

Keep It. Give It.

Social Impact and Sustainability Commitment

Annual Report | 2022





the
Keep It. Give It.
vision

As an organization, we recognize the need to transform and change the way we do business to benefit our people, our customers, our communities, and our industry.

We want to leave a positive, lasting impact with the solutions and experiences we deliver. To accomplish this, we have identified four areas that help us live by our vision to build a foundation for scalable, profitable, and sustainable growth.

With input from our greatest assets – Our People – we developed goals for these key areas.



Fostering
**Diversity, Equity
& Inclusion**

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Giving Back to
Employees
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Safety & Social
Responsibility

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Environmental
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Glossary of **Safety & Social Responsibility** Terms
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In 2020 we established a three-year plan, **KG2024**, that outlines the objectives we want to achieve. A cross-functional steering committee alongside executive leadership regularly assesses the program's impact and drives the change needed to meet our goals.



Fostering Diversity, Equity & Inclusion

Our organization fosters a **People First culture**, recognizing that our People are the engine that makes every product and service happen. We flourish in this transparent and open culture, proudly coming together with diverse perspectives, backgrounds, and experiences.

2022 Year-End Highlights



Our workforce today is reflective of the communities in which we operate: currently **56% female** and **3.5% veterans** with goals to continue to create an even more diverse workforce

Work under a **Code of Conduct** guided by Fair Labor Association that fosters diversity and inclusion

HR People Leaders attended **DE&I Strategy Workshop** lead by ADP

Over 20% of People Leaders completed **Diversity & Unconscious Bias Training**

Employee-driven

Martin Luther King Jr. Day recognition and Black History Month Potluck

Sponsored **Briana Larson**, Red Wing associate, via our partnership with ProAct, who **proudly represented the state of Wisconsin at the Special Olympics USA Games, and earned a pair of gold medals** in both the 100-meter run and the 4x100-meter relay!

Launched a **Learning Library** at each site to celebrate various multicultural holidays

Offered flexible work schedules, more diverse shifts, and shift differential to our nonexempt workforce to create a **better work-life balance** across the organization

Launched **voluntary overtime model** for nonexempt workforce



KG2024 GOALS for Fostering Diversity, Equity & Inclusion

To foster a workplace culture where all employees feel welcome.

Company Culture

Launch a two-way communication channel to help establish DE&I goals that matter most to employees. Use this employee input to foster an environment that values diversity of life experiences and uses these unique perspectives to ensure DE&I is considered in all key initiatives, programs, events, communication, and marketing.

Education

100% of employees will have unconscious bias workshop and diversity training made available to them

People Leaders to participate in various DE&I workshops and courses throughout the year

Launch at least one DE&I course per quarter within our new Learning Center

Recruitment & Retention

Create a diverse candidate pipeline

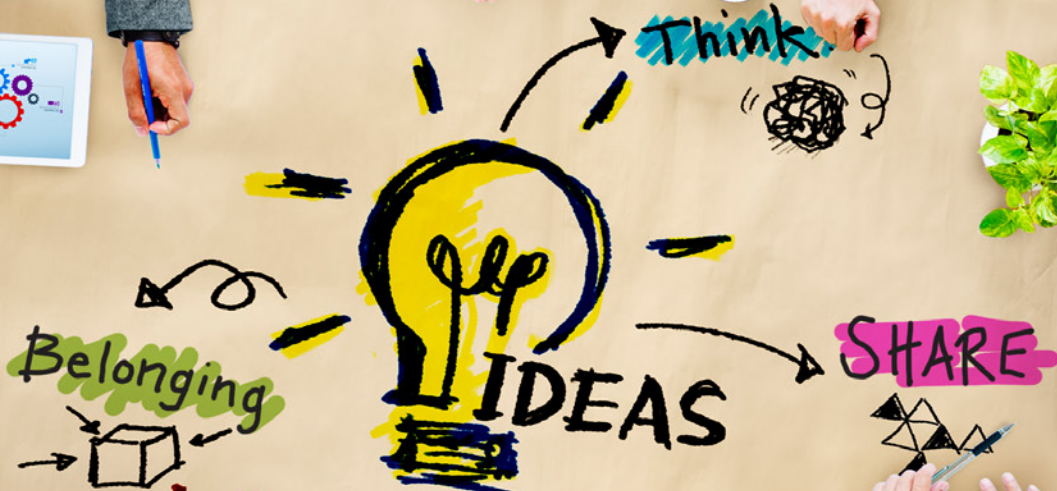
Maintain or increase the current ratios of female and minority employees and People Leaders

Increase the number of veterans within our employee population to at least 5%

Outreach

Consider and incorporate D&I within our community events calendar
Mental health/counseling services provided by our Employee Assistance Program
Become a recurring sponsor of the Tampa Pride Parade

Partner with Boley Centers to participate in their Youth Employment Program to help local high school students earn much-needed funds while teaching them valuable work skills and work ethic
Continue to partner with ProAct at Koozie Group and Current River Sheltered Workshop at IMAGEN Brands, two programs designed to enhance the quality of life for people with disabilities in the areas of employment, life skills, and community inclusion



A photograph showing a man with a beard and glasses, a woman with blonde hair, a young child in a wheelchair wearing glasses and a colorful scarf, and a black service dog wearing a purple vest with a "Service Dog" tag. They are all wearing blue shirts. The background is a wall covered in handwritten notes and drawings, including names like "Caiden", "The Loughrans", and "Horace 2020".

Giving Back to Employees & Community

4 Paws for Ability places more than ten types of service dogs with children, adults, and veterans with disabilities.

We live by a set of values that guide how we **find creative solutions, lead with purpose, interact with respect, and keep our promises** to our customers. **We are stronger when our people are empowered and feel connected to their communities.** It's just the right way to do business.

Our corporate giving is driven by the passions of our People. With their input, we seek out ways to leave a positive impact through sponsorships with local nonprofits and also support their direct contributions to causes near to their hearts.

2022 Year-End Highlights



Product valued at **over \$400,000** donated to Hurricane Ian relief

Donated **\$10,000** to the Promotional Products Education Foundation

10% of Hey Buddy™ Bear sales from IMAGEN Brands donated to National League for Nursing

Wellness Program allows employees to earn up to **\$500** for their HSA accounts

Reimbursement up to **100%** of tuition costs for ongoing education

Green Week celebrated across all sites, with local cleanups, collection of 5,000 pounds of e-waste, and employee gifts of reusable grocery totes

Completed **company-wide organizational health index survey** with an 87% participation rate to help guide us in improving our workplace environment

Our employees choose the ways that our organization supports our communities – over \$782,000 donated to more than 100 nonprofit organizations

Donated **2,000** backpacks full of school supplies to local United Way chapters in Minnesota and Florida

A portion of all proceeds from Koozie Group's writing instrument campaign donated to **United Way**

A portion of all proceeds from IMAGEN Brands plush sales donated to **4 Paws for Ability**, a nonprofit organization that enriches the lives of people with disabilities by placing life changing service dogs

Over \$8,000 raised by employees to be donated to local organizations such as Salvation Army's Angel Tree Program, Santa's Closet, and local food shelves



Keep It.
Give It.
LIVE IT!



we love to
keep the
good going®
by making a
positive
impact
in the
communities
where we
live & work





2022 highlights: Giving Back in action!



SLEEPY EYE

Over 2,000 grocery totes donated to New Ulm and Sleepy Eye Area Food Shelves

Over \$5,000 in print donations to local organizations including Hanska Fire Department, Sleepy Eye Arena, and Sleepy Eye Sportsman Club

Over 48,000 pens donated to local organizations

Major sponsor of Sleepy Eye Summerfest, celebrating the town's 150th anniversary

RED WING

Over 750 earbuds donated to local schools

400+ beanies and flashlights donated to Elks Club for VA homeless shelter

800 woven grocery bags donated to Hastings Family Services

Sponsored Goodhue County Christmas Program

CLEARWATER

Over 50,000 pens, face masks, and bottles of hand sanitizer donated to Pasco Education Foundation

300,000 pens donated to Hillsborough Education Foundation

150 Swag Bags donated to Step Up for Students

\$2,500 cash donation to PromoCares to support children in war-torn Ukraine

Over 200 Koozie® cooler bags donated to Boley Centers

DONIPHAN

500 backpacks filled with school supplies donated to employees and local schools

KG2024 GOALS for Giving Back to Employees & Community

We empower our people and make a positive impact in our communities.
3% of EBITDA is utilized to support these initiatives.

Empowering our People

Annual employee surveys to rate and provide feedback on our level of community and cause support

1 paid day for volunteer work OR cash OR product donations up to \$150 for 501(c)(3) charities

Maintain a positive and fun working atmosphere through perks and recognition

Provide leadership development via ongoing education opportunities

Support the causes our Team cares about through donations and community events

Getting Involved in our Communities

Participate in quarterly service events that align with our Social Impact and Sustainability pillars.
An example may include the below and will be adjusted based on annual employee feedback:

Q1

Black History Month recognized with onsite employee-driven activities

Q2

Green Week activities to bring awareness to and ramp up eco efforts across all sites

Q3

Stuff the Backpack events and social organization outreach benefitting children and students

Q4

Season of Giving to assist families throughout the holidays



CREATIVITY is seeing what everyone else

drink outside the box

We see you, multi-tasker

Keep the good

Keep the good

Keep the good

BIC Graphic

Safety & Social Responsibility

We are proud to be the industry leader in **product safety, quality assurance, social responsibility, and supply chain security**, driving industry innovation. Our **commitment to responsible sourcing** includes C-TPAT certification, CPSIA, applicable FDA regulations, technology standards, and Prop 65 compliance.

Testing

Our products are rigorously tested to confirm compliance with North American product safety laws and standards, including CPSIA.

BPA Free

All plastic drinkware products are BPA FREE.

CPSIA

All child products comply with applicable Children's Product Safety rules.

All IMAGEN Brands plush product is **0+ tested and safe** for people of all ages.

Technology Standards

Tech items are tested to applicable UL, UN, and FCC standards and requirements.

Ethically Sourced Cotton

is mapped to ensure materials are coming from socially responsible sources.

Prop 65

All of our products are Prop 65 compliant.

FDA Regulations

All Health, Wellness and Safety products are tested to ensure compliance with any applicable FDA and EPA regulations.

Fair labor should be the standard, not the exception. That's why we're a participating company of Fair Labor Association.

We are **C-TPAT Tier II Certified** by US Customs, which evidences our superior commitment to supply chain security.



We are part of a larger **PPAI initiative** to create confidence in promo products as an advertising medium at every level.



SAFETY
FIRST

2022 Year-End Highlights



Within our facilities, our Experience Safety Council prioritizes healthy work environments and identifies opportunities for expanding safety messaging and promotion.

Reasonable Testing Program ensures product and ink safety by retesting every one to four years

Senior leadership team members actively participate in the **Product Responsibility Action Group**

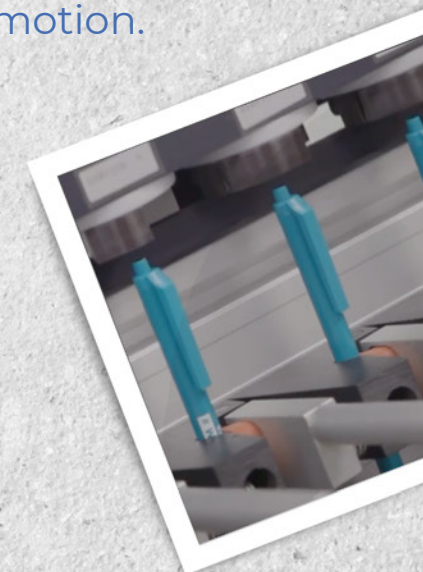
North American facilities conduct **weekly audits** that go above and beyond both industry standards and OSHA requirements to drive safety observations and develop leading indicators for injury prevention

Tested 140 new products and retested 290 existing products – all passed **every applicable testing standard**

Conducted **40** internal and 3rd party audits of our suppliers

Product test reports are located on kooziegroup.com and IMAGENBrands.com to ensure testing standards and consumer safety

The **Experience Safety Council** promotes company-wide messaging and conducts regular analysis to provide a **safer work environment** for all our People



KG2024 GOALS for Safety & Social Responsibility

Workplace Safety

The safety and wellbeing of our employees and customers comes first.

Increase Safety Observations by 5%

Develop leading indicators from Safety Observations and OSHA type internal and external audits to prevent injuries

Expand the Experience Safety Council's efforts by enhancing safety messaging and measurements, resulting in safe work environments and reduced employee injuries

Responsible Products & Sourcing

Follow and adhere to Fair Labor Association standards as part of sustained efforts to ensure supply chain transparency

Communicate with our industry about our efforts via press releases and updates to customers

Test reports for all active products will be no more than two years old by 2024



We believe that **collaborating** with Fair Labor Association (FLA) is an integral part of our **commitment** to **doing business the right way**. FLA's exacting requirements give us a framework to push our organization towards **reaching** our **social responsibility goals**.

We also hold our suppliers to these same standards:

Every worker has the right to fair compensation and reasonable working hours. In any case where differences in national law and Koozie Group Workplace Code arise, suppliers are expected to apply to the highest standard.

All employment decisions are solely based on qualifications, as they relate to the inherent requirements of a particular job. No person shall be subject to any discrimination in employment based on gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group, or ethnic origin.

Refusal to partner with manufacturers who are in alleged violation of forced labor, including child labor, prison labor, indentured labor, bonded labor, human trafficking, or other forms of forced labor.

Forbidding harsh or inhumane treatment and the use of cruel and unusual disciplinary practices, such as monetary fines and penalties, access to facilities, physical abuse, verbal abuse, psychological abuse, or freedom of movement.

Compliance with the laws of the country in which they do business as well as all applicable import/export laws.



100%

of all printed marketing materials use paper with either recycled fiber or sustainably sourced stock

5

key principles guiding our environmental stewardship

1,000+

employees participate in an annual Green Week

5

recycling programs in place: paper, cardboard, single stream, e-waste, and universal waste

1,000+

items made, printed, or assembled in the USA, which reduces overall carbon footprint

83%

of all Koozie Group waste is recycled

Environmental Stewardship

all

cardboard and scrap vinyl from IMAGEN Brands given to local nonprofit, Current River Sheltered Workshop, to process for recycling

Scope 1 & 2 emissions **measured monthly** by location and type (natural gas, propane, diesel, refrigerant, electricity, etc.)

13

brand partners who participate in their own sustainability programs

450+

of our paper products use paper from SFI- or FSC-certified mills

Earned FSC certifications in

all

domestic facilities, and SFI certification in our Sleepy Eye, MN, facility



100+

items made with recycled materials or renewable resources

1,800+

of Koozie Group® products now have KG Factor designation



2,804

tons of paper and cardboard recycled annually at Koozie Group

2022 Year-End Highlights



Our environmental efforts are focused in five areas where we strive to improve sustainability and eco-consciousness.



Facilities

All of our domestic facilities have earned FSC Certifications and our Sleepy Eye facility has earned SFI Certification. Facilities will continue to undergo regularly scheduled audits around pollution prevention, risk mitigation, regulatory compliance, continual improvement, awareness, workforce involvement, and annual Green Week initiatives

The paper used by Koozie Group in most of its calendars and all of its paper mouse pads, Souvenir® Sticky Note™ pads, and Souvenir® scratch pad products now comes from facilities certified by either the Sustainable Forestry Initiative® or the Forest Stewardship Council®



Recycling

Our **Doniphan** facility recycles all corrugate that is not reused

Our **Doniphan** facility gives all cardboard waste and scrap vinyl to the Current River Sheltered Workshop to recycle

Over 2,500 tons of paper and cardboard recycled – that's the same as conserving 43,000+ mature trees



Transportation

Koozie Group employs a transportation management system that aims to reduce the ecological footprint of all operations by controlling emissions, utilizing only responsible carriers, and optimizing shipments and routes

93% of consolidated shipments go into full containers, and 85% of our full containers are 40' and higher, fitting double the volume of a standard 20' container

Air shipments represent less than 25% of our metric CO2 emissions



2024 Goal Completed!
Maintained Certified EPA SmartWay Shipper Status



Packaging

Our organization uses packaging made from recyclable and recycled materials:

In **Clearwater** our boxes are made from virgin paper:

Our supplier owns land to plant 4-5 trees for each one harvested for box production
Their 8 papermills are self-sustaining, producing their own energy from burning waste

In **Red Wing**, boxes are made from 100% post-consumer recycled materials

In **Sleepy Eye**, boxes are made from 65% post-consumer recycled materials

We primarily use corrugated packaging, which is the most recycled packaging material in the US

Our Products

FSC and SFI items launched on website with the ability to search by forestry certification, and compliance page updated with information about each body and links to learn more



The KG Factor identifies products with a high likelihood of being kept or gifted as determined by an impartial survey of end consumers. Useful solutions that people want to keep will carry the KG Factor so customers can easily identify items designed to lessen environmental impact through longevity.

2024 Goal Completed!

70%+ of Koozie Group® products have the KG Factor designation

75% of Koozie Group® new products launched will have the KG Factor designation



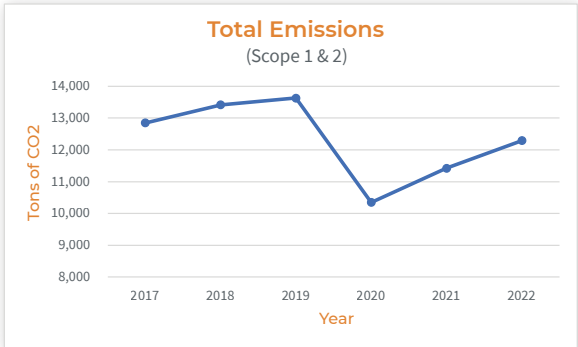
Business practices that ignore the health of the planet are **no longer optional.**

That's why we're on a mission to become carbon neutral by the end of 2024.

How will we achieve this?

Lower our greenhouse gas (GHG) emissions

We began measuring our GHG emissions in 2022 on Scope 1 and Scope 2 as defined by the U.S. Environmental Protection Agency. Using legacy data, we have been able to trace our carbon footprint back to 2017.



Fund projects that create a carbon sink

A carbon sink is anything that absorbs more carbon from the atmosphere than it releases, which increases global carbon storage.

Like gardens and forests?

Yes!



What we're doing to lower our GHG emissions

Facilities and Overall Supply Chain

Undergo annual EcoVadis audits to measure against United Nations Sustainability Goals – reach and maintain a score of 90% or above

Align Doniphan's transportation and packaging processes with the rest of the Organization

Reduce carbon footprint by improving water usage during printing and minimizing supply chain packaging

Begin measuring Scope 3 GHG emissions

Transportation

Align with transportation partners that make significant commitments to supply chain sustainability

Packaging

Reduce the amount of materials used in incoming packaging across three categories: bags, drinkware, and meeting

Stop using plastic packaging for Koozie Group acrylic drinkware, eliminating the need for up to 1.9 million plastic bags annually

Recycling

Improve recycling programs for individual use at all sites with increased accessibility and bin visibility

Establish a new sustainable initiative each year to convert trash to recycling

Increase the number of recycling bins in all facilities

Here's what we mean by...

BPA Free

BPA stands for bisphenol A, an industrial chemical found in polycarbonate plastics and epoxy resins. Polycarbonate plastics are often used in containers that store food and beverages, such as water bottles.

All Koozie Group® drinkware is BPA free.

Carbon Neutral

Carbon neutral means that any carbon dioxide released into the atmosphere from a company's activities is balanced by an equivalent amount being removed, usually through offsetting emissions.

Carbon Sink

A carbon sink absorbs more carbon from the atmosphere than it releases, which increases global carbon storage. Examples include gardens, forests, and oceans. Companies use carbon sinks to offset carbon dioxide emissions and achieve carbon neutrality.

Offset

A carbon offset is a certificate representing the reduction of one metric ton (2,205 lb.) of carbon dioxide emissions, the principal cause of climate change. Offsets allow an organization to invest in projects that reduce greenhouse gas emissions beyond what it could do through its own actions.

Koozie Group has set a goal to become carbon neutral on Scope 1 and Scope 2 emissions, as defined by the U.S. Environmental Protection Agency. The company will purchase offsets through a third-party partner that supports projects independently validated and verified against recognized global standards.

Consumer Product Safety Improvement Act (CPSIA)

CPSIA allows the U.S. Consumer Products Safety Commission to better regulate the safety of products made and imported for sale in the US. It imposed testing requirements and new acceptable levels for several substances common in most consumer products, especially those designed for children under age 12.

Koozie Group products are rigorously tested to confirm compliance with CPSIA and other North American product safety laws and standards.

Customs-Trade Partnership Against Terrorism (C-TPAT)

Customs-Trade Partnership Against Terrorism is a voluntary government-business initiative that builds cooperative relationships to strengthen and improve overall international supply chain and U.S. border security.

Tier II: Only importers have Tier status. C-TPAT Partners gain Tier II status when they have met the minimum security criteria and have completed a validation.

Koozie Group is C-TPAT Tier II certified by U.S. Customs, which evidences our superior commitment to supply chain security. We audit our suppliers and instruct them on measures they must take to improve upon their supply chain security systems and practices.

EcoVadis

Since its founding in 2007, EcoVadis has grown to become the world's largest and most trusted provider of business sustainability ratings, creating a global network of 100,000+ rated companies.

Koozie Group undergoes annual EcoVadis audits to measure against United Nations Sustainability Goals.

EPA SmartWay Shipper

The U.S. Environmental Protection Agency's SmartWay program helps companies advance supply chain sustainability by measuring, benchmarking, and improving freight transportation efficiency.

Koozie Group maintains Certified EPA SmartWay Shipper status.

Ethically Sourced Cotton

U.S. Customs and Border Protection is blocking imports of certain goods coming from China's Western Xinjiang region due to concerns that factories there are using forced labor. 85% of the cotton produced in China comes from the Xinjiang region.

Koozie Group maps the supply chain for cotton products. We source most of our cotton bags from India and Pakistan and headwear from Bangladesh. We monitor our supply chain through third-party audits and internal audits to ensure no forced labor is used to produce our products.

Fair Labor Association (FLA)

Fair Labor Association keeps companies accountable to their commitments on labor rights. FLA evaluates business practices against the highest international labor standards to ensure they advance the rights of workers throughout global supply chains. It is the only comprehensive program

of its kind that is based on international standards and frameworks such as the International Labour Organization, UN Guiding Principles, the OECD, and the UN Sustainable Development Goals.

Koozie Group is currently a member of FLA and is working toward accreditation, which is a multi-year process.

Forest Stewardship Council® (FSC®)

The first FSC® General Assembly gathered in 1993. Today, more than 550 million acres of forest around the globe are certified under the FSC. It is the only system supported by groups such as Greenpeace, the Sierra Club, the World Wildlife Fund, and the National Wildlife Federation.

FSC certification ensures that products come from responsibly managed forests that provide environmental, social, and economic benefits. FSC-certified forests must adhere to the Council's 10 principles and 57 criteria, and FSC-certified products undergo a highly rigorous and credible certification process.

All Koozie Group® Souvenir® Sticky Note™ notepads are made with FSC-certified paper. Over 95% of all calendars are made with either FSC- or SFI-certified paper.

Greenhouse Gases (GHGs)

Greenhouse gases are gases in the earth's atmosphere that trap heat. The gases act like the glass walls of a greenhouse – hence the name. Scientists agree greenhouse gases are the cause of global warming and climate change.

Scope 1 & 2 Emissions

Scope 1 emissions are direct greenhouse gas (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles). Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Although scope 2 emissions physically occur at the facility where they are generated, they are accounted for in an organization's GHG inventory because they are a result of the organization's energy use.

Koozie Group began measuring our GHG emissions in 2022 on Scope 1 and Scope 2 as defined by the U.S. Environmental Protection Agency. Using legacy data, we have been able to trace our carbon footprint back to 2017.

Scope 3 Emissions

Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization but that the organization indirectly affects in its value chain. Scope 3 emissions include all sources not within an organization's scope 1 and 2 boundaries. There are 15 categories of Scope 3 emissions, both upstream and downstream of a company's operation, including employee commuting, business travel, transportation of raw materials and finished goods, and end-of-life treatment of sold products.

Koozie Group will begin measuring Scope 3 emissions in 2023.

Keep It. Give It. Factor (KG Factor)

The KG Factor designation helps identify promo solutions that lessen environmental impact through longevity, as determined by an impartial survey of end users. KG Factor products have a high likelihood of being kept or gifted. In fact, four out of five people would keep or give a KG Factor product because it was useful, functional, durable, and attractive.

Over 70% of Koozie Group® products carry the KG Factor designation. Our goal is that 75% of new products earn the KG Factor.

PPAI Product Safety Awareness Program

We participate in this program, which is a PPAI (Promotional Products Association International) initiative to create confidence in promotional products as an advertising medium at every level.

Prop 65

Proposition 65 requires businesses to provide warnings to Californians about significant exposures to chemicals that cause cancer, birth defects, or other reproductive harm.

All Koozie Group® products are Prop 65 compliant.

Recycled Materials

Post-Consumer Recycled Paper

This material gives new life to paper that has been recycled.

Recycled PET (RPET)

PET is the most common type of resin and is used in containers that hold anything from water to shampoo to peanut butter. This discarded packaging is recycled and finds its way into a variety of different products, from bags to headwear to pens.

Pre-Consumer Recycled Plastic

This material is made from manufacturing scrap or discards.

Scope 1 & 2 Emissions

See Greenhouse Gases

Scope 3 Emissions

See Greenhouse Gases

Sustainable Forestry Initiative® (SFI®)

The SFI® is an independent nonprofit organization that believes that sustainable forests are critical to our collective future. They work to advance sustainability through forest-focused collaboration with groups such as landowners, universities, governments, industry leaders, conservation associations, and Indigenous Peoples.

SFI certification ensures that products come from forests that are managed to protect water quality, biodiversity, wildlife habitat, species at risk, and forests with exceptional conservation value.

All Koozie Group® Souvenir® scratch pads and paper mouse pads are made with SFI-certified paper. Over 95% of all calendars are made with either FSC- or SFI-certified paper.

USA Proud Designation

This designation is used for the following:

- Items manufactured in the United States of U.S. content
- Items manufactured in the United States of majority U.S. content
- Items assembled in the United States of less than 50% U.S. content
- Items printed and bound in the United States



“This is a **critical time** in the promotional products industry as we address the issues facing our planet. **Sustainability is important** not only to our distributors and their end users *but also to our employees and their families.* We've made great strides already, and we have **big plans** to carry this progress forward to **achieve even loftier goals.**”

– Pierre Montaubin,
Chief Product and Sustainability Officer

koozie
group®



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Brands

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