

COMMUNICATION ON PROGRESS (COP)
BASIC TEMPLATE

Period covered by your Communication on Progress (COP)

From: To:

1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER (OWNER OR PRESIDENT IN THE CASE OF SMALL BUSINESSES)

Please use the box below to include the statement of continued support signed by your company's chief executive

May 2021

To our Stakeholders:

I am pleased to reaffirm E Ink Corporation's support of the Ten Principles of the United Nations Global Compact in the area of Human Rights, Labor, Environment and Anti-corruption.

This being our second year as a member of the Compact, our company has stepped up its level of participation in a variety of UN run programs. Several employees attended the UNGC Leader's Summit in June of 2020 and were honored when one of our YSIP participants was chosen to present our project at the Leader's Summit. Along with completing the inaugural YSIP program in June of 2020, we have been selected to participate in the inaugural Ambition program that started in January 2021. Our work in this program will set our actions for the upcoming years.

During this second year, there also was increased focus internally, specifically around environmental and social issues. With the challenges that 2020 brought to all companies, E Ink retained all of its employees and provided a safe work environment for all, including those who work onsite in production lines, the R&D labs or the office. Despite the challenges of incorporating a virtual work environment, a team of employees used the "Action Manager" to identify gaps and made efforts to close those gaps. Since the fall of 2020, we have embarked on a journey to address and expand our diversity, equity and inclusion policies and behaviors in the company with the assistance of experts in this field and through education and learning from each other.

In this annual Communication on progress, we describe all our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

We want to thank you for this opportunity to be part of this important mission for the world.

Sincerely yours,

Paul G. Apen
Chief Business & Operations Officer
E Ink Corporation

2. DESCRIPTION OF ACTIONS AND OUTCOMES – These are the additional actions and outcomes (building on those from our first report) that have been taken by E Ink as a result of our continued active participation in the UNGC.

Since our first COP, this report reflects E Ink's efforts to step up our participation in advancing the SDGs. Our efforts over this time period focused on addressing Human Rights and Environmental issues. Labor and Anti-corruption policies were already well documented in our first COP and practiced across the company at the highest level.

Education (SDG4) & Responsible Consumption and Production (SDG12)

As a participant in the inaugural YSIP program (Sept. 2019 – June 2020), the team's final pitch was to develop a dedicated sustainability effort at E Ink, across all sites, using an SDG framework. The first phase was to educate Inkers on sustainability and how it can be applied daily at work.

As a result, four workshops were developed in conjunction with Arizona State University, Thunderbird School of Global Management to inform employees on the UNGC principles and to train individuals how to successfully implement an SDG project. The workshops have been developed and are undergoing final editing at the time of this report. The outcome is to create a critical mass of people at E Ink working on sustainability projects to advance the SDGs.

As part of educating our employees, a dozen upper management & project leads participated in a half-day Life Cycle Assessment (LCA) training with a leading international provider of sustainability services, The Yordas Group. This is the first step in conducting a full analysis of our products to identify any hotspots or improvements to minimize our carbon footprint. This will be useful for both internal and external customers, as one of E Ink's biggest customers is undertaking LCA of their products, and has teamed up with us to help **(SDG17)**. Process mapping has begun and data from our corporate CSR report is being used to assess our GHG usage.

E Ink's desire to educate employees about the SDGs also extends to engaging students at a local university. As part of a program at Northeastern University to bring students in contact with companies, E Ink submitted a proposal to work with undergraduates taking a course in "Sustainable Entrepreneurship". E Ink employees are teaching students about SDGs and how to think about and conduct a sustainability analysis of our unique products as well as conventional competitors.

E Ink team members participated in several of the workshops held over the past year including the UNGC conference in June 2020 where E Ink's YSIP program was chosen as one of only a handful of groups to report out on their project.

Governance (SDG16)

E Ink Corporation's parent company, E Ink Holdings Inc. is based in Taiwan (thus, not able to join the UNGC) and is a big supporter of the SDG platform. They have set some aggressive targets to win recognition by sustainability standards organizations in the next few years. They recently reorganized the CSR team that has been responsible for publishing E Ink Holdings CSR report since 2015 into an ESG team model. Many of the members of the committees are US-based E Ink Corporation employees responsible for the proposed environmental, social and governance efforts.

Employee Good Health and Well-being (SDG3)

Despite the need to temporarily shut down our research labs and our manufacturing operations due to COVID restrictions, no employees were furloughed. To protect the safety of our employees during this time, all E Ink facilities strictly followed all state and CDC guidelines. E Ink COVID-19 protocols included controlled entry to the buildings; capacity limitations on offices, common rooms and labs; an E Ink-specific safety video required of all employees; temperature screening upon entry to the buildings; proper PPE; disinfectant and signage provided; installation of self-cleaning surfaces and touchless soap, water, and sanitizer dispensers; and enhanced cleaning of the facilities. New paid leave policies were put in place to further encourage employees to stay home when they or someone in their household was ill or when exposed to COVID-19 and to allow employees to take fully paid leave if they needed to care for their children due to COVID-19. Contact tracing was in place and used expediently when necessary.

Reduced Inequalities (SDG10)

Social Unrest was at a high in the US during this reporting period. Our senior management team published company-wide emails condemning the injustices and assaults on marginalized groups in our country. One of the outcomes of this was the establishment of a new position headed by a female Associate Vice President, Lynne Garone, (the UNGC champion). The vision for this position of Corporate Learning and Social Responsibility is to promote the ideals of the UNGC which parallel E Ink's company values of Integrity, Diversity, Equity and Inclusion, Corporate Citizenship, Team Work and Continuous Learning.

A Social Justice agenda has been set for the company and includes formation of Employee Resource Groups (ERGs) run by employees. The ERGs focus on supporting marginalized groups, including women, LGBTQ+, and BIPOC employees with the purpose of creating a safe space for everyone to be their authentic self and include members of those groups and allies. These ERGs have been functioning for ~ 6 months now and more than 60 of the nearly 400 employees have joined.

The corporate university purchased an on-line eLearning platform (www.GlobeSmart.com) that promotes cultural understanding and contains an excellent module on unconscious bias and micro- aggression. This module has been actively promoted and will be required of all managers and supervisors to complete by end of Q2'2021. Monthly leadership knowledge communities composed of Directors and Managers meet to discuss these topics and how to make E Ink the best place to work.

A company-wide DEI survey was delivered to all our employees with support from a DEI consultant group (Naficy Consulting). Participation in the survey exceeded 70% and overall, the results were encouraging (avg. of 4 on Likert scale). However, there is always room for improvement and those issues identified are being addressed by senior management. DEI education of the senior management team is underway with the support of our DEI consultants. The outcome of these executive alignment sessions, will be a long term DEI plan supported by the senior management team and to which the company will be held accountable.

Philanthropy

Philanthropy has always been part of E Ink's values. Annually, the corporation makes generous donations to local organizations supporting SDGs such as Quality Education (SDG 4) and Sustainable Cities and Communities (SDG 11). E Ink employees are encouraged to participate in internal and external volunteer activities. In January 2020, a team of employees volunteered their time to help in a local project for "Habitat for Humanity". There is also an employee run program, the Ad Hoc Philanthropic Committee that supports different events championed by employees.

Starting in January 2021, E Ink created a formal matching funds program. Employees can choose to participate

in one of two ways. Either 1) the company will match charity donations up to \$100 per employee per year to 501C3 charities with a B or better rating on a charity watchdog site or 2) participate in the B1G1 program. E Ink learned about the B1G1 program as a direct result of our participation in the UNGC. This philanthropic organization supports charities dedicated to advancing the SDGs globally. Donations to the charities are measured in impacts to the SDGs. If an employee elects to be part of this program, E Ink provides \$100 in an employee's account to spend on B1G1 charities any way the employee chooses. In just the 4 months this program has been running, donations have resulted in 6,347 giving impacts to date.

In addition to funding employee choice charities, E Ink has provided the three ERGs a significant philanthropic budget to donate to charities that advance the causes for their groups. Some of this budget has been directed toward B1G1 charities as well.

During 2020, the corporation made additional donations to the three local communities where there is an E Ink facility. In Massachusetts, a \$15K check and 10 E Ink eNote tablets (valued at \$10K) were provided to both the Shawsheen Valley Technical High School in Billerica, MA and to the South Hadley Public Schools to ease the burden on the educational systems during COVID. In the Silicon Valley area, E Ink provided a check for \$15K along with 24 kids eReaders (valued at \$2500) for the Boys and Girls Club of Silicon Valley to encourage reading of the children in the after school program.

Future Actions

E Ink is currently participating in the first UNGC's SDG Ambition Program. At the conclusion of the program, a plan will be in place for us to reach the benchmark of 100% renewable inputs to processes used at E Ink.

MEASUREMENT OF OUTCOMES

A team of employees worked through the UNGC Action Manager application identifying areas for improvement. Initially, the baseline score was 50.6% but by addressing some of the issues, the score rose to 63%. Below is the present breakdown and is the reason that our focus this year is on Human Rights and Environment.

- Introduction 11.8 /20
- Human Rights 6.0/20
- Labor 14.2/20
- Environment 11.2/20
- Anti-corruption 19.5/20

Gaps in our SDG performance requiring a more concerted effort have been identified. This list will be used for project generation at the conclusion of the ASU workshops.

In addition, the UNGC's Women's Empowerment Principles (WEP) assessment tool was completed and areas of improvement were shared with the HR Director. These results were passed along with resources to the Women's Network ERG for discussion and suggestions for improvements.

A CSR report published annually on our website also provides a measurement of outcomes and a tool for communication. The 2020 report is scheduled to be released shortly. Some of the highlights this year was the reduction in waste generated in the Billerica, MA site related to COVID and a reduction of employees working onsite as well as the installation of a LED light retrofit and off house HVAC set back conserving 11% of the energy bill for that site.

Communications

Information on progress on these topics are communicated to all employees through bi-monthly town halls as well as a quarterly newsletter which includes a dedicated sustainability and social justice section. In addition, all new hires now go through a session with the AVP of Corporate Learning and Social Responsibility where

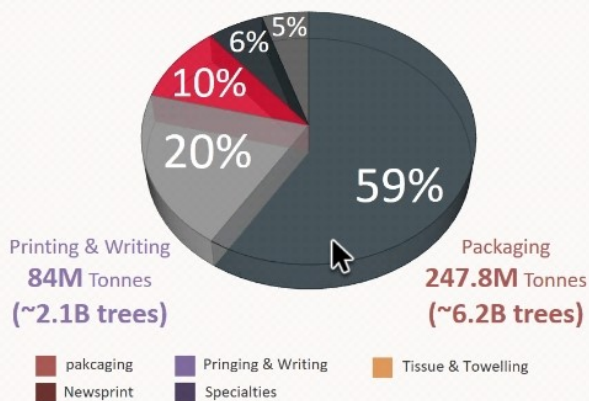
they are exposed to the UNGC principles and the current in house efforts to advance the SDGS. In addition, an annual corporate CSR report summarizes our progress on environmental, social and governance issues.

Summary

E Ink Corporation's products enable a sustainable world. By replacing even a small percentage of paper used in printing, writing and packaging, this can significantly reduce deforestation and sequester billions of tons of CO₂ annually. During our second year as a member of the Global Compact, E Ink has implemented programs that increase employee engagement on social issues, encourage philanthropy and environmental awareness. Our company and our employees are dedicated to advancing the UNGC principles.

ePaper Aims to Replace Paper

Global Paper and Board Market by
End-Use Sectors
Year 2018



Source: CIIP 2018



Facts:

Total Market Volume = **420** Million Tonnes
CAGR = **1-2%**
3 Trillions trees on Earth
Losing approx. **15** Billion trees per year



Using ground surveys along with satellite data yielded a better estimate of the number of trees in the world. (Photo credit: THOMAS CROWTHER)

Source: Sciencemag.org 2015