

Keep It. Give It.™

Social Impact and Sustainability Commitment

Annual Report | 2023



koozie
group®

the Keep It. Give It.™ vision

“**2023** marked a **turning point** for **Koozie Group**. We published our Scope 1 and Scope 2 greenhouse gas emissions for the first time, then proceeded to offset them, achieving **CarbonNeutral® company certification** in September. We also reached a **milestone** with our well-respected **KG Factor**. We have our sights set on even **more aspirational goals in 2024**, and I continue to be **proud** of our teams and **excited by what we can accomplish together.**”

– Pierre Montaubin, CEO

In 2020, we embarked on a journey to transform the way we do business to benefit our people, our customers, our communities, and our industry. Our goal was simple:

We want to leave a positive, lasting impact with the solutions and experiences we deliver.

In this report, we proudly summarize our 2023 accomplishments and boldly lay out our roadmap for the future.



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Giving Back
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Community



Giving Back to Employees & Community

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 each other and our customers. We are stronger when our People feel **empowered** and are **connected** to their communities. It's just the right way to do business.



Spotlight on Diversity, Equity & Inclusion

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



2023 Year-End Highlights

Recognized **over 50 employees** across all sites with the newly launched **People Powers Awards**, a peer-to-peer program that creates an equal-opportunity platform for employees to be rewarded for their efforts no matter their title or position

Increased our **Veteran workforce** to 4.5%

Reimbursed up to **100%** of employees' tuition costs for ongoing education

Supported an **employee-driven Black History Month** lunch

Hired **bilingual site leadership** to support our Spanish-speaking workforce

Continued Wellness Program that allows employees to earn up to **\$500** for their Healthcare Savings Accounts

Business Sponsor of **Tampa Pride Parade**

Our employees choose the ways that Koozie Group supports our communities. In total, we donated **over \$200,000** in cash and in-kind donations to multiple nonprofit organizations, including:

\$10,000 to the Promotional Products Education Foundation

\$10,000 in vases to Random Acts of Flowers, a nonprofit organization that improves the emotional health and well-being of individuals in healthcare facilities

2,000 backpacks, valued at **\$22,000**, full of school supplies to regional United Way chapters in Minnesota and Florida

Over \$10,000 raised by employees given to local organizations over the holiday season

\$16,541.85 divided equally among regional chapters of United Way in Minnesota and Florida from our writing instrument giveback program

\$26,667.23 to 4 Paws for Ability from our stock plush giveback program

100 dozen golf balls, valued at **over \$2,000**, to Tee It Up for the Troops



**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**





SLEEPY EYE

\$9,600 in cash and product donations to local organizations, including B the Light, Minnesota Law Enforcement Memorial Association, Sleepy Eye Area Food Shelf, and the Sleepy Eye Fire Department Relief Association

Donated over \$5,000 in printed items to local organizations, including Sleepy Eye Honor Guard, Sleepy Eye Public Schools, and Sleepy Eye American Legion

Over \$1,000 in cash donations raised by employees to donate to the Brown County Humane Society and American Cancer Society

Major sponsor of Sleepy Eye Summerfest

RED WING

Participated in an **Adopt-A-Highway** cleanup during Green Week
Distributed **1,500 Koozie® can coolers** during the Red Wing Holiday Stroll parade

Donated \$2,700 in cash donations to local organizations, including River Bluff Humane Society, Lake City Food Shelf, and Alma Tails of Hope

Over \$15,000 in product donations given to local organizations, including Hastings Family Services, Red Wing Environmental Learning Center, and Simon Says Give

CLEARWATER

Business Sponsor of Tampa Pride Parade

Donated approximately 600,000 Pens and Pencils and Drinkware valued at over \$13,000 to Pinellas Education Foundation

Adopted 50 angels through the Clearwater Salvation Army Angel Tree Program

Contributed product to **Step Up for Students** Golf Tournament

\$3,000 in cash donations to local organizations, including Eckerd Youth Alternatives, Inc. and Humane Society of Tampa Bay

DONIPHAN

Donated **300 backpacks** filled with supplies to Foster Adopt Connect and employees in need



2023 highlights: Giving Back in action!



Spotlight on 4 Paws for Ability

4 Paws for Ability is a nonprofit organization that enriches the lives of people with disabilities by raising, training, and placing life-changing service dogs with children and veterans in need.

Koozie Group has been a supporter of 4 Paws for Ability since 2022 through our giveback program on stock plush items. In 2023, we were able to sponsor a litter of puppies because of our ongoing support.

Our proud mama, Morning Glory, gave birth to nine beautiful and healthy future service dogs on Friday, April 28, 2023.

Our employees gave suggestions for naming the puppies, and the names selected were related to items in our plush product lineup and to Doniphan, Missouri, where these items are imprinted.

We look forward to following their journey as they grow to be amazing helpers!

“4 Paws for Ability raises, trains, and places over 100 task-trained service dogs every year. These life-changing placements would not be possible without partners like Koozie Group. Thank you, Koozie Group, for your support, which will help children and veterans receive their much-needed service dogs!”

– Kalynn Clark,
Development Director
4 Paws for Ability



Named for Doniphan, MO



Named for Bodie plush



Named for Buster plush



Named for Missouri



Named for Chelsea
Teddy Bear™ brand



Named for Scout plush



Named for Shorties plush



Named for Doniphan, MO



Named for Dexter plush



Scan to learn more!

Spotlight on Enterprise Village

The Stavros Institute's Enterprise village is a self-contained economic education program that provides a hands-on learning experience for fifth-grade students in Pinellas County, Florida.

The Enterprise Village program assists students by allowing them to:

- Develop basic economic concepts
- Understand relationships between businesses and consumers
- Use quality concepts in business and consumer planning
- Develop a basic understanding of checking and savings accounts
- Understand a simple decision-making process
- Work together to satisfy customers' expectations

In 2023, Koozie Group reaffirmed our commitment to improving childhood education by extending our partnership with Enterprise Village through 2032.

With a newly rebranded "store front," we are excited to bring the world of manufacturing to the **over 9,000 students** who participate in the program on a yearly basis.





KG2024 GOALS for Giving Back to Employees & Community



We **empower** our people and make a **positive impact** in our communities. Each year we allocate 3% of EBITA for giveback initiatives.

Empowering our People

-  Continue supporting bilingual employees by translating documents, signage, and learning and development materials into their native language
-  Continue to partner with programs designed to enhance the quality of life for people with disabilities in the areas of employment, life skills, and community inclusion


Give employees 1 paid day for volunteer work OR product donations up to \$150 for a 501(c)(3) charity of their choice

Provide leadership development via ongoing education opportunities

Getting Involved in our Communities

Conduct an employee survey to ensure we are supporting the causes our team cares about through donations and local community events

Participate in quarterly service events that align with our Social Impact and Sustainability pillars:

-  **Q1:** Onsite, employee-driven activities that recognize Black History Month
- Q2:** Green Week activities that bring awareness to and ramp up eco efforts
- Q3:** Stuff the Backpack events and outreach to organizations who positively impact the lives of children
- Q4:** Season of giving activities that assist families throughout the holidays



Safety & Social Responsibility



Testing

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

Prop 65

All of our products are Prop 65 compliant.

Technology Standards

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

FDA Regulations

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

CPSIA

Products comply with the CPSIA, which sets forth testing requirements for children's products.

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

BPA Free

All plastic drinkware products are BPA FREE.

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 & Social Responsibility

We are proud to be an industry leader, **driving innovation** in **product safety**, **quality assurance**, **social responsibility**, and **supply chain security**.

2023 Year-End Highlights



Tested **42** new products and retested **592** existing products – **all passed every applicable testing standard**

Reasonable Testing Program ensures product and ink safety by retesting **every two years**

Compliance 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**

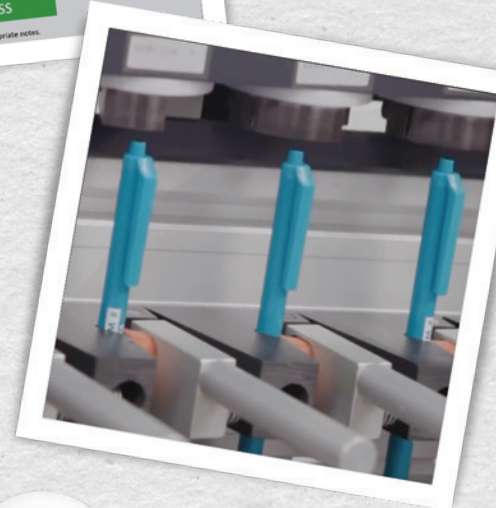
Conducted **70 internal and third-party audits** of our suppliers

Product test reports are located on kooziegroup.com to **ensure transparency** and **build trust** with our **customers** and their **end users**

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

Revamped the **compliance page** on our website to more fully encompass all our **product safety** and **social responsibility efforts** and better address **customer requests and needs**

Improved internal process for initiating product testing done by third-party labs, which led to an **increased number of products tested** and **reduced testing turnaround time**



Spotlight on... Compliance

Compliance is an umbrella term that includes many aspects of our business, including product safety, quality assurance, social responsibility, supply chain security, and more. We've always taken compliance seriously, and recently, a growing number of customers and end users have asked us to provide documentation proving that we're doing what we say we do. A focus in 2023 was creating an easy, transparent way for interested parties to access this information so they can feel confident doing business with us.

Two enhancements to our website helped us achieve this goal.

Revamped our Compliance Landing Page

We organized our compliance landing page into two buckets – product safety and social responsibility. These overarching themes align with our Keep It. Give It.™ vision and help users find company-related information more quickly. We also reviewed all the content to make sure it was still relevant and that it reflected any changes related to the integration of IMAGEN Brands into the Koozie Group® portfolio.



Scan to visit the Koozie Group Compliance page.

Placed All Test Documents on Product Pages

All test documents are now available on individual product pages on kooziegroup.com. Making this information readily available to customers and their end users builds trust and ensures transparency.

product safety
quality assurance
social responsibility
supply chain security

“We are committed to making the world a **better place** through a **people-first culture**. Nothing is more important than providing a **safe and healthy work environment** for all our team members. We continuously **enhance** our program with our partner suppliers and **advance** both the **working conditions** and the **rights** of workers in our supplier facilities.”

– Pierre Montaubin, CEO



KG2024 GOALS for Safety & Social Responsibility

We strive to provide a **fair** and **safe working environment** for all our team members, and we **hold our suppliers** to the same **standards**.

Maintain test reports no more than two years old for all active products by 2024

Retest 750 products for all applicable laws and regulations, including California's Prop 65 and Canada's surface-coating materials regulations

Complete improvements of internal process for initiating product testing done by third-party labs to maximize the number of products tested each year and shorten turnaround times

Provide social responsibility training to our People to support continuous improvement

Develop and implement organizational-level systems for factory monitoring, grievance mechanisms, and remediation

Reduce worker's compensation claims by 35% by monitoring leading and lagging indicators

Increase safety observations by 5%

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

A photograph showing several hands of different skin tones cupped together, holding a small, round, green moss ball. The background is a blurred green field of grass or foliage. The text "Environmental Stewardship" is overlaid in white on the moss ball.

Environmental Stewardship

2,700+

tons of paper and cardboard recycled annually

1,000+

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

100%

of printed marketing materials produced on FSC-certified paper



1,600+

products that carry the KG Factor designation, identifying products that lessen environmental impact through longevity

600+

items made with recycled materials or renewable resources

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

single-stream recycling programs in place: paper, cardboard, plastic, aluminum, e-waste, lightbulbs, and batteries

1.9 million

plastic bags kept out of the waste stream by receiving and shipping acrylic drinkware without them

we reuse our packaging—the packaging we receive products in is typically the packaging in which we send it to you



85%

of all waste is recycled

13 brand partners

who participate in their own sustainability programs

500+

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






Environmental Stewardship


Business practices that ignore the health of the planet are no longer optional. Sustainability is important not only to our distributors and their end users but also to our employees and their families, so we are **making it our mission** to **minimize our impact** and **be a positive role model** in the promotional products industry.


2023 Year-End Highlights

 Added **recycled content** and **water-bottle equivalency certificates** to product pages on our website

Benchmarked **25+** items to **FSC-certified** materials


Completed our first **Worldly™** (formerly known as Higg Index) **environmental assessment**


 Maintained **FSC certifications** in all domestic facilities, and **SFI certification** in our Sleepy Eye, MN, facility

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

Became a **CarbonNeutral®** company certified in accordance with The CarbonNeutral Protocol, the leading global framework for carbon neutrality

Worked with **Climate Impact Partners**, a specialist in carbon market solutions for climate action, to conduct an independent assessment of all Scope 1 and Scope 2 greenhouse gas emissions (GHG) that we produced during 2022, as well as some Scope 3 emissions. In addition to taking actions to reduce our footprint through internal initiatives, we offset unavoidable emissions through projects that include supporting a forest conservation project that **protects 460,000 acres of the Amazon rainforest** in Brazil.

 Implemented a direct-to-film process across three sites that **minimizes our water usage** when printing Bags and Koozie® can coolers, **reducing our water usage** by about **1,500 gallons per year**

 Replaced our screen-soak process with a screen-punch process that **reduces our water consumption** by an estimated **250 gallons per year**



Spotlight on...
Carbon Neutrality



CarbonNeutral.com

We are a certified CarbonNeutral® company on Scope 1 and Scope 2 greenhouse gas emissions as well as some Scope 3 emissions.

Koozie Group has offset unavoidable emissions by supporting different projects, including forest conservation in Brazil that protects 460,000 acres of the Amazon rainforest.



Southwest Amazonas REDD+

“We chose to work with **Climate Impact Partners** because they have 25 years’ experience running some of the most innovative and largest voluntary carbon offsetting programs in the world. Working with them means all the projects we are supporting are **independently verified** and have a **real and positive impact on the climate.**”

- Victoria Sierra, Compliance Specialist



KG2024 GOALS for Environmental Stewardship

Doing business in a **sustainable** way is not something we do – it's **who we are**. Our short-term goals help us build our long-term vision for being **good stewards** of the Earth's resources.

Benchmark 25 more items to recycled content

Benchmark 15 more items to FSC certification

Move remaining calendar products to certified paper and deboss all paper folders with their certification



Conduct KG Factor survey on 350 products moved from IMAGEN Brands

Undergo annual EcoVadis audits to measure against United Nations Sustainability Goals – increase our EcoVadis score by at least 20 points

Support at least 12 of the United Nation's 17 Sustainability Goals through our partnership with Climate Impact Partners



Expand measurement of Scope 3 GHG emissions, specifically by focusing on waste generated, business travel, and employee commuting



Reduce the amount of materials used in incoming packaging across the bags and meeting categories

Applying *the KG Factor as part of our product strategy* enhances our **commitment to sustainability**.

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.



4 out of 5

people would **keep** or **give** a KG Factor product because it is useful, functional, durable, and attractive.



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 became a CarbonNeutral® certified company in 2023 on Scope 1 and Scope 2 emissions, as defined by the U.S. Environmental Protection Agency. Through a third-party partner, the company purchased offsets that support 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. All plush product is 0+ tested and safe for people of all ages.

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.

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, Sierra Club, World Wildlife Fund, and 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 began 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 1,600 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.

Recycled PVB (RPVB)

Recycled PVB is a synthetic leather made by recycling safety glass from vehicle windshields or building glass.

Recycled Stainless Steel

Stainless steel is one of the easiest metals to recycle and is 100% recyclable.

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

Worldly (formerly Higg)

Worldly equips future-forward brands and manufacturers with powerful supply chain intelligence as the basis for taking action; actions that ultimately transform how products are made, marketed, bought, used, and recycled. More than forty thousand brands and manufacturers across the globe rely on their leading sustainability assessments and methodologies to improve their impact.

“This is a **critical time** in the promotional products industry as we address the issues facing our planet. **Sustainability shouldn't be a standalone program—it should be woven into the DNA** of our business practices so that **it just becomes part of who we are and what we do.**”

– Debbie Disparte
Director of Product Innovation & Sustainability



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