts Performance Appraisal twice a year for all employees[Note] . 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.

Furthermore, E Ink employs a multimensional evaluation approach, considering factors such as training records, disciplinary records, and cross-departmental project collaboration. This comprehensive understanding of employee performance and capabilities ensures appropriate rewards and incentives. Performance results serve as the basis for promotions, training and development programs, and compensation design.

To encourage employees to achieve the corporate vision of "Sustainability and Profitability in Tandem," E Ink organized both in-person and online sustainability management courses in 2023. These courses aimed to familiarize employees with the company's policies and goals regarding environmental, social, and corporate governance, thereby enabling them to collectively pursue the company's sustainability objectives. The total training hours amounted to 6,552.9 hours. Additionally, E Ink held various selection activities, such as the "Outstanding Employee" and "Excellent Team" awards, using sustainability performance (including climate change and social inclusion), research and process innovation, and operational management optimization as evaluation criteria. These initiatives encourage employees to demonstrate the six core competencies of E Ink DNA, showcasing innovation and sustainability, and fostering collective growth.

Outstanding Employees
20 outstanding employees were publicly recognized at each quarterly employee meeting, with a total of NTD 100,000 awarded in bonuses in 2023.

Excellent Teams
16 excellent teams were publicly recognized at the annual party, with a total of NTD 1,230,000 awarded in bonuses. On behalf of the winning team from the US sites, team members from Taiwan sites received the award at the 2023 Annual Party.

Note: Performance evaluations cover all employees except those who joined E Ink within the past three months.

Method	Target Group	Frequency	Method of Evaluation
Objective and Key Results (OKR)	All Indirect Employees	Twice a Year	• In the middle and at the end of each year, E Ink hosts the Global Leadership Summit (GLS) to establish short-, medium-, and long-term company goals. After supervisors at various levels explain the Company's operational and departmental goals to employees, employees can set their personal goals, which must be approved by their supervisors. To enhance performance, supervisors and employees maintain irregular and regular (mid-term/end-of-term) performance reviews and feedback sessions to assess the achievement of various stages of goals, providing encouragement and assistance to ensure goals are effectively met.
Multi-dimensionall Performance Appraisal	All Employees	Regularly Updated	• Each employee's evaluation period includes training records, instructor certification records, outstanding employee records, and reward and disciplinary records.
Team-based Performance Appraisa	General Employees	Once a Year	• Departmental supervisors can award non-subordinate and non-supervisory colleagues involved in projects with the titles of Responsibility Star, Team Star, and Innovation Star, according to E Ink DNA. This public recognition fosters team collaboration and cohesion. • This system is assessed as part of a team performance appraisal rather than solely on an individual basis.
Agile Conversations	All Employees	Ongoing	• E Ink promotes open feedback, growth-focused, goal-oriented, trust-building, and timely communication to create a more proactive and One Team work environment, thereby enhancing team and individual performance.
Performance Appraisal by Ranking	All Employees	Twice a Year	• Indirect staff are ranked and rated based on goal achievement, multi-dimensional evaluation references, cross-departmental collaboration stars, and other indicators, with separate rankings for management and non-management roles. • The performance of direct staff, which is directly related to production capacity, is ranked and rated by supervisors based on their professional skills, work attitude, communication and collaboration, and job responsibility indicators.

6-4 Health and Safety at E Ink

E Ink upholds the core values of "Safety First, Environmental Protection Priority, Full Participation, and Sustainable Operation" by establishing a comprehensive " Safety, Health, Environment, and Energy Management." This policy aims to create a healthy, safe, and comfortable work environment for employees. By implementing the ISO 45001 Occupational Health and Safety Management System, E Ink focuses on safety as a priority, integrating safety protection, environmental improvement, and health care into three main aspects. The strategies include enhancing management empowerment through occupational safety systems, controlling risks to create a secure workplace, promoting a safety culture, and fostering a healthy and enjoyable work environment. These efforts aim to mitigate or reduce risks, prevent fatalities, decrease work-related injuries, ensure employee health, and continuously improve occupational health and safety (OHS) performance.

Safety, Health, Environment, and Energy Management

Safety First		
Safety Protection	Environmental Improvement	Health Care
Enhancing Management Empowerment through Occupational Safety Systems	Controlling Risks to Create a Secure Workplace / Promoting a Safety Culture	Fostering a Healthy and Enjoyable Work Environment

6-4-1 Enhancing Management Empowerment through Occupational Safety and Health Management

Occupational Safety and Health Management with Full Employee Participation

E Ink has not only implemented the ISO 45001 Occupational Health and Safety Management Standard to enhance occupational safety system governance but also has the occupational safety and health management under the supervision of the Board of Directors. At the operational level, the Company established an Occupational Safety and Health Committee, which holds regular quarterly meetings to report progress to top management, relevant responsible units, labor representatives, and the Board of Directors. This committee consists of supervisors and employee representatives from each site, with the site manager serving as the chairperson, responsible for regularly discussing matters related to occupational safety and health, such as education and training, work environment improvements, safety and health management performance, contractor management, and health promotion. Through the operation of the quarterly committee, management policies, regulatory compliance, and effectiveness are reviewed, striving to create a high-quality work environment where employees can work with peace of mind.
In 2023, E Ink's Taiwan and Yangzhou sites completed the ISO 45001 implementation and received external verification. The US sites is also in the planning stage for system implementation, which is expected to be completed by 2025, further advancing E Ink's occupational safety and health management practices.

Occupational Health and Safety Committee

Committee Chair (Site Director)

- Occupational safety and health staff
- Healthcare staff engaging in worker health services
- Unit supervisors
- Engineering staff relating to safety and health
- Labor representatives

For more information on the Occupational Health and Safety Management System certification, please refer to E Ink website.

2002 Hsinchu sites received OHSAA 18001 certification

2004 Yangzhou sites received OHSAA 18001 certification

2010 Hsinchu sites received TOSHMS certification

2016 Linkou sites received OHSAS 18001 certification

2017 Linkou sites received TOSHMS certification

2019 Hsinchu site spassed the occupational safety and health performance accreditation

2020 ISO 45001 version transition process/ verification

2023 Yangzhou sites received ISO 45001 certification

2025 US sites received ISO 45001 certification

Identify Create a "Job and Task Checklist" to identify physical, chemical, biological, and ergonomic hazard factors in the workplace.

Evaluate Evaluate the severity (S), probability of occurrence (P), and effectiveness of risk control (C) of identified hazards, and establish a "Hazard Identification and Risk Assessment Table."

Control Categorize risk scores into four to five levels, further distinguishing between acceptable and unacceptable risks. Prioritize improvements for significant unacceptable risks.

✓ Acceptable ! Unacceptable

6-4-2 Controlling Risks to Create a Secure Workplace

Hazard Identification and Risk Management

E Ink adheres to the ISO 45001 Occupational Health and Safety Management System, has established the "Hazard Identification, Risk Assessment, and Environmental Consideration Procedure." Centered around the Occupational Safety and Health Committee, each department, with clear responsibilities and authority, creates a "Job and Task Checklist" to identify potential hazard factors. Departments further identify possible hazard causes and consequences, assess risks based on the severity (S), probability of occurrence (P), and effectiveness of risk control (C) of potential hazard factors, and establish the "Hazard Identification and Risk Assessment Table." Risks are categorized into four to five levels based on the risk score and further divided into acceptable and unacceptable risks, prioritizing improvement efforts to eliminate hazards and minimize risks. Additionally, if workers encounter immediate danger during operations, they can decide to stop work or take necessary protective measures and evacuate the workplace without facing any adverse consequences.
In 2023, E Ink's Taiwan and Yangzhou sites conducted a total of 1,982 and 617 hazard identification and risk assessments, respectively. Among these, 500 and 67 items were identified as opportunities to reduce risk and improve occupational health and safety, with a total of six items classified as high risk and prioritized for improvement. No significant unacceptable risks were found. The primary hazard risks this year included mechanical entrapment injuries, inhalation of odors, chemical exposure, abnormal fires, and contact with extreme temperatures. These risks have been incorporated into daily management and document control. Additionally, based on risk assessments and stakeholder recommendations, 19 improvement opportunities were listed and included in the improvement management plan, achieving a 100% improvement rate in 2023.
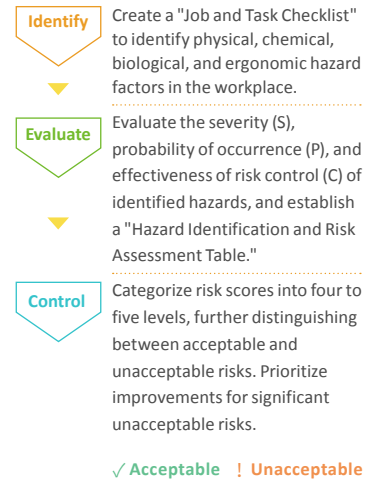
Occupational Health and Safety Improvement Projects

In 2023, based on the hazard identification and risk assessment process and stakeholder feedback, E Ink proposed and implemented 19 priority occupational health and safety improvement measures, achieving the target of a 100% completion rate. Highlights of these measures are as follows. Additionally, E Ink regularly enhances the safety of on-site equipment to improve workplace safety.

Category	Hazard and Risk Factors	2023 Improvement Measures	Site
Occupational Health and Safety Priority Improvement Measures	Fire and explosion risk	• The single-pipe supply system for silane (SiH 4) special gas has been in use for many years, so it has been upgraded to a double-pipe system to reduce the risk of pipeline leakage. • Introduced lower-risk DC brushless homogenizers, upgrading the safety equipment in R&D units to reduce the possibility of fire and explosion during material development caused by the use of multiple low-flash-point chemicals. • Chemicals used in production workshops and R&D laboratories are stored in anti-static, explosion-proof cabinets with dedicated personnel for management, reducing the risk of fire caused by static electricity.	Taiwan, Yangzhou
	Electric Shock and Fire Risks	• Due to the significant amount of electrical equipment brought in by external contractors, leakage detection boxes have been installed, modeled after those used by industry peers in the park, to manage contractors' electrical equipment. This enhances electrical safety management and prevents electric shocks and fire hazards.	
	Personnel Health	• Activated the health promotion software Walkii to increase employee participation and streamline subsequent operations. • Participation in the weight loss activity increased to 239 people, a 154% growth from last year's 94 participants. • The total number of steps accumulated in the walking activity increased by 125% compared to last year.	
On-Site Safety Improvements	Detection and Assessment of Organic Solvent Concentration in New Processes	• Used flame ionization detectors (FID) to monitor and evaluate the concentration of organic solvents in new processes. Based on the analysis results, local exhaust systems were improved, reducing the vapor concentration of organic solvents in the breathing zones of optical adhesive process operators from 1200 ppm to 40 ppm.	Taiwan
	Equipment Upgrades in Special Gas Rooms	• Installed new oxygen content detectors in the equipment rooms.	Yangzhou
	Fire Extinguisher Training	• Enhanced Fire Response Capabilities: Strengthened the ability to respond to fires.	US

Internal inspections

In addition, three internal inspections of the SHEE (Safety, Health, Environment, and Energy) Management System were conducted in 2023, identifying 24 deficiencies. All corrective actions were fully implemented by the end of the year.

All corrective actions were completed by the end of 2023.

100%

Personal Protective Equipment for Taiwan Sites Based on Process Exposure Risk Types

E Ink regularly monitors hazardous substances in the work environment as required by law and provides employees with appropriate personal protective equipment to ensure a comfortable and healthy working environment. The Taiwan sites pays special attention to tasks identified as special health hazards under the "Labor Health Protection Regulations," such as operations involving n-hexane, lead, and nickel. Employees undergo special health examinations as mandated, and special operations are managed according to the Company's employee health management guidelines. Additionally, occupational disease specialists provide professional improvement recommendations during their on-site service periods, addressing potential hazards in the work environment.

Furthermore, E Ink continues to prevent and promote awareness of special operation hazards. Online courses on special operation health advocacy are offered, allowing employees to flexibly schedule their learning. Through these courses, physicians provide clear and understandable explanations on how to prevent and avoid potential hazards in the workplace.

―――――――――――― Management Measures ――――――――――――

◈ **Risk Assessment:** Through ISO 45001 hazard identification and assessment, site risks have been identified. Specifically, at the Linkou sites in Taiwan, the material processing areas are classified as high-risk operations. These tasks include weighing and feeding powder materials, dispensing and feeding organic solvents, cleaning tasks, and operating centrifuges and ultrasonic baths, all of which pose health hazards related to dust, organic solvents, or noise.

◈ **Solutions:** Enhancing Personal Protective Equipment (PPE)

☑ **Selection of Protective Equipment:** Based on the characteristics of the operations, such as particle size of dust, types and properties of chemicals, and decibel levels, appropriate specifications for protective equipment are evaluated and selected. This includes filter masks' particle size and efficiency, suitability of gas filters, chemical-resistant goggles and gloves, and hearing protection with specific noise reduction values to ensure effective protection against exposure risks.

☑ **Wearing of Protective Equipment:** Due to the varying nature and exposure hazards of different process operations, the need for wearing PPE also varies accordingly. The Safety Department collaborates with the production units to define the types of PPE required for each process area. Basic equipment includes lab coats, goggles, gloves, masks, and safety shoes. Further considerations are made based on the type of exposure risk, such as requiring gas masks (with filters) in areas handling organic solvents and powders, and earplugs or earmuffs in areas with noise exposure.

☑ **Management of Protective Equipment:** Regular cleaning and replacement of gas filters are conducted monthly, along with visual inspections to identify and promptly replace any damaged or deteriorated items, ensuring the functionality of personal protective equipment.
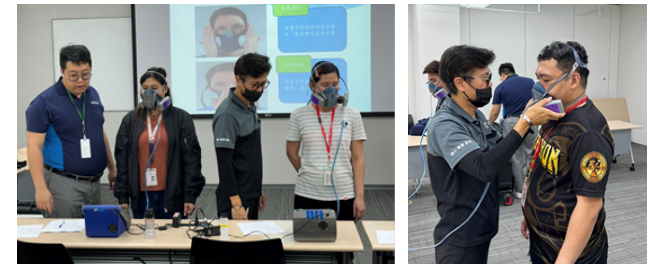
Risk Assessment Process for the Introduction of New Processes, Machines, and Equipment
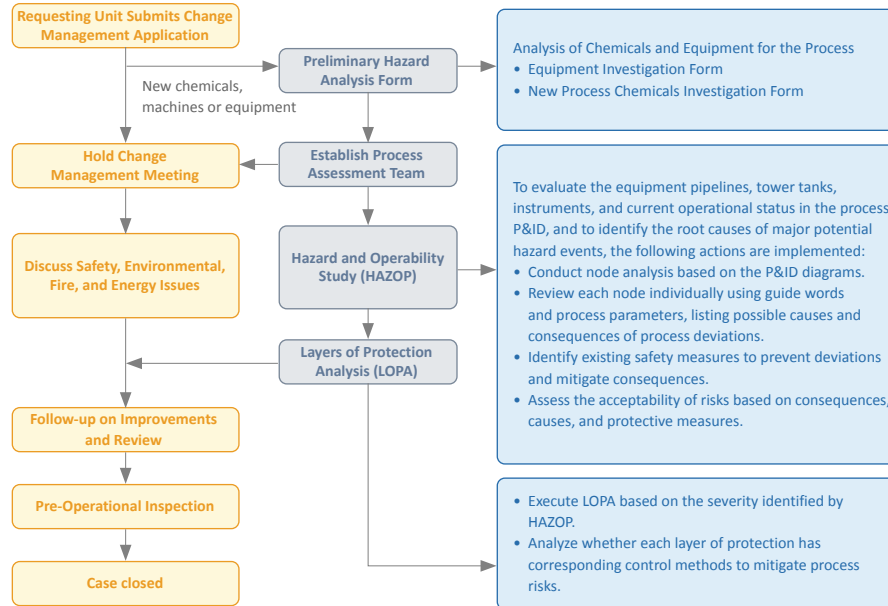
Background

In response to the future demand for ePaper film (Front Plane Laminate, FPL) production capacity, a new FPL line expansion has been planned at the Hsinchu sites. This includes introducing the FPL process from the Linkou sites, covering material production, FPL coating, lamination, cutting, and packaging processes. The expansion of the new FPL line involves significant changes for the Hsinchu sites, including space planning, procurement of new machinery and equipment for each process, trial production, the start of mass production, and waste output. These changes differ substantially from the existing processes and types of machinery. In compliance with occupational safety and health regulations and ISO 45001 requirements, environmental, health, and safety change management will be implemented. Risk assessments will be conducted to confirm regulatory compliance and the safety levels of machinery, equipment, and processes, enhancing the intrinsic safety of machinery and equipment and reducing operational risks.

Risk Assessment Process

- Adopting the concept of source management, E Ink begin hazard identification, risk assessment, and risk mitigation strategies from the design and manufacturing stages of machinery and equipment.
- E Ink have introduced the consulting expertise and assessment methods from the Safety and Health Center Foundation, including Hazard and Operability Study (HAZOP) and Layer of Protection Analysis (LOPA). These methods assist in change management during the expansion of the new FPL line at the Hsinchu sites. By analyzing the frequency of deviation events, E Ink can qualitatively or semi-quantitatively present the level of process risk and determine the final risk grade using a risk matrix. This approach effectively reduces the risk of fire and explosion during uncontrolled process reactions.

2023 Achievements

In 2023, the Process Safety Assessment Team at the Hsinchu sites evaluated the risks of specific process equipment areas. Improvements have been completed for all four identified high-risk points.

Risk Assessment Process for the Introduction of New Processes, Machines, and Equipment

Requesting Unit Submits Change Management Application

→ New chemicals, machines or equipment →

Preliminary Hazard Analysis Form

Analysis of Chemicals and Equipment for the Process
- Equipment Investigation Form
- New Process Chemicals Investigation Form

Hold Change Management Meeting

Establish Process Assessment Team

Discuss Safety, Environmental, Fire, and Energy Issues

Hazard and Operability Study (HAZOP)

To evaluate the equipment pipelines, tower tanks, instruments, and current operational status in the process P&ID, and to identify the root causes of major potential hazard events, the following actions are implemented:
- Conduct node analysis based on the P&ID diagrams.
- Review each node individually using guide words and process parameters, listing possible causes and consequences of process deviations.
- Identify existing safety measures to prevent deviations and mitigate consequences.
- Assess the acceptability of risks based on consequences, causes, and protective measures.

Follow-up on Improvements and Review

Layers of Protection Analysis (LOPA)

Pre-Operational Inspection

- Execute LOPA based on the severity identified by HAZOP.
- Analyze whether each layer of protection has corresponding control methods to mitigate process risks.

Case closed

Emergency Incident Handling Procedures and Safety Drills

E Ink has established a comprehensive emergency response procedure, strictly adhering to regulations and relevant requirements, and conducts multiple safety drills annually. These drills aim to familiarize all personnel with emergency notification, response handling, and evacuation procedures, thereby effectively reducing the impact during actual incidents. In 2023, E Ink conducted 55 safety drills at its sites in Taiwan, Yangzhou, and the US, further enhancing the Company's safety management execution and employees' emergency response capabilities.

Item	Taiwan	Yangzhou	US
Personnel Evacuation Drill	10	7	3
Fire Emergency Response and Fire Extinguisher Drill	12	5	3
Toxic Gas/Chemical/Gas Leak Emergency Response Drill	10	4	1
Total	32	16	7

2023 Emergency Response Training at the Linkou Sites in Taiwan

Situation	Action	Content
Before Emergency Response Drills	Personnel work allocation	• Discuss and communicate with on-site personnel about workforce allocation, reasonably assigning roles for command, reporting, emergency response, safety protection, evacuation guidance, and first aid. Use a realistic script to simulate the situation of an actual accident. • Command personnel will be production engineers from the site, and operators will undertake firefighting duties. In the event of a failure in localized response, a plant-wide response will be initiated. • The evacuation guidance team will lead colleagues to the evacuation assembly point for roll call, while other teams will gather at designated areas to receive task assignments.
During Emergency Response Drills	Personnel familiarization with accident response procedures	• Safety Protection Team: Clearly understand the task details, complete them quickly, and report back. • Reporting Team: Clearly understand the reporting content, complete it quickly, and report back. • First Aid Team: Accurately handle the situation based on the patient's condition. • Firefighting Team: Understand the location of Self-Contained Breathing Apparatus (SCBA) and firefighting gear, and provide clear situation reports during rescue operations in the disaster area. However, improvements are needed in some areas, including ensuring dressing occurs in safe zones, improving dressing speed, and correcting errors in hose installation.
After Emergency Response Drills	Review of audit deficiencies	• The post-drill review meeting will focus on addressing the key audit deficiencies highlighted during the exercise.

Drill Explanation

Situation Reporting

Evacuation

Emergency Response Team Assembly and Task Assignment

First Aid Team

Review

Chemical Management

With the rapid advancements in product manufacturing processes, the types and quantities of chemicals used have significantly increased. To reduce the exposure risk for workers, E Ink has established the "Chemical Management Procedures" and "Hazardous Chemical Labeling and General Knowledge Rules" following the Hazardous Chemical Assessment and Classification Management Regulations. These measures include document collection and review, hazard assessment and classification management, education, training, and drills, which regulate the application, procurement, transportation, storage, handling, and usage of various chemicals within the facility, ensuring chemical safety and worker health.

Item	Explanation
Document Collection and Review	E Ink has established a hazardous chemical inventory, a classification management system, and a safety data sheet collection process to facilitate the control and assessment of both existing and new chemicals within the facility.
Hazard Assessment and Classification Management	All chemicals entering the facility must pass the Environmental, Safety, Health, and Energy Management of Change (MOC) review. Through the safety data sheets (SDS) of the chemicals, it is determined whether they are hazardous substances listed in the General Hazard Communication Rules, or toxic substances under the Toxic and Concerned Chemical Substances Control Act. The safety department reviews the properties and hazards of these chemicals to facilitate subsequent classification management. Additionally, to strengthen source management of chemicals, new product processes and equipment undergo environmental and health risk assessments to ensure the safety of the production process and use. In 2023, E Ink's Taiwan sites managed a total of 144 chemicals, including toxic and concerned substances such as chlorine (Cl_2), phosphine (PH_3), ethylene glycol methyl ether ($C_3H_8O_2$), butyl acrylate ($C_7H_{12}O_2$), vinyl acetate ($C_4H_6O_2$), and nitrous oxide (N_2O). All chemicals have been classified and labeled for hazards, with regular safety and health inspections conducted to ensure workplace safety. There were no false alarm incidents caused by the use of new chemicals in 2023. To continually reduce the risk of chemical usage, E Ink strives to minimize the use of highly hazardous chemicals, and chemicals rated as risk level four will be gradually phased out or replaced.
Education, Training, and Drills	Regularly conduct education and training to enhance awareness of chemical hazards and preventive measures. Additionally, through emergency response drills, personnel can practice assessing risk levels and taking appropriate actions in chemical disaster scenarios.

Chemical Risk Control in Taiwan

Risk Level One	Risk Level Two	Risk Level Three	Risk Level Four

Low Risk ←·······································→ **High Risk**

• Maintain existing control or management measures • Conduct routine assessments	• Implement inspections and take necessary corrective actions • Provide personal protective equipment • Continue routine assessments	• Implement effective control measures immediately to reduce exposure • Reassess after improvements are made • Provide personal protective equipment • Continue routine assessments	

Occupational Safety and Health Performance Indicators

E Ink's Taiwan sites have joined the "Zero Accident Hours Record"Note challenge to demonstrate the Company's commitment to reducing accidents. In 2023, E Ink did not experience any major occupational injuries. Additionally, there were no recorded work injuries among other workers, such as contractors and interns, during this period. In 2023, the employee disabling injury frequency rate (FR) for Taiwan, Yangzhou, and US sites was 1.18, and the disabling injury severity rate (SR) was 32. For Taiwan alone, the FR was 0.75 and the SR was 3, both of which are below the Taiwan industry averages of 0.85 (FR) and 23 (SR). Contractors maintained a zero accident record for both FR and SR. To continually reduce potential risks in the work environment, E Ink will continue to plan and implement improvement measures and graded controls, ensuring employee safety and striving towards the goal of zero accidents.

Note: If an enterprise unit experiences occupational injury losses exceeding one day, or if a major accident occurs as defined by the Ministry of Labor's Major Accident Reporting and Inspection Guidelines, the zero accident hours record will reset and be recalculated. Additionally, the zero accident hours record does not include traffic accidents outside the plant involving employees.

Linkou	Accumulated Zero Accident Hours Record	**Hsinchu**
492,450 hours		**1,278,824** hours
2023.04 - 2023.12		2023.05 - 2023.12

1.18 FR	**32** SR
FR = (Number of disabling injuries / Total actual working hours) * 1,000,000 hours	SR = (Lost days due to disabling injuries / Total actual working hours) * 1,000,000 hours
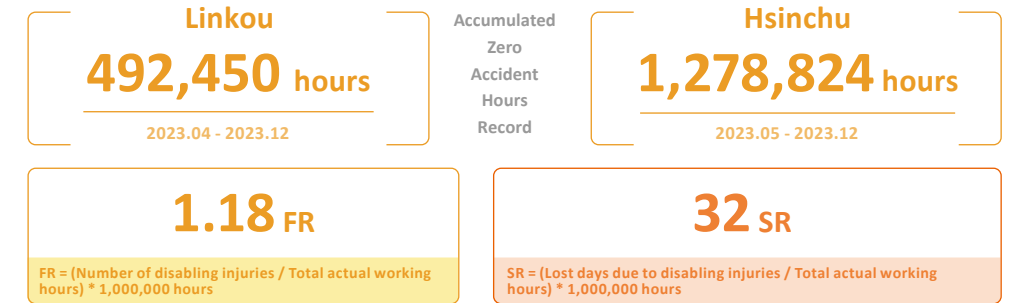
Analysis of the Causes of Employee Work Injuries and Disabling Injuries

Location of Incident	Major Types of Work Injuries		Improvement Measures
Inside the sites	Falls and Rolling	2 cases	• Increase anti-slip measures on stairs • Enhance personnel awareness and provide education and training • Improve the safety of machinery and equipment, strengthen protective measures, and post warning signs to refine operational processes • Add collision protection to equipment support frames
	Crushing Injuries	1 case	
	Outdoor Falls	1 case	
	Improper Movements	1 case	
	Collision Injuries	2 cases	
Outside the sites	Traffic Injuries	20 cases	• Enhance personnel awareness and provide education and training • Promptly issue safety advisories for travel during adverse weather conditions • Enroll all employees involved in traffic accidents in refresher courses for motorcycle safety driving

6-4-3 Promoting a Safety Culture

Enhancing Workers' Occupational Safety and Health Knowledge

E Ink actively integrates occupational safety and health (OSH) courses into the training and general education of new employees. These courses aim to provide essential safety and health education and training for employees engaged in various tasks. They help cultivate a safety culture awareness among employees, enhance their understanding and skills in workplace safety, and effectively reduce unsafe behaviors and the incidence of accidents. Given the increase in the number of foreign employees after the expansion, E Ink uses videos provided by the Occupational Safety and Health Administration (OSHA) and conducts safety and health training in the employees' native languages to enhance training effectiveness. Additionally, safety and health posters in English or Indonesian have been posted at relevant operational sites to further ensure effective communication of information.

In 2023, E Ink trained a total of 7,803 participants. This included e-Learning online courses, allowing employees to schedule their training more flexibly without being restricted to the timing of physical classes. This training mode not only improves accessibility and flexibility but also enables employees to undertake safety and health education according to their work schedules and learning paces, further consolidating the establishment and promotion of the Company's safety culture.

Employees	A total of **5,794** participants attended, with an in-service training and pass rate of **100%**.	• New Employees: Occupational safety and health education and training (including general hazard communication) • General Employees: Safety and health refresher training, CPR/AED training and traffic safety lectures, environmental safety and health general courses, fire safety • Environmental Safety Officers: On-site command and supervision safety training, safety manager training/contractor management training, occupational health professional training • Special Operations Personnel: Professional operation training • Supervisors: Safety and health education training, basic supervisor safety management laws and regulations training
Environmental Safety Officers	A total of **458** participants attended, with a completion rate of **100%**.	• ISO 14001/45001 Clauses and Internal Audit Education and Training • Environmental Factor Identification and Hazard Source Identification and Prevention Education and Training
Contractors/ Engineering Personnel	A total of **1,551** participants attended, with a completion rate of **100%**.	• Contractor Entry Management (e-Learning) • Electrical Safety (e-Learning) • Contractor Management Manual Compliance Training • Electrical Safety Education and Training • Fire Safety and Fire Extinguisher Use Education and Training

Enhance Contractor Operation Management

E Ink places great importance on the safety management of contractor operations. Upon entry to the facility, contractors receive education and training. In 2023, E Ink's Taiwan sites conducted 153 pre-construction safety training sessions for 157 contractors, training a total of 1,394 individuals, achieving a 100% training rate.

Contractor training   Supervisor training

6-4-4 Creating a Healthy and Happy Workplace

E Ink is committed to creating a dignified, friendly, healthy, and happy workplace, demonstrating care for employees' physical and mental health through concrete actions. E Ink adopts the "Three-Phase Five-Level Prevention Concept" and continuously improves its implementation model. Additionally, the company has established regular health examination and health promotion activity plans to provide comprehensive care and support for employees. In the face of societal trends of declining birth rates and an aging population, addressing labor shortages and maintaining sustainable operations have become crucial issues for businesses. Building a competitive labor environment to attract young talent and retain experienced employees has become an important investment direction.

Healthy Workplace Certification Mark

National Workplace Safety and Health Week Participation Certificate

Comprehensive Health Management Plan

To ensure the overall health of E Ink's employees, the Company has established a comprehensive medical examination management system and subsidizes health examination for employees. In addition to enhancing the benefits of advanced health examination for employees at the deputy director level and above, the Company plans check-up items based on job characteristics and individual needs. Furthermore, E Ink conducts workplace monitoring every six months. For job categories that pose special health hazards (such as noise, lead operations, dust, etc.), employees are scheduled for relevant physical examinations and regular health examination, achieving a 100% rate of participation. Additionally, the Company promotes on-site physician services and various health-related measures, such as cardiovascular risk management, maternal health protection, potential work injury prevention, regular screening activities, and tobacco hazard prevention for a smoke-free workplace, to comprehensively safeguard the safety and health of employees.

All Employees Health check-up every two years

99.6%
Participation Rate

Deputy Director Level and Above Advanced health check-up every year

95%
Participation Rate

Measures	Achievements in 2023
Cardiovascular Risk Management	• Identified 8 high-risk employees and arranged health guidance and regular follow-up. • Installed blood pressure monitors in all offices and encouraged employees to check their blood pressure daily. • Installed AEDs in the facility and obtained Safe Place Certification, and conducted CPR and AED training sessions every six months to enhance employee emergency response capabilities.
Maternal Health Protection	• Arranged for physicians to provide health care guidance for pregnant or postpartum female employees. • Set up a dedicated lactation room, provided sanitizing and cleaning tools, and designated parking spaces for pregnant or breastfeeding female employees. • Prohibited pregnant or breastfeeding female employees from engaging in hazardous or dangerous work.
Potential Work Injury Prevention	• Introduced electric pallet trucks and ergonomic chairs to prevent and improve musculoskeletal work injuries, thereby enhancing the work environment for employees. • Organized health seminars to reduce musculoskeletal issues among employees. • Health maintenance for middle-aged and older employees: fully subsidized annual health examination for employees aged 45 and above, including additional abdominal ultrasound and cancer screening items. • Prioritized the replacement of 24-inch computer monitors for employees aged 45 and above to protect their vision.
Regular Screening Activities	• Conducted screenings for the four major cancers, low-dose lung CT scans, coronary artery CT scans, women's health screenings, and prostate ultrasounds for men.
Tobacco Hazard Prevention and Smoke-Free Workplace	• Enforced a complete smoking ban in indoor Company premises, established outdoor smoking areas, posted no-smoking signs and anti-smoking posters, and organized smoking cessation lectures with incentives.

On-Site Physician Services and Consultations   CPR and AED Training

Special Health Hazard Operations Seminar: Noise Operations and Safety Guidelines for Common Chemicals

"Eating for Health": Nutritionist guides you through understanding your health Check-Up report

Graded Management for Employee Health

E Ink has specially designed a health guidance manual and established a graded management standard. Employees' health check-up results are categorized into four levels, with level four indicating high risk. Employees at this level should consult an occupational physician to determine if follow-up visits are needed. For employees diagnosed with diseases, their treatment status is regularly monitored; those who only need observation or supervision are continuously tracked for improvements. Specialized health check-up for specific operations are managed by occupational medicine specialists, who provide personalized health education guidance. For foreign employees, multi-language health education materials are provided, offering clear and understandable information. Additionally, translation assistance is available during on-site services or health promotion activities. The ultimate goal is to enhance overall employee health and continuously improve the work environment.

Health Grading	Management Approach
Levels 1 to 3	Provide appropriate health education and guidance
Level 4	Consult with an occupational physician to determine if follow-up visits are needed

Health Promotion Activities

"Health for Everyone: Creating New Vitality Together" Series

E Ink is dedicated to safeguarding the physical and mental health of its employees by hiring professional medical staff and providing designated occupational health physicians annually. These professionals offer a wide range of services, including health management, occupational disease prevention, workplace environment assessment, and recommendations for job placement adjustments. Based on employee health examination data, E Ink identified the top three health abnormalities as Body Mass Index (BMI), cholesterol, and waistline. The abnormal BMI rate was as high as 62%, exceeding the national average of 50.3%. Obesity not only increases mortality rates but also elevates the risk of hypertension, diabetes, and cardiovascular diseases. Therefore, in 2023, E Ink launched the "Health for Everyone: Creating New Vitality Together" series with four main themes: Inker Enjoys Slimming, Inker Gains Knowledge, Inker Loves Exercise, and Inker Loves the Earth. With weight loss as the primary goal, these activities aim to help employees improve their health and reduce associated risks.

Themes	Description	Achievements in 2023
Inker: Enjoy Slimming	Encourage employees to upload exercise photos to create a mutually motivating environment.	• A total of 239 participants. • Total weight loss amounted to 97 kilograms.
Inker: Learn Knowledge	Invite nutritionists and fitness experts to share insights on balanced diet, nutrition, exercise, and health through five different sessions, and provide individual consultation services.	• A total of 247 participants.
Inker: Love Exercise	Use interactive fitness games to encourage employees to increase physical activity during breaks, with daily fitness challenges tracked via an app.	• A total of 239 participants. • Total calories burned: 112,467 kcal.
Inker: Love the Earth	Promote outdoor walking by integrating fun competitions through an app.	• A total of 239 participants. • Total steps taken equated to a reduction of 1,467 kilograms of carbon emissions.

Inker Gains Knowledge - Nutritionist Lecture Series

Inker Loves Exercise - Online Fitness Challenge

職場心健康 . EAP@E Ink

In addition to caring for employees' health, E Ink also prioritizes their mental well-being. In 2023, E Ink centered its efforts around the theme "Workplace Mental Health, EAP@E Ink," employing strategies such as a two-way assistance mechanism, linking internal and external resources, and utilizing digital tools. Regular stress relief seminars were held, psychological health assessments using workload scales were conducted, and free consultation services were provided. Employees could also be referred to the Employee Assistance Program (EAP) to address their psychological challenges. This comprehensive support system aims to create a well-rounded healthy workplace.

Two-Way Assistance Mechanism	E Ink collaborates with external professional organizations to employ experienced case managers who not only provide regular follow-up through phone calls, messaging apps, and emails after receiving employee inquiries, but also actively arrange appropriate resources to help employees address issues promptly, ensuring they can work with peace of mind. Additionally, this program offers multilingual consultation services in both Chinese and English to cater to the needs of all employees.
Linking Internal and External Resources	E Ink leverages its existing occupational health, employee communication, and care mechanisms to assist employees facing physical, health, life stage changes, or internal grievance incidents by referring them to internal and external resources. This enhances employees' sense of security in the workplace.
Utilizing Digital Tools	E Ink effectively communicates the Employee Assistance Program (EAP) information to relevant employees through diverse promotional media and communication channels. This includes the use of innovative technologies such as ePaper signage, as well as providing online courses, allowing employees to access information about health, psychological counseling, and workplace safety anytime and anywhere. Additionally, employees can choose the most suitable consultation method via various communication channels such as phone, email, and Line, ensuring privacy, convenience, greater flexibility, and peace of mind.

## Creating a Friendly, Energy-Saving, and Sustainable Work Place

E Ink is committed to creating a top-quality work place that is friendly, environmentally sustainable, and energy-efficient. In 2023, in addition to continuing to recycle production line experimental materials within the facility, promoting a paperless employee dining system, and providing diverse meal options, E Ink also launched the "Using Reusable Tableware" and "Facilities Renovation t Project" projects. These initiatives encourage employees to practice green living and enhance workplace comfort.

Using Reusable Tableware Project

Since 2022, each E Ink employee has received a set of a reusable mug and utensils from the E Ink Employee Welfare Committee. This initiative aimed to encourage employees to protect the environment by reducing the use of disposable tableware. From August 1, 2022, to July 31, 2023, this project reduced the use of approximately 45, 000 disposable coffee cups and 300, 000 pairs of disposable chopsticks.

Facilities Renovation t Project

To enhance the quality of work place for employees, a facilities renovation project was undertaken in 2023, scheduled for completion between the end of 2023 and early 2024. This project aims to create minimalist, eco-friendly, five-star restrooms for employees
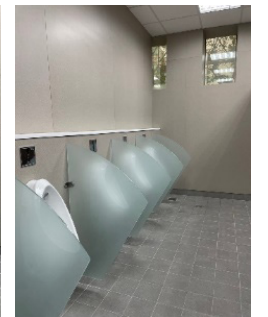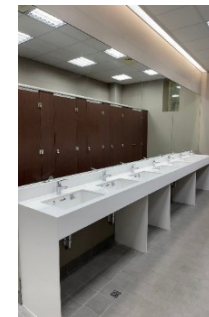
07 Social Engagement

Local Engagement Aligned with Core Business

Performance Achievements

The core of social engagement projects encompasses 3 major categories, including **charitable donations** , **community investments** , and **commercial initiatives** . E Ink invested approximately NT$ **37.38** **million** to social engagement projects.

In 2017, E Ink initiated "eRead for the Future" project, establishing digital mobile libraries for schoolchildren. E Ink donated a total of

4,061 eReaders

370,720 e-books

with a total value of

NT$ **226.14** million

In 2023, E Ink collaborated with **21 ecosystem partners** in the ePaper industry to support

39 elementary schools

10 libraries

15,000 students

contributing a total value of

NT$ **29.11** million

Yangzhou site has been participating in the "Maitian Project" for **12 consecutive years**, donating resources to schools in remote areas.

E Ink have donated over

NT$ **4.73** million, (RMB 1.07 million)

benefiting a total of **20 rural schools**

In 2023, E Ink initiated the "Environmental Protection Festival" series of activities, hosting **39** events including environmental lectures, volunteer services, and green living practices, with over **200** participants

In 2023, E Ink's global volunteer hours reached **1,732** hours a **202** % increase from 2022.

7-0 Management Approach of Sustainable Topics

Engagement and Community Involvement　◎Secondary topics

Investing in Education and Cultural Diversity

Sustainability KPIs	Management Objectives	Short-term Goals (2023)	Result (2023)	Short-term Goals (2024)	Mid-term Goals (2025)	Long-term Goals (2030)
Educational Collaboration	Educational collaboration - "eRead for the Future" eReader mobile library project	Donating to eReader to elementary schools in a new city/ county	Surpass by donating to elementary schools and **10** public libraries in Keelung City	Donating to eReader to elementary schools in a new county/ city	• Promoting project to 9 city/ county • Promoting digital reading curriculum	Promoting project to **13** city/ county

Engagement and Community　◎Secondary topics

Supporting the Disadvantaged & Charity Activities

Sustainability KPIs	Management Objectives	Short-term Goals (2023)	Result (2023)	Short-term Goals (2024)	Mid-term Goals (2025)	Long-term Goals (2030)
Philanthropic Initiatives	Engagement in social charity initiatives	Organizing diverse volunteer activities	Achieved, **37** charity events	Organizing volunteer activities	Regularly organize volunteer activities related to social charity on a quarterly basis	Actively participate in social charity activities and expand positive impact
		300 participants	Surpass by over **500** participants	**400** participants		

Biodiversity　◎Secondary topics

Caring for Ecological Restoration & Friendly Environments

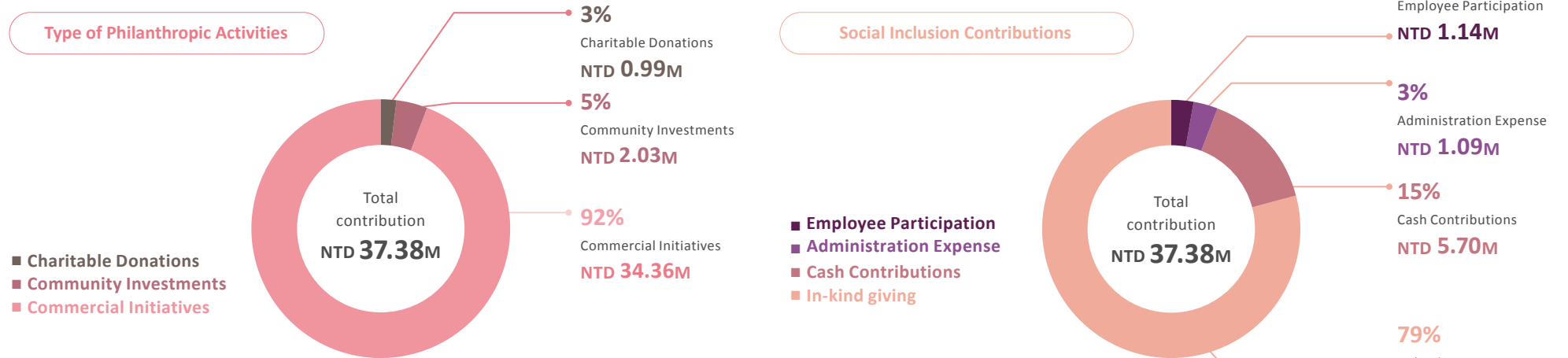| Sustainability KPIs	Management Objectives	Short-term Goals (2023)	Result (2023)	Short-term Goals (2024)	Mid-term Goals (2025)	Long-term Goals (2030)
Environmental conservation	Promoting environmental conservation	Promote **1** biodiversity collaboration project	Achieved	Continue and deepen its existing biodiversity cooperation projects.	Promote **2** biodiversity collaboration projects.	Promote **3** biodiversity collaboration projects.
		Sign the Non-Deforestation Commitment and sponsor the Dark Sky Association forum to contribute to environmental sustainability	Achieved		Total calories burned: 112,467 kcal.	

7-1 Concepts of Social Engagement

"Integrating Core Business with Local Care" is E Ink's vision for social inclusion. Through environmentally and visually friendly ePaper display products, the Company connects resources from itself and its ecosystem partners to give back to society. Aligning with the United Nations Sustainable Development Goals (SDGs), E Ink focuses on three strategies: Educational and Cultural Initiatives, Philanthropic Initiatives, and Environmental Conservation to deliver diverse action plans. E Ink continually invests in digital reading initiatives, bridging educational gaps, and supporting local communities through social inclusion programs. In 2023, E Ink launched its first ecological restoration and environmentally friendly initiatives to promote environmental sustainability. Furthermore, E Ink believes that encouraging employees to participate in social inclusion projects and leveraging internal and external resources to give back to society will advance social inclusion and sustainable development, fulfilling corporate social responsibility and contributing to a better world.

Goals	Actions Plans	Categories	Actions in 2023	SUSTAINABLE DEVELOPMENT GOALS
Educational and Cultural Initiatives: Promoting education accessibility and conveying cultural values	Continues to promote the use of ePaper products in educational and cultural settings, enhancing digital literacy, bridging educational resource gaps, and advocating for visually friendly displays.	Commercial Initiatives	• eRead For the Future • Sponsored Kaohsiung Museum of Fine Arts	3 GOOD HEALTH AND WELL-BEING / 4 QUALITY EDUCATION / 17 PARTNERSHIPS FOR THE GOALS
Philanthropic Initiatives: Caring for underserved groups and supporting charitable activities	Leveraging corporate resources to enhance employee engagement in social charity actions, support local communities, and care for underserved groups.	Charitable Donations	• The Home of Dumbo • Maitian Project	3 GOOD HEALTH AND WELL-BEING / 4 QUALITY EDUCATION / 11 SUSTAINABLE CITIES AND COMMUNITIES
Environmental Conservation: Restoring ecological environments and promoting eco-friendly practices	Utilizing core ePaper technology to promote a low-carbon, eco-friendly environment, thereby preserving biodiversity.	Community Investments	• Sponsored Taiwan Environmental Information Association (TEIA) to restore Environment Trust habitats and International Dark-Sky Association (IDA) • Environmental Protection Festival • Supported Wild Bird Society of Hsinchu with annual birdwatching event	13 CLIMATE ACTION / 15 LIFE ON LAND

Corporate Citizenship & Philanthropy Contributions in 2023

Type of Philanthropic Activities

■ Charitable Donations
■ Community Investments
■ Commercial Initiatives

Total contribution
NTD 37.38M

3%
Charitable Donations
NTD **0.99M**

5%
Community Investments
NTD **2.03M**

92%
Commercial Initiatives
NTD **34.36M**

Social Inclusion Contributions

■ **Employee Participation**
■ **Administration Expense**
■ **Cash Contributions**
■ **In-kind giving**

Total contribution
NTD 37.38M

3%
Employee Participation
NTD **1.14M**

3%
Administration Expense
NTD **1.09M**

15%
Cash Contributions
NTD **5.70M**

79%
In-kind giving
NTD **29.45M**

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.

Volunteer Leave

To encourage employees to participate in volunteer services, since 2017, every employee can apply for 8 hours of paid volunteer leave annually. In 2023, a total of 122 employees applied for 636 hours of paid volunteer leave. These employees primarily participated in the "eRead for the Future" volunteer program and Nature Valley ecological education activities. In addition to paid volunteer leave, employees worldwide voluntarily contributed 1,732 hours of volunteer service in 2023, including the 636 hours of paid volunteer leave. This is a 202% increase from the 856 voluntary hours recorded in 2022. E Ink will continue to promote measures related to volunteer leave, hoping that in the future, employees can utilize this leave to engage in public welfare activities and contribute more diverse social services.

Note: Hours of Voluntary Participation = Hours of Paid Volunteer Leave + Hours of Employees Voluntarily Engaged in Volunteer Service during Non-Working Hours

Inkers' Love, The Volunteer Community

Inkers' Love, the volunteer community, organized a variety of activities inviting employees to participate. These activities range from the Man Fair charity sale, Shoes for Life, and blood drives, to the "eRead for the Future" volunteer program and the Stray Animals Food Aid initiative. These initiatives engage employees who care about different social issues, encouraging them to participate in community service. The process brings positivity, hope, and a sense of self-worth, working together to build a mutually supportive and harmonious community.

Activities	Meaning of Actions	Achievements
Second-Hand Goods Donation and Charity Sale	Employees were encouraged to donate unused but intact stationery and daily necessities to the "Man Fair's Shelter Workshop" for resale, thereby creating stable employment opportunities for individuals with special needs.	A total of 272 items were collected and donated to the Man Fair's Shelter Workshop.
Donation of Chinese Stir-Fried Noodle Gift Boxes to Heart-Building Home	Donated holiday gift boxes to the "Chuhsin Comprehensive Human Life Education and Care Association," providing care and support to local underserved groups.	Festive gifts were provided to families with special needs, with a total donation of 24 boxes of Chinese noodle gift sets.
Food donations for stray animals	Under the initiative "Love Animals, Cherish Life," a dog food donation drive was launched. With the assistance of the "Taiwan Animal Ark Association," the dog food was swiftly delivered to "Xingwu Kuan′s Dog Park" and "Xingwu Treasure Heart Garden" during their critical time of need.	A total of 280 bags of dog food (worth NTD 140,000) were collected and donated to the Taiwan Noah's Ark Association for Animals.
Shoes for Life	Employees were invited to gather children's shoes, old clothes, old shoes, and school bags from their homes. Experienced volunteers led the collection, sorting, and packing of suitable items, which were then personally delivered by the volunteers to the "Step 30" Bethlehem Warehouse.	A total of 869 items were collected, bringing change to rural areas in East Africa through small actions.
Old Goods Second-Hand Market Charity Sale x Man Fair Shelter Workshop	Volunteers collected second-hand stationery, small appliances, and daily necessities for a charity sale at the second-hand market, demonstrating the action of resource recycling and reusing. All proceeds from the sale were donated to the Man Fair Shelter Workshop.	A cumulative total of 300 items were collected, and the proceeds from the charity sale, amounting to NTD 12,000, were entirely donated to Man Fair's Shelter Workshop.
31st Anniversary - Blood Donation Campaign	During E Ink's 31st anniversary, the health office, Inkers' Love , and welfare committee jointly launched the "Donate a Bag of Blood ", a blood drives campaign. This action was a way to give back to society, serving as the best celebration of the anniversary.	A total of 150 supervisors and colleagues enthusiastically participated, surpassing the Hsinchu Blood Donation Center's target by more than 60%, collecting 130 bags of blood and setting a record for E Ink's blood drives campaign.
Second-Hand Book Donation for Man Fair Charity Sale	The "Man Fair Shelter Workshop" was invited to set up a stall at the E Ink Green Living Festival, selling their products and second-hand books donated by employees. This initiative supported the employment of people with disabilities, and all funds raised were donated to support the employment of people with special needs and the operation of the foundation.	A total of 550 second-hand books were collected, raising NTD 17, 000 from the second-hand book sale. Additionally, the Man Fair's charity sale raised NTD 75,000, totaling NTD 92,000 in revenue for the event.

7-2 Educational and Cultural Initiatives

eRead For the Future" eReader Mobile Library Project

Background of Project	Purpose	SUSTAINABLE DEVELOPMENT GOALS

Since 2022, the Ministry of Education has been promoting "The Internet Access for All Classrooms and Tablets for All Students" initiative, officially ushering in the era of digital learning in education. Professor Ming-Lei Chen, Director of the Reading Research Center under Professor Hwa-Wei Ko, stated, "The goal of dual literacy is to enable students to acquire the ability to self-learn new knowledge," thereby enhancing students' cognitive, language, comprehension, reasoning, and other abilities. However, during the digital learning process, students can easily be distracted by the real-time information, multimedia, and games on computers and tablets. Additionally, prolonged use of consumer electronics can negatively impact their eyes. Given that digital learning is an inevitable trend, it is critical to cultivate students' ability to enhance their reading capacity and literacy through digital reading devices that do not harm their eyes. E Ink believes that eReaders that are blue-light free, energy efficient and provide a comfortable, eye-friendly reading experience are the best solution for improving digital reading skills while maintaining eye health.

- Leveraging the unique features of ePaper[Note], eReader is high-quality digital reading devices, that offer students a focused and comfortable reading experience while being gentle on the eyes.
- By integrating the business strategy of the ePaper 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.

Note: For details on the characteristics of ePaper, please refer to Chapter 3.

SDG 3
Good Health
and Well-Being

SDG 4
Quality
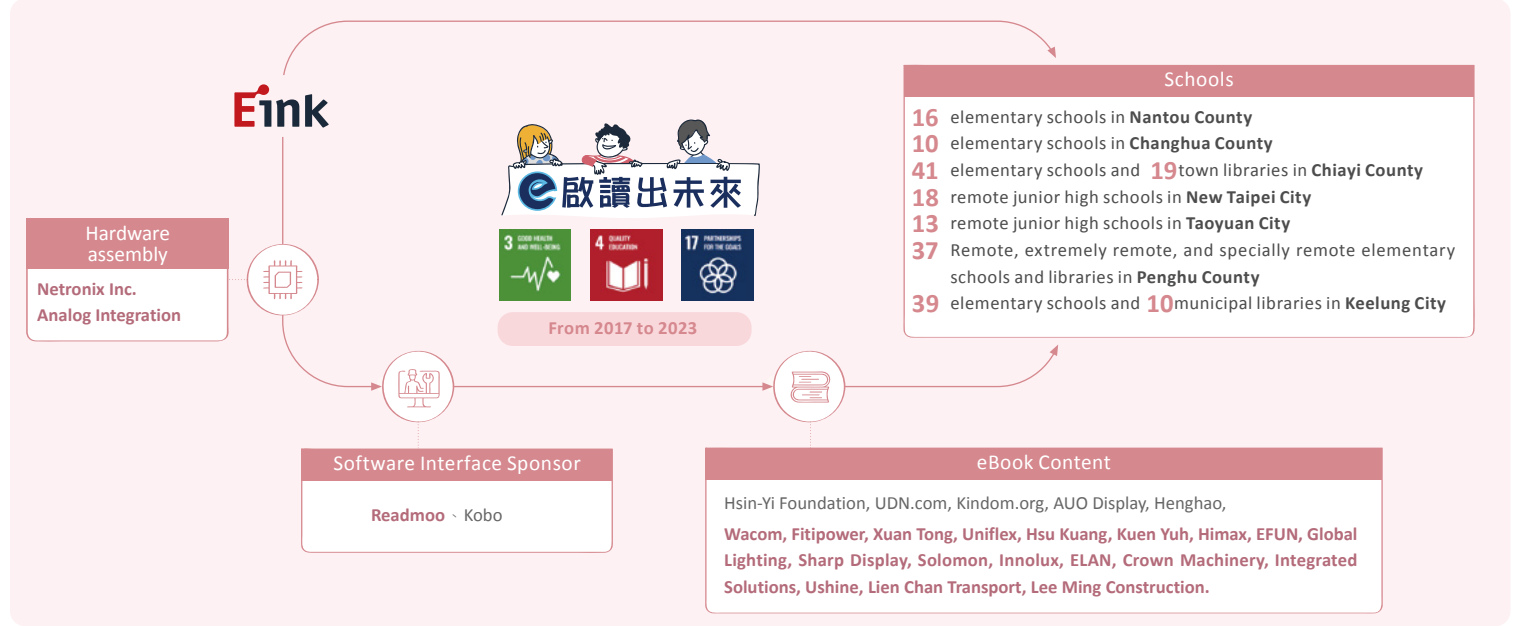Education

SDG 17
Partnership
for the Goals

Goals and Performance Evaluation of Project

✓	**Short-Term Goals (2023)**	• 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.
	Mid-Term Goals (2025)	• 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.
	Long-Term Goals (2030)	• E Ink will establish mobile libraries equipped with eReaders at a minimum of 13 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.

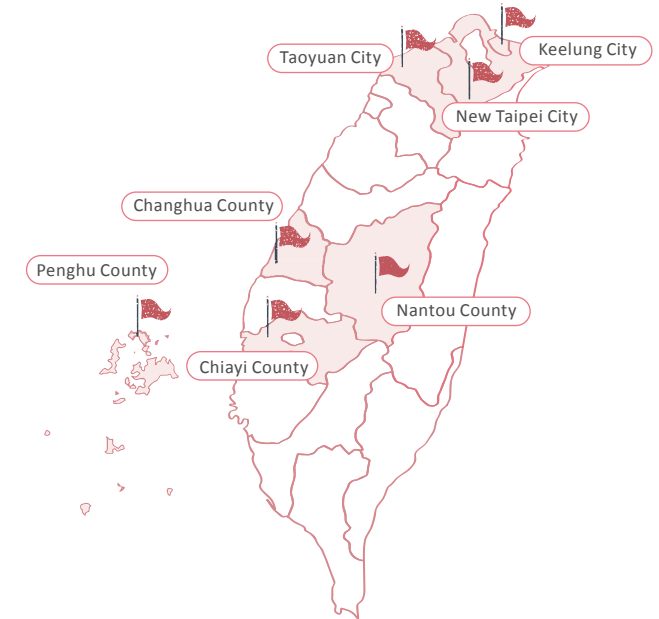| Year	2021	2022	2023	2024	2025
Goal (NTD)	600,000	800,000	1 million	1.2 million	1.4 million
Actual Amount (NTD)	600,000	3.6 million	5.1 million	In planning	
Achievement rate(%)	100%	450%	510%	In planning	

About "eRead for the Future" Project

"eRead for the Future" is an education 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**

Eink
e 啟讀出未來
From 2017 to 2023

Hardware assembly

Netronix Inc.
Analog Integration

Software Interface Sponsor

Readmoo 、 Kobo

Schools

16 elementary schools in **Nantou County**
10 elementary schools in **Changhua County**
41 elementary schools and 19 town libraries in **Chiayi County**
18 remote junior high schools in **New Taipei City**
13 remote junior high schools in **Taoyuan City**
37 Remote, extremely remote, and specially remote elementary schools and libraries in **Penghu County**
39 elementary schools and 10 municipal libraries in **Keelung City**

eBook Content

Hsin-Yi Foundation, UDN.com, Kindom.org, AUO Display, Henghao, **Wacom, Fitipower, Xuan Tong, Uniflex, Hsu Kuang, Kuen Yuh, Himax, EFUN, Global Lighting, Sharp Display, Solomon, Innolux, ELAN, Crown Machinery, Integrated Solutions, Ushine, Lien Chan Transport, Lee Ming Construction.**

Year	From 2017 to 2023
Scope	Global sites, including sites in Taiwan, China, the US, Korea, etc.
Problems to Solve	• 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. • 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 eReaders.
	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 licensed 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.

Note: For more detail about "eRead for the Future", please refer to E Ink Sustainability website.

Taoyuan City
Keelung City
New Taipei City
Changhua County
Penghu County
Nantou County
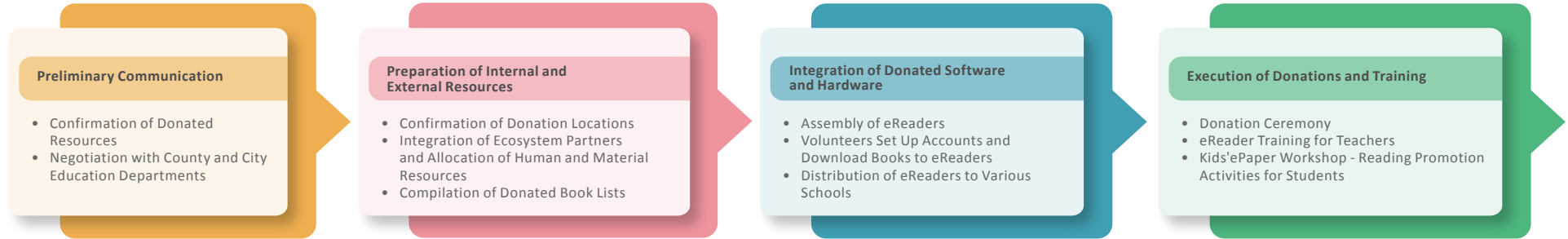Chiayi County

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 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 2017-2023, data has been collected and analyzed using 24 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.

Aspects	Value Input		Output		Impact
Key Performance Indicators (KPIs)	Resource Allocation	• Accumulated cash investment of NTD 13.66 million • Accumulated material donation of NTD 47.11 million • Accumulated resource investment of NTD 63.32 million	Overall Project	• Total of 230 partners joined as of 2023 • Accumulated number of 22 events • Accumulated number of 1,622 participants in the project	Corporate Benefits
	Duration	• Duration: 7 years	Resources donated	• Accumulated donation of 4,061 eReaders • Accumulated donation of 370,720 e-books • Accumulated donation value of NTD 230 million • 203 schools and libraries have received donations • Benefited 54,362 students • 49 ecosystem partners participated, contributing an average of NTD 16.49 million	• The employee participation rate in volunteering at E Ink is 5.9% • The growth rate of ecosystem partner participation has reached to 110%. • The average contribution growth rate of ecosystem partners reached to 16%.
	Human Capitals	• An average of 125 participants per year, with accumulated human resource participation valued at NTD 2.55 million	Training	• Accumulated 7 educational training sessions • 464 volunteer participants from E Ink • Accumulated 3,756 volunteer hours from E Ink	
			Reading Promotion	• Accumulated 8 reading competitions • Produced 10 videos • Generated 362 media exposures • Engaged with 59,256 stakeholder	

About "eRead for the Future" in 2023

Procedure of the Project

Preliminary Communication

- Confirmation of Donated Resources
- Negotiation with County and City Education Departments

Preparation of Internal and External Resources

- Confirmation of Donation Locations
- Integration of Ecosystem Partners and Allocation of Human and Material Resources
- Compilation of Donated Book Lists

Integration of Donated Software and Hardware

- Assembly of eReaders
- Volunteers Set Up Accounts and Download Books to eReaders
- Distribution of eReaders to Various Schools

Execution of Donations and Training

- Donation Ceremony
- eReader Training for Teachers
- Kids'ePaper Workshop - Reading Promotion Activities for Students

eRead for the Future - Heading to Keelung City

With a focus on promoting digital reading and enhancing reading literacy, the "eRead for the Future" project brings together customers, supply chain partners, and E Ink volunteers to carry out the initiative. Aiming to expand to "one county or city per year," the project continuously advances its goals.

After engaging with several county and city education departments to understand the need for reading resources and the potential for collaboration on this project, as of May 2023, the "eRead for the Future" initiative has confirmed a partnership with Keelung City. By providing "eye-friendly eReaders with note-taking functions," the project aims to enhance Keelung City's digital reading library.

Before donating 1,075 eReaders to elementary schools and the city public library in Keelung City, nearly a hundred E Ink volunteers pre-activated and set up the eReaders for teachers and students. This preparation ensured that the eReaders were ready for immediate use upon receipt, saving time for the recipients. The pre-activation and setup process included creating accounts and preloading 102 donated eBooks on each eReader.

During the donation ceremony, a reading quiz was organized for government officials of Keelung City, E Ink, and ecosystem partners to engage with students from Chidu Elementary School. E Ink volunteers observed that the students quickly adapted to using the eReaders, which increased their learning interest and the usage rate of the devices through the reading quiz.

Educational Training Session of eReader

Experts from Readmoo and Netronix served as instructors to teach the software and hardware use of the MobiScribe color eReaders. They provided detailed explanations on the eReaders' user interface and troubleshooting to teachers from 39 elementary schools. E Ink volunteers then introduced the book content and the allocated download accounts for each school, leaving their contact information for ongoing support. After the training, these lead teachers could return to their schools to instruct other teachers on using the eReaders, thereby leading the students in enjoying the benefits of digital reading.

"ePaper Workshop for Kids" Learning through Digital Reading Activities

Three digital learning activities were held at Fuxing Elementary School, Zhonghua Elementary School, and Chenggong Elementary School. E Ink volunteers led digital reading activities and introduced students to "ePaper, the magical paper," explaining its benefits such as being free from blue light and easy on the eyes, ensuring that both teachers and students could confidently use the eReader. Through guided reading and quiz activities, students became more familiar with the eReaders, fostering independent learning and a love for quality literature. The joyful atmosphere of the activities allowed students to learn while having fun. During the events, students shared positive feedback with the volunteers, such as "reading with the eReader is so easy" and "finally, something that helps my eyes."

2023 Corporate Joint Donation Ceremony in Keelung City

The Chairman of E Ink, representatives from ecosystem partners, the Director of the Education Department, and the Director of the Cultural Affairs Bureau participated in the reading quiz activity with students from Qidu Elementary School.

The "ePaper Workshop for Kids" featured interactive reading with quiz activities.

Feedback from Stakeholders

Kuo-Liang Hsieh, Mayor of Keelung City

"eReaders are easier on the eyes, convenient for reading, and can be used without an internet connection, making them a significant advantage in promoting digital reading. I am very grateful for the corporate donations. Let's work together to enhance the reading environment in Keelung."

Wen-Yuan Shan, Assistant to the General Manager of Netronix

"In addition to being energy-efficient and eye-friendly, protecting children's eyes, this year's eReader features color ePaper and a handwriting function. Children can not only read but also practice handwriting and note-taking."

Sophie Pang, CEO of Readmoo

"Our content partners have provided a diverse selection of 102 books. We hope this opportunity allows all the children to experience the beauty of digital reading and the courage it inspires."

Jian-Er Wang, President of Sharp Display Technology Corporation

"Having the opportunity to participate in this educational initiative, which is gradually spreading across Taiwan, and helping all children develop better digital reading habits is very meaningful. This is an extremely significant activity."

Project Benefits

The "eRead for the Future" project, which aims to establish a mobile library with eReader, has consistently received positive feedback from public sectors and educational fields. Its benefits and positive impacts include:

- Enhancing digital learning resources in schools and bridging the digital learning gap.
- Saving library procurement costs, increasing the number of books and reading rates.
- Supporting schools to diversify library spaces, extending reading activities to classrooms and other learning environments.
- Promoting a paperless and eco-friendly digital reading approach, addressing both the trend towards digital reading and the long-term eye health of readers.
- Integrating ecosystem partners of eReader to build a mobile library ecosystem, supporting the development of Taiwan's eBook industry.

2023 Keelung City

| **39** Schools | **10** Libraries | **1,075** eReaders | **109,650** e-books |

| **29,11** Million of total donation value | **1,500** Students Benefited from this project | **21** Eco-system partners joined |

Recap of **"eRead for the Future"** in 2023, please click to watch the video

"eRead for the Future" at the US Sites

In 2023, E Ink collaborated with its ecosystem partner Amazon to launch the "eRead for the Future" initiative in the US. As part of this initiative, 100 Kindle (valued at USD 12 thousand) and a one-year free children's book subscription were donated. The project allocated 20 Kindle to five different Boys and Girls Clubs to support their after-school programs promoting literacy. Through E Ink's core ePaper technology, students are provided with a comfortable and eye-friendly digital reading experience.

"Maitian Project" – Continuously Contributing to Charity

"Painting Village at Elementary School ", the Maitain Charity Project of establishing Miao Batik Intangible Cultural Heritage Classroom

- The "Painting Village Elementary School" project is a three-year initiative, running from 2023 to 2025. The goal of this project is to establish classrooms dedicated to "Intangible Cultural Heritage," providing basic art supplies, and exhibiting students' artwork. Through Miao batik hand-painting courses led by school art teachers with assistance from local heritage experts, students will learn Miao batik techniques, from growing indigo to completing artworks, fostering their ability to create artworks independently.
- "Painting Village Elementary School," an Intangible Cultural Heritage classroom, has been established at Yangwu Ethnic Elementary School in Danzhai County, Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province.
- E Ink purchased batik artworks from the "Painting Village Elementary School" project and gave them to employees as gifts to thank them for their long-term support of the Maitian Project. Furthermore, through charity sales and using Batik as corporate gifts for customers, E Ink demonstrated charitable action in support of cultural heritage development.
- In 2023, E Ink supported Miao Batik artworks by purchasing NTD 120 thousand (RMB 2.8 thousand) worth of Miao Batik and raising NTD 36 thousand (RMB 8.2 thousand) from charity sales.

E Ink sponsored the establishment of the "Painting Village Elementary School" classroom to preserve intangible cultural heritage.


Charity sales of Miao batik artworks

The "Painting Village Elementary School" classes teach students the essential techniques and processes required for Miao Batik.

Cultural and Artistic Promotion- ePaper Enables the Kaohsiung Museum of Fine Arts towards a Smart and Paperless Future

Arts and Culture Sponsorship at the Kaohsiung Museum of Fine Arts

- Sponsored the Kaohsiung Museum of Fine Arts by donating NTD 2 million to support art and cultural exhibitions. Additionally, E Ink provided ePaper as information signage, promoting cultural development and equality of art.
- By sponsoring ePaper as information signage for exhibition events, the eye-friendly and low-carbon ePaper seamlessly integrates into artistic spaces. It not only enhances the visiting experience but also aligns art events with the trend of smart and sustainable development.
- Sponsored the Kaohsiung Museum of Fine Arts with NTD 2 million in 2023.
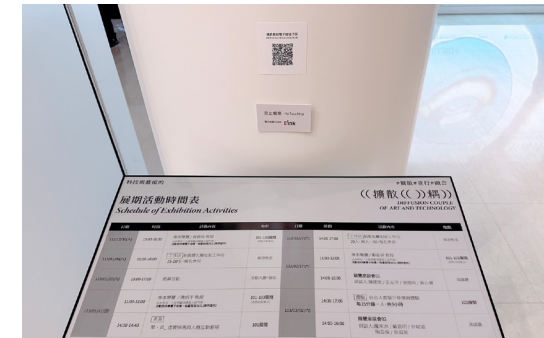
By utilizing reflective ePaper technology, the images are slide showing with ambient light from the exhibition venue, thereby reducing the impact of active light sources on the exhibition's effectiveness.

7-3 Philanthropic Initiatives

In 2023, E Ink leveraged corporate resources and employee efforts to participate in various philanthropic activities worldwide. These included the "Protecting Dumbo Project", 12 consecutive years of involvement in the Maitian Project, and 32 community service and support initiatives for groups with special needs. E Ink and its employees worked together to fulfill local community needs and took action in corporate social responsibility.
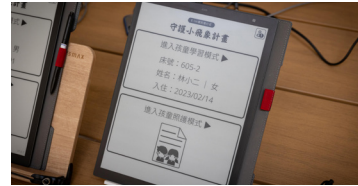

The E Ink Medical Care eNote is customized specifically for medical care at The Home of Dumbo.

Paper care records were easily damaged, contaminated and by illegible handwriting.

Training session onE Ink Medical Care eNote.

E Ink Love in Progress - Protecting Dumbo Project

"The Home of Dumbo", located at Kaohsiung Municipal Min-Sheng Hospital, is Taiwan's first dedicated care facility for severely abused children. The Home of Dumbo admits children aged zero to eighteen who have suffered severe abuse and require intensive care. In addition to dedicated specialists, the facility is staffed with professional nurses, caregivers, physical therapists, and social workers. The primary objective is to facilitate the recovery of these children as quickly as possible, enabling them to reintegrate into their families and society.

E Ink deeply appreciates the love and patience shown by the medical team at The Home of Dumbo in caring for severely abused children. E Ink has proactively provided digital eNotes, developed with ePaper technology, to assist The Home of Dumbo in fully digitizing its medical care records. This allows for more efficient storage and management of various healthcare data during the children's growth, serving as a reference for future medical and developmental records, thereby offering immediate help to the professional medical team and the children.

E Ink sponsored one eNote per bed and customizes an E Ink Medical Care eNote, a digital solution integrated with the back-end of the smart medical system for The Home of Dumbo. This eNote enables bidirectional editing and synchronous updates, ensuring the complete storage of every care record.

Since August 2022, E Ink has invested its resources to support The Home of Dumbo in resolving the issues of paper-based care records being easily damaged and blurred. The system development phase began in Q4 2022, during which 10 types of forms were developed, and the initial customized solution was completed in September 2023. Starting from October 2023, the E Ink team conducted three training sessions on the E Ink Medical Care eNote at The Home of Dumbo, making adjustments and modifications to the forms based on user feedback.
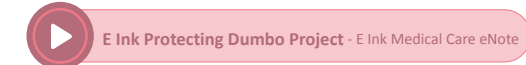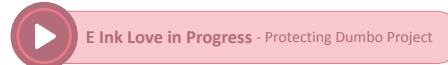

E Ink collaborates with Kaohsiung Municipal Min-Sheng Hospital, sponsoring The Home of Dumbo, which specializes in caring for severely abused children, by introducing E Ink Medical Care eNote.

E Ink and Min-Sheng Hospital held a donation ceremony for the E Ink Medical Care eNote Donation. Professional nurses, caregivers, physical therapists, and occupational therapists from The Home of Dumbo attended to show their appreciation for this project.

元太科技 × 民生醫院

守護小飛象計畫
醫療照護電子紙筆記本公益專案

Feedback from Stakeholders	• Dr. Yen Chia-Chi, former Director of Min-Sheng Hospital "The care data from our professional medical team acts like a growth passport for the children. In case of emergency medical needs, this care information becomes a crucial reference for medical personnel. We are very grateful for E Ink's donation of the E Ink Medical Care eNote solution, which reduces the workload for our medical staff and enables us to provide better quality care for the children at The Home of Dumbo." • Shiou-Ching Liang, Director of the Social Work Department at Min-Sheng Hospital: "We are immensely grateful to E Ink for their compassionate care for these severely abused children."
Project Benefits	• The hardware development expenses for the E Ink Medical Care eNote were sponsored by E Ink, which included 25 eNote, customized solution development, travel expenses for meetings, and training sessions, totaling an investment of NTD 0.27 million. • The project involved approximately 10 personnel, benefiting around 67 individuals, including resident children, nurses, caregivers, educational staff, doctors, social workers, nutritionists, pharmacists, occupational therapists, physical therapists, and psychologists. • To continue E Ink's support for The Home of Dumbo, the Social Inclusion Task Force under the Corporate Sustainability Committee, along with E Ink's welfare committee, launched a fundraising campaign titled "Protecting Dumbo." The funds were used for rehabilitation and therapeutic equipment needed for the severely abused children at The Home of Dumbo, such as ventilators, suction machines, percussion machines, positioning aids, and positioning wheelchairs, as well as other emergency care equipment and supplies. • The fundraising campaign ran from late December 2023 to February 7, 2024. In addition to employee donations, E Ink's management team agreed to match the amount donated by employees, enhancing the willingness to contribute. The amount raised reached NTD 0.63 million, and with the company matching this amount, the total funds raised reached NTD 1.26 million.

▶ **E Ink Love in Progress** - Protecting Dumbo Project

▶ **E Ink Protecting Dumbo Project** - E Ink Medical Care eNote

Actions to Support Underserved Groups

China sites

TOC Scholarship Program, in collaboration with Yangzhou TV

- The establishment of the "OC Scholarship Program" supports students from families with special needs in completing their education.
- Each student receives approximately NTD 44 thousand (RMB 10 thousand) in scholarships, and E Ink will also offer summer internship opportunities for the students in the future.

Autumn Education Support Charitiable Project, in collaboration with Yangzhou TV

- Participated in the 2023 "Autumn Education Support" campaign of the "News Girls" program. Each week, a school was visited to distribute aid and conduct visits, culminating in the "Transcend Optronics Scholarship" awarding ceremony.
- A total of 13 primary and secondary schools were visited, helping 100 underserved students. Each student received a scholarship along with a backpack, a thermos cup, and other care items, with total donations amounting to approximately NTD 265 thousand (RMB 60 thousand).

The US Sites

Boys and Girls Club of America[Note] Companionship Volunteers

- Volunteers have engaged with children and teenagers in the Silicon Valley area, providing healthy, safe, and beneficial after-school activities, including education, sports, and arts. A total of 21 volunteers participated in the following initiatives:
  - 3 volunteers at the Alviso Club
  - 3 volunteers for the International Day of the Girl activities
  - 15 volunteers for the Holiday card writing

Food Bank Volunteers

- Assisted in sorting and distributing food to those in need.
- In the US, a total of 21 volunteers helped with food sorting and distribution, completing the sorting of at least 720 kilograms of food.

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 6 employees and raised nearly NTD 36 thousand (USD 1,179).

Toys for Tots: Toys Collection

- Collected toys for underserved children.
- Encouraged employees to donate well-preserved toys or educational games from home, promoting resource recycling and ensuring children have a joyful childhood.
- In the US, a total of 6 large boxes of toys were collected, and an additional donation of approximately NTD 15 thousand (USD 500) was made to underserved families.

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.
- More than 15 volunteers took the initiative to organize and sort a total of 814 kilograms of clothing for Goodwill Industries.
- The event has been held for 21 consecutive years, with a total of over 12, 000 kilograms of clothing and linens collected.

Walks/Runs for Breast Cancer, Alzheimers, Suicide Prevention and Safe Passage

- Raised awareness about breast cancer and Alzheimer's disease, and promoted prevention of suicide and domestic violence.
- A total of 10 employees participated in parades and fun runs, collectively raising approximately NTD 85 thousand (USD 2,750) within the Company to donate to public welfare activities.

Note：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 US.

7-4 Environmental Conservation

Excessive economic development has caused ecological and environmental pollution, posing extreme climate disruption and threats to biodiversity, which endanger the survival of humans and other species. Environmental protection is an indispensable part of achieving sustainable development goals. Sustainable operations depend on land-based facilities and assets, while employees need a safe living environment, and ecosystems indirectly and directly provide raw materials for various productions. Thus, a company's sustainable operations are closely linked with environmental stability and biodiversity.

E Ink's global operations, manufacturing, R&D, and business locations are not situated in ecological conservation areas, ensuring no disruption to habitats. To minimize natural resource consumption, E Ink is committed to optimizing production processes and reducing the ecological impact of raw materials while preventing deforestation and increasing energy efficiency. E Ink encourages suppliers to use environmentally friendly and recyclable materials and collaborates with upstream value chain partners to protect the environment, starting with reducing natural damage. The short-term goal is to achieve No Net Loss (NNL), with a long-term goal of realizing Net Positive Impact (NPI) by 2030.

Respect for the Environment: Advocacy and Commitment

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.

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

- 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.
- 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.
- If E Ink's operations are in neighboring critical areas of biodiversity or involve changes in land use, including factory construction, adjustment of land allocation and use, and use of vacant land, the Company should evaluate the possible ecological value loss and work towards achieving biodiversity-related targets through reforestation or other restoration actions, compensating to achieve no net loss.
- If E Ink and its supply chain (or value chain) partners have 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.
- E Ink actively supports biodiversity conservation initiatives and conducts biodiversity risk assessments.
- 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.
- E Ink collaborates with supply chain (or value chain) partners and external stakeholders to support biodiversity and forest conservation and ecological protection.
- 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.
- E Ink will not purchase from suppliers that knowingly cause biodiversity loss, deforestation, or violate regulations.
- 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.
- E Ink aims to achieve no gross deforestation by 2030 at all global operating sites, striving to protect and maintain forests.

NATURE AND CLIMATE REPORT ➜

Initiatives

E Ink aims to raise public awareness and concern for ecological conservation while promoting the sustainable development of global biodiversity through environmental education on ecological protection and biodiversity. By participating in strategies that balance environmental ecology, biodiversity, and forest conservation, and formulating the "Biodiversity and Non-Deforestation Commitment" and joining international advocacy organizations, E Ink actively advocates for the protection of natural ecosystems and habitats for wildlife and plants. This initiative extends environmental conservation concepts to employees, shareholders, and significant suppliers Note, enhancing stakeholder awareness about environmental and ecological protection. These efforts support biodiversity maintenance, forest conservation, and ecological protection through practical actions.

Initiatives	About the Initiatives	Commitment
Business for Nature	An international initiative organization composed of 85 influential organizations and enterprises dedicated to creating a market environment beneficial to the natural environment.	Advocate for the government to take proactive policy actions to halt and reverse nature loss by 2030.
Taiwan Nature Positive Initiative, TNPI	The Taiwan Business Council for Sustainable Development launched the Global Goal for Nature in 2022, aiming for net positive nature by 2030 and the full recovery of natural ecosystems by 2050.	Actively respond to and engage in nature and biodiversity conservation through the "Taiwan Nature Positive Initiative" with fellow members.
Taskforce on Nature-related Financial Disclosures, TNFD	The United Nations and the World Wide Fund for Nature launched a financial disclosure initiative in 2021, with a task force composed of 40 senior executives from financial institutions, enterprises, and market service firms.	Signed up as a "TNFD Early Adopter" based on the final framework released by the Taskforce on Nature-related Financial Disclosures (TNFD) in September 2023, adopting the "Nature-related Financial Disclosure" framework to manage and disclose nature-related risks and opportunities, and will publish the first nature-related financial disclosure report in 2024.
Science based Targets Network, SBTN	The global initiative alliance, consisting of over 80 non-profit organizations, released a pilot version of Science Based Targets for Nature in late May 2023, providing a framework for setting and verifying targets for land, freshwater, and biodiversity conservation practices.	Participated in the Corporate Engagement Program of the "Science Based Targets Network" to set nature-related targets.

Note: For details regarding the Biodiversity and Non-Deforestation Commitment within the supply chain (or value chain), please refer to Chapter 5- Sustainable Supply Chain of this report.
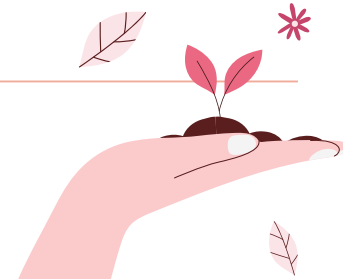
GREEN & SAFE

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 livestocks 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.

![E Ink]

Promoting Environment Conservation

Supporting "Environmental Trust" to Protect the Earth and Native Species

In 2023, E Ink signed a Memorandum of Understanding with the Taiwan Environmental Information Association (TEIA), committing to support ecological restoration and promote environmental friendliness through action. This initiative marks E Ink's first project extending its corporate influence to "biodiversity" from the perspective of social inclusion in sustainable operations. Through this collaboration, E Ink explores various possibilities for biodiversity projects by observing, interviewing, and participating in the operations of the nonprofit organization, establishing connections with stakeholders in the habitats, and incorporating the nonprofit's habitat knowledge into E Ink's practices, while reciprocating with resource support.

During engagement with TEIA, E Ink organized a habitat scouting to gain a deep understanding of TEIA's work in habitat protection. This includes ecological restoration, maintaining the natural landscape and facilities, and ensuring the quality and safety of recreational areas, all of which require substantial manpower and capital. Therefore, in 2023, E Ink donated NTD 600,000 to TEIA to ensure the continued protection, transparent management, and public engagement of the Environmental Charitable Trust and Alibang Farm, as well as to support TEIA's daily operations.

Protecting Natural Habitats

Alibang Ecological Farm focuses on the conservation of freshwater wetlands and low-altitude secondary forests, with the specific goal of rehabilitating the Taipei Grass Frog, Hylarana taipehensis, a rare and valuable wildlife species in Taiwan. The farm's origins trace back to the late 1990s when Mr. De-Chang Wang initiated the "Saving Nature" Project. Since 2022, TEIA has been entrusted by Mr. De-Chang Wang to assemble a team to manage the farm. In addition to continuing its original conservation principles, the team promotes practical and regulatory measures to transform the Alibang site into an environmental charitable trust base, preserving the natural forests and wetlands in their pristine state.

The Nature Valley Environmental Trust Base in Qionglin is the first environmental trust in Taiwan, established in 2011. Located in Qionglin Township, Hsinchu, Nature Valley was formerly an abandoned orchard and tea plantation. In June 2014, TEIA took over the site with the goals of protecting and fostering low-altitude forests, promoting local ecological conservation efforts, safeguarding surrounding native habitats, and creating a community environmental learning center. The initiative aims to establish a model of harmonious coexistence between humans and nature, protecting local forests and native species.

Photo credit: TEIA

About the Taiwan Environmental Information Association (TEIA)

The Taiwan Environmental Information Association (TEIA), established in 2001, is the official representative of the Earth Day Network in Taiwan. In addition to managing environmental media and promoting environmental education, TEIA is actively involved in advocating and operating environmental charitable trusts. A notable example is the successful takeover of Taiwan's first environmental trust project in June 2014—the Nature Valley Environmental Trust Base in Qionglin, Hsinchu. Furthermore, in January 2022, TEIA was entrusted with the management of the Alibang Ecological Farm in Shimen District, New Taipei City, to protect the critical habitat of the Taipei Grass Frog, Hylarana taipehensis, a rare and valuable wildlife species in Taiwan.

Feedback from Stakeholders

Chen Rui-bin, Secretary-General of TEIA

"We believe that 'People take action because they understand, and the environment changes because of their action.' E Ink has set an important example by sponsoring and supporting ecological conservation efforts of environmental groups, contributing to the permanent preservation of pristine mountain forests. When corporate partners support green initiatives for habitats, it accumulates into significant goodwill for the environment."

Environmental Protection Festival – An All-Employee Engagement in Earth Conservation Action

In 2023, E Ink launched the "Environmental Protection Festival" with the objective of achieving the goals of "restoring the ecological environment and promoting a friendly environment." This initiative centered around three core aspects: knowledge sharing, participation promotion, and everyday culture. The festival featured 16 activities, including ecological environment lectures, volunteer services, and green living practices, with over 200 participants. By engaging both internal and external stakeholders, E Ink expanded its influence on environmental protection.

- **Knowledge Sharing:** Through expert lectures and informative articles on topics such as nature and ecological conservation, environmental trust funds, natural farming, and biodiversity, E Ink enhanced environmental protection knowledge. In 2023, four knowledge-sharing lectures were held, and two articles on nature and biodiversity protection were shared, increasing awareness and understanding of these significant issues.
- **Volunteer Service**: In partnership with TEIA and the Hsinchu Wild Bird Society, E Ink organized four volunteer activities in 2023. These included three habitat maintenance events at the Nature Valley in Qionglin, Hsinchu, and one volunteer event for the annual bird-watching event, with a total of 48 volunteers participating. These efforts contributed directly to environmental and ecological protection.
- **Green Living:** Employees were encouraged to share photos and check-ins of their green and eco-friendly living practices. Weekly actions included reducing plastic use, conserving energy, and green commuting, promoting environmental action through practical daily habits.

Knowledge Sharing

Environmental Protection Festival

Daily Engagement

Participation Promotion
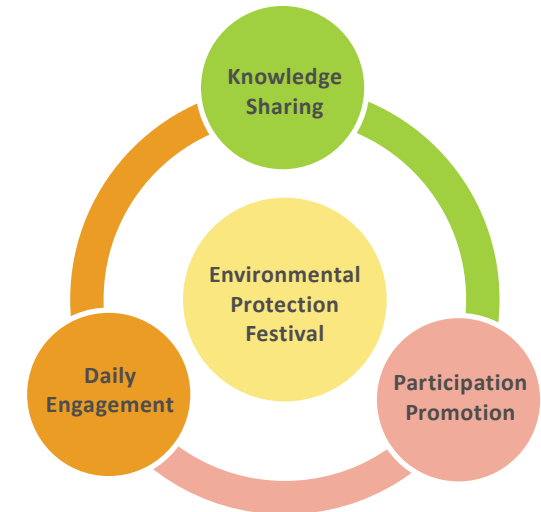
Waterbird Guardians: Partnering with the Hsinchu Wild Bird Society to Raise Waterbird Conservation Awareness

Core	topic	content
Knowledge Sharing	"Choosing Nest with Flying Feathers" Lecture	E Ink invited Wan Fang Chen, Executive Director of the Hsinchu Wild Bird Society, a key local ecological group in Hsinchu, to share the development history of the Wild Bird Society and provide insights on local bird ecology. Additionally, employees with a long-term interest in bird ecology participated and shared their experiences in bird photography, enhancing colleagues' awareness of bird ecology and habitats. The event also included an explanation of volunteer work for the annual bird-watching event, empowering employees with environmental awareness and building knowledge and capability for future environmental service. This lecture was attended by 35 participants, and 9 volunteers received training.
Volunteer Service	"Autumn Waterbird Season" Volunteer Service	Following the "Choosing Nest with Flying Feathers" lecture, which shared knowledge about migratory birds, 11 volunteers from E Ink participated in the annual bird-watching event organized by the Hsinchu Wild Bird Society on November 11th. The event featured a series of interactive games designed to introduce migratory bird knowledge, the Jin Cheng Lake habitat, and direct ecological observations to understand the bird species residing there. Each game station was managed by the bird society members and E Ink volunteers, who engaged with the public to increase awareness of waterfowl protection. Approximately 480 people participated in this event. In addition to E Ink employees volunteering for the bird-watching event, E Ink collaborated with its affiliated company, YFY Consumer Products, to sponsor the prizes for the interactive games, enhancing public participation.
Green Living	Participate in the "Annual Bird Watching Event"	To expand the impact of the event, E Ink also invited employees to participate with their families. A total of 19 employees and their families joined the "Annual Bird Watching Event", observing wildlife and raising awareness of ecological conservation.

Feedback from Stakeholders

Harris Lin, child of E Ink's employee
"Participating in the annual bird-watching event was a lot of fun. I learned about the calls of different bird species and got to know many types of birds. Although the birds introduced by the teacher do not appear here, I will start looking for their traces the next time I go hiking. I've also made plans with my mom's colleagues to go birdwatching again!"

Iris Lin, child of E Ink's employee
"I was very happy to join the annual bird-watching event, I had to learn from the volunteer to serve as a station leader. During the training process, I learned about Taiwan's endemic bird species and plants. Even though these birds and plants can only be found in the mountains, they are unique and rare species in Taiwan. I felt like a little expert helping the volunteer guide the others. Everyone even invited me to help at another station, and I promised the volunteers and teachers that I would definitely come back to be a volunteer next time."

Supporting the Environmental Charitable Trust through Collaboration with TEIA to Protect Taiwan's Native Species and Habitats

Core	topic	content
Knowledge Sharing	Advocacy for Environmental Charitable Trust	Focusing on "Environmental Charitable Trust", E Ink invited Judy Guo from the Natural Valley Environmental Trust Base and Chi-Shiang Huang from the Environmental Trust Center to share the concepts of Environmental Charitable Trust at the Hsinchu and Linkou sites. They discussed related cases from the UK, Japan, and Taiwan. Additionally, these lectures covered the ecology, native flora and fauna, and habitat conservation efforts in Natural Valley and Alibang, enhancing employees' environmental awareness. The two lectures, titled "Natural Valley Environmental Trust Base and Its Outcomes" and "Mr. Wang Had a Piece of Land: Public Trust Practice in Alibang Park", attracted a total of 45 participants.
Volunteer Service	Natural Valley Ecological Volunteers	In 2023, 37 volunteers from E Ink took action for habitat conservation at the Nature Valley Environmental Trust Education Base. The volunteers participated in various seasonal activities in May, September, and December, focusing on bamboo thinning and the removal of the invasive species Mikania micrantha. • **Bamboo Thinning:** Controlled the growth area and density of Makino bamboo, ensuring space for the growth of native plants under and around the bamboo groves. • **Mikania micrantha Removal:** An invasive species from South America that has spread across Taiwan, requiring manual removal and root cutting to prevent it from strangling trees and proliferating.
Knowledge Sharing	Environmental Sustainability Knowledge+	By sharing articles such as "E Ink's Biodiversity Conservation Actions" and "Understanding Biodiversity and Environmental Trust Funds" with employees, environmental education and habitat protection awareness were promoted, enhancing employees' awareness of environmental protection. A total of 48 participants completed the Environmental Sustainability Knowledge+.

Green Actions: Practicing a Sustainable Green Lifestyle

Core	topic	content
Knowledge Sharing	Natural Farming - Affen Fragrant Wheat	Mr. Jheng-Jyun Jheng, a friendly farmer from the Gangbei region, was invited to share his post-retirement farming experience, introduce the organic certification mark, and discuss the coexistence with nature while farming. Following the talk, an initiative was launched to order "Story-Grown Water Bamboo Raised with the Great Compassion Mantra," actively supporting natural farming and organic agricultural products. A total of 24 participants joined the event, purchasing 60 packages of water bamboo.
Daily Engagement	Green Living is Real Simple	A four-week online check-in activity for daily green practices invited employees to upload their actions, such as using eco-friendly products and bringing reusable bags for shopping. The event had a total participation of 55 entries.
Daily Engagement	ESG Green Living Day	In 2023, E Ink hosted the ESG Green Living Day, featuring vendors from the " 500 Bowls" list, the first edition of local dishes in Taiwan. The event promoted environmental sustainability goals by using sustainable disposable paper containers without plastic lamination, developed by Chung Hwa Pulp Corporation, and encouraging employees to bring their own utensils to reduce plastic waste.

Appendix

Appendix I: E Ink Sustainability Performance Indicators

◉ Material topics

Cate-gories	Sustain-ability Policy	Sustainability Action	Sustainable Topics	Sustainability KPIs	Management approaches and performances	Coverage	Progress				
							Short-Term Goals (2023)	Result (2023)	Short-Term Goals (2024)	Mid-Term Goals (2025)	Long-Term Goals (2030)
Governance/ Economics	Effective Governance Enables Corporate Growth	Strong corporate governance structure	Strong corporate governance structure ◉	Board Structure	Policy Implementation	Global	-		Clearly defines management objectives and implementation status regarding director diversity policies		
					The Proportion of Independent Directors		40%	Surpass, reached 43%	40%		50%
					The Proportion of Female Directors		20%	Surpass, reached 43%	29%	29%	40%
				Corporate Governance Evaluation	△Corporate Governance Evaluation	Taiwan	Ranked in the top 5%	Achieved	Ranked in the top 5%		
		Intensifying the Operation of Risk Management	Intensifying the Operation of Risk Management	Risk Identification	Risk Identification	Global	Regularly identify and adjust and add new risk items according to international trends and industry changes, including emerging risk	Achieved	Regularly identify and adjust and add new risk items according to international trends and industry changes, including emerging risk		
					Fostering Risk Management Awareness-Coverage Of Education And Training On Risk Courses	Global	100%	Achieved	100%		
				Risk Analysis	Risk Analysis	Global	Evaluating the likelihood of risk items and operational impacts using a risk matrix	Achieved	Evaluating the Likelihood of risk items and operational impacts using a risk matrix		
				Risk Management	△Risk Management	Global	Establishing crisis management and business continuity plans	Achieved	Establishing crisis management and business continuity plans		
							Executing major crisis event response and drills		Executing major crisis event response and drills		
							Reducing the proportion of high-risk items		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	Achieved	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- Number of Incident of Significant Violation Annually[Note 1]	Global	Zero incidents	Achieved	Zero incidents		
					Human Rights Protection - Number of Incident of Human Rights Policy (Employee Aspect) Violations Annually	Global	Zero incidents	Achieved	Zero incidents		
			Ethics and Integrity ◉	Ethics and integrity	Number of Incidents of Ethics and Integrity Compliance	Global	Zero incidents	Not achieved, one incident[Note 2]	Zero incidents		
					Ethics and integrity awareness cultivation - Completion rate for New Employee Training Programs and Coverage of Training	Global	100%	Achieved	100%		
				Privacy	Policy Implementation	Global	Establishment of a group privacy policy for the overall data utilization and collection	Achieved	Establishment of a group privacy policy for the overall data utilization and collection	Conducting regular compliance reviews	
					Privacy Protection – Number of Incident of Privacy Violation Annually		Zero incidents	Achieved	Zero incidents		
		Product Realization and Technology Innovation	Information and Cyber Security ◉	Information and Cyber Security	Information and cyber security	Taiwan	Accomplishing regular review of ISO/IEC 27001:2013	Achieved	Transferring to ISO/IEC 27001:2022	Passing ISO/IEC 27001:2022 verification	
					Information and Cyber Security Risks					Insuring cyber insurance	

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Categories	Sustainability Policy	Sustainability Action	Sustainable Topics	Sustainability KPIs	Management approaches and performances	Coverage	Progress				
							Short-Term Goals (2023)	Result (2023)	Short-Term Goals (2024)	Mid-Term Goals (2025)	Long-Term Goals (2030)
Sustainable Products Governance/ Economics	Product Sustainability - Innovation for Low-Carbon Sustainable Products	Product Realization and Technology Innovation	Product Research, Development and Innovation ◉	IP and Trade Secre	△Number of New Effective Patents Annually	Global	300	Surpass by 693 new effective patents		300	
					Accumulated Number of Effective Patents	Global	6,000	Surpass by 6,612 effective patents		6,000	5,000
					△Number of Trade Secret Proposals	Global	170	Surpass by 172 trade secret proposals	170	220	280
				Development Resource	Proportion of R&D Workforce to Total Workforce	Global	22-27%	Not achieved by 21%[Note 3]		22-27%	
					Proportion of R&D Expense to Revenue	Global	10-15%	Achieved		10-15%	
				Intellectual Property Management	Taiwan Intellectual Property Management System (TIPS)	Taiwan	Maintaining A-level certification	Achieved		Maintaining A-level certification	
			Market Expansions ◉	New Product and Technology	Proportion of New Product Developed in Past 3 Years to Revenue	Global	9%	Surpass by 51%	3%	18%	26%
			Business Partnership Management	Industry-Government-Academia Collaboration	Promoting Industry-Government-Academia Collaboration	Global	1 collaboration project	Surpass by 12 collaborative projects		1 collaboration project annually	
		Expansion of Low Carbon Products	Green and Sustainable Product Development ◉	Sustainable Products	Sustainable Product Development- Number of New Project Developed Annually	Global	1	Achieved		1-2	2-3
					Upgrading Existing Products for Sustainability- Number of New Product Upgraded Annually	Global	1	Achieved		1-2	2-3
					Optimization of Product Packaging Materials- Reduction of Packaging Tray Usage	Global	by 13%	Achieved	5%	10% (compared to 2023)	by 10% (compared to 2025)
					Proportion of Sustainable Raw Materials Used in Specified Products (% by weight)	Global	New Targets Set in 2024	0%	10%	12%	15%
					Proportion of Recycled Raw Materials Used in Light Guides/ Touch Panels for Specified ePaper Modules (% by weight)	Global	New Targets Set in 2024	0%	3%	5%	10%
				Green Revenue	△Proportion of FTSE Russell Green Revenue to Revenue	Global	>99%	Achieved		>99%	
				Ecosystem	Value Chain of Ecosystem- Accumulated Number of Partners Annually	Global	135	Surpass by 173 partners	190	150	200

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Cate-gories	Sustain-ability Policy	Sustainability Action	Sustainable Topics	Sustainability KPIs	Management approaches and performances	Coverage	Progress				
							Short-Term Goals (2023)	Result (2023)	Short-Term Goals (2024)	Mid-Term Goals (2025)	Long-Term Goals (2030)
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 SHEE management policy	Achieved	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	Achieved	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	Achieved	Implementing internal carbon pricing continuously		Planning internal carbon pricing mechanism
				Environmental Initiatives	△Environmental Related Initiatives	Global	• Achieved SBTi target validation • CDP Climate Change Questionnaire: rated A- Leadership level	Achieved	• CDP Climate Change Questionnaire A-Leadership level or higher • CDP Water Security Questionnaire B-Management	• CDP Climate Change Questionnaire A Leadership level • CDP Water Security Questionnaire A-Leadership level or higher	
		Transformation Path to Net Zero	Energy and Greenhouse Gas Management ◉	Greenhouse Gas (GHG) Emissions	Absolute Target of GHG Emission	Global	Scope 1 and scope 2 emissions: 42,600 tons CO_2e	Achieved	Scope 1 and scope 2 emissions: 40,000 tons CO_2e	Scope 1 and scope 2 emissions: 55,000 tons CO_2e	Scope 1 and scope 2 emissions: 4,000 tons CO_2e
						Global	Scope 1 emissions: 3,600 tons CO_2e	Achieved	Scope 1 emissions: 4,000 tons CO_2e	Scope 1 emissions: 4,000 tons CO_2e	Scope 1 emissions: 4,000 tons CO_2e
						Global	Scope 2 emissions: 39,000 tons CO_2e	Achieved	Scope 2 emissions: 36,000 tons CO_2e	Scope 2 emissions: 51,000 tons CO_2e	Scope 2 emissions: 0 tons CO_2e
					△GHG Emission Intensity (Scope 1 and 2)	Global	10% reduction compared to the baseline year	Achieved	30% reduction compared to the baseline year	20% reduction compared to the baseline year	70% reduction compared to the baseline year
				Energy and Electricity	△Energy Productivity	Global	USD 10 thousand /MWh	Surpass by 47% reduction compared to the baseline year	USD 10 thousand/MWh		• USD 10.5 thousand/ MWh • Implement of ISO
				Renewable Energy	Renewable Energy Consumption Percentage	Global	20%	Not achieved, reaching USD 8.5 thousand/MWh[Note4]	30%	40%	100%
		Environmental Impact Mitigation	Water Resource Management	Water Resource	Water Resource Usage	Global	3% reduction compared to the baseline year	Exceeded, reduction of 4%	4% reduction compared to the baseline year	5% reduction compared to the baseline year	10% reduction compared to the baseline year
					Water Recycle Rate in Production	Global	50%	Not achieved, reached 32%[Note5]	35%		50%
					Water Use Intensity	Global	10% reduction compared to the baseline year	Surpass by 32%	20% reduction compared to the baseline year		30% reduction compared to the baseline year
			Resource Management and Circular Economy ◉	Production and Waste Reduction	Chemical Usage per Unit of Product	Global	3% reduction compared to the baseline year	Surpass by 60%	60% reduction compared to the baseline year		65% reduction compared to the baseline year
				Environmental Management	ISO 14001 Environmental Management System	Global	Completion rate: 100%	Not achieved, 75% completion rate[Note6]	Completion rate: 80%		Completion rate: 100%
					General Waste Recycling Rate	Global	50%	Surpass by 56%	55%		60%
				Waste	Implementation of Product Recycling/ Circular Economy Project	Global	Completed 1 projec	Achieved	Accumulated completion of 2 projects	Accumulated completion of 3 projects	Completed 5 project
			Air Pollution	Air Pollution	Reduction of VOC (Volatile Organic	Global	10% reduction compared to the baseline year	Not achieved, increased 3.7%[Note7]	10% reduction compared to the baseline year	20% reduction compared to the baseline year	30% reduction compared to the baseline year

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Cate-gories	Sustain-ability Policy	Sustainability Action	Sustainable Topics	Sustainability KPIs	Management approaches and performances	Coverage	Progress				
							Short-Term Goals (2023)	Result (2023)	Short-Term Goals (2024)	Mid-Term Goals (2025)	Long-Term Goals (2030)
Sustainable Supply Chain	Sustainable and Value-Added Supply Chain	Developing a Green and Low-Carbon Supply Chain	Sustainable Supply Chain Management ◉	Local Procurement	Ratio of Local Procurement Amount	Global	>94%	Achieved	>94%	>95%	>96%
				Low-Carbon Energy	Number of Suppliers Using Renewable Energy	Global	29 suppliers (cumulated)	Achieved	Increased by 2 compared to 2023	Increased by 2 compared to 2024	Increased by 5 compared to 2025
				Sustainable Collaboration	△Sustainable and Energy Conservation Project Collaboration With Suppliers		3 new collaborative projects	Achieved	2 new collaborative projects	Cumulated 6 collaborative projects since 2023	Cumulated 15 collaborative projects since 2023
		Control and Mitigation Sustainable Risks		Supplier Behavior Management	Adherence to E Ink's Supplier Code of Conduct / Adherence to the Vendor Clean Transaction Commitment / Compliance with the Conflict Minerals Statement	Global	Signing ratio of significant suppliers: 100%	Achieved	Signing ratio of significant suppliers: 100%		Signing ratio of significant and bill of material (BOM) suppliers : 100%
				Risk of Supply Chain	△ESG Questionnaires	Global	Replied ratio of significant suppliers: 100%	Achieved	Replied ratio of significant suppliers: 100%		Replied ratio of significant and bill of material (BOM) suppliers: 100%
					Risk Assessment Supply Chain	Global	Evaluation ratio of significant suppliers: 100%	Achieved	Evaluation ratio of significant suppliers: 100%	Evaluation ratio of first tier suppliers: 100%	
					Risk Mitigation	Global	100% of high-risk suppliers provide improvement plan	Achieved	100% of high-risk suppliers provide improvement plan		
					Due Diligence on Conflict Minerals	Global	Complete 5% of significant suppliers annually	Achieved	Complete 5% of significant suppliers annually	Complete 10% of significant suppliers annually	Complete 10% of bill of material (BOM) suppliers annually
					On-site Supplier Audit	Global	Audit ratio of significant suppliers: 100%	Achieved	Audit ratio of significant suppliers: 100%		
		Advancement of Supply Chain Resilience		Sustainable Procurement	Sustainable Procurement Training	Global	Training completion ratio of procurement and quality assurance personnel: 100%	Achieved	Training completion ratio of procurement and quality assurance personnel: 100%		
							Training completion ratio of suppliers: >90%	Surpass by 100%	Training completion ratio of suppliers: 100%		
				Resilience Strategy	Diversified Sourcing Solutions for Raw Materials	Global	Ratio of materials supplied by a second source among our significant suppliers reaches 60%	Surpass by 90%	Ratio of materials supplied by a second source among our significant suppliers reaches 60%		
				Customer Satisfaction	Ratio of Customers Rate Satisfaction Score of 80 or Above	Global	93%	Surpass by 100%	93%	95%	96%
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: 100%	Achieved	• New employee completion rate : 100% • The Taiwan sites conducts one human rights training course	Completion rate : 100%	
					HumanRights Policy Assessment	Global	Conducting violation investigation of human rights	Achieved	Conducting human rights risk assessment in Taiwan sites	Conducting human rights risk assessments · 2025: US sites · 2026: China sites Each region will undergo assessment every three year Conduct risk assessment at each region every three year	
				Diversity, Equal and Inclusion	Women's Care and Gender Equality	Global	Proportion of female to management role to 20%	Not achieved, reaching only 19.3%[Note8]	Proportion of female to management role to 20%		Proportion of female to management role to 23%
							Proportion of female to employees: 37%	Not achieved, reaching only 34.2%[Note9]	Proportion of female to employees: 35%		Proportion of female to employees: 36%
							New hires of female employees account for 25%	Surpass by 31.8%	New hires of female employees account for 25%		New hires of female employees account for 26%
							• Implemented one workplace-friendly measure in Taiwan that exceeds regulatory requirements • Conducted one DEI training course or seminar	Achieved	Established a diverse and inclusive workplace with two measures, including cultural development initiatives		
					Diversity and Inclusion		Target rate of hiring of disability individuals: 1%	Achieved	Target rate of hiring of disability individuals: 1%		

Cate-gories	Sustain-ability Policy	Sustainability Action	Sustainable Topics	Sustainability KPIs	Management approaches and performances	Coverage	Short-Term Goals (2023)	Result (2023)	Short-Term Goals (2024)	Mid-Term Goals (2025)	Long-Term Goals (2030)
Enterprise Care	Creating a Healthy and Safe Workplace for Employees	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	Surpass by reaching the top 2%	Average employee salary in Taiwan ranks in the top 5% 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 /Engagement	Global	> 70 scored	Achieved	> 75 scored	> 76 scored	> 78 scored
				Talent Retention	Talent Retention	Global	Turnover rate of high-performing talent: <6%	Achieved	Turnover rate of high-performing talent: <3%		
							Turnover rate of employee: <15%	Achieved	Turnover rate of employee: <15%		Turnover rate of employee: <14%
				Employee Care	Employee Supporting Program	Taiwan	Maternity subsidy of NTD 6 thousands in Taiwan sites	Achieved	Maternity subsidy of NTD 6 thousands in Taiwan sites		Maternity subsidy of NTD 8 thousands
						Taiwan	Childcare measures and subsidies, establishment or contracted childcare facilities in Taiwan sites	Achieved	Childcare measures and subsidies, establishment or contracted childcare facilities in Taiwan sites		
						Global	Implementation of Employee Assistance Program (EAP)	Achieved	Implementation of Employee Assistance Program (EAP)		
		Management Relations Promotion and Communication		Employee Engagement	Establishing a Positive Labor-Management and Interactive Relationship	Taiwan	Holding labor-management meetings on a quarterly base	Achieved	Holding labor-management meetings on a quarterly base		
						Global	Holding employee meeting once per year	Over, holding employee meeting 8 times	Holding employee meeting once per year		
							Resolution rate of proposals from labor-management meetings: 100%	Achieved	Resolution rate of proposals from labor-management meetings: 100%		
		Talent cultivation	Talent Training and Career Development ◉	Learning Vitality	Enhancing Employee Learning Motivation-Course Satisfaction.	Global	≧ 85%	Achieved	≧ 85%	≧ 87%	≧ 88%
				Reserving Talent	Cultivating Capabilities of Future Talent	Global	Completion rate of APPLE (Acceleration Program of Potential Leader, APPLE) ≥ 80% in Taiwan sites	Achieved	Completion rate of APPLE (Acceleration Program of Potential Leader, APPLE) ≥ 90% in Taiwan Sites	• Promote APPLE to global • Establish the requirement that vacant managerial positions be filled by qualified candidates from APPLE	Promote employee to managerial positions based on the results of the mid-term plan
		Ensuring occupational safety and health	Occupational Health and Safety ◉	Safety Culture	Promoting Safety Culture-completion rate of Occupational Health and Safety Training	Global	• Employees in Taiwan sites: 100% • Contractors in Taiwan sites: 100%	Achieved	• Employees in Taiwan and Yangzhou sites 100% • Contractors in Taiwan and Yangzhou sites 100%		
						Taiwan	• Zero major occupational injuries in Taiwan sites	Achieved	Zero major occupational injuries in Taiwan sites		
				Working Environment	Protecting Workplace Safety	Global	• The Taiwan sites Conducting human rights risk assessment in Taiwan sites complies 100% with occupational safety and health regulations • The Taiwan site has successfully renewed its ISO 45001 certification	Achieved	The Taiwan and Yangzhou sites maintain the validity of ISO 45001 certification	• The Taiwan and Yangzhou sites comply 100% with occupational safety and health regulations • The US sites to obtain ISO 45001 certification	
							Disabling Injury Frequency Rate (FR) -0.5	Not achieved[Note10]	FR-2	FR-0.4	FR-0.3
							Disabling Injury Severity Rate (SR) -10	Not achieved[Note10]	SR-20		SR-10
						Taiwan	The Taiwan sites has established a real-time visual occupational injury system	Achieved	The Taiwan sites has established a real-time visual occupational injury system		
				Employee Health and Well-Being	Protecting Employee Health and Wellbeing	Global	Incident of Occupational disease caused by chemical exposure and physical hazards: <1	Achieved	Incident of Occupational disease caused by chemical exposure and physical hazards: <0		
						Taiwanl	Two health check measures in Taiwan sites exceed regulatory requirements	Achieved	Two health check measures in Taiwan sites exceed regulatory requirements		

Cate-gories	Sustain-ability Policy	Sustainability Action	Sustainable Topics	Sustainability KPIs	Management approaches and performances	Coverage	Progress				
							Short-Term Goals (2023)	Result (2023)	Short-Term Goals (2024)	Mid-Term Goals (2025)	Long-Term Goals (2030)
Social Engagement	Local Engagement Aligned with Core BusinessCreating a Healthy and Safe Workplace for Employees	Investing in Education and Cultural Diversity	Engagement and Community Involvement	Educational and Cultural	Educational Collaboration - "eRead for the Future" eReader mobile library project	Taiwan	Donating to eReader to elementary schools in a new city/ county	Surpass by donating to elementary schools and 10 public libraries in Keelung City	Donating to eReader to elementary schools in a new county/ city	• Promoting project to 9 city/ county • Promoting digital reading curriculum	Promoting project to 13 city/ county
		Supporting the Underserved Groups and Philanthropic Activities		Philanthropic Initiatives	Engagement in Philanthropic Activities	Taiwan	Organizing diverse volunteer activites	Achieved	Organizing volunteer activites	Regularly organize volunteer activities related to social charity on a quarterly basis	Actively participate in social charity activities and expand positive impact
							300 participants	Surpass by over 500 participants	400 participants		
		Caring for Ecological Restoration and Friendly Environments	Biodiversity	Environmental conservatio	Promoting environmental conservation	Taiwan	• Promote one biodiversity collaboration project • Sign the Non-Deforestation Commitment and sponsor the Dark Sky Association forum to contribute to environmental sustainability	Achieved	Continue and deepen its existing biodiversity cooperation projects.	Promote 2 biodiversity collaboration projects.	Promote 3 biodiversity collaboration projects.

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

Note 2: In 2023, one case of integrity management violation was reported. This integrity violation case was reported by a stakeholder through the public whistleblowing channel and was investigated and substantiated. For details, please refer to Chapter 2-1-2 2-1-2 Ethics and Integrity of this report.

Note 3: The proportion of R&D workforce to total workforce was 21%. Although the global number of R&D workforce increased in 2023 compared to 2022, the challenges of global shortages and high demand for technology professionals meant that the target was not met.

Note 4: Due to a decline in revenue in 2023 and the addition of a new pollution control facility, the increased electricity consumption resulted in a slight decrease in energy productivity, falling short of the target.

Note 5: In 2023, E Ink implemented a water-saving program for process water. Although the overall water usage was reduced, the quality of the discharged water exceeded the recycling standards, leading to a decrease in the overall process water recycling rate.

Note 6: The ISO 14001 implementation timeline for the US sites was delayed until 2024 due to a manpower shortage.

Note 7: Due to an increase in production capacity compared to the base year in 2023, VOCs (Volatile Organic Compounds) slightly increased.

Note 8: In 2023, the definition of management was redefined to focus on organizational managers. In 2022, project managers were also included, affecting the proportion of female managers.

Note 9: In 2023, the global employee classification was redefined. The 2022 data included third-party personnel, affecting the proportion of female employees.

Note 10: Different approaches to handling occupational injury across E Ink's various sites impacted the achievement of the target. Therefore, E Ink will reassess the target's reasonableness and continue to improve workplace safety to ensure effective management of the site's environment and safety.

Note 11: The baseline year is 2021.

Note 12: △ Indicated the indicator was linked to senior executive remuneration

![E Ink logo]

Appendix II: GRI Standards

Declaration of Use	E Ink reports in accordance with GRI Standards for the period from January 1, 2023, to December 31, 2023
GRI1 Used	GRI1: Foundation (2021)
Applicable GRI Sector Standards	Not applicable

GRI2 General Disclosures

GRI Indicator	Report Section Mapping	Omission/ Remarks	Page Number	External Assurance
2-1 Organizational details	1-1 Company Overview		12	●
2-2 Entities included in the organization's sustainability reporting	About this Report		2	●
2-3 Reporting period, frequency and contact point	About this Report		2	●
2-4 Restatements of information	-	No information required re-editing in 2023	-	●
2-5 External assurance	About this Report		2-3	●
2-6 Activities, value chain and other business relationships	1-1-1 About E Ink		12-13 19	●
2-7 Employees	6-1-2 Workforce Overview Appendix VII: Social Information		121 180	●
2-8 Workers who are not employees	6-1-2 Workforce Overview		122	●
2-9 Governance structure and composition	2-1-1 Board of Directors and Functional Committees		39-41	●
2-10 Nomination and selection of the highest governance body	2-1-1 Board of Directors and Functional Committees		39	●
2-11 Chair of the highest governance body	2-1-1 Board of Directors and Functional Committees		39	●
2-12 Role of the highest governance body in overseeing the management of impacts	2-1-1 Board of Directors and Functional Committees		39-40	●

GRI Indicator	Report Section Mapping	Omission/ Remarks	Page Number	External Assurance
2-13 Delegation of responsibility for managing impacts	1-3-2 Sustainable Development and Corporate Sustainability Committee 2-1-1 Board of Directors and Functional Committees		25-26 40, 42	●
2-14 Role of the highest governance body in sustainability reporting	1-3-2 Sustainable Development and Corporate Sustainability Committee 1-4-2 Material Topics Identification Process		25 31	●
2-15 Conflicts of interest	2023 Annual Report		25	●
2-16 Communication of critical concerns	1-3-2 Sustainable Development and Corporate Sustainability Committee		25	●
2-17 Collective knowledge of the highest governance body	2-1-1 Board of Directors and Functional Committees		41	●
2-18 Evaluation of the performance of the highest governance body	2-1-1 Board of Directors and Functional Committees		41	●
2-19 Remuneration policies	2-1-1 Board of Directors and Functional Committees		43	●
2-20 Process to determine remuneration	2-1-1 Board of Directors and Functional Committees		42-43	●
2-21 Annual total compensation ratio	2-1-1 Board of Directors and Functional Committees		43	●
2-22 Statement on sustainable development strategy	CEO's Message		5-6	●
2-23 Policy commitments	2-1-2 Ethics and Integrity 6-2-1 Respecting Human Rights		44 123-125	●
2-24 Embedding policy commitments	2-1-2 Ethics and Integrity 6-2-1 Respecting Human Rights		44 123-125	●
2-25 Processes to remediate negative impacts	2-1-2 Ethics and Integrity 6-2-1 Respecting Human Rights		46 124-125	●
2-26 Mechanisms for seeking advice and raising concerns	2-1-2 Ethics and Integrity		46	●
2-27 Compliance with laws and regulations	1-2-1 Business Performance		22	●
2-28 Membership associations	1-1-3 Honors, Recognitions, and Initiatives		17-18	●
2-29 Approach to stakeholder engagement	1-4-1 Stakeholder Communication Effectiveness		28-30	●
2-30 Collective bargaining agreements	6-2-2 Labor Relations and Communication		126	●

E Ink 2023 CORPORATE SUSTAINABILITY REPORT

GRI Topic Standards

Material topics	Topics	GRI Indicator	Report Section Mapping	Omission/Remarks	Page Number	External Assurance
-	Management Approach	GRI3-1 Process to determine material topics	1-4-2 Material Topics Identification Process		31-33	●
	Management Approach	GRI3-2 List of material topics	1-4-2 Material Topics Identification Process		32-33	●
Governance	Management Approach	GRI3-3 Management of material topics	1-4-1 Stakeholder Communication Effectiveness 1-4-2 Material Topics Identification Process 2-0 Management Approach of Sustainable Topics		29-30 33 36	●
Ethics and Integrity	Management Approach	GRI3-3 Management of material topics	1-4-1 Stakeholder Communication Effectiveness 1-4-2 Material Topics Identification Process		29-30 33 36	●
	205 Anti-corruption	205-1 Operations assessed for risks related to corruption	2-1-2 Ethics and Integrity		45	●
		205-2 Communication and training about anti-corruption policies and procedures	2-1-2 Ethics and Integrity		45	●
		205-3 Confirmed incidents of corruption and actions taken	2-1-2 Ethics and Integrity		45	●
	206 Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2-1-2 Ethics and Integrity		45	●
Information and Cyber Security	Management Approach	GRI3-3 Management of material topics	1-4-1 Stakeholder Communication Effectiveness 1-4-2 Material Topics Identification Process 2-0 Management Approach of Sustainable Topics		30 33 37	●
Market Expansions	Management Approach	GRI3-3 Management of material topics	1-4-1 Stakeholder Communication Effectiveness 1-4-2 Material Topics Identification Process 3-0 Management Approach of Sustainable Topics		28, 30 33 60	●
Product Research, Development and Innovation	Management Approach	GRI3-3 Management of material topics	11-4-1 Stakeholder Communication Effectiveness 1-4-2 Material Topics Identification Process 3-0 Management Approach of Sustainable Topics		28, 30 33 60	●
Green and Sustainable Product Development	Management Approach	GRI3-3 Management of material topics	1-4-1 Stakeholder Communication Effectiveness 1-4-2 Material Topics Identification Process 3-0 Management Approach of Sustainable Topics		28, 30 33 60	●
Climate Change Mitigation and Adaption	Management Approach	GRI3-3 Management of material topics	1-4-1 Stakeholder Communication Effectiveness 1-4-2 Material Topics Identification Process 4-0 Management Approach of Sustainable Topics		30 33 82	●
	201 Economic Performance	201-2 Financial implications and other risks and	2-2-3 Nature and Climate-Related Financial Disclosures		54-55	●

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Material topics	Topics	GRI Indicator	Report Section Mapping	Omission/ Remarks	Page Number	External Assurance
Energy and Greenhouse Gas Management	Management Approach	GRI3-3 Management of material topics	2-2-3 Task Force on Climate-Related Financial Disclosures 1-4-1 Stakeholder Communication Effectiveness 1-4-2 Material Topics Identification Process 4-0 Management Approach of Sustainable Topics		28, 30 33 82	●
	302 Energy	302-1 Energy consumption within the organization	4-3-1 Energy Usage Appendix VI: Environmental Information		90 178	●
		302-3 Energy intensity	4-3-3 Energy Conservation and Carbon Reduction Appendix IV：Comparison Table of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies		92 177	●
		302-4 Reduction of energy consumption	4-3-3 Energy Conservation and Carbon Reduction		92	●
	305 Emissions	305-1 Direct (Scope 1) GHG emissions	4-3-2 Greenhouse Gas Emissions Appendix VI: Environmental Information		90 179	●
		305-2 Energy indirect (Scope 2) GHG emissions	4-3-2 Greenhouse Gas Emissions Appendix VI: Environmental Information		90 179	●
		305-3 Other indirect (Scope 3) GHG emissions	4-3-2 Greenhouse Gas Emissions		91	●
Resource Management and Circular Economy	Management Approach	GRI3-3 Management of material topics	1-4-1 Stakeholder Communication Effectiveness 1-4-2 Material Topics Identification Process 4-0 Management Approach of Sustainable Topics		30 33 83	●
	306 Waste	306-1 Waste generation and significant waste-related impacts	Appendix VI: Environmental Information		180	●
		306-2 Management of significant waste-related impacts	Appendix VI: Environmental Information		180	●
		306-3 Waste generated	4-5-1 Raw Material Use and Waste Generation Appendix VI: Environmental Information		100 180	●
		306-4 Waste diverted from disposal	4-5-1 Raw Material Use and Waste Generation Appendix VI: Environmental Information		100 180	●
		306-5 Waste directed to disposal	4-5-1 Raw Material Use and Waste Generation Appendix VI: Environmental Information		100 180	●
Sustainable Supply Chain Management	Management Approach	204-1 Proportion of spending on local suppliers	1-4-1 Stakeholder Communication Effectiveness 1-4-2 Material Topics Identification Process 5-0 Management Approach of Sustainable Topics		29 33 105	●
	204 Procurement Practices	308-1 New suppliers that were screened using environmental criteria	5-1-3 2 Building a Green and Low-carbon Supply Chain Appendix V: Supply Chain Information		110 178	●
	308 Supplier Environmental Assessment	308-2 Negative environmental impacts in the supply chain and actions taken	5-1-2 Managing Sustainable Supply Chain Risks		107	●
		414-1 New suppliers that were screened using social criteria	5-1-2 Managing Sustainable Supply Chain Risks Appendix V: Supply Chain Information		109 177	●
	414 Supplier Social Assessment Disclosure	414-2 Negative social impacts in the supply chain and actions taken	5-1-2 Managing Sustainable Supply Chain Risks		107	●
		GRI3-3 Management of material topics	5-1-2 Managing Sustainable Supply Chain Risks Appendix V: Supply Chain Information		109 177	●

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Material topics	Topics	GRI Indicator	Report Section Mapping	Omission/ Remarks	Page Number	External Assurance
Employee Training and Career Development	Management Approach	GRI3-3 Management of material topics	1-4-1 Stakeholder Communication Effectiveness 1-4-2 Material Topics Identification Process 6-0 Management Approach of Sustainable Topics		29-30 33 118	●
	404 Training and Education	404-1 New employee hires and employee turnover	6-3-2 Diverse Training Channels Appendix VII: Social Information		136 182	●
		404-3 Percentage of employees receiving regular performance and career development reviews	6-3-3 Performance Review and Development		137	●
Talent Attraction and Retention	Management Approach	GRI3-3 Management of material topics	1-4-1 Stakeholder Communication Effectiveness 1-4-2 Material Topics Identification Process 6-0 Management Approach of Sustainable Topics		29-30 33 118	●
	401 Employment	401-1 New employee hires and employee turnover	6-1-2 Workforce Overview Appendix VII: Social Information		122 182	●
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	6-2-4 Salary and Benefits		130-132	●
		401-3 Parental leave	6-2-4 Salary and Benefits		129	●
Occupational Health and Safety	Management Approach	GRI3-3 Management of material topics	1-4-1 Stakeholder Communication Effectiveness 1-4-2 Material Topics Identification Process 6-0 Management Approach of Sustainable Topics		29-30 33 120	●
	403 Occupational Health and Safety	403-1 Occupational health and safety management system	6-4-1 Enhancing Management Empowerment through Occupational Safety and Health Management		138	●
		403-2 Hazard identification, risk assessment, and incident investigation	6-4-2 Controlling Risks to Create a Secure Workplace		138-141	●
		403-3 Occupational health services	6-4-2 Controlling Risks to Create a Secure Workplace 6-4-4 Creating a Healthy and Happy Workplace		138 142-144	●
		403-4 Worker participation, consultation, and communication on occupational health and safety	6-4-1 Enhancing Management Empowerment through Occupational Safety and Health Management		138	●
		403-5 Worker training on occupational health and safety	6-4-2 Controlling Risks to Create a Secure Workplace 6-4-3 Promoting a Safety Culture		139-140 142	●
		403-6 Promotion of worker health	6-4-4 Creating a Healthy and Happy Workplace		142-144	●
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6-4-3 Promoting a Safety Culture		142	●
		403-9 Work-related injuries	6-4-2 Controlling Risks to Create a Secure Workplace Appendix VII: Social Information		141 183	●

Appendix III: SASB Standards

Disclosure topics: Product Security						
Code	Accounting Metrics		Accounting Metrics Mapping to Disclosure	Section/Applicability Explanation	Page Number	External Assurance
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	-	-	●

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Disclosure topics:Employee Engagement, Diversity & Inclusion					
Code	**Accounting Metrics**	**Accounting Metrics Mapping to Disclosure**	**Section/Applicability Explanation**	**Page Number**	
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 VII, Social Information, Table " Gender and Job Category Statistics of Employees " and Table " Race/Ethnicity Statistics of Employees"	Appendix VII: Social Information	181	●

Disclosure topics:Product Design & Lifecycle Management					
Code	**Accounting Metrics**	**Accounting Metrics Mapping to Disclosure**	**Section/Applicability Explanation**	**Page Number**	
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	98.8 metric tonsnote	-	-	●
	Waste recovered, percentage recycled (%)	3.9%			

Disclosure topics: Supply Chain Management					
Code	**Accounting Metrics**	**Accounting Metrics Mapping to Disclosure**	**Section/Applicability Explanation**	**Page Number**	
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(%)	In 2023, E Ink had a total of 101 first-tier suppliers, of which 4 obtained RBA certification, resulting in a 4% acceptance rate of the RBA verification audit process. E Ink has not yet established an equivalent RBA verification audit operation, so the proportion of high-risk suppliers cannot be calculated.。	5-1-2 Managing Sustainable Supply Chain Risks	109	●
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: Raw Material Procurement					
Code	**Accounting Metrics**	**Accounting Metrics Mapping to Disclosure**	**Section/Applicability Explanation**	**Page Number**	
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 Managemen	115	●

Activity Metrics					
Code	**Accounting Metrics**	**Accounting Metrics Mapping to Disclosure**	**Section/Applicability Explanation**	**Page Number**	
TC-HW-000.A	Number of units produced by product category	The production volume of ePaper film and displays in 2023 was 32, 693 thousand pieces.	2023 Annual Report	79	●
TC-HW-000.B	Area of manufacturing facilities (ft2)	Taiwan sites：471,407.2 Yangzhou sites：5,451,717.9 US sites： 1,275,062.0		-	●
TC-HW-000.C	Percentage of production from owned facilities (%)	E Ink products are 100% self-manufactured	-	-	●

Note: The total weight of scrapped products and recycled electronic waste includes electronic scraps.

Appendix IV: Comparison Table of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Number	Indicator	Indicator Type	Annual Disclosure Status	Unit	Remarks
1	Total Energy Consumption	Quantitative	379,443.3	Billion joules (GJ)	
	Percentage of Purchased Electricity	Quantitative	83.3	Percentage (%)	
	Utilization Rate of Renewable Energy	Quantitative	28.7	Percentage (%)	
2	Total Water Withdrawal	Quantitative	473,233.7	Meters (m³)	
	Total Water Consumption	Quantitative	154,510.2	Meters (m³)	
3	Weight of Hazardous Waste Generated	Quantitative	626.2	Metric tons (t)	
	Percentage of Hazardous Waste Recycled	Quantitative	11.7	Percentage (%)	
4	Types of Occupational Accidents	Quantitative	Falls and rolling, crushing injuries, outdoor falls, improper movements, collision injuries (5 types)	Quantity	
	Number of Occupational Accidents	Quantitative	7	Quantity	
	Occupational Accident Rate	Quantitative	1.18	Ratio (%)	Disabling Injury Frequency Rate (FR)
5	Disclosure of Product Life Cycle Management: Weight of Scrap Products and Electronic Waste[Note]	Quantitative	98.8	Metric tons (t)	
	Disclosure of Product Life Cycle Management: Percentage of Recycling of Scrap Products and Electronic Waste	Quantitative	3.9	Percentage (%)	
6	Description of Risk Management Related to Key Materials Qualitative Description	Qualitative Description	-	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	32,693 Thousand pieces	Quantity	ePaper film and display production volume

Note: Including the sale of offcuts or other recycling processes, relevant explanations should be provided

TWSE-listed & OTC-listed Companies' Climate Information

Item	Progress
Describe the board of directors and management's supervision and governance of climate-related risks and opportunities	The Board of Directors of E Ink is the highest governing body for risk management, regularly approving management strategies for climate-related risks and opportunities while supervising the effectiveness of the overall risk management mechanism. The Sustainability Development Committee, which is the functional committee under the Board, convenes twice a year to review corporate climate-related risk policies and procedures, make decisions on material climate-related issues, and allocate resources accordingly. Additionally, the Remuneration Committee annually evaluates the linkage between executive compensation and climate-related matters. The Corporate Sustainability Committee, composed of senior management, reviews strategies, targets, and performance tracking for addressing climate-related risks. The Risk Management sub-committee follows the Risk Management Policy and procedures to define risk control priorities and oversee the management of climate-related risks. The Green Production sub-committee is responsible for implementing and managing actions related to climate change risks and opportunities. This includes identifying and assessing climate-related risks and opportunities, analyzing strategic and financial impacts, formulating management plans for material risk items, setting indicators and targets, and reviewing execution status and future plans.

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Item	Progress
Describe how the identified climate risks and opportunities affect the company's business, strategy, and financials (short-term, medium-term, long-term).	According to the TCFD framework, E Ink defines the short term as within 5 years, the medium term as 5- 10 years, and the long term as more than 10 years. Subsequently, E Ink conducts cross-departmental identification and assessment of short, medium, and long-term risks and opportunities and potential financial impacts across the company's value chain (operations, upstream, and downstream). In 2023, the identified material climate-related risks include the transition to low-carbon technologies and processes, carbon fee imposition, increased severity of extreme weather(e.g., typhoons, floods, landslides), competitiveness of low-carbon products, and rising costs of raw materials (including electricity). Opportunities include enhancement of low-carbon product development capabilities, expanding new market applications for ePaper products, increasing market demand for environmentally friendly products, and promoting low-carbon green production. The impacts of material climate-related risks and opportunities on the Company's business, strategy, and financial planning are analyzed. The subsequent management strategies being implemented include planning the net-zero emission pathway, improving energy efficiency, increasing the proportion of renewable energy usage, collaborating with industry, government, and academia to develop energy-saving products, and managing the supply chain to mitigate the impacts of climate change.
Describe the impact of extreme climate events and transition actions on financials	Countries worldwide are starting to develop carbon trading markets to achieve the 2050 net-zero emission goals. Under the temperature control targets of the "Paris Agreement," global carbon prices must increase. According to the International Energy Agency's (IEA) 2023 energy report, in the IEA NZE scenario, all regions will implement carbon pricing, with the carbon price in developed economies rising to USD 250/metric ton by 2050. Taiwan also officially announced its 2050 net-zero emissions target in 2022 and plans to begin collecting carbon fees from major carbon emitters with annual emissions exceeding 25,000 metric tons as early as 2024. The carbon fee per ton is currently estimated to exceed USD 10, with gradual increases planned, posing a significant carbon impact on businesses. E Ink has already committed to net-zero emissions by 2040 and, under the greenhouse gas reduction targets in the IEA NZE and IEA STEPS scenarios, has calculated the potential financial impacts of carbon reduction actions at global operational sites for 2025, 2030, and 2040. These actions include green electricity procurement, carbon pricing, equipment replacement, and the implementation of energy-saving schemes. According to scenario simulations, the financial impact of climate-related risks on E Ink's potential revenue is estimated to be between 0.2% and 2.4%. To address the potential impact of high carbon fees in the future, E Ink will continue to plan the use of low-energy equipment in process energy management and carry out carbon reduction projects to effectively reduce electricity and energy consumption in the manufacturing process. In terms of energy use, E Ink will continue to purchase green electricity and consider expanding the installation of solar panels at our sites to increase the proportion of renewable energy use, thereby reducing carbon emissions and environmental impact. E Ink has estimated the potential financial impact of physical risks such as extreme weather events (e.g., flooding, landslides) and transition risks such as carbon fee imposition.
Describe how the identification, assessment, and management process of climate risks is integrated into the overall risk management system	E Ink plans to identify climate-related risks and opportunities every three years based on the TCFD framework, industry assessment results, existing and emerging climate change regulations, and cross-departmental communication. The Risk Management Sub-committee annually reviews potential strategic, operational, financial, information, compliance and integrity, and emerging risks, performing risk identification and management. Subsequently, the Green Manufacturing Sub-committee coordinates the development of adaptation and mitigation strategies. The Green Manufacturing Sub-committee reviews the financial impact of material climate-related risks and issues every six months and reports their management status to the Corporate Sustainability Committee annually. **Risk Identification:** Cross-departmental units responsible for climate-related financial disclosures are convened to identify short, medium, and long-term climate-related risks and opportunities based on the TCFD framework. **Risk Analysis:** The impact and frequency of these risks on the value chain are assessed to calculate risk levels. A matrix map of natural and climate-related risks and opportunities is created and ranked. **Risk Assessment:** Risks and opportunities with a risk value of ≥9 are considered material climate-related risks and opportunities. These material risks and opportunities are integrated into the company's overall risk management and prioritized for subsequent management.
If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors, and main financial impacts should be described	E Ink has evaluated the potential impacts and financial implications of various scenarios, including the company's 2040 net-zero emissions commitment, IEA NZE, IEA STEPS, SSP1-1.9, and SSP5-8.5. The different risk scenarios and their assumed parameters are described as follows: **Transition Risks** • Achieve RE100 by 2030. • Reduce Scope 1 and 2 emissions by 80% compared to 2021 levels by 2030. • Reduce Scope 3 emissions by 25% compared to 2021 levels by 2030. • Achieve net-zero emissions by 2040. • Carbon pricing ranges from NTD 2,682 to 6,109 per ton of CO_2e. IEA NZE： • Achieve net-zero emissions in the global energy sector by 2050, with developed economies reaching this target earlier than other countries. • Carbon pricing ranges from NTD 2,682 to 6,109 per ton of CO_2e. IEA STEPS： • Covers current climate change measures and specific policies formulated by governments worldwide, but adopts a more conservative emission pathway assessment regarding policy realization. • Carbon pricing ranges from NTD 834 to 5,215 per ton of CO_2e. **Physical Risks** E Ink uses the latest CMIP 6 (Coupled Model Intercomparison Project Phase 6) model data provided by the National Science and Technology Center for Disaster Reduction to assess flood and slope disaster risks in Taiwan under global warming scenarios of 1.5° C (SSP1-1.9) and 4° C (SSP5-8.5). By overlaying flood and slope disaster hazard-vulnerability maps with the locations of E Ink's upstream suppliers, its own operations (including potential new office buildings and factories), and downstream customers in Taiwan, the risk levels of floods and slope disasters (ranging from Level 1 to 5, with Level 5 being high risk) are estimated. Suppliers located in high-risk areas are identified to plan subsequent risk mitigation measures.

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Item	Progress

If there are transition plans to address the management of climate-related risks, describe the content of the plan, as well as the indicators and targets used to identify and manage physical risks and transition risks

Based on the identification results of climate-related risks and opportunities, E Ink has aligned with the company's six sustainable actions: " Product realization & technology innovation " " Expansion of low carbon products," " Response to Climate Change," " Transformation Path to Net Zero," " Environmental Impact Mitigation," and " Establishing a Green and Low-Carbon Supply Chain." The management action targets for 2025 and 2030 are summarized in the table to the right.

Sustainable Actions	Management Actions	Goal	
		2025	**2030**
Product realization & technology innovation	R&D Investment - R&D expenditure as a percentage of total revenue	10-15%	
Expansion of low carbon products	Sustainable Product Development - Annual Additions	Add 1-2 items	
Transformation Path to Net Zero	Carbon Emission Intensity	20% reduction compared to 2021	70% reduction compared to 2021
Environmental Impact Mitigation	General Waste Resource Recovery Rate	55%	60%
Establishing a Green and Low-Carbon Supply Chain	Number of Suppliers Using Renewable Energy	Increased by 2 compared to 2024	Increased by 5 compared to 2025

If internal carbon pricing is used as a planning tool, the basis for price setting should be explained

E Ink's internal carbon pricing (ICP) is calculated mainly with reference to domestic and international carbon trading markets and estimated renewable energy procurement prices. The ICP is initially implemented in Taiwan as a shadow price to evaluate the benefits of new investments and equipment procurement, thereby improving the assessment of future investment plans and further reducing potential greenhouse gas emissions.

In 2023, E Ink set the ICP at NTD 600/metric ton CO_2e. In 2024, the price will be increased to NTD 1, 000/metric ton CO_2e, with plans for regular increases. This approach aims to promote improvements in equipment energy efficiency, raise awareness of carbon management, and advance low-carbon investments.

If climate-related goals are set, information on the covered activities, GHG emission categories, planning period, and annual progress should be provided. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these goals, the source and quantity of the offset carbon reductions or the number of RECs should be specified

E Ink's short-term, long-term, and net-zero emission targets were approved and verified by the Science Based Targets initiative (SBTi) in 2023. The targets include:

Item	Goal	2023 Progress Achieved
Short-term	• Reduce Scope 1 and Scope 2 greenhouse gas emissions by 80% compared to 2021 levels by 2030. • Reduce Scope 3 greenhouse gas emissions by 25% compared to 2021 levels by 2030. • Increase the use of renewable energy from 0.21% in 2021 to 100% by 2030.	• Reduce Scope 1 and Scope 2 greenhouse gas emissions by 27% compared to 2021 levels. • Achieve 36% renewable energy usage for global electricity (RE36).
Long-term	• Reduce Scope 1, Scope 2, and Scope 3 greenhouse gas emissions by 90% compared to the 2021 baseline by 2040.	
Net-zero	• Achieve net-zero greenhouse gas emissions across the value chain by 2040.	

In 2023, E Ink purchased 27,121 renewable energy certificates (equivalent to 27,121 MWh), secured 3,038 MWh of power through PPAs (equivalent to 3,038 renewable energy certificates), and generated 119 MWh of solar power for self-use. Details of the renewable energy purchased by E Ink's global sites can be found in section 4-3-3 of the report on Energy Conservation and Carbon Reduction.

GHG inventory and verification situation

E Ink's global sites annually follow ISO 14064-1:2018 to complete greenhouse gas inventories and obtain external verification. Details can be found in the report's appendix on Inventory & Verification.

Inventory & Verification

E Ink qualifies as a "company with a capital of more than NTD 10 billion dollars", and in line with the TWSE sustainable development roadmap for listed companies, we disclose the "parent company's individual inventory" and the "parent company's individual verification".

Scope		Scope1		Scope1		Verification Agency	Description
		Emissions (tCO$_2$e)	Intensity (tCO$_2$e/NTD million)	Emissions (tCO$_2$e)	Intensity (tCO$_2$e/NTD million)		
Parent Company[Note11]		418.5	0.04	21,140.9	2.08		
Subsidiaries[Note2]	US sites	3,024.3	0.98	0	_[Note3]	DNV	DNV completed the reasonable assurance level of greenhouse gas inventory verification in accordance with ISO 14064-1:2018.
	Yangzhou sites	233.9	0.02	8,863.0	0.64		
	other sites	0.6	_[Note4]	67.7	_[Note4]		
Total		3,677.2	0.14	30,071.6	1.11		

Note 1: The parent company includes the Hsinchu sites and Linkou sites in Taiwan, as well as the office in Korea.

Note 2: Subsidiaries include the US sites, Yangzhou sites, and other subsidiaries.

Note 3: As other subsidiaries have no product output, their intensity cannot be calculated.

Note 4: In 2023, the US sites achieved 100% use of renewable energy (RE100), so its intensity cannot be calculated.

Note 5: The total Scope 2 greenhouse gas emissions are calculated based on the market-based method.

Appendix V: Supply Chain Information

Item	2023
Supplier Screening	
Total number of Tier-1 suppliers	101
Total number of significant suppliers in Tier-1	46
% of total spend on significant suppliers in Tier-1	85.3%
Total number of significant suppliers in non Tier-1	21
Total number of significant suppliers (Tier-1 and non Tier-1)	67
Supplier Assessment	
Total number of significant suppliers assessed via desk assessments/on-site assessments	15
% significant suppliers assessed	22.4%
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[Note 1]	0
Number of suppliers with substantial actual/potential negative impacts that were terminated[Note 2]	0

Item	2023
Corrective Action Plan Support	
Total number of suppliers supported in corrective action plan implementation	0[Note3]
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	0[Note3]
Capacity building programs	
Total number of suppliers in capacity building programs	67
% of significant suppliers in capacity building programs	100%

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.

Note 3: No suppliers were identified with substantial actual/potential negative impacts in 2023, therefore, there is no need to assist suppliers in implementing corrective action plans.

Amount of Local Procurement

Category	Item	Raw Materials			Components			Machinery and Equipment			Total Procurement		
		Taiwan sites	China sites	US sites	Taiwan sites	China sites	US sites	Taiwan sites	China sites	US sites	Taiwan sites	China sites	US sites
Amount of Procurement (Thousand NTD)	Amount of Local Procurement	888,909	1,621,575	1,355,373	47,719	58,784	409,249	202,205	468,560	120,888	1,138,833	2,148,919	1,885,511
	Total Procurement Amount	965,071	10,828,478	1,396,086	48,375	59,591	409,532	238,544	685,620	122,442	1,251,990	11,573,690	1,928,059
	Percentage of Local Procurement	92.1%	15.0%	97.1%	98.6%	98.7%	99.9%	84.8%	68.3%	98.7%	91.0%	18.6%	97.8%
Number of suppliers	Local Suppliers	105	50	17	171	42	695	61	200	30	337	292	742
	Total Suppliers	116	86	22	173	43	700	63	213	31	352	342	753
	Percentage of Local Suppliers to Total Suppliers (%)	90.5%	58.1%	77.3%	98.8%	97.7%	99.3%	96.8%	93.9%	96.8%	95.7%	85.4%	98.5%

Appendix VI：Environmental Information

Sites/Office	Item	2020	2021	2022	2023
Energy Usage[Note1]					**Unit: GigaJoules (GJ)**
Taiwan	Purchased Electricity (Erey Electricity)	132,552.9	123,086.2	144,246.9	154,229.7
US		40,956.9	45,542.2	-	-
Yangzhou		78,549.6	90,876.5	93,973.0	44,331.5
Subtotal		252,059.4	259,504.9	238,220.0	198,561.2
Taiwan	Purchased and self-generated Renewable Energy	-	171.9	4,924.4	13,455.2
US		-	-	46,007.3	45,721.5
Yangzhou		395.8	429.0	10,578.4	49,236.1
Oversea Offices		-	-	559.8	585.9
Subtotal		395.8	600.9	62,069.8	108,998.8
Yangzhou	Purchased Steam	8,821.9	9,314.7	11,468.8	10,078.8
Subtotal			9,314.7	11,468.8	10,078.8

Sites/Office	Item	2020	2021	2022	2023
US		47,027.8	53,231.8	50,920.4	50,057.8
Yangzhou	Natural Gas	2,152.5	2,529.6	2,364.4	1,935.6
Subtotal		49,180.3	55,761.4	53,284.7	51,993.4
Taiwan		175.8	60.4	59.6	140.9
US		96.5	82.5	82.8	69.2
Yangzhou	Diesel	48.9	373.0	356.6	389.4
Subtotal		321.1	515.9	499.1	599.6
Taiwan		218.2	192.9	201.7	96.9
Yangzhou	Gasoline	147.9	221.9	174.6	425.7
Subtotal		366.1	414.8	376.4	522.6
Total		311,144.6	326,112.7	365,918.7	370,753.5

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Sites/Office	Item	2020	2021	2022	2023
Greenhouse Gas Emissions[Note2-6]					Unit: Metric Ton CO_2e
Taiwan	Scope1	128.3	207.6	325.7	419.1
	Scope 2 (Market-based)	18,750.7	17,172.1	20,404.9	21,208.6
	Scope 2 (Location-based)	18,750.7	17,172.1	21,101.5	21,553.1
US	Scope1	2,649.8	2,997.4	2,975.4	3,024.3
	Scope 2 (Market-based)	2,914.7	3,241.0	-	-
	Scope 2 (Location-based)	2,914.7	3,241.0	3,076.7	3,076.4
Yangzhou	Scope1	164.6	254.5	267.9	233.9
	Scope 2 (Market-based)	18,928.1	22,123.4	15,929.7	8,863.0
	Scope 2 (Location-based)	18,928.1	22,123.4	17,537.9	16,595.1
Oversea Offices	Scope1	-	-	-	-
	Scope 2 (Market-based)	-	-	0	-
	Scope 2 (Location-based)	-	-	76.3	76.8
Global sites	Scope1	2,942.7	3,459.5	3,569.0	3,677.3
	Scope 2 (Market-based)	40,593.5	42,536.5	36,334.6	30,071.6
	Scope 2 (Location-based)	40,593.5	42,536.5	41,792.4	41,301.4
	Total	43,536.2	45,996.0	39,903.6	33,748.9
Water Resource Withdrawal and Discharge[Note7-1]					Unit: Million Liters
Taiwan	Water withdrawal	237.1	167.8	151.6	178.4
	Water discharge	175.6	119.1	108.6	121.9
	Water consumption	61.5	48.7	43.0	56.4
US	Water withdrawal	18.3	25.2	23.9	31.0
	Water discharge	6.9	10.4	7.9	6.8
	Water consumption	11.4	14.8	16.0	24.2
Yangzhou	Water withdrawal	240.4	310.2	302.4	263.8
	Water discharge	173.1	223.3	217.7	190.0
	Water consumption	67.3	86.9	84.7	73.8
Total	Water withdrawal	495.8	503.2	477.9	473.2
	Water discharge	355.6	352.8	334.2	318.7
	Water consumption	140.2	150.4	143.7	154.5

Sites/Office	Item	2020	2021	2022	2023
Air Pollution Emissions[Note11-14]					Unit: Metric Ton
Taiwan	Volatile Organic Compounds (VOCs)	0.82	0.76	4.96	4.00
US		7.20	11.82	6.91	8.59
Yangzhou		0.03	0.14	0.61	0.52
Total		8.05	12.72	12.48	13.11
Environmental Violations					Unit: Event, NTD million
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

Note 1: The conversion coefficient is calculated using the energy calorific value coefficient announced by the local government.
Note 2: All data have been verified by a third party.
Note 3: The global warming potential of greenhouse gases is uniformly adopted from the Fourth IPCC Report (AR5) values.
Note 4: The greenhouse gas emission consolidation method uses the operational control approach.
Note 5: The categories of greenhouse gases included in the calculation are CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, and NF_3.
Note 6: Scope 2 emissions are calculated using a location-based or Market-based method.
Note 7: All water used is tap water (third-party water), and the data is compiled from water bills.
Note 8: At the Hsinchu sites in Taiwan, wastewater is confirmed to meet the discharge water quality standards and is then treated by the Hsinchu Science Park sewage treatment plant. The volume of wastewater discharged is recorded by flow meter. The Linkou sites does not produce any process wastewater.
Note 9: The Yangzhou sites was approved by the Yangzhou Environmental Protection Bureau in January 2011 to directly discharge wastewater without operating the wastewater treatment facilities. The volume of wastewater discharged is calculated as 72% of the water intake (wastewater discharge coefficient).
Note 10: At the US sites, wastewater is collected and discharged into the industrial wastewater discharge system, with the volume recorded by flow measurement.
Note 11: At the Hsinchu sites, semi-annual test report data (unit hour emission intensity) is multiplied by the annual operation hours for the total calculation. In 2022, a new production line was added, and the site installed additional air pollution control equipment, increasing VOC emissions.
Note 12: At the Linkou sites, emissions are calculated based on the amount of raw materials used and input quantities, according to the operating permit emission limits.
Note 13: At the Yangzhou sites, annual emissions are calculated as follows: Annual Emission Volume = Emission Rate (according to third-party monitoring report) * Annual Emission Hours.
Note 14: At the US sites, emissions are calculated as follows: Billerica site uses the chemical mass balance method, South Hadley site uses direct measurement and outsourced testing, and Fremont site uses outsourced testing. The total emissions are aggregated from these methods.

Destination of Effluent Discharge

item	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
US	Town of Billerica、SH POTW	Connecticut River、SF bay

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E Ink 2023 CORPORATE SUSTAINABILITY REPORT

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Appendix

Waste Generation and Disposal

Unit: Metris tons

Waste Categories	Waste Categories		2023			Subtotal
			Taiwan Sites	US sites	Yanzhou Sites	
General	Recycling		688.2	129.2	525.7	1343.1
	Waste Disposal Methods	Waste incinerated with energy recovery	142.9	0.0	283.5	426.4
		Waste incinerated without energy recovery	0.0	102.2	0.0	102.2
		Waste landfilled	0.0	13.2	0.0	13.2
		Waste with other disposal method	0.0	18.9	0	18.9
	Subtotal		831.1	263.5	809.2	1,903.8
Hazardous	Recycling		52.8	0.2	20.1	73.1
	Waste Disposal Methods	Waste incinerated with energy recovery	450.7	0	0	450.7
		Waste incinerated without energy recovery	0	86.0	16.4	102.4
		Waste landfilled	0	0	0	0
		Waste with other disposal method	0	0	0	0
		Waste incinerated with energy recovery	0	0	0	0
	Subtotal		503.5	86.2	36.5	626.2
Total Waste Generated			1,334.6	349.7	845.7	2,530.0

Waste Risk Identification and Response

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	• 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

Appendix VII: Social Information

Workforce Structure

Category	Region				Gender		
	Taiwan	China	US	Other	Female	Male	Total
Employees	1,414	891	442	40	952	1,835	2,787
Permanent employees[Note1]	1,411	875	442	39	935	1,832	2,767
Temporary employees[Note2]	3	16	-	1	17	3	20
Non-guaranteed hours employees[Note3]	-	-	-	-	-	-	-
Full-time employees[Note4]	1,414	891	442	40	952	1,835	2,787
Part-time employees[Note5]	-	-	-	-	-	-	-

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.

Female Workforce

| Item	Ratio in 2023 (%)	2030 goals (%)
Women in total workforce	34.2	36.0
Women in all management positions	19.3	23.0
Women in junior management positions	21.8	23.0
Women in top management positions	15.2	18.0
Women in management positions in revenue-generating functions	16.7	20.0
Women in STEM-related positions	33.1	34.0

Race/Ethnicity Statistics of Employees

Race/ Ethnicity	Asian		Black or African American		Hispanic or Latino		White		Other[Note]		Not Applicable or Undisclose		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	254	87.6	1	0.3	2	0.7	31	10.7	-	0.0	2	0.7	290	10.4
Technical Staff	1,087	93.9	-	0.0	8	0.7	41	3.5	2	0.2	19	1.6	1,157	41.5
Other Employees	1,109	82.8	6	0.4	13	1.0	151	11.3	5	0.4	56	4.2	1,340	48.1
Subtotal	2,450	87.9	7	0.3	23	0.8	223	8.0	7	0.3	77	2.8	2,787	100

Note: "Other" classified as indigenous or native, which includes Native Americans or Alaska Natives, Native Hawaiians or other Pacific Islanders, and two or more races.

Gender and Job Category Statistics of Employees

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	27	15.9	143	84.1	-	0.0	170
	Technical Staff	133	25	400	75	-	0.0	533
	All Other Employees	242	34	469	66	-	0.0	711
China	Management	13	23.6	42	76.4	-	0.0	55
	Technical Staff	265	48	287	52	-	0.0	552
	All Other Employees	136	47.9	148	52.1	-	0.0	284
US	Management	14	28	36	72	-	0.0	50
	Technical Staff	14	19.4	58	80.6	-	0.0	72
	All Other Employees	97	30.3	223	69.7	-	0.0	320
Other	Management	2	13.3	13	86.7	-	0.0	15
	Technical Staff	-	-	-	-	-	0.0	-
	All Other Employees	7	28	18	72	-	0.0	25
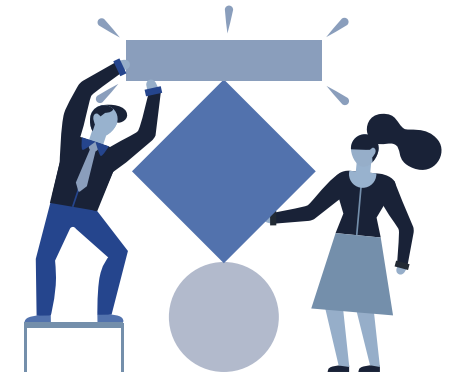
Overview of Newly Hired in 2023

Category		Total Number of New Employee Hires (person)	New Employee Hire Ratio (%)[Note]	Total Number of Open Positions Filled by Internal Candidates (person)	Percentage of Open Positions Filled by Internal Candidates (%)
Gender	Male	191	10.4	38	16.6
	Female	89	9.3	28	23.9
Age group	Under 30	134	26.6	21	13.5
	31-40	88	8.5	24	21.4
	41-50	35	3.9	19	35.2
	Over 51	23	6.3	2	8
Sites	Taiwan	51	3.6	28	35.4
	China	186	20.9	34	15.5
	US	39	8.9	4	9.3
	Other	4	10.0	0	0
	Total	280	10.0	66	19.1

Note: The ratio of new recruits = Number of new recruits / ((Number of employees at the beginning of the year + Number of employees at the end of the year) / 2)

Total Employee Turnover in 2023

Category		Total Number of Employee Turnover (person)	Total Employee Turnover Rate(%)[Note]	Voluntary Employee Turnover Rate(%)
Gender	Male	208	11.3	8.8
	Female	100	10.4	8.3
Age group	Under 30	134	26.6	21.1
	31-40	106	10.3	7.9
	41-50	38	4.2	3.7
	Over 51	30	8.2	6.0
Sites	Taiwan	97	6.8	6.4
	China	184	20.7	14.8
	US	26	6	3.9
	Other	1	2.5	2.5
	Total	308	11.0	8.6

Note : Total employee turnover rate= Total Number of turnover in the year / ((Average of Initial and Final Employment Count in the Year)/2)

New Hire of Full-time Employees, Average Hiring Cost and Percentage of Open Positions Filled by Internal Candidates

Year	Total Number of New Employee Hires (person)	Average Hiring Cost (NTD/person)	Percentage of Open Positions Filled by Internal Candidates (%)
2023	280	83,732	19.1
2022	1,064	22,324	7.7
2021	621	28,649	25
2020	457	32,401	32

Note: The internal rotation rate data from 2020 to 2022 only covers the Taiwan region.

Achievements of Training and Education in 2023

Category	Number of Hours of Education and Training (Hours)			Average Hours per Employee of Training and Development	Average Amount Spent per Employee on Training and Development (NTD)
	Physical Training Courses	e-Learning course	External Training Courses		
Total employees	11,256.3	117,227.2	7,804.6	48.9	4,886
Male	7,384.3	51,460.0	4,167.6	34.3	-
Female	3,872.0	65,767.2	3,637.0	77.0	-
Direct labor	2,037.3	47,672.2	922.5	45.5	-
Indirect labor	9,219.0	67,555.0	6,882.1	52.6	-
Supervisors	2,813.3	8,093.2	1,494.5	42.2	-
Non-supervisors	8,443.0	109,134.0	6,310.1	49.7	-

Amount of Contributions Attributed to Politics/ Policies

Unit:NTD Thousand

Contributions & Other Spending	2020	2021	2022	2023
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

Reporting on Breaches

Item	2023 Numer of Case
Corruption or Bribery	0
Discrimination or Harassment	1
Customer Privacy Data	0
Conflicts of Interest/ Money Laundering or Insider trading	0

Occupational Related Injuries

Sites	2023												
	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] Full-Time Employees	Recordable occupational disease rate [Note6]	Frequency-Severity Indicator (FSI) [Note7]
Full-Time Employees													
Taiwan	2,664,831	0	2	0	9	2	0	0	0.75	3	0.75	0.75	0.05
China	2,435,367	0	3	0	159	3	0	0	1.23	65	1.23	1.23	0.28
US	786,735	0	2	0	22	2	0	0	2.54	28	2.54	2.54	0.27
Total	5,886,933	0	7	0	190	7	0	0	1.18	32	1.19	1.19	0.19
Other Employees (including contractors)													
Taiwan	90,936	0	0	0	0	0	0	0	0	0	0	0	0
China	44,512	0	0	0	0	0	0	0	0	0	0	0	0
US	47,653	0	0	0	0	0	0	0	0	0	0	0	0
Total	183,101	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 7：FSI= （FR*SR / 1,000）^（1/2）

Appendix X: Third-Party Verification and Assurance Statement

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By Royal Charter

INDEPENDENT ASSURANCE OPINION STATEMENT

2023 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 2023 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 2023 E Ink Holdings Inc. Corporate Sustainability Report provides a fair view of the E Ink sustainability programmes and performances during 2023. 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 assurors 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 top level 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 25 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 continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted 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 2023 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 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 economic, environmental, and social information, 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, version 2018). Based on our review, we confirm that the sustainability disclosure topics & accounting metrics of SASB Standard(s) (HARDWARE Sustainability Accounting Standard, version 2018) 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 2023 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 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 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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2024-06-19

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