2024 NATURE AND CLIMATE REPORT

About this Report

The World Economic Forum publishes the "Global Risks Report" annually, identifying major uncertain events or conditions that may pose significant risks to countries and industries worldwide. In the 2024 and 2025 editions of the report, five environment-related risks were listed among the top ten global risks over the next decade. Notably, "Extreme Weather Events" have surged to the top position, followed by "Critical Change to Earth Systems" and "Biodiversity Loss and Ecosystem Collapse" as the three most severe long-term global risks. These findings underscore the urgency of addressing the growing threats posed by nature and climate change.

In light of the uncertainties of climate change and the ongoing transition in the global energy structure, E Ink Holdings Inc. (hereafter referred to as E Ink) has integrated economic development, environmental protection, and sustainable development into its core strategies. The Company actively promotes projects focused on energy conservation, carbon reduction, and water saving, and has implemented measures to identify and mitigate risks related to nature and climate change. Furthermore, E Ink is committed to developing energy-efficient products and services, enhancing climate and nature resilience, and fostering a culture of environmental sustainability.

E Ink identifies nature and climate-related risks and opportunities based on the frameworks of the Taskforce on Nature-related Financial Disclosures (TNFD) and the Task Force on Climate-related Financial Disclosures (TCFD). The Company further deepens its understanding of the impacts arising from nature and climate change through risk and opportunity assessment tools. Relevant departments analyze risks and opportunities across multiple dimensions, including policies and regulations, international initiatives and trends, technological development, market shifts, reputational considerations, transition risks, and short-, medium-, and long-term physical risks. Scenario analysis is applied to develop effective management measures and formulate both adaptation and mitigation strategies. With the support and engagement of senior management, E Ink aims to enhance its resilience in responding to nature and climate change.

Editing Principles

This report references the frameworks of the Taskforce on Nature-Related Financial Disclosures (TNFD) and the Taskforce on Climate-Related Financial Disclosures (TCFD) to disclose information related to nature and climate risks and opportunities. It also utilizes the LEAP (Locate, Evaluate, Assess, and Prepare) analytical methodology for identification.

Reporting Scope and Period

The report covers the operations and production of E Ink and the Company' s subsidiaries, which include the Taiwan (Hsinchu, Linkou, Zhongli), China (Yangzhou), and the US (Billerica, Fremont, and South Hadley), with 100% coverage. 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 nature and climate aspects. Any additional information from other regions will be specifically noted in the report.

This report discloses E Ink's corporate management strategies, risk and opportunity identification, as well as related goals and action plans concerning nature and climate for the year 2024 (from January 1 to December 31, 2024).

Reporting Information Compilation Process

The relevant information for this Nature and Climate Report is collected by each department and reviewed by the respective department heads. It is then submitted to the E Ink Corporate Sustainability Committee for consolidation, compilation, and internal audit. Upon completion, the finalized report is reviewed and approved by the Chairman prior to publication.

Sustainability Contacts

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NATURE AND CLIMATE REPORT

E Ink 2024 NATURE AND CLIMATE REPORT

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CEO’ s Message

Embracing Change, Steadily Advancing Toward Sustainability

In recent years, as the international political landscape continues to shift, countries and environmental organizations around the world have adopted diverse perspectives on climate change and sustainability issues. Nevertheless, the team at E Ink has always believed that the foundation of long-term business success lies in the sustainability of our planet. Only by remaining agile and excellent, and by maintaining continuous preparedness, can we swiftly respond to evolving environmental demands.

More than a decade ago, E Ink began its journey by participating in Corporate Social Responsibility (CSR) initiatives, eventually advancing toward comprehensive sustainable operations. The Company has since devoted itself fully to environmental sustainability, social value, innovation-driven growth, and transparent governance. We are honored to have been listed, for the third consecutive year, in both the Dow Jones Sustainability World Index (DJSI-World) and the Dow Jones Sustainability Emerging Markets Index (DJSI-Emerging Markets). In addition, E Ink has achieved outstanding results across numerous domestic and international sustainability evaluations and benchmarks.

With green ePaper technology and products at its core, E Ink is committed to sustainability across all dimensions—from Product Sustainability, Green Production, Sustainable Supply Chain, Corporate Governance, Enterprise Care, and Social Engagement. Even as the broader environment continues to change, E Ink remains steadfast in its mission, implementing sustainability practices step by step.

Emphasizing Double Materiality, Deepening Sustainability Impact

In addition to focusing on the impacts of external environmental, social, and economic factors on Company’ s operations, E Ink also emphasizes the principle of double materiality, paying close attention to the interaction between its operations and external dimensions, as well as strengthening positive externalities. As early as 2019, E Ink began assessing the impacts, risks, and opportunities posed by the external environment by adopting the framework of the Task Force on Climate-related Financial Disclosures (TCFD) to identify climate-related risks, financial impacts, and opportunities. In 2021, the Company became an official TCFD Supporter.

To broaden its scope to include natural and environmental aspects, E Ink began preliminary disclosures in 2022 based on the beta version of the Taskforce on Nature-related Financial Disclosures (TNFD) framework and became a TNFD Early Adopter in 2023. In 2024, E Ink published its first Nature and Climate Report, aiming to become the sustainable leader in the technology industry.

Prioritizing Climate Action, Actively Advancing Carbon Reduction

From the data, global warming is an undeniable reality. In 2024, both Taiwan and the world recorded their highest average temperatures in history. Taiwan’ s average temperature reached 24.97 ° C, the highest since records began in 1897, exceeding the historical average by 1.66 ° C. Globally, the average temperature surpassed the pre-industrial level of 1.5° C for the first time. According to the consensus reached a decade ago in the Paris Agreement, the goal of limiting the temperature increase to no more than 2° C now seems increasingly out of reach.

The threats posed by extreme weather to business operations and the irreversible damage to the environment have further strengthened E Ink’ s conviction in prioritizing "Climate First." The Company is more committed than ever to taking meaningful action to mitigate the environmental impact of climate change.

Accelerating the Transition to Net Zero, Creating Green Value

E Ink is committed to providing high energy-efficiency, low-carbon ePaper products, contributing to the environment through the strength of its core offerings. According to the FTSE Russell Green Revenues model, 100% of the Company’ s product sales are classified as Green Revenue. E Ink also continues to reduce the carbon footprint of its products. For example, the 6. 8-inch ePaper module reduced its product carbon footprint by 45% in 2024 compared to 2021.

The Company has pledged to achieve 100% renewable energy use by 2030, reduce Scope 1 and Scope 2 greenhouse gas emissions by 80% compared to 2021, and reach net-zero carbon emissions across Scopes 1, 2, and 3 by 2040. The Science Based Targets initiative (SBTi), a leading international organization on climate change, has not only approved these targets but also recognized E Ink’ s net-zero goal as one of the most ambitious currently validated through the SBTi process. Through the relentless pursuit and achievement of its climate goals, E Ink actively contributes to the broader sustainability agenda on climate change.

As of the end of 2024, the Company had achieved 58% renewable energy usage globally, far surpassing its original target of 30% for the year. Scope 1 and Scope 2 greenhouse gas emissions were reduced by 42% compared to the 2021 base year, significantly exceeding the targets set by SBTi. Energy productivity doubled in 2022 compared to the base year, meeting ahead of schedule the EP100 initiative’ s requirement to double energy productivity by 2040.

Applying Low-Carbon Technologies to Empower Sustainable Cities

Low-carbon ePaper can be applied in smart cities, smart retail stores, and personal digital reading devices, creating sustainable digital products. Based on the deployment of 64, 000 digital bus stop

signs across Taiwan, a five-year comparison of carbon emissions between ePaper and LCD bus stop signs shows that ePaper bus stop signs, which can be powered entirely by solar energy systems, produce zero carbon emissions. In contrast, LCD bus stop signs generate 200, 000 metric tons of carbon dioxide emissions over the same period.

ePaper products utilize ambient light for display and are non-self-luminous, making them the first display technology in the world to receive certification from the International Dark-Sky Association for being free of light pollution. E Ink' s digital information display function does not disrupt communities or ecosystems, thus helping to preserve biodiversity. In 2024, E Ink applied its core product technology to donate and install five color ePaper ecological signage boards in the Xiangshan Wetlands of Hsinchu. Using zero light pollution and 100% green energy ePaper technology, the Company is actively contributing to biodiversity conservation within this habitat.

Protecting Ecosystems and Advancing Biodiversity Conservation

The publication of the Brundtland Report by the United Nations in 1987 laid the foundation for the core concept of sustainable development: "meeting the needs of the present without compromising the ability of future generations to meet their own needs." Establishing sustainable development policies has become a common goal among nations worldwide and is as critical as addressing the urgent challenges of climate change in safeguarding the natural environment essential for human survival.

E Ink places great importance on environmental conservation and proactive action. The Company has established its Biodiversity and Non-Deforestation Commitment, collaborating with value chain and ecosystem partners to maintain and enhance the integrity of the biosphere. E Ink participates in the Business for Nature to jointly advocate for proactive government policies, has joined the Science-based Targets Network to begin setting nature-related targets, and is part of platforms advocating for nature and biodiversity to promote research and action in conservation issues.

In 2024, E Ink continued its partnership with the Trust in Nature Foundation, providing tangible support for environmental trust operations and habitat restoration. Additionally, members of the E Ink Sustainability Committee' s sub-groups stepped away from their office work to volunteer in Nature Valley, cutting bamboo and removing invasive species. Through this hands-on engagement with nature, they deepened their commitment to environmental sustainability and paid tribute to and learned from frontline ecological conservationists.

Applying Low-Carbon Technologies to Empower Sustainable Cities

E Ink firmly believes that integrity, transparency, and a comprehensive and effective management framework are fundamental to supporting sustainable corporate development. In response to key sustainability topics such as nature and climate change, the Company has established a governance and management mechanism built upon four core elements: governance, strategy, risk management, and metrics and targets. This framework not only enables effective risk management but also embraces opportunities, while addressing the needs of investors and stakeholders. Under its sustainability management structure, E Ink steadily advances toward its short-, medium-, and long-term goals, continuously contributing to the sustainable development of the environment, society, and the economy.

Enhancing Sustainable Governance, Advancing Steadily

E Ink firmly believes that integrity, transparency, and a comprehensive and effective management framework are fundamental to supporting sustainable corporate development. In response to key sustainability topics such as nature and climate change, the Company has established a governance and management mechanism built upon four core elements: governance, strategy, risk management, and metrics and targets. This framework not only enables effective risk management but also embraces opportunities, while addressing the needs of investors and stakeholders. Under its sustainability management structure, E Ink steadily advances toward its short-, medium-, and long-term goals, continuously contributing to the sustainable development of the environment, society, and the economy.

CEO

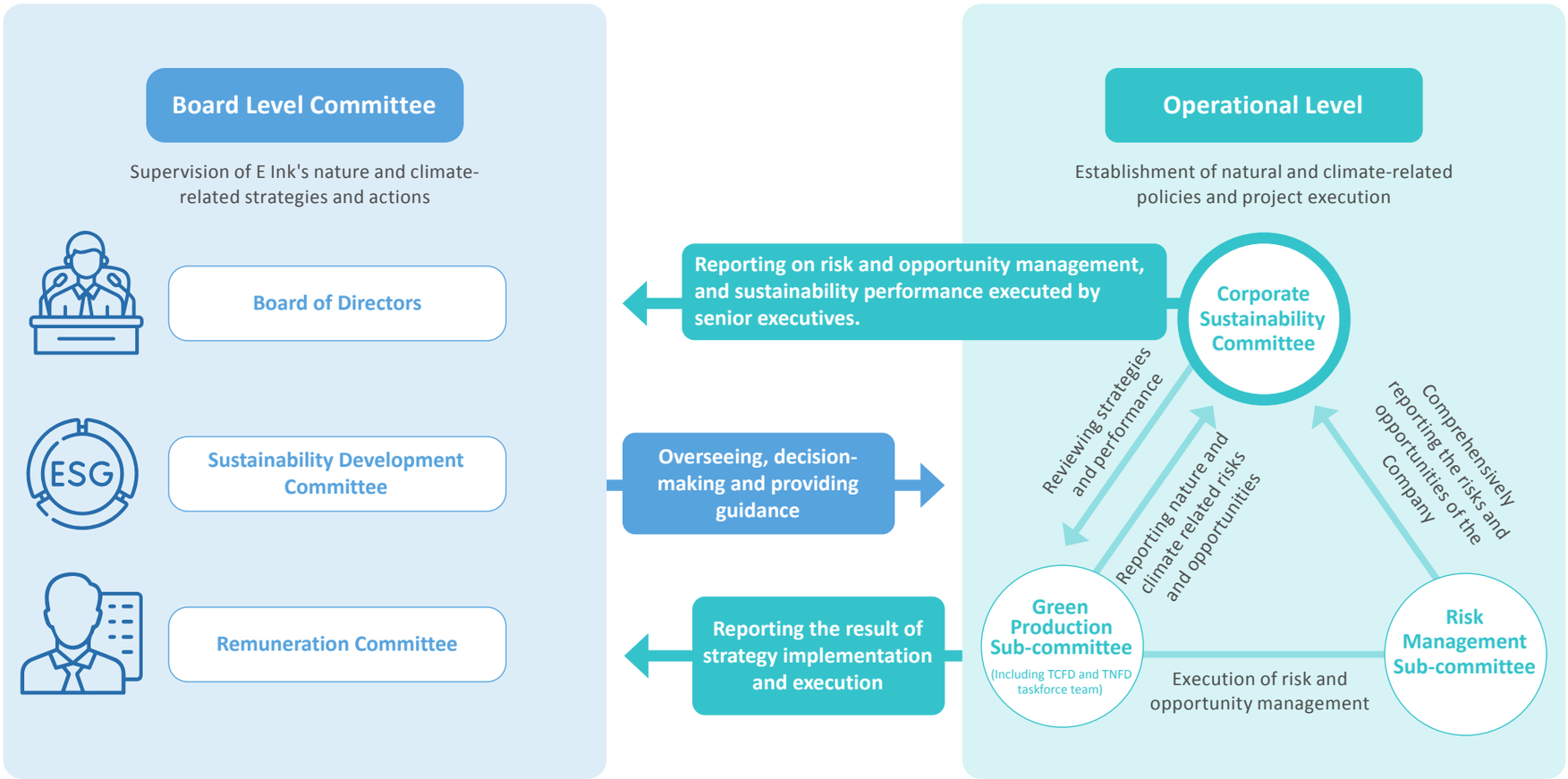
Johnson Lee

01 Natural and Climate Vision and Milestones

1-1 Foundation - Establishing a Comprehensive Governance Mechanism and Team Management

Organizational Structure

The Board of Directors formulates strategies and sets annual targets for addressing nature and climate change, oversees the implementation of these strategies and targets, and evaluates the performance of nature and climate-related initiatives, linking these performances to executive compensation. The Corporate Sustainability Committee, chaired by the CEO, is responsible for driving execution and reports to the Board twice a year. Governance and risk management related to nature and climate change are primarily driven by the Green Production sub-committee of the Corporate Sustainability Committee, which continuously assesses and manages the impact of nature and climate change on operations. This sub-committee also coordinates meetings with various departments to discuss annual action plans and promote sustainable development. Additionally, nature and climate-related material risks and opportunities are integrated into the Company's risk management mechanism, enabling the Risk Management sub-committee of the Corporate Sustainability Committee to conduct comprehensive corporate risk management.



Committee		Convener / Team Leader	Governance Responsibilities	Reporting Frequency
 Board Level Committee	Board of Directors	Chairman	The Board of Directors of E Ink is the highest governing body for risk management, regularly approving management strategies for nature and climate-related risks and opportunities while overseeing the effectiveness of the overall risk management mechanism.	Twice a year
	Sustainability Development Committee	Chairman	Reviews nature and climate-related risk policies and procedures, approves risk tolerance levels and risk control priorities, makes decisions on material nature and climate-related issues, and allocates resources to ensure effective risk response.	Twice a year
	Remuneration Committee	Independent Director	According to the Senior Executive Remuneration Policy, the remuneration and bonuses of senior executives are evaluated and implemented based on "fixed compensation" and "variable compensation." The evaluation metrics for variable compensation are linked to the achievement of sustainability and risk management targets and goals [Note].	Annually
 Operational Management Level	Corporate Sustainability Committee	CEO	Acts as a cross-departmental communication platform for vertical integration and horizontal coordination, reviewing the corresponding strategies and long-term goals of sub-committees, coordinating, and allocating resources, and tracking execution performance to ensure that sustainability strategies are fully implemented in the Company's daily operations.	Reports to the Sustainability Development Committee twice a year; reports to the Remuneration Committee and the Board of Directors annually.
	Risk Management Sub-committee	CFO	The Risk Management sub-committee responsible for the Company′ s risk management executes its duties by following risk management policies and procedures. It proactively maintains the risk management mechanism related to nature and climate change, defines risk control priorities, and assists in and supervises the execution of risk management activities across various departments.	Reports on implementation progress to the Corporate Sustainability Committee at least twice a year.
	Green Production Sub-committee	Operation Center Vice Presidents	The Green Production sub-committee implements and manages actions related to nature and climate change risks and opportunities. Responsibilities include identifying and evaluating these 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.	Reports on implementation progress to the Corporate Sustainability Committee at least twice a year.

Note: For detailed information on the Senior Executive Remuneration Policy, please refer to Chapter 2, Corporate Governance, in the 2024 Corporate Sustainability Report.

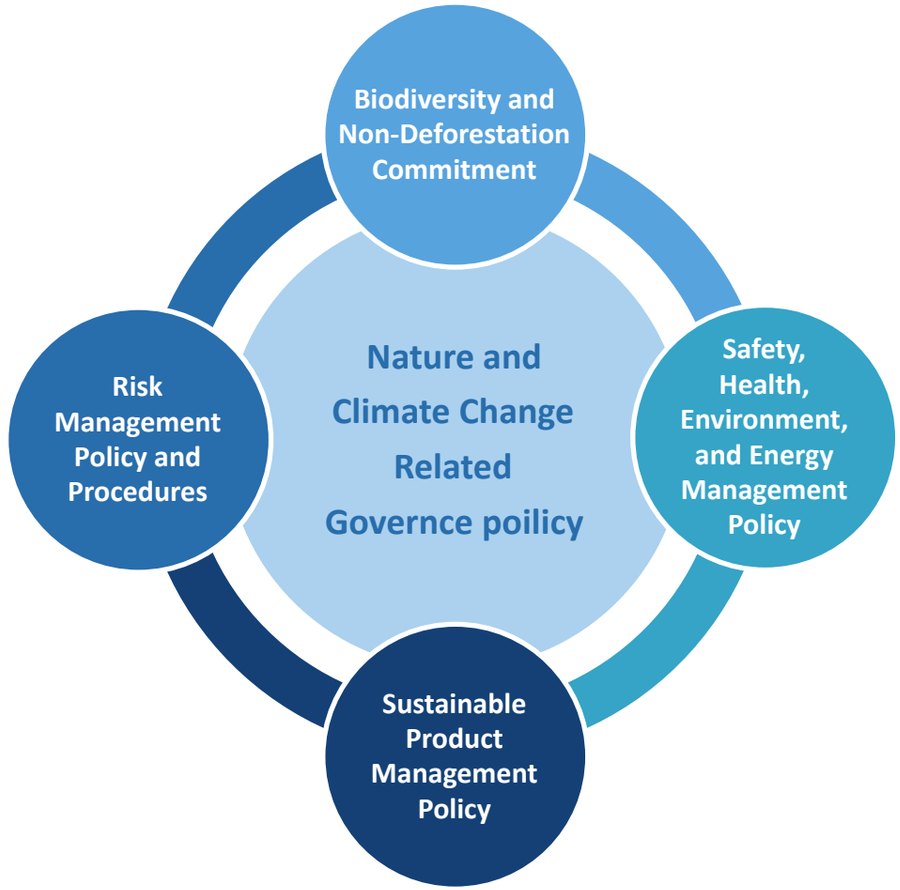
Governance and Management Practices

E Ink adheres to its "Biodiversity and Non-Deforestation Commitment," "Safety, Health, Environment, and Energy Management Policy," and "Risk Management Policy and Procegning these policies and commitments with E Ink’ s sustainability vision, strategy, and core managemdures" to establish effective governance policies and management systems for nature and climate change. By aligning these policies and commitments with E Ink’ s sustainability vision, strategy, and management core, and implementing governance and oversight from the Board level down to operational planning, the Company actively promotes initiatives such as native species conservation, climate change mitigation, greenhouse gas reduction, waste and wastewater management. These efforts aim to minimize the environmental impact of human activities and stabilize the development of natural ecosystems.

Moreover, E Ink’ s core product—ePaper—offers both environmental and visual benefits. As AI and IoT continue to thrive, various sectors are integrating smart devices to enhance management and operational efficiency. However, the increased use of AIoT devices also leads to higher overall energy consumption. For example, when national parks introduce electronic displays to enhance visitor communication experiences, conventional light-emitting displays, such as Thin Film Transistor Liquid Crystal Displays (TFT-LCD) and Organic Light-Emitting Diode (OLED) displays, emit artificial light that can disrupt the natural state of wildlife habitats, potentially causing harm to these environments. In contrast, ePaper, featuring sustainability, offers energy efficiency, low power consumption, and does not emit light, providing both environmental and visual benefits. To further enhance the sustainability of ePaper, E Ink has introduced a "Sustainable Product Management Policy," aiming to maximize the energy-saving and carbon-reducing benefits of ePaper technology and products from design to manufacturing.

Building on its governance of nature and climate change, E Ink aligns the management of these issues with its sustainable management[Note] framework, encompassing four sustainability foundations, six sustainable actions, and nine sustainability topics, setting specific goals and actions related to nature and climate change.

E Ink will continue to integrate its core ePaper business with biodiversity projects, advancing the smart management of natural environments while preserving the original characteristics of natural habitats and species.



Note: For more information about E Ink’ s sustainable management, please refer to 2024 Corporate Sustainability Report.

In 2024, E Ink reported 7 proposals to the Board Level Functional Committees, namely the Sustainability Development Committee, and 7 proposals to the Board of Directors. All reported proposals were processed in accordance with the procedures. The reported proposals are listed in the table below:

Categories	Sustainability Actions	Sustainable Topics	Summary of Key Reporting items
Green Production	• Transformation Path to Net Zero • Environmental Impact Mitigation	• Climate Change Mitigation and Adaptation * • Energy and Greenhouse Gas Management * • Water Resource Management • Resource Management and Circular Economy	• Report on the Greenhouse Gas Inventory and Verification Plan for E Ink and its subsidiary • Reports twice on sustainability-related goals, KPIs, and result by the Green Production Sub-committee • Risk Management - Sustainable Products • Report on the planning of digitized and online HSE management systems
Sustainable Products	• Product Realization and Technology Innovation • Expansion of Low Carbon Products	• Product Research, Development and Innovation * • Market Expansions * • Business Partnership Management	• Report on the current status and future plans for intellectual property management • Reports twice on sustainability-related goals, KPIs, and result by the Sustainable Products Sub-committee • Risk Management - Sustainable Products • Report on the “Sustainable Product Management Policy” • Report on green label planning
Sustainable Supply Chain	• Developing a Green and Low-Carbon Supply Chain	• Sustainable Supply Chain Management *	• Reports on sustainability-related goals, KPIs, and result by the Sustainable Supply Chain Sub-committee • Risk Management - Supply Chain • Report on the ISO 20400 sustainable procurement compliance assessment project • Report on the establishment of a Supply Chain Management System
Social Engagement	• Restoring the ecological environment and promoting a friendly environment	• Environmental Conservation	• Reports on sustainability-related goals, KPIs, and result by the Social Engagement Sub-committee • Reports on stakeholders, areas of concern, and the results of communication and responses • Report on the installation of ePaper signboards in Xiangshan wetlands, Hsinchu City • Report on environmental and ecological education and employee engagement outcomes

Note 1: The above is an excerpt of related to nature and climate change to the Board of Directors in 2024. For a comprehensive list of the key decisions made by the Board of Directors in 2024, please refer to the "Operation of the Board of Director Meetings" in the 2024 Annual Report.
Note 2: *Indicates a Material Topics of sustainability management. For details, please refer to 2024 Corporate Sustainability Report.

1-2 Accumulation - E Ink's Key Milestones in Nature and Climate

Since 2017, E Ink has gradually engaged in the management of nature and climate change issues. By 2024, the Company has actively participated in both international and domestic initiatives, collaborating with multidisciplinary experts from industry, government, academia, and research institutions to promote relevant measures and regulations. In addition to working with various stakeholders to protect natural ecosystems and mitigate the impact of climate change on the environment, E Ink has been recognized with numerous international and domestic awards and certifications, acknowledging its efforts in the governance and management of nature and climate change.

Nature and Climate Accomplishments

Initiative and Advocacy

Science Based Targets Network (SBTN)
Corporate Engagement Program

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

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

RACE TO ZERO Campaign
E Ink has committed to achieving net zero carbon emissions before 2040

Task Force On Climate-Related Financial Disclosure (TCFD) Supporter
Initiative for voluntary Climate-Related Financial Disclosures

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

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

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

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

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

The United Nations Global Compact, UNGC
Since 2018, the US sites have joined the organization as signatories for their commitments to sustainable development and outstanding performance

Certification, Evaluation and Awards Recognitions

The Sustainability Yearbook 2024, S&P Global
Top 1% in Electronic Equipment, Instruments & Components

MSCI ESG RATINGS AA
CCC | B | BB | BBB | A | AA | AAA

MSCI ESG Rating
AA

FTSE Russell

Green Revenue
100%

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

Climate Water CDP A List 2024

Leadership A List for Climate Change and Water Security in the 2024 CDP

Supplier Engagement Leader CDP 2024

Leadership A List for Supplier Engagement Assessment in the 2024 CDP

ENVIRONMENTAL & ENERGY
ISO 14001
ISO 50001
CERTIFIED

All production sites have obtained ISO 14001 certification
75% production sites have obtained ISO 50001 certification

UL 2799 Landfill Waste Diversion Declaration Verification
The Hsinchu, Linkou, and Yangzhou sites have achieved Platinum-level certification

E Ink collaborated with the Harvard School of Public Health on a peerreviewed 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 cellstimulation.

E Ink's ePaper technology has been awarded the Dark Sky certification by the International Dark-Sky Association (IDA), making it the first display technology globally to receive this recognition. E Ink's ePaper features a reflective display that utilizes ambient light to show images on the screen, without emitting light. When viewed at night, the ePaper display can be illuminated with a small LED light strip, eliminating the need for excessive stray light that could disrupt communities or the environment, thereby conserving energy.

Nature and Climate Action Timeline

2002
- The Hsinchu sites achieved ISO 14001 certification.

2004
- The Yangzhou sites achieved ISO 14001 certification.

2007
- The Hsinchu and Yangzhou sites completed the 2006 greenhouse gas inventory in accordance with ISO 14064-1 and obtained external verification statements.

2008
- The Hsinchu and Yangzhou sites completed the 2007 greenhouse gas inventory and external verification in accordance with ISO 14064-1, including a retrospective inventory of greenhouse gas emissions from 2005, and obtained external verification statements.

2015
- Participated in the Bureau of Energy's Green Power Program for three years and received the Green Power Award.

2017
- Among the first companies to purchase Renewable Energy Certificates (T-REC).
- The Linkou site completed its first greenhouse gas inventory for 2015 following ISO 14064-1 and obtained an external verification statement.

2019
- Introduced an internal carbon pricing mechanism.
- Disclosed climate-related financial information according to the Task Force on Climate-related Financial Disclosures (TCFD) framework.

2020
- Established the E Ink Renewable Energy Project Team.

2021
- Among the first participants in Power Purchase Agreements (PPA).
- Planned a 2040 net-zero carbon reduction pathway.

2022
- Established the Board Level Functional Committee "Sustainability Development Committee."
- Committed to setting science-based reduction targets (SBT) with a short-term goal for 2030 and a net-zero carbon emission target for 2040.
- Became the first display company to join RE100, committing to using 100% renewable energy by 2030.
- Became the first electronics company in Taiwan to join EP100, committing to implement ISO 50001 energy management systems across all global manufacturing sites by 2030 and to double energy productivity compared to the 2018 baseline by 2040.
- Submitted the CDP Climate Change Questionnaire for the first time and received a B management rating.
- Completed identification, analysis, assessment, and implementation of climate-related risk and opportunity mitigation measures following the TCFD framework.
- Supported the "Business for Nature" initiative, advocating for government action to halt and reverse nature loss by 2030.
- Integrated and revised the Safety, Health, Environment, and Energy(SHEE) Management Policy, as well as the SHEE Management System Promotion Committee members and sub-committees, to enhance management and execution efficiency.
- Surpassed the 10% renewable energy (RE10) target ahead of schedule, achieving a milestone of 21% renewable energy usage (RE21).

2023
- Released the " Biodiversity and Non-Deforestation Commitment".
- Short-term, long-term, and net-zero carbon emission targets validated by the Science Based Targets initiative (SBTi) and recognized by SBTi as the most ambitious targets among those currently validated.
- Joined the "Corporate Engagement Program" of the Science Based Targets for Nature (SBTN).
- Participated in the "Taiwan Nature Positive Initiative (TNPI)Note," a nature and biodiversity advocacy platform.
- Managed and disclosed nature-related risks and opportunities based on the 0.4 Beta Release version of the Taskforce on Nature-related Financial Disclosures (TNFD), and was listed among TNFD Early Adopters.
- Signed a Memorandum of Understanding with the Taiwan Environmental Information Association (TEIA) to actively support environmental trust operations and habitat restoration, contributing to ecological restoration and promoting environmental friendliness.
- Organized the "Environmental Protection Festival "series of activities, encouraging employees to engage in environmental protection actions and raising awareness and influence on natural environment conservation.
- Achieved 36% renewable energy usage (RE36) across global sites.

Note: TNPI was initiated by the Business Council for Sustainable Development of the Republic of China in 2022, inviting industries to take more proactive actions on nature and biodiversity conservation and to cultivate relevant professional talent, thereby enhancing corporate risk resilience and transparency in opportunity management.

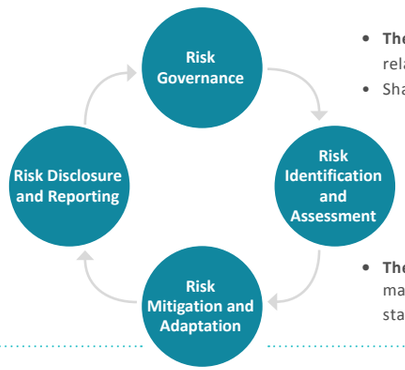
2024
- 58% of global operations use renewable energy (RE58).
- 100% renewable energy usage at the Yangzhou site (China), US sites, and offices in Shenzhen (China), South Korea, Japan, and the Netherlands (Europe).
- Installed 5 dynamic ePaper information displays at Xiangshan Wetlands.
- Partnered with the Hsinchu Wild Bird Society to host the "Autumn Waterbird Season" event.

02 Management and Response Strategies for Risks and Opportunities

E Ink has adopted the ISO 31000 framework to establish its risk management procedures, integrating nature and climate-related risks into the Company' s overall processes of risk identification, assessment, response, and monitoring. The Green Production sub-committee under the Corporate Sustainability Committee reviews nature and climate-related risks and opportunities every six months, evaluating their likelihood of occurrence as well as their financial and non-financial impacts. These assessments serve as the basis for the operational management level to formulate mitigation and adaptation strategies, define relevant management indicators and targets, and monitor implementation results, with regular reporting to the Board of Directors. By embedding nature and climate risk management into daily operational decision-making, the Company enhances the overall efficiency and foresight of its risk response, ensuring that risk management is linked to the sustainability strategy and effectively implemented in day-to-day operations.

Corporate Risk Management

- **The Green Production sub-committee** reviews the financial impacts of material risk items of nature and climate every six months and reports the management status to the Corporate Sustainability Committee annually.
- **The Risk Management sub-committee** compiles significant status of risk management, risk assessments, and response measures, and reports to the Corporate Sustainability Committee.
- **The Corporate Sustainability Committee** presents a comprehensive report on nature and climate-related risks to the Sustainability Development Committee.



- **The Board of Directors** oversees corporate strategies and actions related to nature and climate change.
- Shaping the **risk management culture**.

- **The Green Production sub-committee** develops control and mitigation management plans for material risk items, reviews implementation status, and ensures continuous improvement.

Risks and Opportunities Identification for Nature and Climate

Identification

- Convene a cross-departmental team responsible for disclosing nature and climate-related financial information.
- Identify short, medium, and long-term nature and climate-related risks and opportunities based on the TNFD and TCFD frameworks.

Analysis

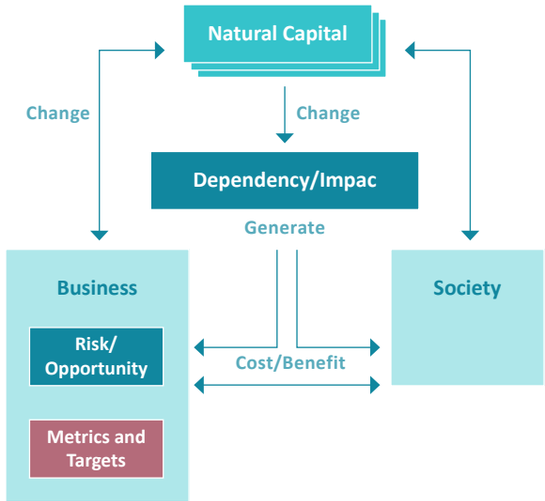
- Analyzing risk value based on the impact and likelihood in the value chain, create a nature and climate-related risk and opportunity matrix, and prioritize accordingly.

Assessment

- Risks and opportunities with a risk value ≥9 are classified as material nature and climate-related risks and opportunities.
- Material nature and climate-related risks and opportunities are integrated into the company's overall

Note: Impact levels, including various degrees of financial and operational disruption to the Company, are classified into five categories: very low, low, medium, high, and very high. The likelihood over the next few years is also divided into five levels.

E Ink's operations and value chain depend on various ecosystem services provided by natural capital, including water resources, land, climate, and biodiversity. At the same time, its activities may generate both positive and negative impacts on the natural environment. To ensure that nature and climate-related issues are incorporated into strategic planning and the risk governance framework, E Ink employs a systematic approach to assess its dependencies and impacts on natural capital, thereby identifying material topics related to its operations as the foundation for risk and opportunity identification.



Leveraging the frameworks and methodologies of the TCFD and TNFD—such as LEAP—E Ink first locates operational and value chain sites and activities that interact with the natural environment. It then evaluates and identifies potential risks and opportunities from both physical and regulatory perspectives, assessing their potential financial and non-financial impacts. Relevant analyses are also supported by scenario simulations to enhance resilience and adaptability in responding to uncertainties. This process not only follows the integrity of the risk management framework but also strengthens the foresight and adaptability of the Company's strategies.

Based on the results of these assessments, E Ink has established management goals and quantitative indicators that encompass nature and climate-related issues to monitor performance and track progress. The design of these indicators is guided by principles of comparability, measurability, and management relevance. Through this approach, E Ink continuously examines its risk of dependency on and impact on natural capital, ensuring alignment between its management actions and sustainable development strategies.

Both the organization's and society's "dependency" on and "impact" on nature may pose threats to the organization, which in turn give rise to nature-related risks. Depending on their underlying causes, these risks may manifest in different forms and characteristics, including physical risks, transition risks, and systemic risks.

2-1 Identification – Material Topics of Natural and Climate

To effectively identify and respond to nature and climate-related factors that may have significant financial or strategic impacts on its operations and value chain, E Ink adopts the LEAP approach (Locate, Evaluate, Assess, Prepare) recommended by the Taskforce on Nature-related Financial Disclosures (TNFD) and integrates it with the framework of the Task Force on Climate-related Financial Disclosures (TCFD) to develop a systematic process for identifying nature and climate-related risks and opportunities. By integrating diverse data sources, Geographic Information Systems (GIS), and both domestic and international professional assessment tools, the Company conducts a comprehensive analysis of the spatial relationships between its operational and supply chain sites and ecologically sensitive areas. It also evaluates the degree of dependency on natural capital and assesses potential environmental impacts. Through this process, potential risk and opportunity factors with material influence are identified. Finally, a materiality assessment is conducted based on the likelihood of occurrence and financial impact, serving as the foundation for the Company's nature-related risk management and the formulation of its sustainability strategies.

Boundary and Data Scope	Ecologically Sensitive Area Screening	Identification of Nature Dependencies and Impact Factors	Identification of Nature and Climate Risk and Opportunity Factors	Material Nature and Climate Risk and Opportunity Assessment
Global operation centers, significant suppliers, and key customer operation sites	Using the IUCN World Database on Protected Areas, databases from the Forestry and Nature Conservation Agency of the Ministry of Agriculture and the Ministry of the Interior, and the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI), the Company screens for value chain sites located within a two-kilometer radius that overlap with legally designated or scientifically recognized important ecological areas and regions under high water stress.	Using ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) and the WWF Biodiversity Risk Filter (BRF) tools to identify factors with moderate or higher dependency on, or impact to, natural capital for value chain operations near ecologically sensitive areas.	Nature: Based on identified major dependencies and impacts, aligned with the five major factors of nature change, potential risks and opportunities are summarized. Climate: Following the TCFD framework, and through peer scenario analysis and internal cross-departmental communication, E Ink identifies potential risks and opportunities, and subsequently consolidates and integrates nature- and climate-related risks and opportunities.	Identify material risk and opportunity factors by assessing the degree of impact and frequency of occurrence.
7 Operation centers[Note] **52** Significant suppliers **90%** Revenue key customers	While no value chain sites are directly located within ecologically sensitive areas, **3** operation centers, **9** significant suppliers, and **5** key customer locations are situated within a two-kilometer radius of such areas.	**5** major nature dependency factors and **4** impact factors were identified.	A total of **17** nature and climate-related risks and **8** opportunities were identified and summarized.	**5** material risk factors and **4** material opportunity factors were identified.

Note: In addition to the six existing operation centers, one potential future office and manufacturing facility is also included.

Ecological Sensitivity Screening

E Ink conducted an ecological sensitivity analysis across its global value chain, covering seven operation centers: the Hsinchu and Linkou sites in Taiwan; the Billerica, South Hadley, and Fremont sites in the US; the Yangzhou site in China; and one potential future office and manufacturing facility. At the same time, the operational sites of 52 signifcant suppliers and key customers accounting for the top 90% of revenue are also included. To enhance accuracy, the evaluation integrated multiple domestic and international databases to analyze spatial overlaps between these locations and ecologically sensitive areas, identifying potential ecological risk hotspots arising from interactions with natural capital. The results serve as a foundation for risk management and strategic planning.

Value Chain Site Analysis Process

Value Chain	Geospatial Data Sources	Impact Analysis Method

• **7** Operation centers
• **52 S**ignificant suppliers
• **90%** Revenue key customers
	• **IUCN World Database on Protected Areas**
	• **Databases of the Forestry and Nature Conservation Agency and Ministry of the Interior :**
	  • Nature Conservation Areas
	  • Wildlife Refuges
	  • Nature Reserves
	  • Important Wetland
	  • National Park
	• **Water Risk Atlas developed by the World Resources Institute (WRI)**
	• Water Stress
		Using Geographic Information System (QGIS), a spatial overlay analysis was conducted by establishing a adjacent areas to own operations were defined as a 2-kilometer radius surrounding each operation center to monitor and assess spatial relationships with surrounding environmental features. Based on this approach, the following classifications were defined:
		• Ecologically Sensitive Areas: Areas that fall under IUCN management categories Ia to IV, databases from Taiwan's Forestry and Nature Conservation Agency under the Ministry of Agriculture and the Ministry of the Interior, and locations with Level 5 water stress.
		• Other Protected Areas: Areas classified under IUCN management categories V, VI, and others.

According to the analysis results, none of E Ink' s value chain sites are located directly within ecologically sensitive areas or other protected zones. This indicates that the Company' s value chain operations do not have a direct impact on the biodiversity of those regions. To further assess the potential impacts of the value chain on ecology and biodiversity, E Ink extended its analysis to examine whether any ecologically sensitive areas fall within a two-kilometer radius of each operation center. The results revealed that three operation centers, nine significant suppliers, and five key customer are located within such zones.

Therefore, E Ink will carefully manage operation centers near ecologically sensitive areas and collaborate with suppliers to enhance monitoring, develop nature conservation plans, and provide training and guidance to ensure that the Company's business activities align with principles of natural sustainability. Furthermore, as the ePaper industry continues to grow steadily, E Ink is expanding its operational manufacturing bases. When selecting new sites, E Ink will not only comply with environmental conservation and pollution prevention regulations in each country and conduct environmental assessments but also consider LEED green building standards in the construction of new sites and office buildings. This approach aims to minimize the negative impact on natural ecosystems and fulfill E Ink's commitment to ecological conservation.

Analysis of Value Chain Within 2 Kilometers of Ecologically Ecologically Sensitive Areas Other Protected Areas

Value Chain	Neighboring Area	Value Chain Overview
Operation center	US **Don Edwards San Francisco Bay National Wildlife Refuge(IV)**	Fremont site: Offices, production facility, laboratory
	US **Great Meadows Wildlife Refuge(IV)**	Billerica site: Offices, production facility
	Taiwan **Xucuogang Important Wetland**	Potential future developments: Offices, production facility
Significant supplier	Taiwan **Taipei City Wild Goose Protected Area, Sicao Important Wildlife Habitat in Tainan City, Taijiang National Park, Lujiaoxi Artificial Important Wetland, Chenglin Artificial Important Wetland, Taoyuan Irrigation Channel Important Wetland, Xinhai Artificial Important Wetland, Dahan-Xindian Important Wetland, Sicao Important Wetland, Nangang 202 Arsenal and Surrounding Important Wetland, and Wugu Important Wetland.**	Eight significant suppliers
	US **Brooklawn Park (V) and Local Conservation Area(V)**	Two significant suppliers
Key customer	Korea **Gyeonggi-do Urban Natural Park Areas(IV)**	One key customer
	US **Northeast Queen Anne Greenbelt(V)**	One key customer

About IUCN Protected Area Categories System

According to the International Union for Conservation of Nature (IUCN) Protected Area Categories System, protected areas can be classified into six categories based on these primary management objectives:

Ia **Strict Nature Reserve:** Areas established for scientific research, primarily used for scientific studies and environmental monitoring. These areas typically consist of ecosystems that have not been disturbed by human activities.

Ib **Wilderness Area:** Established to preserve the original state of the wilderness, these areas protect large expanses of untouched natural environments. They maintain their natural condition by restricting human activities, making them suitable for conserving extensive natural landscapes and ecosystems.

II **National Park:** Established to conserve ecosystems and provide recreational opportunities, these areas protect large natural landscapes. They support ecosystem preservation while allowing for tourism, education, and research activities, along with moderate recreational use.

III **Natural Monument:** Established to preserve specific natural features, these areas protect unique natural landscapes or landmarks, such as mountains, caves, and waterfalls, that possess distinctive natural or cultural value.

IV **Habitat/Species Management Area:** These areas are established to achieve conservation objectives through active management. They protect specific habitats or species, often requiring proactive management measures to maintain or restore ecosystems.

V **Protected Landscape/Seascape:** Established to conserve landscapes and seascapes with significant natural and cultural value, these areas allow for recreational activities. They protect scenic areas and seascapes while permitting traditional land use practices and sustainable resource utilization.

VI **Managed Resource Protected Area:** Established to ensure the sustainable use of natural ecosystems, these areas combine the protection of natural resources with their sustainable utilization. They support the livelihoods and traditional cultures of local communities while conserving biodiversity.

Identification of Nature Dependency and Impact Factors

E Ink defined the analysis boundary based on value chain sites located near ecologically sensitive areas worldwide. Taking into account the Company's industry characteristics and operational locations, E Ink utilized the ENCORE tool—jointly developed by the Natural Capital Finance Alliance (NCFA) and the United Nations Environment Programme Finance Initiative (UNEP FI)—along with the Biodiversity Risk Filter (BRF) provided by the World Wide Fund for Nature (WWF). These tools were used to screen for critical factors in the value chain that exhibit a moderate or higher dependency on ecosystem services, and that may exert a moderate or higher impact on the natural environment. The assessment identified a total of 12 nature dependency factors and 7 impact factors. After further consolidation and classification, five representative major nature-related dependency factors and four major impact factors were determined, forming the foundation for the subsequent identification of nature-related risks and opportunities.

Very high | High | Medium | Low | Very Low | No dependency or impact

Analysis of the Importance of Natural Capital in the Corporate Value Chain		Operation center	Significant supplier	Key customer
Dependencies	**Water Resource Use** -Water Availability, Water purification, and Water availability			
	Biodiversity Services -Limited Wild Flora & Fauna Availability			
	Natural Hazard Regulation Services -Flood mitigation, Storm buffering, Landslides, Wildfires hazard, Extreme heat, Tropical cyclones			
	Pollution Regulation Services - Air Condition			
	Reputation - Media Scrutiny			
Impacts	**Pollution** - Discharge of toxic pollutants to water and soil, other contamination			
	Land Use -Protected/conserved areas, Range rarity, Indigenous peoples (IPs); local communities (LCs) lands and territories			
	Ecological Disturbance - Disturbance			
	Human Rights - Labor and Human Rights			

Identification of Priority Locations

Value chain sites that are directly located within or adjacent to ecologically sensitive areas and exhibit a high level of dependency on, or significant impact on, relevant natural capital are designated as Priority Locations. In this assessment, none of E Ink' s operational sites were identified as Priority Locations. However, two significant suppliers and two key customer site were designated as Priority Locations, primarily due to their geographic proximity to ecologically sensitive areas and the potential environmental risks associated with their operations, such as light pollution, water quality impacts, and other forms of pollution. In response, E Ink will further assess the environmental discharge management practices of these suppliers through ESG questionnaires, evaluations, and audit mechanisms, thereby strengthening environmental risk control across the supply chain. For the major customer, E Ink will establish a reasonable supply plan to ensure that its delivery volume is not affected by the customer' s exposure to natural or environmental factors, thereby maintaining order stability.

Value Chain	Industry	Ecologically Sensitive Areas	Location	Dependency	Impact
Supplier A, B	Chemical Product Manufacturing	Adjacent to Important Wetland	Taiwan	Media Scrutiny	Disturbance、Discharge of toxic pollutants to water and soil, other contamination
Customer C	Computer, Electronic, and Optical Product Manufacturing	Adjacent to Habitat/ Species Management Area	Korea	-	Pollution
Customer D	Electronic Equipment Manufacturing	Very high water stress area	China	Water availability	-

Identification of Nature and Climate Risk and Opportunity Factors

E Ink has identified its major nature-related dependencies and impacts by adopting the framework of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), which outlines the Five Drivers of Natural Changes. The Company conducted an in-depth analysis of how its operations rely on these factors and the potential negative impacts they may cause to nature, in order to identify associated nature-related risks and opportunities. On the climate front, E Ink followed the TCFD framework, incorporating peer scenario analyses and cross-departmental communication to evaluate potential climate-related risks and opportunities. As a result of this integrated assessment, a total of 25 nature and climate-related factors were identified, including 11 transition risks, 6 physical risks, and 8 opportunities.

The Five Drivers of Natural Changes

Driving forces	 Climate change	 Land/ freshwater/ ocean use change	 Resource use/ replenishment	 Pollution/ pollution removal	 Invasive alien species introduction/ removal
Dependency	Natural hazard regulation services	Biodiversity services, Reputation	Water resource use	Pollution regulation services	
E Ink's Dependency	As climate change intensifies, E Ink' s value chain has become increasingly dependent on the hazard regulation services provided by natural ecosystems. These services help mitigate the impact of extreme weather events on facility infrastructure, employee commuting safety, and goods transportation.	E Ink' s suppliers rely on ecosystem-provided resources to obtain raw materials. Habitat destruction can disrupt access to natural ingredients and increase costs. Furthermore, biodiversity loss associated with value chain operations may draw attention from media, investors, and consumers, potentially damaging the Company' s brand image.	E Ink' s value chain is highly dependent on a stable and clean water supply to sustain normal operations.	In addition to human treatment systems, E Ink relies on nature' s self-purification capacity to mitigate pollution generated from production, including wastewater, air emissions, and solid waste.	
Impact	Land Use, Ecological Disturbance, Human Rights, Pollution				
Impact to nature	The production and manufacturing processes in the optoelectronics industry result in substantial greenhouse gas emissions, which contribute to climate change and global warming.	• Impact on Land: Land use and raw material extraction may reduce biodiversity, affecting natural carbon sinks, hydrological regulation, and other functions. • Impact on Freshwater: The utilization of water resources and the discharge of wastewater can impact the supply and quality of freshwater. • Impact on Oceans: Marine transportation can alter ocean currents, salinity, and temperature, causing significant impacts on marine ecosystems. • Impact on Ecosystems: Operational lighting may disrupt the natural patterns of nocturnal animals. • Impact on Human Rights: Raw material extraction may be associated with human rights concerns.		• Impact on the Atmosphere: Air pollution, extreme weather events, and the destabilization of climate systems. • Impact on Water: Alterations to water quality and aquatic ecosystems, disrupting the balance of hydrological systems. • Impact on Soil: Decreased soil fertility, increased soil erosion, and loss due to heavy rainfall. • Environmental Impact: Noise and light pollution may disrupt the circadian rhythms of nearby wildlife.	There is no direct presence of the value chain within ecologically sensitive areas.
Risks	• Net-zero emissions • Renewable energy usage requirements • Increased severity of extreme weather events • Operations impact by drought • Extreme weather impacts on supply chain delivery schedule	• Rising costs of raw materials (including electricity) • Industry stigmatization • Increased stakeholder concerns or negative feedback	• Water stress	• Transition to low-carbon manufacturing technology and processes	
Opportunities	• Promoting low-carbon green production • Use of Low-Carbon Energy • Participate in carbon trading market • Enhancing physical infrastructure protection to improve organizational resilience • Purchase climate insurance	• Promoting low-carbon green production		• Promoting low-carbon green production	
Metric	• Greenhouse gas emissions • GHG emissions intensity • Proportion of renewable energy use • Energy productivity	• Water withdrawal • Water intensity • Process water recycling rate		• VOC emissions intensity • General waste recycling rate	

Identification of Material Nature- and Climate-Related Risks and Opportunities

E Ink identifies material nature- and climate-related risks and opportunities by following the established identification and assessment process for such risks and opportunities. Relevant departments evaluate the potential financial impacts, operational disruption risks, and frequency of occurrence associated with nature- and climate-related factors. A composite risk value (Risk Value, R) is calculated as the basis for materiality determination. Any risk value product greater than 9 is considered a material nature- or climate-related risk or opportunity.

Based on the latest climate risk and opportunity assessment, E Ink has identified five material risk factors: transition to low-carbon manufacturing technology and processes, net-zero emissions, competitiveness of low-carbon products, rising costs of raw materials (including electricity), and increasing severity of extreme weather events (such as typhoons, floods, and slope collapses). In parallel, four material opportunity factors have been identified: exploring new applications market for ePaper products, increasing market demand for environmentally friendly products, promoting low-carbon green production, and enhancing capacity for developing low-carbon products.Going forward, E Ink will incorporate corresponding risk and opportunity scenarios and formulate management strategies and action plans to mitigate potential impacts and strengthen corporate resilience.

Climate Change Risk and Opportunity Matrix

*material climate-related risks and opportunities

Transition Risks

Technology
1. Transition to low-carbon manufacturing technology and processes*

Market
2. Competitiveness of low-carbon products*
3. Rising costs of raw materials (including electricity)*
4. Changes in consumer behavior

Policy and Regulatory Risks
5. Net-zero emissions*
6. Renewable energy usage requirements

Reputation
7. Litigation risk
8. Industry stigmatization
9. Domestic and international government/ institutional sustainability ratings
10. Increased overall financing costs
11. Increased stakeholder concerns or negative feedback

Physical Risks

Acute
1. Increasing severity of extreme weather events*
2. Operations impact by drought
3. Extreme weather impacts on supply chain delivery schedule

Chronic
4. Increasing insurance costs
5. Water stress
6. Rising sea levels

Opportunities
1. Exploring new applications market for ePaper products*
2. Increasing market demand for environmentally friendly products*
3. Enhancing capacity for developing low-carbon products*
4. Promoting low-carbon green production*
5. Use of Low-Carbon Energy
6. Participate in carbon trading market
7. Enhancing physical infrastructure protection to improve organizational resilience
8. Purchase climate insurance

Analysis of the Relevance Between Nature and Climate-Related Risks and Opportunities and Businesses

Aspects		Relevance to E Ink's Operations	Risk or Opportunity
Transition Risks	Technology	E Ink's product technologies are highly distinctive. During the development of low-carbon products, the use of recycled materials, and the promotion of green manufacturing processes, it is essential to ensure that raw material supply and equipment technology development align with transformation needs.	1
	Market/ Ecosystem protection, restoration and regeneration	As end consumers and customers increasingly demand low-carbon, energy-efficient, and environmentally friendly products, E Ink must continuously stay attuned to customer expectations for products with environmental or low-carbon attributes. At the same time, climate change and ecosystem degradation may drive up raw material acquisition costs and cause energy price fluctuations, creating potential pressures on business operations. E Ink will closely monitor trends in raw material and electricity costs and will continue to enhance product competitiveness through optimized product design and improved resource efficiency.	2 3 4
	Policy and Legal/Regulations (including current and emerging)	E Ink closely monitors net-zero policies and current greenhouse gas emission regulations at its global operational locations, along with emerging related issues. These include Taiwan's "Climate Change Response Act" and the "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity," the EU's Carbon Border Adjustment Mechanism (CBAM), the U.S. Clean Competition Act (CCA), and China's national Emissions Trading System (ETS) , and the Kunming-Montreal Global Biodiversity Framework 30x 30 target. E Ink is committed to proactively complying with local policies and regulations, promoting forward-looking climate actions to mitigate potential impacts from carbon fees or taxes.	5 6
	Reputation	As E Ink operates in an energy-intensive industry, failure to meet carbon reduction and biodiversity commitments or stakeholder expectations on product performance could harm its reputation, potentially affecting investor confidence and willingness to invest.	7 8 9 10 11
Physical Risks	Acute	E Ink's production sites, suppliers, and customers are located in various climate zones. Severe flooding could damage equipment or prevent employees from reporting to work, disrupting operations. Similarly, if such risks affect the supply chain, they could lead to delayed deliveries and increased costs.	1 2 3
	Chronic	The severity of climate-related losses is increasing. If the Company does not prioritize climate risk management, rising sea levels and water scarcity may lead to higher operating costs and increased insurance premiums.	4 5 6
Opportunity	Market	With international corporations setting net-zero emission goals, low-carbon and light pollution-free products are becoming their priority choices.	1 2
	Products and Services	Collaborating with the value chain to develop low-carbon products enhances product performance.	3
	Resource use efficiency/ Sustainable use of natural resources/ Capital Flow and Financing	E Ink continually improves equipment operational efficiency, reducing energy costs. Additionally, by promoting green manufacturing, the Company can secure green financing, thereby expanding funding sources.	4
	Energy Sources	E Ink actively engages in renewable energy procurement and monitors the carbon trading market to stay ahead of market dynamics, enabling the Company to secure low-carbon energy at competitive prices and reduce expenses。	5 6
	Resilience	Simulating disaster scenarios helps minimize potential damages to facilities from climate events and ensures operational continuity under extreme weather conditions.	7 8

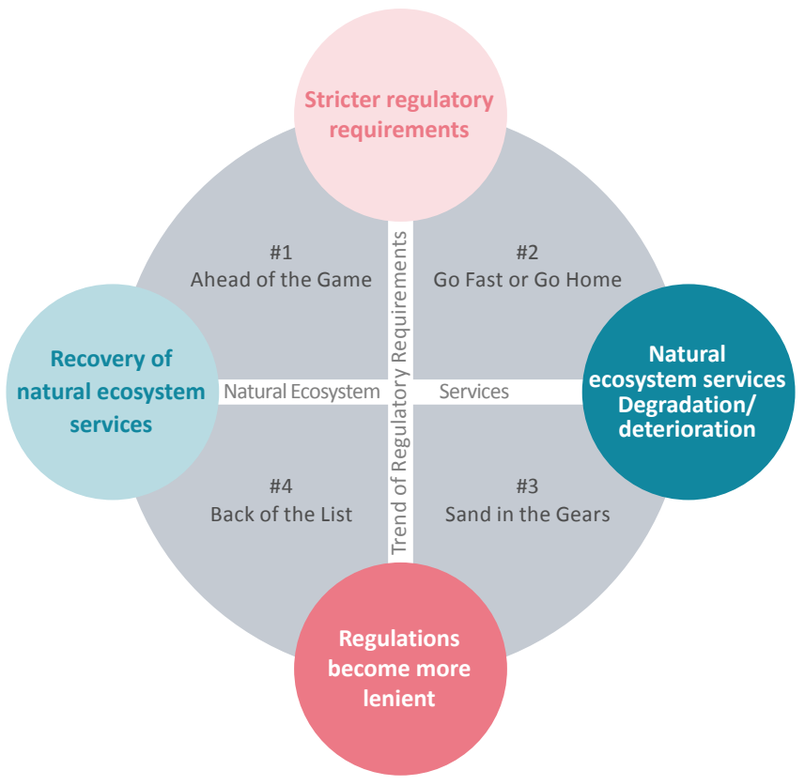
2-2 Analysis – Natural and Climate Scenario Analysis

To strengthen the management of nature and climate-related risks and opportunities and enhance strategic foresight, E Ink not only conducts scenario analyses of nature-related risks and opportunities based on the recommendations of the TNFD framework but also incorporates scenarios published by the International Energy Agency (IEA)-including the Net Zero Emissions by 2050 Scenario (NZE) and the Stated Policies Scenario (STEPS)-as well as scenarios from the Intergovernmental Panel on Climate Change (IPCC), such as SSP1-2.6 and SSP5-8.5. These analyses are used to assess the potential financial impacts of physical and transition risks related to climate change across the value chain under different nature and climate development pathways.

Nature Scenario Analysis

E Ink has identified six material natural-climate related risks associated with services provided by natural ecosystems, including water scarcity, air condition, landslides, wildfire hazard, extreme heat, and tropical cyclones, which defined "Natural Ecosystem Services" as a driving forces of transition risk. Additionally, an analysis of the optoelectronics industry's development, operational management, and related sustainability issues has uncovered potential impacts and risks affecting both the financial and non-financial aspects of business operations. As a result, "Trend of Regulatory Requirements" has been defined as a driving forces of physical risk. Following the recommendations of the TNFD framework, E Ink has set 2030 as the timeframe for scenario analysis, constructing four distinct natural scenarios. The Company conducted thorough analyses of each scenario to assess their impacts on business activities, potential risks and opportunities, financial implications, risk and opportunity management strategies, and the stakeholders involved.

Description of TNFD Natural Scenario Setting



Trend of Regulatory Requirements

- More stringent ecological standards, such as greenhouse gas emission standards, energy efficiency standards, and biodiversity audit standards.
- The "30 x 30" consensus, which aims to protect 30% of the world's terrestrial and marine natural resources by 2030.
- Increased proportion of green spaces in urban areas.
- Stricter regulations for consumer electronics, including requirements for products to meet low energy consumption standards, increased battery recycling rates, and significantly expanded eco-design regulations for products.

Natural Ecosystem Services						
Driving Indicators	Water scarcity	Air condition	Landslides	Wildfire hazard	Extreme heat	Tropical cyclones
Assessment Indicators	Number of days with water scarcity/ restrictions	Number/ percentage of days with unhealthy air condition levels	Impact area of potential landslide-prone streams	Frequency of wildfire hazards	Number of days per year with extreme heat (36° c)	Number/ intensity of tropical cyclones per year

Scenario: Ahead of the Game

Scenario Descriptions	Specific Scenario		Impact on Business Activities
Stricter regulatory requirements	• More stringent ecological standards, including greenhouse gas emission standards, energy efficiency standards, and biodiversity audit standards • The "30 x 30" consensus, which aims to protect 30% of the world's terrestrial and marine natural resources by 2030. • Increased proportion of green spaces in urban areas. • Stricter regulations for consumer electronics, including requirements for products to meet low energy consumption standards, increased battery recycling rates, and significantly expanded eco-design regulations for products.		Market expectations and regulations requirements for businesses are becoming increasingly stringent, aimed at stabilizing natural ecosystems to provide a reliable resource base for the Company. Under increasingly strict economic, social, and environmental regulations, E Ink is transforming its business model to achieve sustainable development. The overall market environment will adopt more policies, measures, and actions, including investing in reducing greenhouse gas emissions, improving manufacturing efficiency, recycling and reusing resources, and conducting ecological assessments of operation centers. These changes will also impact the entire supply chain, requiring E Ink to ensure its suppliers comply with the corresponding regulatory standards. This transformation helps mitigate the risks associated with natural disasters and extreme weather events, supporting E Ink in achieving sustainable and stable operations. The continuity of operations and production processes will be less affected by natural climatic factors, thereby enhancing the overall stability of the business.
Recovery of natural ecosystem	Water Scarcity	The Company's operational locations do not face water scarcity.	
	Air Condition	The air condition in the Company's operational locations meets the World Health Organization's Air Quality Guidelines with an annual average PM2.5 concentration below 5μg/m³.	
	Landslides	None of the Company's operation centers are located within area affected by potential landslides.	
	Wildfire Hazard	The Company's operations are not impacted by wildfire hazard.	
	Extreme Heat	The Company's operational locations do not experience any days with temperatures exceeding 36° C annually.	
	Tropical Cyclones	The frequency and intensity of tropical cyclones in the Company's operational locations remain stable.	

Risks /Opportunities	Potential Financial Impact (+Positive / –Negative)	Management Approach	Stakeholders	
			Internal	External
Transitional Risks: • Manufacture process must comply with regulations concerning economic, social, and environmental aspects. • Suppliers may fail to meet regulatory requirements, leading to supply chain instability. Opportunities: • Stricter regulations provide an advantage for green or low-carbon products.	✚ Increasing procurement costs due to replacing manufacturing equipment to comply with regulations. ✚ Procuring sustainable raw materials has led to increased operating costs. ✚ Improving energy efficiency to reduce operational costs. ✚ Low-carbon products have a competitive advantage, leading to stable revenue growth.	• Implement supply chain risk management through evaluation and audit systems to reduce potential environmental or social impacts from suppliers. • Encourage suppliers to establish carbon reduction targets and utilize renewable energy to collectively minimize environmental impact. • Develop a "Substitute Material Platform" to mitigate the risks associated with single-source suppliers and ensure raw material supply stability. • Increase the proportion of in-house manufactured components or materials to enhance the local procurement rate. • Gradually introduce environmental management systems at all sites to improve energy efficiency in production and operations, and strengthen water resource management to increase the recycling rate of process water. • Plan process improvements by optimizing production inputs and raw material management to reduce excess capacity and material waste, thereby enhancing production flexibility. • Establish a 4R (Reduce, Reuse, Recycle, Recovery) waste management plan to minimize resource usage and reduce waste generation and landfill disposal. • The Taiwan and Yangzhou sites are implementing the UL 2799 Zero Waste to Landfill certification to increase waste recycling and reuse rates.	Employees	Suppliers/ Contractors/ Subcontractors

Scenario: Go Fast or Go Home

Scenario Descriptions	Specific Scenario		Impact on Business Activities
Stricter Regulatory Requirements	• More stringent ecological standards, including greenhouse gas emission standards, energy efficiency standards, and biodiversity audit standards • The "30 x 30" consensus, which aims to protect 30% of the world's terrestrial and marine natural resources by 2030. • Increased proportion of green spaces in urban areas. • Stricter regulations for consumer electronics, including requirements for products to meet low energy consumption standards, increased battery recycling rates, and significantly expanded eco-design regulations for products.		Facing continuous degradation and deterioration of natural ecosystem services and rapidly changing regulatory environments, stakeholders are increasingly pressuring companies regarding their impact on the natural environment. This presents escalating challenges for businesses. E Ink conducted a scenario analysis with timeframe of year 2030 to understand the risks faced by its global operation centers due to the degradation and deterioration of natural ecosystem services. According to the scientific highlights of the IPCC Sixth Assessment Report on climate change and the updated Taiwan Climate Change Assessment Report, Taiwan may experience an increase of 1.8-5.5% in the number of consecutive days without rainfall during the medieval period. An increase in consecutive dry days or a decrease in the number of tropical cyclones could result in insufficient rainfall, affecting available water resources. In response, E Ink is actively and rapidly implementing multiple measures, such as improving manufacturing efficiency, recycling and reusing materials, and conducting ecological assessments of operation centers, to help mitigate the negative impacts on the natural environment.
Natural ecosystem services degradation/ deterioration	Water Scarcity	The maximum number of consecutive days without rainfall per year in the Company's operational locations has increased by 1.8-5.5%.	
	Air Condition	In the Company's operational locations, air condition PM2.5 levels exceed more than seven times the World Health Organization's Air Quality Guidelines annual average of 5μg/m³.	
	Landslides	The Company's operation centers are located within areas affected by potential debris flow streams.	
	Wildfire Hazard	The incidence of wildfire hazard in the vicinity of the Company's operations has increased by 14%.	
	Extreme Heat	In the Company's operational locations, the number of days with temperatures exceeding 36° C has increased by 6.8-8.5 days annually.	
	Tropical Cyclones	In the Company's operational locations, the number of tropical cyclones has decreased by 15%, while the proportion of intense tropical cyclones has increased by 100%.	

Risks /Opportunities	Potential Financial Impact (+Positive / –Negative)	Management Approach	Stakeholders	
			Internal	External
Transition Risks: • Adapting to rapidly changing regulations and complying with new regulatory environments. Physical Risks: • Unstable water supply leading to production interruptions. • Frequent climate events (extreme heat and wildfire hazard) causing operational disruptions. Opportunities: • Actions such as improving manufacturing efficiency, recycling, and reusing materials enhance corporate competitiveness.	– Increasing operational costs by investing time, manpower, and resources to adapt to new regulatory environments – Additional investments in water resource management and water-saving technologies, leading to increased expenditure. – Increasing operational costs due to rising insurance premiums, including fire insurance and cargo transportation insurance. + Enhancing resource use efficiency to reduce operational costs.	• Response to climate change by setting net-zero carbon reduction targets, actively participating in domestic and international initiative, and adopting the TCFD framework to identify climate-related risks and opportunities, financial impacts, and assess the effects of climate change (including extreme weather events) on the supply chain and manufacturing processes, while establishing emergency plans. • Establish an environmental management system to enhance resource efficiency in production and operations, strengthen water resource management to increase the recycling rate of process water. • Enhance personnel training on resource management to improve knowledge and skills related to energy conservation, carbon reduction, water conservation, and waste reduction.	Employees	Government Agencies/ Industry Peers and Associations, Suppliers/ Contractors/ Subcontractors

Scenario: Sand in the Gears

Scenario Descriptions	Specific Scenario		Impact on Business Activities
Regulations become more lenient	• Lack of clear natural ecological protection standards, including greenhouse gas emission standards, energy efficiency standards, and biological assessment standards. • Absence of mandatory reporting requirements for nature-related issues. • Lenient penalties and legal liabilities for natural environment violations.		Environmental regulations currently lack explicit provisions for the protection of the natural environment. This reduces compliance costs and pressures for companies, enhances their autonomy in resource utilization, and potentially increases economic benefits. However, the intensification of climate change may lead to the degradation of natural ecosystem services, resulting in unstable natural resource supply and more frequent extreme weather events. Upon assessment, the potential risks in operational areas include damage to facilities and equipment, which may overheat and cease functioning, thereby increasing downtime and maintenance costs. In the era of global trade, high temperatures may adversely affect the supply chain, causing delays in deliveries due to weather conditions or leading to the deterioration or damage of certain products due to heat. In the face of increasingly lenient regulations, the degradation of natural ecosystem services poses challenges such as unstable natural resource supply and frequent extreme weather events. Without comprehensive societal planning, businesses are compelled to address ecological issues independently, often prioritizing short-term challenges over long-term fundamental solutions.
Natural ecosystem services degradation/ deterioration	Water Scarcity	The maximum number of consecutive days without rainfall per year in the Company's operational locations has increased by 1.8-5.5%.	
	Air Condition	In the Company's operational locations, air condition PM2.5 levels exceed more than seven times the World Health Organization's Air Quality Guidelines annual average of 5μg/m³.	
	Landslides	The Company's operation centers are located within areas affected by potential debris flow streams.	
	Wildfire Hazard	The incidence of wildfire hazard in the vicinity of the Company's operations has increased by 14%.	
	Extreme Heat	In the Company's operational locations, the number of days with temperatures exceeding 36° C has increased by 6.8-8.5 days annually.	
	Tropical Cyclones	In the Company's operational locations, the number of tropical cyclones has decreased by 15%, while the proportion of intense tropical cyclones has increased by 100%.	

Risks /Opportunities	Potential Financial Impact (+Positive / –Negative)	Management Approach	Stakeholders	
			Internal	External
Physical Risks: • Unstable supply of water resources can result in significant production disruptions. • Frequent climate events, including extreme high temperatures and wildfire hazard, can lead to substantial operational disruptions. Transition Risks: • The absence of comprehensive societal plans for ecological protection makes it challenging for companies to achieve sustainable development. Opportunities: • Lenient regulations provide more opportunities for companies to innovate and develop new products. • Green products have a competitive advantage due to consumer interest in ecological protection.	− In the absence of an overall ecological protection plan, companies are forced to face environmental issues on their own, resulting in increased operating costs. − The occurrence of extreme weather events disrupts the normal supply of goods, leading to operational interruptions. − Enhancing employee health care leads to increased operating costs. + Reducing the cost of environmental compliance for products. + Increasing revenue by focusing on green products.	• Establish and adhere to nature and climate-related policies and commitments, both within the Company's own operations and in collaboration with value chain and ecosystem partners, to jointly maintain and promote the integrity of the natural ecological system. • Environmental impact mitigation by implementing an environmental management system, optimizing energy use efficiency; strengthen water resource management by improving process water recycling rates. • Response to climate change by setting net-zero carbon reduction targets, actively participating in domestic and international initiative organizations and actions, and adopting the TCFD framework to identify climate-related risks, opportunities, and financial impacts. Evaluate the effects of climate change, including extreme weather events, on the supply chain and manufacturing production, and establish emergency plans. • Natural environment protection education, in collaboration with employees and external stakeholders, promotes awareness of environmental protection and restoration to reduce the impact on the natural environment.	Employees	Suppliers/ Contractors/ Subcontractors, Customers, Community (Community/ Media/NGOs/ Educational Institutions)

Scenario: Back of the List

Scenario Descriptions	Specific Scenario		Impact on Business Activities
Regulations become more lenient	• Lack of clear natural ecological protection standards, including greenhouse gas emission standards, energy efficiency standards, and biological assessment standards. • Absence of mandatory reporting requirements for nature-related issues. • Lenient penalties and legal liabilities for natural environment violations.		The absence of clear regulations for the protection of the natural environment reduces corporate compliance costs and pressures, enhancing the Company's autonomy in resource use and potentially increasing economic benefits. The stability of natural ecosystems provides a stable foundation for E Ink's resource supply. The low risk of natural disasters and extreme weather events aids in achieving sustainable and steady operations, ensuring that production processes, supply chains, and transportation are not disrupted by natural climatic factors, thus enhancing overall business stability.
Recovery of Natural Ecosystem Services	Water Scarcity	The Company's operational location do not face water scarcity.	
	Air Condition	The air condition in the Company's operational location meets the World Health Organization's Air Quality Guidelines with an annual average PM2.5 concentration below 5μg/m³.	
	Landslides	The Company's operations are not impacted by wildfire hazard.	
	Wildfire Hazard	The Company's operational location do not experience any days with temperatures exceeding 36° C annually.	
	Extreme Heat	The frequency and intensity of tropical cyclones in the Company's operational location remain stable.	
	Tropical Cyclones	The frequency and intensity of tropical cyclones in the Company's operational location remain stable.	

Risks /Opportunities	Potential Financial Impact (+Positive / –Negative)	Management Approach	Stakeholders	
			Internal	External
Transition Risks: • Excessively lenient regulations may lead to a lack of necessary measures to address potential future environmental changes. • Lenient regulations result in more companies entering the market, intensifying industry competition. Opportunities: • Companies have the opportunity to pursue technological innovation and develop new products. • In the absence of natural disaster threats, companies can establish green supply chains, enhancing overall business stability and reputation.	− Intense industry competition leads to increased innovation and R&D costs. − Intense industry competition results in market share fluctuations. + A stable supply of natural resources enhances production efficiency and increases revenue. + Reducing compliance costs related to environmental regulations for products.	• Establishing the "Sustainable Product Management Policy", actively investing in green and low-carbon ePaper technology and product development to solidify leadership. • Continue investing in cutting-edge ePaper technology research and development, establishing a global intellectual property and patent portfolio to solidify market leadership. • Expanding the ePaper ecosystem with environmentally and visually friendly ePaper technology, exploring applications in education, retail, transportation, and logistics to support the development of sustainable smart cities. • Implementing open innovation by collaborating with external stakeholders, including industry, government, academia, and research institutions, to actively develop related technologies and application products based on ePaper. • Building a sustainable and resilient supply chain to create a green ePaper ecosystem.	Employees	Supply Chain/ Contractors/ Subcontractors, Customers, Society (Communities/ Media/NGOs/ Educational Institutions), Government Agencies/ Industry Peers and Associations

Climate Scenario Analysis

Based on the results of the materiality assessment of nature and climate-related risks and opportunities, E Ink has identified "increased severity of extreme weather events" and "net-zero emissions" as the key risk themes for this scenario analysis. The physical risk assessment focuses on floods, landslides in slope areas, and water resource stress, while the transition risk assessment centers on the risks associated with carbon price fluctuations during the global transition toward net-zero emissions. To understand the potential magnitude of future risks, this scenario analysis incorporates both the best-case and worst-case climate development pathways, allowing E Ink to evaluate the potential operational and financial impacts on its value chain under different climate trajectories.

Climate Scenario Explanation

Risk Types	Estimate End of Century Warming	Select Scenarios	Descriptions	Scenario Sources
Physical	<2° C	SSP1-2.6	As an optimistic scenario, the world actively promotes climate policies and successfully reduces greenhouse gas emissions, effectively limiting the global average temperature rise to within 2° C by the end of the 21st century.	IPCC Sixth Assessment Report
	4° C	SSP5-8.5	In the worst-case scenario, the failure of global climate policies and greenhouse gas reduction efforts results in an average global temperature rise of 4° C by the end of the 21st century.	
Transition	1.5° C	IEA NZE 2050	The global energy sector is expected to achieve net-zero carbon emissions by 2050, with developed economies reaching this goal earlier than other countries.	IEA World Energy Outlook Report
	2.5° C	IEA STEPS	This projection takes into account the current climate change mitigation measures and established policies of governments worldwide; however, it is based on a conservative assessment of the likelihood of policy implementation.	

Physical Risk Assessment: Disruption of Daily Operations, Supply Chain Interruptions

In response to climate change and the resulting increase in extreme weather events, E Ink has incorporated business interruption risks into its preventive management framework and has conducted a physical risk assessment. Potential risks include immediate threats such as flooding and landslides, as well as long-term water stress. These factors may lead to factory flooding, water restrictions, and power outages. Extreme weather conditions may also impact transportation infrastructure, such as road collapses and landslides, disrupting logistics and transportation routes. This can hinder the delivery of raw materials and components, leading to supply chain disruptions and operational interruptions.

E Ink adopted the latest climate modeling data from CMIP 6 (Coupled Model Intercomparison Project Phase 6), integrated with geographic information system (GIS) mapping. By overlaying the locations of its facilities in Taiwan and across its global value chain, the Company conducted multi-hazard risk assessments. Risk levels are classified into five tiers, with Level 5 representing high risk. These results serve as a key reference for formulating future mitigation and adaptation measures to enhance operational resilience and risk management effectiveness.

Disaster Type	Scenario	Scope	Mean assessment period	Data Source
Flooding, landslide	SSP1-2.6, SSP5-8.5	Value chain in Taiwan	2030	Climate change hazard risk maps provided by the National Science and Technology Center for Disaster Reduction (NCDR)
Water Stress		Global value chain	2030	Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI)

Based on the assessment results under the worst-case climate scenario (SSP5-8.5), E Ink' s operation site are not located in area of high-risk for flooding or landslide. By contrast, Taiwan has 18 significant suppliers and key customers situated in high flood-risk areas. To mitigate potential supply chain disruptions caused by extreme rainfall and resulting flood events, E Ink reviews the flood response and contingency plans of suppliers and customers operating in high-risk areas. The Company has also established response strategies through its Business Continuity Management Guidelines, which include measures such as managing product delivery flexibility and forming emergency response teams to assist partners in resolving disruptions, thereby reducing supply chain risks. In anticipation of flood-related operational interruptions, E Ink has developed emergency response plans for high-impact events such as typhoons and chemical spills. Additionally, the Company has implemented measures including the installation of Uninterruptible Power Supply (UPS) systems for critical production equipment. These procedures are standardized and reinforced through regular employee training and drills to ensure readiness. Furthermore, in collaboration with external consultants, E Ink has conducted climate impact assessments for the locations of new office buildings and facility development plans. This aims to evaluate the potential effects of extreme weather on daily operations and reduce the risk of business disruption caused by natural hazards.

Value Chain	SSP1-2.6		SSP5-8.5	
	Flood Risk	Water Stress	Flood Risk	Water Stress
Operation centers	0 site	0 site	0 site	0 site
Significant Suppliers	13 suppliers	1 suppliers	15 suppliers	1 supplier
Key customers	3 customers	4 customers	3 customers	4 customers

Physical Climate Risk Adaptation

In addition to analyzing flood risks in the value chain in Taiwan, E Ink conducts flood potential analyses for its manufacturing sites (including existing and new operations) and associated access roads. This involves reviewing drainage and flood control infrastructure and developing emergency response procedures to enhance resilience and reduce climate risk impacts, ensuring continuous operations management. E Ink has also formulated four measures to mitigate flood risks, aiming to achieve the goal of zero operational disruptions due to flooding in its global manufacturing sites by 2025.

(1) Assessment of rainwater recycling and floodwater retention facilities	(2) Installation of flood gates and barriers	(3) Review of the pumping contingency plan	(4) New site selection plan
Reduce surface runoff and water accumulation from heavy rainfall.	Prevent direct flooding into the underground spaces of the plant.	Ensure smooth drainage in case of flooding.	Select location of low flooding potential and elevate base heights.

Transformation Risk Assessment: Financial Impact of Achieving Net-Zero Carbon Emissions

To achieve the global target of net-zero carbon emissions by 2050, countries around the world have begun developing carbon trading markets. Under the 1.5 ° C temperature control target of the Paris Agreement, global carbon prices are expected to rise accordingly. According to the International Energy Agency' s 2023 Energy Report, under the IEA NZE 2050 scenario, where carbon pricing is applied across all regions, the carbon price in developed economies is projected to rise to USD 250 per metric ton by 2050. In line with this global trend, Taiwan formally announced its 2050 net-zero target in 2022 and will begin imposing carbon fees in 2026 on large emitters with annual emissions exceeding 25,000 metric tons. The general rate will be set at NTD 300 per metric ton, with incremental increases planned in phases. After 2030, the carbon fee may be adjusted to NTD 1,800 per ton, taking into account international carbon pricing levels. This wave of carbon cost impact is increasingly affecting businesses across industries

After evaluation, E Ink' s Taiwan sites are not required to pay carbon fees by 2030. However, in response to domestic and international net-zero transition trends and in support of the global climate target to limit temperature rise to within 1.5° C, the Company selected two carbon pricing scenarios for analysis: IEA NZE 2050 and IEA STEPS. Two emission reduction pathways were also established for evaluation: "Without Active Implementation of Carbon Reduction Measures" and "Active Implementation of Carbon Reduction Commitments." These were used to assess the potential financial impacts under different climate scenarios and levels of action. Under the "Active Implementation of Carbon Reduction Commitments" pathway, E Ink plans to implement various carbon management measures, including renewable energy (green electricity) procurement, purchase of high-quality carbon credits, replacement of existing equipment, and energy efficiency improvement programs. The analysis results indicate that compared with the scenario of not actively implementing carbon reduction measures, proactive actions can significantly reduce the financial impact of carbon pricing. The estimated potential financial impact from 2030 to 2040 ranges from NTD 79 million to NTD 505 million.

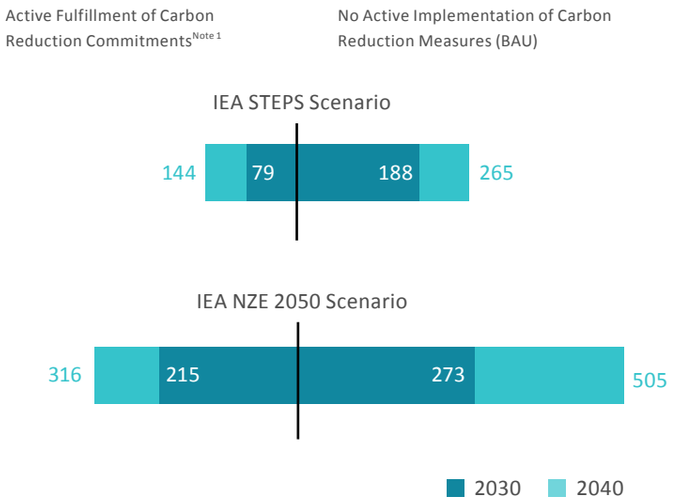
In the future, E Ink will continue to introduce energy-efficient equipment in its manufacturing processes and plan various carbon reduction projects to effectively reduce electricity and energy consumption during production. In terms of energy strategy, the Company will continue procuring green electricity and is evaluating the expansion of solar panel installations at its sites to further increase the proportion of renewable energy used. These efforts aim to reduce carbon emissions and lessen the Company' s overall environmental impact.

Note 1: In alignment with the net-zero target pathway, active implementation of greenhouse gas (GHG) reduction measures is assumed. These include energy efficiency improvements, adoption of renewable energy, and procurement of carbon credits.
Note 2: Carbon pricing is based on the International Energy Agency' s (IEA) World Energy Outlook (WEO) 2023, specifically referencing the NZE 2050 (Net Zero Emissions by 2050) and STEPS (Stated Policies Scenario) pathways. The carbon prices projected in the report are used to represent carbon prices under the NZE scenario across global operating sites. For the STEPS scenario, since carbon price estimates for the United States and Taiwan are not provided, values from the APS (Announced Pledges Scenario) are used instead. The APS, like STEPS, is a policy-based scenario, but it assumes all countries will achieve their stated climate commitments as scheduled. Carbon price assumptions are as follows:
IEA STEPS: NTD 834–5,215 per metric ton of CO_2e
IEA NZE 2050: NTD 2,682-6,109 per metric ton of CO_2e

Furthermore, to accelerate its low-carbon transition, E Ink adopted an internal carbon pricing (ICP) mechanism in 2019. The starting price was set at NTD 280 per metric ton of CO_2e, based on recommendations from the Carbon Pricing Options for Taiwan study published by the Grantham Research Institute on Climate Change and the Environment at the London School of Economics. This study considered Taiwan' s policy framework and industrial characteristics. Beginning in 2023, E Ink advanced its approach by incorporating shadow pricing, drawing on trends in international carbon markets and projected costs of renewable energy procurement to set its ICP price. In 2024, the ICP was raised to NTD 1, 000 per metric ton of CO_2e, with scheduled periodic increases. This mechanism serves as a key driver in promoting low-carbon investment, improving energy efficiency, and enhancing employee awareness of carbon management across the organization.

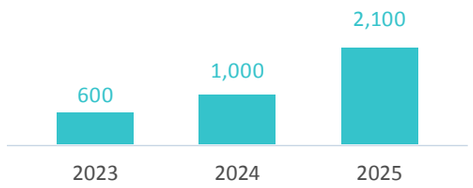
Financial Impact of Carbon Pricing Transition Risk

Unit: NTD Millions



Internal Carbon Pricing

Unit: NTD/ton CO_2e



Potential Financial Impacts and Response Strategies

In addition to assessing the risks of natural and climate-related risk and opportunity factors through scenario analysis, E Ink Holdings also analyzes the potential financial impacts of each natural and climate-related risk and opportunity, along with corresponding response strategies.

Risk Factors		Risk Description	Range of Impact	Potential Financial Impact (+Positive / –Negative)	Derived Opportunities	Management Approaches
Policy and Legal	Net-zero emissions	According to the Climate Change Response Act, Taiwan plans to impose a carbon fee starting in 2026 on enterprises with annual carbon emissions exceeding 25,000 metric tons. E Ink and its supply chain are expected to be subject to these regulations in the future. Additionally, achieving net-zero carbon emissions by 2050 has become an international consensus, which may result in the Company facing significant carbon fee expenses in the future.	Upstream/ Operations	– Carbon fee increases operating costs. – Purchasing energy-efficient equipment increases capital expenditures + Reducing carbon emissions lowers operating costs.	• Promote low-carbon green production	• Planning net-zero carbon emissions pathway. • Actively improving the operational efficiency of manufacturing equipment, with an estimated investment of NTD 24 million over the next three years. This is expected to reduce 939 metric tons of CO2e emissions annually and save NTD 10.07 million in electricity costs each year. • Enhancing the operational efficiency of facility equipment with an investment of NTD 8 million to replace the cooling towers. This is expected to reduce 247 metric tons of CO 2e emissions annually and save NTD 2.65 million in electricity costs each year. • Implementing ISO 50001 energy management systems at all sites to monitor and reduce electricity consumption. This is expected to decrease electricity usage by 1,500 megawatt-hours and save NTD 7.95 million in electricity costs. • Investing NTD 10 million to promote water-saving measures within the facility, achieving an annual water-saving effect of 15,579 metric tons and reducing water costs by NTD 190,000. • An additional investment of NTD 10 million for the new office building to achieve LEED Gold certification for green buildings. Compared to standard buildings, this green building is expected to reduce carbon emissions by 3, 719 metric tons of CO 2e annually and save NTD 39. 9 million in electricity costs. • Actively promoting renewable energy procurement, with an additional expenditure of NTD 20 million already invested in 2024, and a planned total investment reaching NTD 320 million by 2040. • Continuously monitoring domestic and international carbon trading, with plans to invest over NTD 10 million annually in purchasing carbon credits starting from 2030. • Implementing supply chain management and carbon reduction requirements.
Market	Rising costs of raw materials, including electricity	Global efforts to restrict the development of the fossil fuel industry have resulted in higher prices for raw materials (including electricity) and freight services. Furthermore, rising temperatures have contributed to increased electricity consumption.	Upstream/ Operations	– Increased electricity costs raise operating expenses. – Increased raw material costs raise operating expenses. + Improved energy efficiency reduces operating expenses.		
Technology	Transition to low-carbon manufacturing technology and processes	Customers have begun demanding energy-saving and carbon-reduction benefits from products. To meet these expectations, companies must allocate additional resources toward technological research and development, equipment upgrades, and sourcing suitable suppliers.	Upstream/ Operations/ Downstream	– Increasing capital expenditures due to the procurement of software and hardware. – Rising R&D expenses lead to higher operating costs. + Growing revenue driven by the demand for low-carbon products.	• Enhancing capacity for low-carbon product development. • Expanding ePaper products into new market applications. • Growing market demand for environmentally friendly products.	• Collaborating with industry, government, and academia to develop more energy-efficient products, with an estimated investment of NTD 12 million. • Increasing R&D expense annually for product development and integrating ESG principles into product design to sustain the Company's market competitiveness. • Implementing ISO 14067 for Product Carbon Footprint and ISO 14025 for Type III Environmental Declarations enables the identification of energy-intensive hotspots and environmental impacts throughout the product lifecycle, serving as a foundation for future product improvements. • Investing NTD 1 million to implement UL 2799 landfill waste stream verification. • Continuously increasing the proportion of R&D personnel among employees.
Market	Competitiveness of low-carbon products	The market, driven by sustainability trends, is witnessing increased customer demand for changes in product specifications. Failure to meet these demands may result in missed market opportunities, potentially leading to a decline in order volumes.	perations/Downstream	– A decrease in order volume reduces revenue + Meeting customer needs results in increased revenue.		
Acute	Increasing severity of extreme weather events (such as typhoons, floods, and landslides)	Extreme weather events causing sudden disasters could result in damage to facility equipment and buildings, prevent employees from reporting to work, and lead to operational disruptions.	Upstream/ Operations/ Downstream	– Disruptions in the value chain leading to operational interruptions.		• Conducting regular equipment inspections and enhancing equipment stability. • Managing climate risks within the supply chain. • Restructuring the supply chain to shorten lead times.

Opportunity factors		Opportunity Description	Potential Financial Impact (+Positive / –Negative)
Resource Utilization Efficiency	Promoting low-carbon green production	Reducing energy consumption and operational costs through equipment upgrades, implementation of energy management systems, promotion of resource recycling and reuse, automation of production, and the adoption of green building standards in new facilities and offices	+ Improving energy efficiency to reduce operational costs. + Reducing carbon emissions to lower operational costs.
Products and Services	Enhancing capacity for developing low-carbon products	Collaborating with the value chain to develop energy-efficient and low-carbon products, enhancing product competitiveness.	+ Demand for Low Carbon Products Increases Revenue.
Market	Exploring new applications market for ePaper products	In response to the trends of low-carbon energy savings and climate change, ePaper displays with low power consumption and energy-saving benefits can replace certain self-luminous displays, such as Thin Film Transistor Liquid Crystal Displays (TFT-LCD) and Organic Light-Emitting Diode (OLED) displays. This substitution can expand the business market and increase revenue.	+ Demand for Low Carbon Products Increases Revenue.
Market	Increasing market demand for environmentally friendly products	As international companies increasingly set net-zero emission targets, E Ink's products may become a priority choice for these enterprises in the future.	+ Meeting customer needs increases revenue.

03 Risk, Opportunity, Targets, and Actions

3-1 Targets - Vision for Nature and Climate Targets

Based on the risk and opportunity analysis results following the TNFD and TCFD frameworks, E Ink has established targets and actions related to nature and climate change. These align with the 6 sustainability policies, 18 sustainability actions, and 54 sustainability KPIs under the Company's sustainability management Note 1. In addition to the existing sustainability indicators, E Ink has formulated new corresponding policies, themes, indicators, management actions, and targets related to nature and climate change based on the risk and opportunity analysis results. This approach ensures the effective management of nature and climate issues.

Management of nature and climate change issues is based on four sustainability policies: "Innovation for Low-Carbon Sustainable Products" , " Low-Carbon and Energy Saving Operations and Manufacturing", "Sustainable and Value-Added Supply Chain" and "Local Engagement Aligned with Core Business" corresponding to seven sustainability actions, including "Product Realization and Technology Innovation" , "Expansion of Low Carbon Products" , "Response to Climate Change" , "Transformation Path to Net Zero" , "Environmental Impact Mitigation" , "Developing a Green and Low-Carbon Supply Chain" , "Control and Mitigation Sustainable Risks" , "Advancement of Supply Chain Resilience" , and "Caring for Ecological Restoration" , 9 sustainability actions, 10 sustainability topics, and 18 sustainability KPIs. Targets for 2030 and 2035 are set according to the TNFD and TCFD frameworks. For detailed information, please see the table below:

Note 1: For detailed information on E Ink's sustainability management, please refer to the 2024 Corporate Sustainability Report.

Sustainability Policy	Sustainability Actions	Sustainable Topics	Sustainability KPIs	Management Approaches and Performances	Target Year 2030	Target Year 2035
Material nature and climate risks and opportunities: Transition to low-carbon manufacturing technology and processes, competitiveness of low-carbon products, increasing severity of extreme weather events, increasing market demand for environmentally friendly products, enhancing capacity for developing low-carbon products, and exploring new applications market for ePaper products.						
Innovation for Low-Carbon Sustainable Products	Product Realization and Technology Innovation	Product Research, Development and Innovation	Development Resource	▲Proportion of R&D Expense to Revenue	10-15%	
		◉ Market Expansions	New Product and Technology	Proportion of New Product Developed in Past 3 Years to Revenue	>65%	>70%
		Business Partnership Management	Promoting Industry-Government-Academia Collaboration	Promoting Industry-Government-Academia Collaboration - New Projects Added Annually	1	
	Expansion of Low Carbon Products	◉Green and Sustainable Product Development	Sustainable Products	Sustainable Product Development - Annual Number of New Projects	3-5	5-10
				Upgrading Existing Products for Sustainability - Annual Number of New Projects	2-3	3-5
				Optimization of Product Packaging Materials - Reduction Raw Material Usage of Packaging Usage	5% (compared to 2025)	3-5% (compared to 2030)
				Proportion of Sustainable Raw Materials Used in Specified Products (% by weight)	>15-20%	>20-30%
				Proportion of Recycled Raw Materials Used in Light Guides/ Touch Panels for Specified ePaper Modules (% by weight)	10%	30%
			Green Revenue	▲Proportion of FTSE Russell Green Revenue to Revenue	>99%	
			Ecosystem	Value Chain of Ecosystem- Accumulated Number of Partners Annually	200	250

Sustainability Policy	Sustainability Actions	Sustainable Topics	Sustainability KPIs	Management Approaches and Performances	Target Year 2030	Target Year 2035
Material nature and climate risks and opportunities: Net-zero emissions, promoting low-carbon green production, and rising costs of raw materials (including electricity)						
Low-Carbon and Energy Saving Operations and Manufacturing	Response to Climate Change	◉Climate Change Mitigation and Adaption	Risks and Opportunities	Climate and Nature Related Risk and Opportunity Management	Review of financial impacts	Completion of financial impact assessment
	Transformation Path to Net Zero	◉Energy and Greenhouse Gas Management	Greenhouse gas (GHG) Emissions	Absolute target of GHG emission	Scope 1 and scope 2 emissions: 4,000 metric tons CO_2e	Scope 1 and scope 2 emissions: 2,500 metric tons CO_2e
					Scope 1 emissions: 4,000 metric tons CO_2e	Scope 1 emissions: 2,500 metric tons CO_2e
					Scope 2 emissions: 0 metric tons CO_2e	
				▲GHG Emission Intensity (Scope 1 and 2)	70% reduction compared to the baseline year	80% reduction compared to the baseline year
			Energy and Electricity	▲Energy Productivity	• USD 10.5 thousand/MWh • Implement of ISO 50001 energy management system verification to global operation centers	
			Renewable Energy	Renewable Energy Consumption Percentage	100%	
	Environmental Impact Mitigation	Water Resource Management	Water Resource	Water Recycle Rate in Production	50%	
				Water Resource Usage	10% reduction compared to the baseline year	15% reduction compared to the baseline year
				Water Use Intensity	30% reduction compared to the baseline year	
		◉Resource Management and Circular Economy	Waste	General Waste Recycling Rate	60%	
		Air pollution	Air pollution	VOC emission intensity	10% reduction compared to the baseline year	15% reduction compared to the baseline year
Material nature and climate risks and opportunities: Competitiveness of low-carbon products						
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	>96%	>97%
			Low-Carbon Energy	▲Number of Suppliers Using Renewable Energy	Increased by 5 compared to 2025	Increased by 5 compared to 2030
	Control and Mitigation Sustainable Risks		Risk of Supply Chain	▲ESG Questionnaires	100% response rate by significant and BOM suppliers	100% response rate by Tier 1 suppliers
				Supply chain risk assessment	100% evaluation rate for significant and BOM suppliers	
				Conflict minerals due diligence	10% of BOM suppliers completed annually	100% of BOM suppliers completed
				Supplier audit rate	100% annual audit rate for significant suppliers in accordance with the annual audit plan	
	Advancement of Supply Chain Resilience		Sustainable Procurement	Procurement personnel training completion rate	100% completion rate of training for procurement personnel	
					100% completion rate of training for significant suppliers	
			Resilience Strategy	Multi-sourcing for raw materials	60% of significant suppliers with second source	
Local Engagement Aligned with Core Business	Caring for Ecological Restoration	Biodiversity	Environmental	Biodiversity Conservation Actions and Support	2 biodiversity collaboration projects	3 biodiversity collaboration projects

Note 1: The baseline year is 2021.
Note 2: ▲ Represents that the indicator is linked to senior executive compensation.
Note 3: ◉ Represents that E Ink follows the GRI 3 and Double Materiality analysis principles to identify Material topics. For details, please refer to Section 1-4 "Material Topics and Stakeholders" in the 2024 Corporate Sustainability Report.

3-2 Implementation – Nature and Climate Action Plans and Performance

In 2023, E Ink adopted the TNFD and TCFD frameworks to identify nature and climate related risks and opportunities. This integration enhances E Ink' s existing sustainability policies, encompassing four key pillars, including "Product Sustainability - Innovation for Low-Carbon Sustainable Products", "Green Production - Low-Carbon and Energy Saving Operations and Manufacturing", "Sustainable Supply Chain - Sustainable and Value-Added Supply Chain", and "Social Engagement - Local Engagement Aligned to Core Business". This comprehensive approach strengthens the management of natural and climate change issues, ensuring more effective implementation of related actions.

Innovation for Low-Carbon Sustainable Products

E Ink's core ePaper technology and products, leveraging bistable and reflective display principles, provide an environmentally and visually friendly display interface. To promote sustainable products. E Ink centers its sustainable product management on "Product Sustainability - Innovation for Low-Carbon Sustainable Products." E Ink established the "Sustainable Product Management Policy" through two major strategies, "Research and Development Innovation" and "Green Products," leveraging its competitiveness in sustainability and low carbon.

- **Research and Development Innovation**

  In the process of transforming new technology research and development into commercial products, E Ink focuses on 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. This approach 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.

The 2024 performance can be summarized as follows [Note :]

Sustainability KPIs	Performance
New Product and Technology	• E Ink developed over 110 new technologies and product applications, focusing on three types of color ePaper technologies, ePaper films, ePaper modules, and related application technologies. • With 71% of the 2024 revenue coming from products developed within the past three years, highlighting the significant and crucial contribution of new products to revenue.
Industry-Government-Academia Collaboration	• Embracing an open innovation mindset, E Ink has collaborated with various industries, government agencies, universities, and institutes to promote 9 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.
Development Resource	• In 2024, E Ink invested approximately NT$4.35 billion in research and development, accounting for 14% of revenue. • 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, and ePaper driving waveforms technology, the Company also focuses on developing related technologies such as ePaper timing controller integrated circuits (TCON IC), wireless power, and digital handwriting. E Ink consistently launches new products in the ePaper field.
Stainable Products	• E Ink focuses on innovation and adheres to the three dimensions of "Lean Design & Material Reduction", " Energy Conservation & Carbon Reduction" and "Recycling". By integrating the product life cycle concept with the Eco-design Assessment method, E Ink has established its green sustainable product inspection standards-4RNote, 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.
Green Revenue	• The 100% of E Ink's revenue in 2024 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.
Ecosystem	• As of December 2024, the alliance has reached over 250 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.

With the brand vision of "We Make Surface Smart and Green," E Ink focuses on the trends of Artificial Intelligence of Things (AIoT) and sustainable development. By leveraging its environmentally and visually friendly ePaper technology, the Company expands applications across smart education, smart signage, smart retail, smart transportation, and smart logistics. E Ink supports customers in various settings to adopt ePaper as the primary display interface in their products, thereby amplifying the positive environmental, social, and economic impact of green technologies and products.

Note: For detailed information, please refer to 2024 Corporate Sustainability Report - Chapter 3: Sustainable Products.

Low-Carbon and Energy Saving Operations and Manufacturing

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.

E Ink, guided by its sustainability policy of " Low-Carbon and Energy Saving Operations and Manufacturing" and its " E Ink Policy on Safety, Health, Environment, and Energy Management " (SHEE Management Policy), has established three major sustainability actions: " Response to Climate Change," " Transformation Path to Net Zero," and " Environmental Impact Mitigation." These actions encompass strategies, management objectives, and quantifiable performance indicators related to environmental protection, climate change, water resources, waste management, and energy consumption.

To further realize the vision of green production and environmental sustainability, E Ink has committed to achieving 100% renewable energy use (RE 100) by 2030 and reaching net-zero carbon emissions by 2040. By the end of 2024, E Ink had achieved a 58% renewable energy usage rate (RE 58) globally, reaching the target one year ahead of schedule and exceeding its original 2025 goal, while also approaching its 2026 target. Notably, E Ink' s facilities in Yangzhou and the US, along with its business offices in Tokyo (Japan), Seoul (South Korea), and the Netherlands (Europe) have already achieved 100% renewable energy usage (RE 100). In addition, the renewable energy usage rate at the Taiwan sites has doubled compared to the previous year, reaching 21% (RE21).

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 RE 100 Leadership Awards by the international renewable energy organization RE 100. This award recognizes new RE 100 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 EP 100 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.

These efforts resulted in a significant reduction of 2,950 MWh, equivalent to a reduction of 1,595 metric tons of carbon emissions in global sites electricity consumption in 2024. E Ink will continue its efforts to demonstrate its achievements in the ePaper industry transformation and energy efficiency.

Effective resource management and waste reduction have become critical issues for corporations. In response, since 2019, E Ink has pursued UL 2799 Zero Waste to Landfill certification, striving to increase the proportion of waste that is recycled, reused, or converted, thereby avoiding landfill or incineration without energy recovery, in pursuit of the zero-waste goal.

In 2024, E Ink's Taiwan sites achieved a 100% waste conversion rate[Note 1], meeting the highest Platinum level standard of UL 2799. This accomplishment ensures that all waste was either recycled or reused, with none being sent to landfill or incinerated without energy recovery. Meanwhile, the Yangzhou site attained a 98. 7% waste conversion rate and was awarded the Gold level certification under UL 2799, demonstrating E Ink's solid progress in circular economy practices and sustainable development.

Note 1 : Waste conversion rate = (Reuse + Reduction + Recycling + Reutilization + Waste-to-Energy + Anaerobic Digestion + Biofuel + Composting) / Total weight of generated waste.

The 2024 performances are summarized as follows [Note 2 :]

Sustainability KPIs	Performances
Risks and Opportunities	• Beginning in 2022, E Ink has been continuously analyzing the financial impacts of climate-related risks and opportunities based on the TCFD framework, and dynamically adjusting its climate change management strategies based on the analysis results.
Greenhouse Gases	• Reduced greenhouse gas emissions by 42% compared to 2021 • Decreased greenhouse gas emission intensity by 64% compared to 2021 • Implemented the "One-to-Many Carbon Reduction Plan", aiming to reduce electricity consumption by 5. 34 million kWh annually, equivalent to a reduction of 2,638 metric tons of CO_2e emissions per year
Renewable Energy	• Utilized 58% renewable energy globally (RE58)
Water Resources	• Reduced water intensity by 33% compared to 2021
Wastes	• General Waste Recycling Rate reaching 81% • Promoted the UL 2799 Zero Waste to Landfill certification, achieving a 100% waste conversion rate at Taiwan sites and Yangzhou sites

Note 2: For details, please refer to 2024 Corporate Sustainability Report - Chapter 4: Green Production.

Sustainable and Value-Added Supply Chain

E Ink, the global leader in the ePaper industry, collaborates with raw material suppliers, component manufacturers, product assemblers, transportation providers, and various service providers. To establish a sustainable and resilient supply chain, E Ink is committed to ensuring that workers throughout its supply chain are treated fairly, have the freedom to choose their employment, and work in safe environments. The Company also demands that business operations be conducted ethically and with a strong sense of environmental responsibility. E Ink implements the " E Ink 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. Furthermore, E Ink manage our supply chain through evaluations and audits, mitigating the risk of supplier disruptions.

To further enhance sustainable procurement management across the supply chain, E Ink adopted the ISO 20400 Sustainable Procurement – Guidance in 2024, integrating sustainability principles into its procurement policies and operational processes. This initiative aims to effectively manage environmental, social, and economic risks and opportunities that may arise during the course of sustainable development, while also building consensus within the ePaper supply chain to jointly advance sustainability and environmental stewardship. In the same year, E Ink' s headquarters underwent an evaluation by SGS Taiwan Ltd., a sustainable procurement audit organization, and was awarded the "Advanced" rating, demonstrating outstanding performance in advancing sustainable procurement and supply chain responsibility.

With the goal of creating a "Sustainable and Value-Added Supply Chain," E Ink has implemented three core strategies: "Managing Supply Chain Sustainability Risks," "Building a Green and Low-Carbon Supply Chain," and "Enhancing Supply Chain Resilience," all under the oversight of the Board of Directors. These efforts aim to strengthen the overall sustainability and resilience of the supply chain. E Ink also encourages its suppliers to work together toward achieving net-zero carbon emissions by 2040 and 100% renewable energy usage (RE100) by 2030, aligning with the global goal of limiting temperature rise to within 1.5° C.

The 2024 performances are summarized as follows[Note 1]:

Sustainability KPIs	Performances
Local Procurement	• The proportion of local suppliers and procurement value in both Taiwan and the US exceeds 90%.
Low-Carbon Energy	• 100% of significant suppliers have set renewable energy usage and carbon reduction targets.
Sustainable Collaboration	• The Packaging Materials Recycling Project and Low-Carbon Logistics Management initiatives successfully reduced carbon emissions by 77 metric tons of CO_2e.
Risk of Supply Chain	• Significant suppliers achieved a 100% response rate to the ESG questionnaire, 100% risk assessment completion, 100% improvement rate for high-risk suppliers, and 100% audit completion rate.
Sustainable Collaboration	• The Packaging Materials Recycling Project reduced carbon emissions by 1,025 metric tons of CO_2e. • Low-Carbon Logistics Management reduced carbon emissions by 40 metric tons of CO_2e.
Resilience Strategy	• The proportion of materials from significant suppliers that have a second-source supplier exceeds 60%.

Note 1: For details, please refer to 2024 Corporate Sustainability Report - Chapter 5: Sustainable Supply Chain.

Caring for Ecological Restoration and Friendly Environments

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 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 by formulating the 'Biodiversity and Non-Deforestation Commitment,' E Ink ensures that its global operations, manufacturing, R&D, and business locations are not situated in ecological conservation areas, thus preventing any disruption to habitats, and minimizing natural resource consumption. E Ink is further committed to addressing challenges at the source by fully optimizing its production processes, minimizing the ecological impact of raw materials, and avoiding deforestation. The Company has also enhanced energy efficiency, encourages suppliers to adopt environmentally friendly and recyclable materials, and collaborates with upstream value chain partners to protect the environment, starting with reducing natural degradation. The short-term goal is to achieve No Net Loss (NNL), while the long-term goal is to realize a Net Positive Impact (NPI) by 2030.

In addition, E Ink has joined international advocacy organizations to actively promote the protection of natural ecosystems and habitats for wildlife and plants. The Company works to extend environmental conservation awareness to employees, shareholders, and supply chain (or value chain) partners, raising stakeholder awareness of environmental and ecological protection. Together, they support biodiversity conservation, forest preservation, and ecological protection through concrete actions.

The 2024 performances are summarized as follows[Note 2]:

Sustainability KPIs	Performances
Environmental Conservation	• In E Ink's second year of collaboration with the Trust in Nature Foundation (TNF), Formerly known as the Taiwan Environmental Information Association, E Ink has continued to demonstrate its commitment by signing a Memorandum of Understanding to support ecological restoration and promote environmental friendliness through concrete actions. The Company contributes to the preservation of habitats in Nature Valley and Alibang Ecological Farm and assists TNF in its conservation efforts for the Taipei Grass Frog, Hylarana taipehensis, a Class II protected species. • E Ink launched the "Environmental Protection Festival" series of events to realize the goal of "restoring the ecological environment and promoting a friendly environment." Centered around three core pillars knowledge sharing, participatory engagement, and everyday culture, the initiative featured five activities, including ecological lectures, volunteer services, and green living practices, attracting over 200 participants. Through engagement with both internal and external stakeholders, the initiative further amplified E Ink' s influence in environmental protection. • Five ePaper ecological signage boards were installed at the Xiangshan Wetlands, enabling habitat-based ecological education and information dissemination with zero carbon emissions.

Note 2: For details, please refer to 2024 Corporate Sustainability Report - Chapter 7: Social Engagement.

E Ink volunteers are safeguarding the land, preserving natural habitats, and protecting the habitats of native Taiwanese species

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, Trust in Nature Foundation (TNF) 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.

In 2024, 18 volunteers from E Ink, including members of senior management, acted for habitat conservation at the Nature Valley Environmental Trust Education Base. Volunteers carried out maintenance activities such as thinning bamboo forests and removing invasive species like Mikania micrantha to support ecological preservation.

- 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.

Earth Day Walk & Clean-up on Coyote Creek Lagoon Trail in Fremont CA

Fremont CA is on the east of San Francisco Bay, home to a diverse range of ecosystems and species. E Ink Fremont office sits in the Southeast of Fremont City, surrounded by creeks, ponds, lagoons, and the bay. During lunch breaks, employees in this office could take a short walk along creeks to enjoy the natural beauties of wildflowers, and wildlife.

Don Edwards San Francisco Bay Natural Wildlife Refuge is a natural reserve nearby, where numerous migratory birds and endangered species inhabit. In order to raise the awareness of biodiversity near the workplace, E Ink Fremont office organized an Earth Day Walk/Clean-up event on Earth Day (April 22nd, 2025). About 20 people participated in the event, embracing the fresh air and wildflower view, and giving back to our mother earth by cleaning up Coyote Creek Lagoon Trail during the walk.

E Ink organizes clean-ups in parks near Fremont frequently, and encourages employees to volunteer in environmental protection non-profit organizations.

Appendix

Appendix I: Nature and Climate Analysis Methods

Nature Identification Process and Methodology

E Ink conducts analysis of natural dependencies and impacts by following the LEAP approach recommended by the Taskforce on Nature-related Financial Disclosures (TNFD).

		Locate	Evaluate	Assess	Prepare
Analysis process		• Overlay (spatial) analysis: Conducted ecological sensitivity analysis using the IUCN World Database on Protected Areas, the Forestry and Nature Conservation Agency of the Ministry of Agriculture and the Ministry of the Interior databases, and the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI). • Identify industry-specific economic activities and the value chain's dependencies and impact factors on biodiversity: Analyzed using the WWF Biodiversity Risk Filter and the UNEP′ s Exploring Natural Capital Opportunities, Risks, and Exposure (ENCORE) tool. • Identify priority location where E Ink's value chain activities interact with nature.	• Identify factors of major dependence and impact on natural capital for value chain operations near ecological sensitivity areas. • Map major dependencies and impacts against the five direct drivers of nature change to evaluate the Company′ s negative impacts on nature.	• Identify risks and opportunities based on the degree of dependence and impact on nature. • Conduct scenario analysis following TNFD′ s Guidance on Scenario Analysis v1.0. E Ink simulated business impacts across four nature-related scenarios projected for 2030, identifying potential risks, opportunities, and corresponding financial impacts. • Material risk and opportunity factors are identified by evaluating the impact severity and likelihood of occurrence of each risk and opportunity factor.	• Based on the analysis results and the identified potential risks and opportunities, E Ink developed corporate response strategies, which are disclosed in this report.
Value chain boundaries covered	E Ink operation centers	V	V	V	V
	Upstream-significant suppliers	V	V	V	-
	Downstream- shipping locations/customer operation centers	V	V	V	-

Appendix II: Environmental Data

Item	Unit	2020	2021	2022	2023	2024
Greenhouse gas emissions[Note]						
Scope 1	Metric tons CO_2e	2,942.7	3,459.5	3,569.0	3,677.3	3,736.9
Scope 2 (Market-based)	Metric tons CO_2e	40,593.5	42,536.5	36,334.6	30,071.6	23,086.6
Scope 3	Metric tons CO_2e	-	207,283.9	86,435.6	72,232.7	89,450.3
Greenhouse gas emissions intensity	Metric tons CO_2e / million NTD	2.8	2.3	1.3	1.2	0.8
Energy usage						
Renewable energy	Gigajoules(GJ)	395.8	600.9	62,069.8	108,998.0	217,615.4
Non-renewable energy	Gigajoules(GJ)	310,748.8	325,511.7	303,848.9	261,755.5	228,670.6
Total energy	Gigajoules(GJ)	311,144.6	326,112.6	365,918.7	370,753.5	446,860.0
Renewable energy usage	-	-	-	RE20	RE36	RE58
Energy productivity	Thousand USD/MWh	6.0	7.8	9.9	8.5	8.1
Water usage and discharge						
Water withdrawal	Million Liters	495.8	503.2	477.9	473.2	549.6
Water discharge	Million Liters	355.6	352.8	334.2	318.7	340.0
Water Consumption	Million Liters	140.2	150.4	143.7	154.5	209.6
Water use intensity	m^3/ Million NTD	32.3	25.6	15.7	17.4	17.1
Waste generation and disposal						
Waste generation quantity	Metric tons	1,251.5	1,670.4	2,981.0	2,530.0	3651.5
General waste recycling rate	%	27	38	38	56	81

Note: Data for Scope 1 and Scope 2 have been verified by a third party; for Scope 3, only certain categories have been third-party verified.

Appendix III: TNFD and TCFD Disclosures

TNFD Disclosures

Disclosure aspects	Disclosure content	Corresponding sections
Governance	Describe the Board's oversight of nature-related risks and opportunities.	1.1 Foundation - Establishing a Comprehensive Governance Mechanism and Team Management
	Describe management's role in assessing and managing nature-related dependencies, impacts, risks, and opportunities.	
	Describe the organization′s approach to assessing and addressing nature-related dependencies, impacts, risks, and opportunities, including its human rights policies, engagement activities, and the oversight role of the Board and management, with particular attention to Indigenous peoples, local communities, affected parties, and other stakeholders.	
Strategy	Describe the short-, medium-, and long-term nature-related dependencies, impacts, risks, and opportunities identified by the organization.	2.1 Identification – Material Topics of Natural and Climate
	Describe the impact of nature-related dependencies, impacts, risks, and opportunities on the organization′s business model, value chain, strategy, and financial planning, as well as any associated transformation plans or analyses.	
	Describe the resilience of the organization's strategy to nature-related risks and opportunities, considering different scenarios.	2.2 Analysis – Natural and Climate Scenario Analysis
	Describe the locations of the organization's assets and/or activities in direct operations, as well as the priority areas upstream and downstream.	2.1 Identification – Material Topics of Natural and Climate
Risk & Impact Management	(i)Describe the process by which the organization identifies, assesses, and prioritizes nature-related dependencies, impacts, risks, and opportunities in its direct operations. (ii)Describe the process by which the organization identifies, assesses, and prioritizes nature-related dependencies, impacts, risks, and opportunities in its upstream and downstream value chain.	2.1 Identification – Material Topics of Natural and Climate
	Describe the organization's management process for nature-related dependencies, impacts, risks, and opportunities.	02 Management and Response Strategies for Risks and Opportunities
	Describe how the processes for identifying, assessing, prioritizing, and overseeing nature-related risks are integrated into the organization′s overall risk management system.	02 Management and Response Strategies for Risks and Opportunities
Metrics & Targets	Disclose the indicators used by the organization to assess and manage nature-related risks and opportunities based on its strategy and risk management processes.	3.1 Targets- Vision for Nature and Climate Targets
	Disclose the indicators used by the organization to assess and manage its dependencies and impacts on nature.	3.1 Targets- Vision for Nature and Climate Targets
	Describe the targets the organization uses to manage nature-related dependencies, impacts, risks, and opportunities, along with its performance against these targets.	2.1 Identification – Material Topics of Natural and Climate 3.1 Targets- Vision for Nature and Climate Targets

TNFD Disclosures

Disclosure aspects	Disclosure content	Corresponding sections
Governance	Describe the Board's oversight of climate-related risks and opportunities.	1.1 Foundation - Establishing a Comprehensive Governance Mechanism and Team Management
	Describe management's role in assessing and managing climate-related risks and opportunities.	1.1 Foundation - Establishing a Comprehensive Governance Mechanism and Team Management
Strategy	Describe the short-, medium-, and long-term climate-related risks and opportunities identified by the organization.	2.1 Identification – Material Topics of Natural and Climate
	Describe the impact of climate-related risks and opportunities on the organization′ s business, strategy, and financial planning.	2.2 Analysis – Natural and Climate Scenario Analysis 3.2 Implementation – Nature and Climate Action Plans and Performance
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario.	2.2 Analysis – Natural and Climate Scenario Analysis
Risk & Impact Management	Describe the organization′ s process for identifying and assessing climate-related risks.	02 Management and Response Strategies for Risks and Opportunities Appendix I: Nature and Climate Analysis Methods
	Describe the organization′ s process for managing climate-related risks.	02 Management and Response Strategies for Risks and Opportunities
	Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the organization′ s overall risk management system.	02 Management and Response Strategies for Risks and Opportunities
Metrics & Targets	Disclose the indicators used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management processes.	2.2 Analysis – Natural and Climate Scenario Analysis
	Disclose Scope 1, Scope 2, and Scope 3 greenhouse gas emissions and the associated risks.	Appendix II: Environmental Data
	Describe the targets the organization uses to manage climate-related risks and opportunities, as well as its performance in achieving those targets.	3.1 Targets- Vision for Nature and Climate Targets

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