Keter Sustainability Report
2019

KETER®

Sustainability Everyday Keter

Keter Sustainability Report 2019

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Better Products for Better Places ＞ **Better Planet** ＞ **Better Business**

Letter from our CEO

I am delighted to present Keter Group's first Sustainability Report.

Over our seventy years of history, we have been a leader in our field and always operated to a set of core values that include respect for people, stewardship of the environment and contribution to society. Keter has long believed itself to be part of the solution for a more sustainable future and, in the last year, we have taken a significant step forward, from sustainability being an embedded part of our culture – simply put, the way we do things – to a structured strategy with targets and plans that we publicly commit to and can therefore better hold ourselves and our industry to account. This has been a fascinating process for Keter, and for our leadership teams, especially in a year when the COVID-19 pandemic presented unprecedented challenges for our people and for our business. In the future, we plan to report annually.

2020 has been a year unlike any other. Our thoughts go to all those who have suffered or lost loved ones during the pandemic, which continues to immobilize communities and countries as I write. Our first and foremost consideration when COVID-19 started to spread was for the health and safety of our employees; we took all necessary measures to protect them whether they worked from home or in our essential production sites. Despite significant business disruption around the world, we upheld the job security of all our employees with an early decision not to release on a permanent basis any employee due to the pandemic. We have also focused on supporting our communities by converting two production lines to make face shields, thousands of which we donated to support frontline healthcare and emergency services workers. Looking beyond the challenges, the idea of renewal that has also characterized this year has meant our innovation is, perhaps, more relevant than ever in the new COVID world where people spend more time at home and are doing more to create amazing spaces for improved home and garden comfort, storage and organization.

As a major resin-based products manufacturer, we believe we play an important role in sustainable development. Resin, deployed responsibly, is an environmentally favorable material that offers versatility, affordability and the possibility to create the most amazing designs and functional products for people in their homes, offices, gardens and garages. We are frustrated with the irresponsible throwaway culture in single-use plastics that has negatively impacted the reputation of this great material.
At Keter, we are committed to being part of the solution for a better planet, first by delivering products that last a lifetime, that are made with recycled content and themselves are fully recyclable; second by operating in an efficient, sustainable manner throughout our value chain; and third, by contributing to an accurate representation of responsibly used resin and its positive contribution to helping people live more comfortably and sustainably.

Thank you for your interest in this report. It is a milestone in our journey, and we are building on this foundation to help create a prosperous future for us all.

With best wishes for a healthy and safe year ahead,

Alejandro Pena
Chief Executive Officer

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The Keter Everyday Sustainability 2025 Pledge

1   55% of recycled content in total production

2   Continued zero production of single-use plastic consumer products

3   25% reduction in greenhouse gas emissions from production

4   Zero waste to landfill from production

5   Product end-of-life programs implemented in all regions

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About Keter

Founded in 1948, Keter Group is a global resin-based consumer products group and one of the world's leading manufacturers of durable home and garden products, as well as medical waste solutions, which are sold to consumers and businesses in 108 countries. In 2019, our Group sales were generated in Europe (53%), North America (42%) and other countries (5%). In 2016, Keter Group was acquired by BC Partners, a leading international investment firm. www.bcpartners.com.

Keter's products can be found in more than 25,000 retail outlets worldwide and on multiple online ecommerce platforms. With a focus on sustainable innovation driven by consumer insight, we manufacture an extensive range of indoor and outdoor furniture, storage and home, office and lifestyle organization solutions with a focus on long life usability, attractive design and unparalleled functionality. Keter Group has a team of more than 4,500 employees and operates 21 manufacturing sites in 10 countries, as well as global sales and support centers.

With a commitment to driving a circular economy, we are the largest user of post-industrial and post-consumer plastics in our industry as raw material for our manufacturing processes.

Keter's Operational Reach

**Europe –
10 factories**

- Netherlands (2)
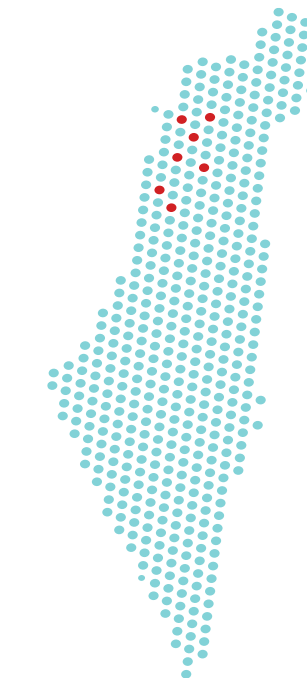- UK (2)
- Poland
- Luxembourg
- Hungary
- Italy (2)
- Spain

**North America –
4 factories**
- Indiana
- Pennsylvania
- North Carolina
- Milton Ontario, Canada

**Israel –
7 factories**

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Over 70 Years of Keter Group

1940s — 1960s — 1970s — 1980s — 1990s — 2000s — 2010s — 2020s

Founding

1948
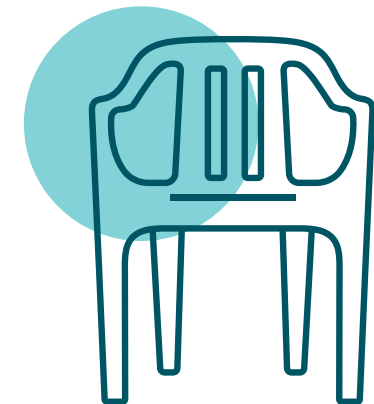Keter founded by the Sagol family in a small workshop in Jaffa, Israel

Injection Molding

1965
Introduction of injection molding technology

First Exports

1978
Keter begins exporting home products, introducing folding shopping baskets to new markets

Monobloc Chair

1985
Introduction of the iconic Monobloc chair, using innovative injection technology
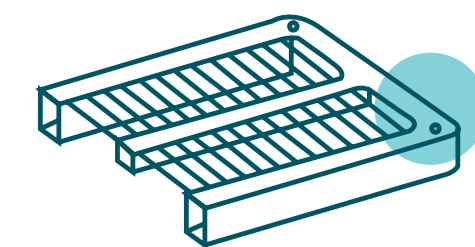
Long Core Injection

1990
The first use of long core injection technology offers a significant competitive advantage

1996
Innovative multi-wall extrusion technology enables the production of 16mm extruded panels
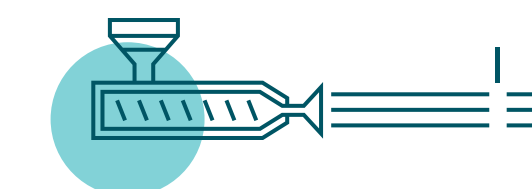
IML Technology

2007
Keter introduces a premium IML foil finish for resin-based home products

RATTAN DEEP TEXTURE

2009
Demonstrating industry-leading expertise, Keter launches its elegant rattan style for products with an attractive textured finish
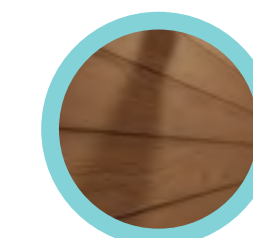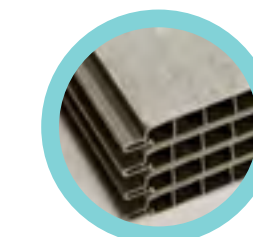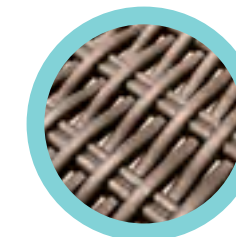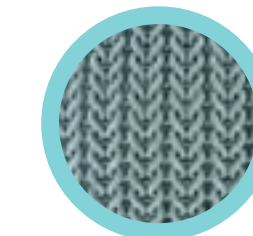
Knit Texture

2014
Introduction of Knit products - a new surface finish

BC Partners

2016
80% stake acquired by BCP, a private equity firm

DUOTECH & EVOTECH

2016
Introduction of wood look new technology

2019
Innovative multi-layer panel

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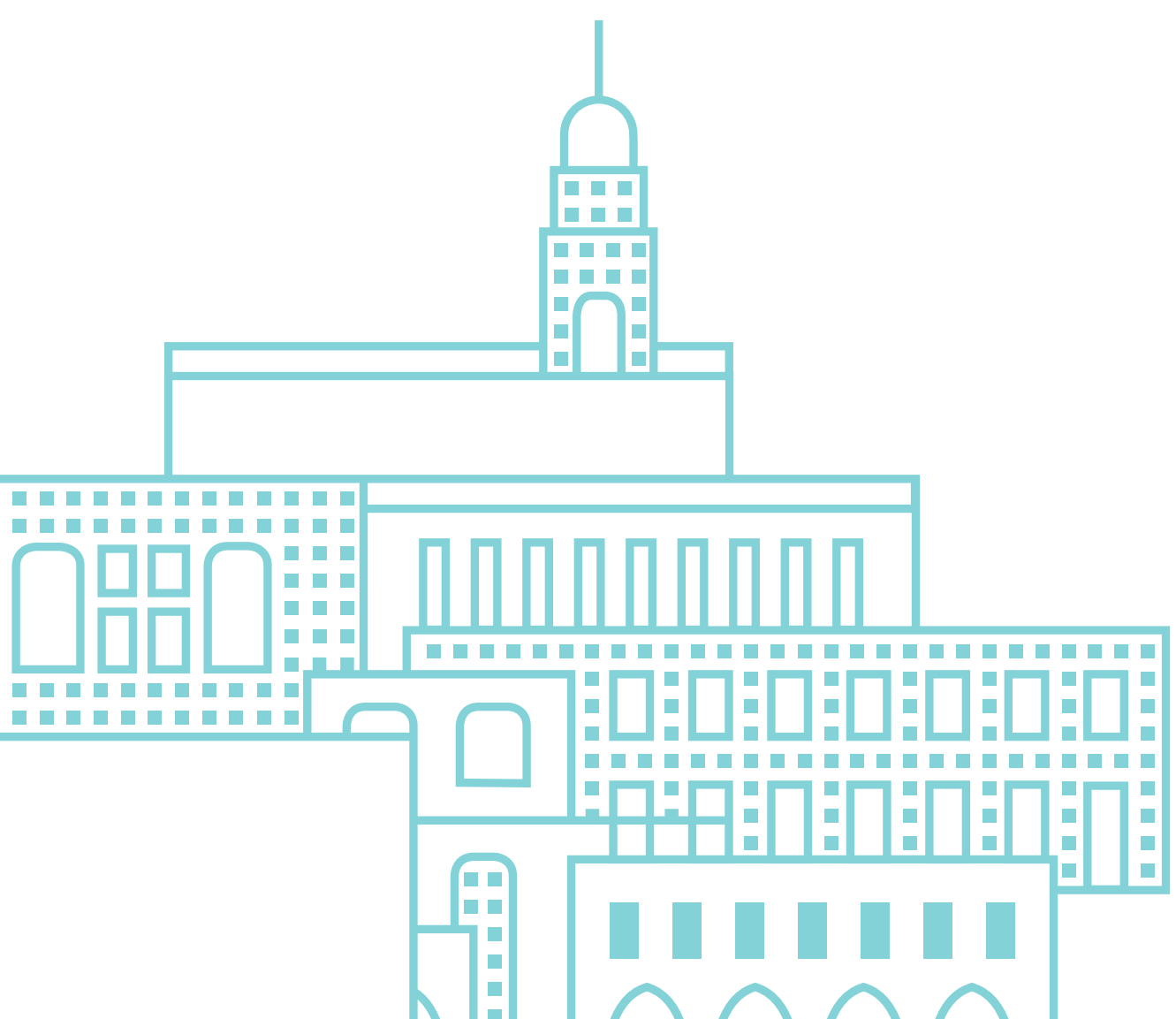
One-Stop-Shop

Our Extensive Product Portfolio

Furniture / Planters

Garden Furniture

Planters

Home Organization

Houseware

Indoor Storage

Kitchenware

Pet Accessories

Hardware

Tool Storage

Cabinets & Shelving

Outdoor Storage

Sheds & Buildings

Deck Boxes

Leisure

Our Key Brands

Create amazing spaces.

Space is precious. Whether a garden or a garage, a balcony or a shed, space is too valuable to waste. At Keter, we give people the tools they need to transform their spaces from ordinary to amazing. In a world where space is precious, we make every space count.

Welcome Home.

One minute you recognize your home; the next you don't. Mess just happens. There's a name for this – it's called life. Curver inspires you to feel like you can get your home back and to enjoy living in a stylish and organized way. Because sometimes all you really want is for home to feel like home.

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Stewart   KIS   ALLiBERT   ADAMS USA   AP medical your safety choice

Keter DNA

Six core values that guide our decisions, business behavior and sustainability approach:

Innovation

We continuously innovate products and processes to meet the needs of our customers and consumers.

Accountability

We deliver what we promise.

Agility

We respond positively to change.

One Team

We are ONE Keter.

Entrepreneurship

We are passionate, optimistic and never give up.

Respect

We believe in diversity and ensure that everyone feels welcome, valued and safe in the workplace.

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A joint effort for a sustainable life.

Covid-19 Response

While this report looks back at our sustainable progress throughout 2019, we are compelled to acknowledge the deep and wide-ranging impact of the Covid-19 pandemic that has defined 2020. With the rapid spread of the pandemic in the early part of 2020, our first consideration was for the safety of our people and their families.

Early measures we took to protect our employees included:

- Immediate cessation of all business travel and implementation of remote working.

- Maintenance of job security for all our employees with paid time off for employees who were not to work from home.

- Frequent guidance and information on protection and hygiene measures given to all employees with weekly company update broadcasts to all employees from our Chief Executive Officer.

- Implementation of all government-directed guidance for factory operations and returning to work across all facilities, providing PPE, signage and hygiene stations. Work in capsules was organized in offices where relevant.

For our customers, we were able to achieve continuity of supply with minimal disruption and close to zero stock shortages.

For our communities, we quickly realized that we could help address the urgent need for protective face shields through our medical product division, AP Medical. Within two months, we developed two products – a nose and mouth mask and a full-face shield, and replicated molds for our factories in Europe, Israel and North America.

To date, we have already produced more than 1 million face shields, donating 65,000 to our communities.

Our first production runs were entirely dedicated to face shield donations for long-term care facilities, hospitals, fire stations, medical teams and other frontline healthcare workers and organizations. We continue to explore opportunities to develop improved types of masks for different groups, such as adult and child versions, and new products that assist in contactless and hygiene-enhanced living.

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" *It has never been more important to support our local communities and the frontline workers who are sacrificing so much to protect patients in their care. We applaud our employees for their compassion and their exceptional work in retooling our production lines in such a compressed time frame.*"

Angel Sanchez, Deputy Chief Executive Officer

Sustainability at Keter

We have always put environmental consciousness at our core. From our earliest days, we have invested in innovation to provide the most durable products using minimum virgin resources, enabling our consumers to enjoy our beautiful, functional designs, year after year, while preserving the integrity of our natural environment. We are unique in our industry because we have always sought to design for what is now known as the circular economy: follow the principles of recyclability, use recycled content, produce near-zero waste and design products built to endure. We are always looking to take this innovation further, by examining new sources of recyclable and recycled materials and improving the environmental profile of our entire value chain.

Beyond environmental sustainability, our business is for people. We aim to make living easier and more comfortable and make our customers' home and work surroundings more orderly and pleasing places to live, work and relax.

During the past year, we have pulled together the elements of our approach to sustainability with our role as a contributor to better living and sustainable development to create a coherent strategy and specific commitments for the next five years and beyond.

Our Stakeholders

We conducted an analysis of our stakeholders and their expectations of Keter. We defined six stakeholder groups, and categorized them in terms of the degree of influence on how we work, what we work on and the environments we work in. We tend to engage with those stakeholders who strongly influence our business on a daily basis, and with those that influence our markets on defined or ad hoc frequencies, as issues arise.

Keter Group's Stakeholder Landscape

Strongly influence how we work day-to-day and what we work on →

- **Employees**
- **Consumers/Customers**
- **Suppliers**
- **Communities**

Influence our markets, financial and regulatory frameworks and social environmental expectations →

- **Regulators, Bankers, Non-Governmental Organizations (NGOs)**
- **Shareholders, Investors**

Our Impacts

We understand that the impacts of our business occur across our value chain and we completed a detailed materiality assessment to determine where our most important impacts are. We considered the expectations and demands of all stakeholder groups, prioritizing those from employees, consumers/customers and communities. Our analysis included inputs from our immediate operating environments as well as the broader, global expectations of business from a sustainable development perspective. As our assessment was completed prior to the onset of the COVID-19 pandemic, we plan to refresh this analysis when the medium and long-term implications of the pandemic become clearer.

Our assessment included:

• Keter Group's business strategy and core capabilities;

• Globally relevant sustainability frameworks and environmental, social and governance (ESG) disclosure platforms including Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), UN Global Compact, CDP Climate Cange Frameworks,UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises and the UN Sustainable Development Goals;

• Peer performance based on public disclosures;

• Industry trends, including emerging issues and current and developing regulatory frameworks;

• Insights gathered through targeted surveys, regular meetings and other interactions with customers, employees, suppliers, local communities and environmental organizations.

Aligning our framework with the UN Sustainable Development Goals (SDGs) is crucial in guiding our sustainability actions to help meet the world's most pressing needs. We identified four SDGs that offer Keter the greatest opportunity to contribute to this ambitious plan for the achievement of global prosperity by 2030.

Keter's Material Impacts:

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• Consumer Benefit
• Product Innovation
• Circular Economy

• Climate Change
• Supply Chain Management

• Ethical Conduct
• Responsible Employer
• Community Involvement
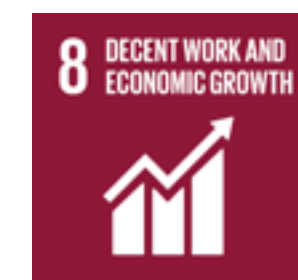
Our Strategy

Based on our material impacts, we are allocating resources to further drive our positive impacts on people, society and the planet, while accelerating a reduction in our negative impacts. We have formulated a strategy comprising multi-year targets across three workstreams. We will report on progress against these targets annually in future reports.

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	Strategic goal	2025 Targets
Better Products for Better Places	Deliver innovative and affordable lifestyle solutions for different people and places and advance a circular economy through use of recycled content and recyclable design.	• 55% of recycled content in total production • 30% of sales from innovation • Product end-of-life programs implemented in all regions • Continued zero production of single-use plastic consumer products
Better Planet	Mitigate climate change risk though operational efficiencies and environmentally positive actions throughout our supply chain.	• 25% reduction in greenhouse gas emissions from production • Zero waste to landfill from production
Better Business	Deliver business, and social value through ethical conduct, an engaged workforce, and community involvement.	• 35% women in management and leadership roles • 90% employee participation in a wellbeing program

Sustainability Highlights

ONE new Sustainability Strategy to drive our contribution to global prosperity

8 targets to 2025 to support our Sustainability Strategy

>52 new products launched in 2019 and 2020

41% of our production used recycled content in 2019

10% reduction in energy consumption per metric ton of output in 2019

30% of our manager roles were held by women in 2019

>65K face shields donated to healthcare workers during COVID-19

4.5M customers served via 300 ecommerce sites

97% of our products were 100% recyclable in 2019

12% reduction in greenhouse gas emissions per metric ton of output in 2019

19% reduction in global recordable injury rate in 2019

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Better Products for Better Places

At Keter, we lead in creating products for people that transform the places where they live, work and socialize. We deliver affordable, innovative lifestyle solutions for individual people and places, with simple functionality to make life easier. At the same time, we help customers live more sustainably via a circular economy, using recycled content and recyclable design.

Three focus areas that help us deliver better products and places include:

- Affordable lifestyle solutions
- Product innovation
- Circular economy design

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Affordable Lifestyle Solutions

Our product portfolio at Keter is designed to help people live more conveniently and more comfortably at affordable prices. We aim to meet a variety of home, household, office, garden and yard organization and storage needs by providing long-life use resin-based products that are durable in all weather conditions and climates, at prices that compare favorably to products made from wood, metal, glass or other materials. Furthermore, the recycled content and recyclability of our products offer consumers a way to live sustainably and contribute to a circular economy.

Designing affordable functionality

Our design guidelines were established with Keter's first products and have been improved and upgraded as our expertise has grown, consumer expectations have evolved, and new material and manufacturing possibilities have emerged.

Our primary consideration is to better meet existing consumer needs and meet new, emerging needs based on consumer feedback and preferences. For example, our Deco Composter enables consumers to live sustainably and avoid sending organic waste to landfill. Given that food waste is responsible for 6% of global greenhouse gas emissions, every kilo of kitchen waste that is composted not only combats climate change, but reduces municipal waste disposal costs, and avoids the need for synthetic fertilizers. Research has shown, for example, that each day, U.S. consumers throw out nearly a pound of food each, with fruits and vegetables accounting for 39% of the total kitchen food waste.

Between 2015-2019, assuming a combined weight of composted kitchen waste, assuming all those who purchased a Keter composter used it weekly for 3kg (7lbs.) of food waste, we estimate avoidance of more than **300 tons** of greenhouse gas emissions, equivalent to the emissions from driving more than **756,000 miles** in a fossil-fuel powered car.

" We take pride in designing products that help people create amazing spaces, are constructed to last a lifetime and include features that boost the sustainability profile of each product – whether due to recycled content, recyclability or design features that save on packaging, transportation and waste. Our dual focus on people and planet in our design phase is what makes Keter products stand out as the preferred choice for millions of customers."

Iftach Sachar, Co-Head of Israel, Managing Director, Global Marketing, Innovation and Sustainability

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reddot design award

We helped avoid more than 300 tons of greenhouse gas emissions through composting.

A selection of consumer-driven innovations launched in 2019/2020 include:

The Alfresco Garden Bed: Gardening has never been easier.

In recent years, we have seen a trend towards sustainable living and more cleanly produced fruits, vegetables and herbs, with preferences for organic produce. This trend even accelerated in 2020 as lockdowns meant that people had more time on their hands, less money to spend on groceries and limited availability of produce due to agricultural supply chain disruptions. Our raised planting bed was designed to provide an affordable solution to these needs.

The product is an elevated agronomic garden bed that allows cultivation of garden flowers as well as vegetables and herbs for home consumption. It is ideal for elderly people and people with mobility restrictions and makes gardening and home cultivation accessible for everyone. The raised bed has a readable water gauge and self-watering system and drainage tap, meaning you do not have to bend down to ensure optimal water supply to help plants and vegetables grow. Our Alfresco Raised Bed contributes to maintaining a healthy and varied diet, at low cost, with ease and convenience, especially for those who cannot kneel at the soil's surface. In the first few months of its launch in North America, the Alfresco Raised Bed sold tens of thousands of units, proving both the trend in home gardening and also the need for an affordable solution for many consumers.

The Parcel Box:

With the rise in online shopping and multiple home parcel delivery services, that accelerated with Covid-19 restrictions, our Parcel Box provides both homeowners and offices with a porch-pirate-proof way to receive deliveries in a dedicated unit that can be anchored to the ground and padlocked. Parcels go in the top and are retrieved through the lower door. The Parcel Box allows for contact-free parcel deliveries, is water resistant and all-weather-proof, and designed to be an affordable solution for our new lifestyle, in response to evolving consumer needs.

> "This is the perfect item to have mail and parcels delivered to my office. We installed this due to the COVID-19 which has allowed clients to drop off their documents at their convenience without having to come into the office."

★ ★ ★ ★ ★ Customer Review from Canada on Amazon.com

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The Go Bar:

This recent innovation serves as an outdoor table and drinks and snacks cooler for outdoor gatherings with friends and family. The Keter team spent months gathering consumer feedback on the topic of outdoor culture and things that would make for a more enjoyable and convenient experience. Designed with a double wall for maximum cooling without the use of additional insulation materials, Go Bar provides an easy-to-use and functional addition to any outdoor occasion, enabling you to keep your drinks chilled without losing your cool! Go Bar is a solution for outdoor entertainment, which has become even more important in 2020, as out-of-home eating has been restricted due to COVID-19.

The Beton Style:

In 2019, we introduced our beton line, a range of Keter-quality resin-based products that have a prestigious concrete look. In a cool grey tone, mixed with basic shapes, this range appeals to a modern consumer due to its affordability, durability and recyclability. The beton line is **100% recyclable** and in the near future will be made entirely of post consumer recycled material.

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Celebrate your passion and your purpose.

Availability Everywhere

There was a time when everything was sold in stores, and Keter products were only available off-the-shelf. With the growth of the Internet and online commerce, Keter has committed to making its affordable lifestyle products accessible to all consumers everywhere. We have worked to partner with all the leading online shopping sites around the world including Amazon.com and leading home improvement stores, general or specialty retailers, grocery and discount stores and more, to ensure Keter products are available, wherever you are and however you choose to shop.

In fact, in 2020, Keter products are accessible at the click of a mouse on more than 300 sites around the world. Today, more than 4.5 million customers acquire Keter products online, and ecommerce sales account for more than 21% of our overall revenues, a significant growth from just 11% in 2015.

Today, more than 4.5 million customers purchase Keter products online

ecommerce - % of overall revenues

21%

11%

2015   2019

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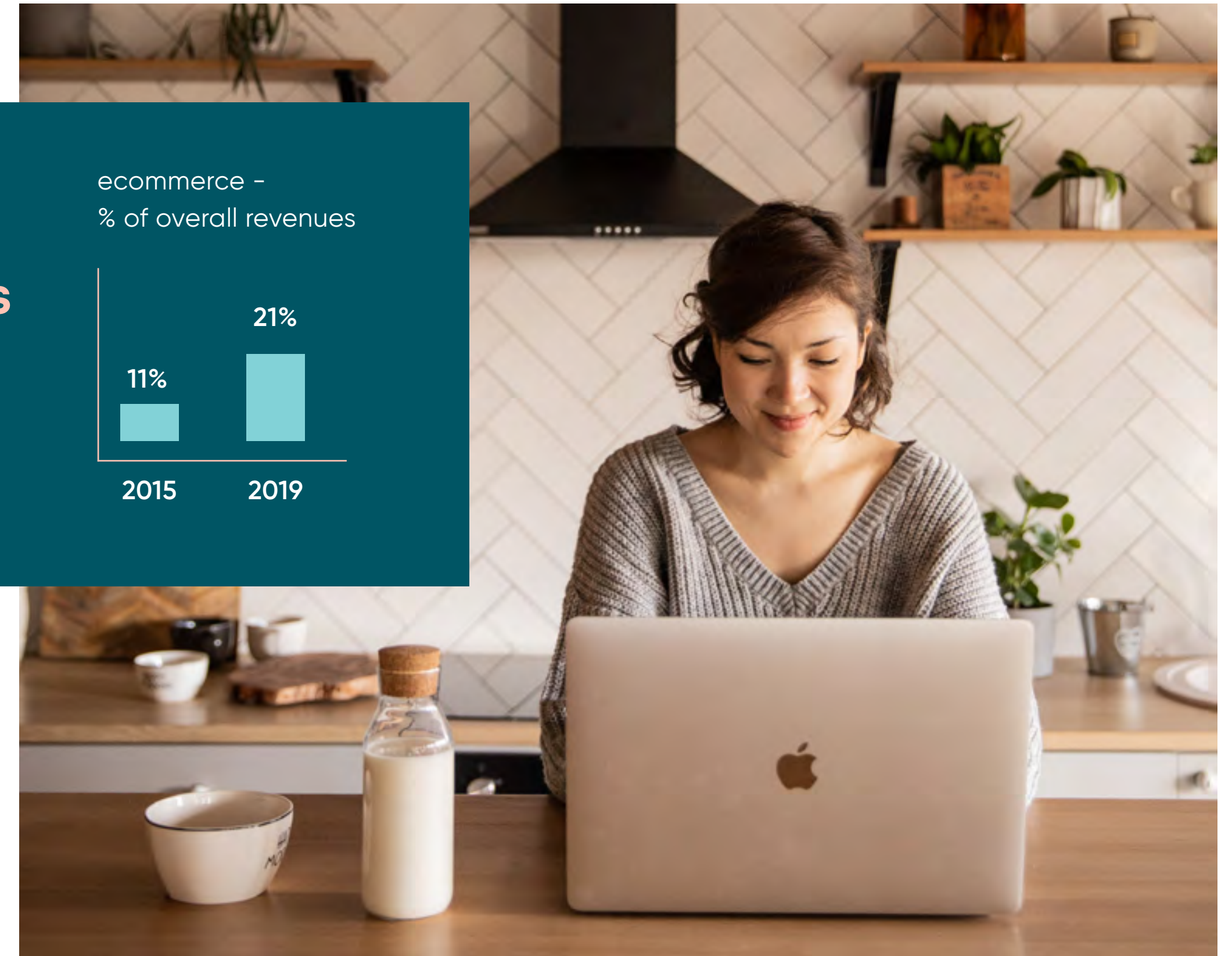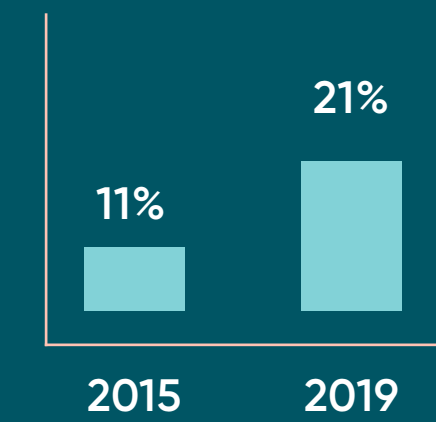
Where to find Keter products:

Home Improvement Stores
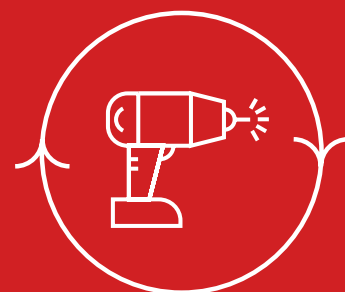
Mass / Dept / Specialty Stores

Clubs

Grocery, Discounters & Other Stores

ecommerce

Innovation and Circularity

Innovation is embedded in the DNA of Keter. Over our 70 years of operation, we have led market-transforming innovations across a wide range of products – innovative both in terms of design and also in terms of functionality. Dedicated to understanding consumer needs, and thinking differently about solutions for every home and lifestyle aspiration, we work tirelessly to invent durable products that make living more fun, more comfortable and more aesthetic in the home, office and outdoors. From the introduction of Injection Molding technology in 1965, through the first Monobloc chair in 1985, we continue to be at the forefront of our industry, leading transformational innovation in design, composition and functionality of our products.

Our Research and Development teams operate from 10 dedicated research centers in Israel, Italy, the Netherlands and the U.S. They include 70 designers, engineers and plastics professionals who are at the cutting edge of our industry.

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" *Keter was built on innovation, and our culture of innovation is what will drive us into the future. Consumer trends and expectations are evolving every day, and it's our job, and our commitment, to stay at the leading edge of everything that's happening in our consumer markets, with the technologies that make more sustainable innovation possible.*"

Zvika Zak, Managing Director, Keter Innovation Center

A Word about Plastic

Plastic is an incredibly versatile material with a vast range of potential applications due to its multiple forms, textures and strengths. In general, plastic has a favorable environmental profile; only 4% of the world's oil production is used for plastics and much less energy is used to produce it compared to other materials. Plastics are durable yet lightweight and thus save weight in cars, aircraft, packaging and pipework, and many plastics are 100% recyclable. However, when not used responsibly, plastics can have a detrimental impact. In particular, the awareness of growing amounts of waste from single-use plastic has become a critical global concern, given its prevalence in packaging, food wrappings, food containers and accessories, plastic bags and many other day-to-day throwaway items.

Widespread disposal of single-use plastic waste, more than 50% of all plastic produced, has turned the conversation about plastics into a predominantly negative one. At Keter, we believe it is our responsibility to be part of this conversation and solution.

We stand for reusable, durable, recyclable and sustainably sourced plastics and use our business and influence to help inform consumers about how they can also be part of the sustainable consumption solution.

" *Plastic waste and pollution have captured the attention of the public, governments, and businesses around the world. Along with the search for solutions that can be scaled up, there is growing recognition that addressing the symptoms of this crisis through clean-ups is not enough. We need to move away from today's linear take-make-waste model and fundamentally rethink the way we design, use, and reuse plastics. A systemic shift tackling the root causes is required: a transition towards a circular economy for plastic, in which it never becomes waste or pollution.*"

Ellen MacArthur Foundation

Keter sees itself as part of the solution to the problems of single-use plastic (waste) around the world. Our products are long-life and multi-use and entirely recyclable, making it unlikely that they will end up in a landfill or at the bottom of an ocean. We believe that sustainable consumption is possible.

Alejandro Pena,
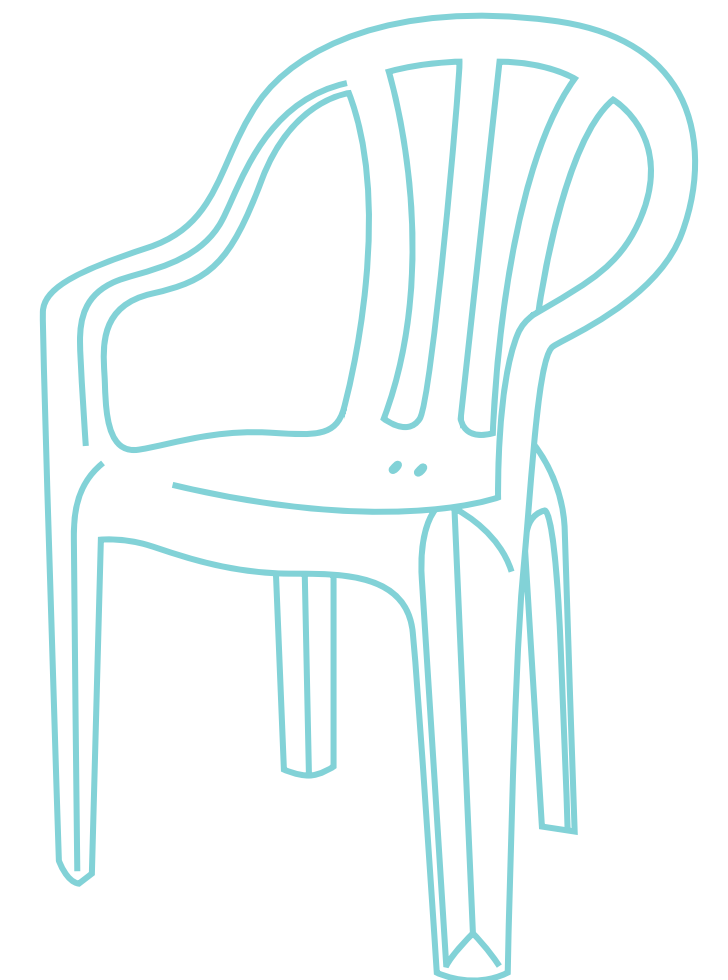Group Chief
Executive Officer:

" *We believe we can encourage sustainable consumption through reusable plastics and extending the life of our products – it all starts with the design innovations we undertake and the raw materials we use.*"

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A Word about Circularity

Simply put, a circular economy envisages a way of life and business without waste, where the use of natural resources is minimized as we take less from the environment and recycle or reuse every resource in some way. This is in contrast to the "take-make-waste" culture that has dominated consumerism and corporate growth over many years.

The circular economy is an economic model that is regenerative by design. The goal is to retain the value of the circulating resources, products, parts and materials by creating a system with innovative business models that allow for long life, optimal (re)use, renewability, refurbishment, remanufacturing and recycling. By applying these principles, organizations can collaborate to design out waste, increase resource productivity and maintain resource use within planetary boundaries.

At Keter, we subscribe to the concept of designing out waste at source and ensuring optimal material utilization. That's why we have designed all our products to be 100% recyclable and are on an ambitious course to increase the use of recycled content in our products **from 41% in 2019 to 55% by 2025.**

This is not as simple as it sounds. The availability of quality recycled content is a limited, so we have a plan to develop reliable new sources to reach higher levels of recycled content. Similarly, different recycled plastics behave differently in injection molding and extrusion processes, so we need to develop new technologies to fully utilize all materials available. However, for Keter, this is an ongoing journey and our positive track record of circularity in our design and production makes us determined to do even more.

We at Keter plan to increase recycled content in our products from 41% in 2019 to 55% by 2025.

Recycled content in Keter products

Year	Value
2015	15%
2016	16%
2017	28%
2018	35%
2019	41%
2020 (Estimate)	49%
2025 (Target)	55%
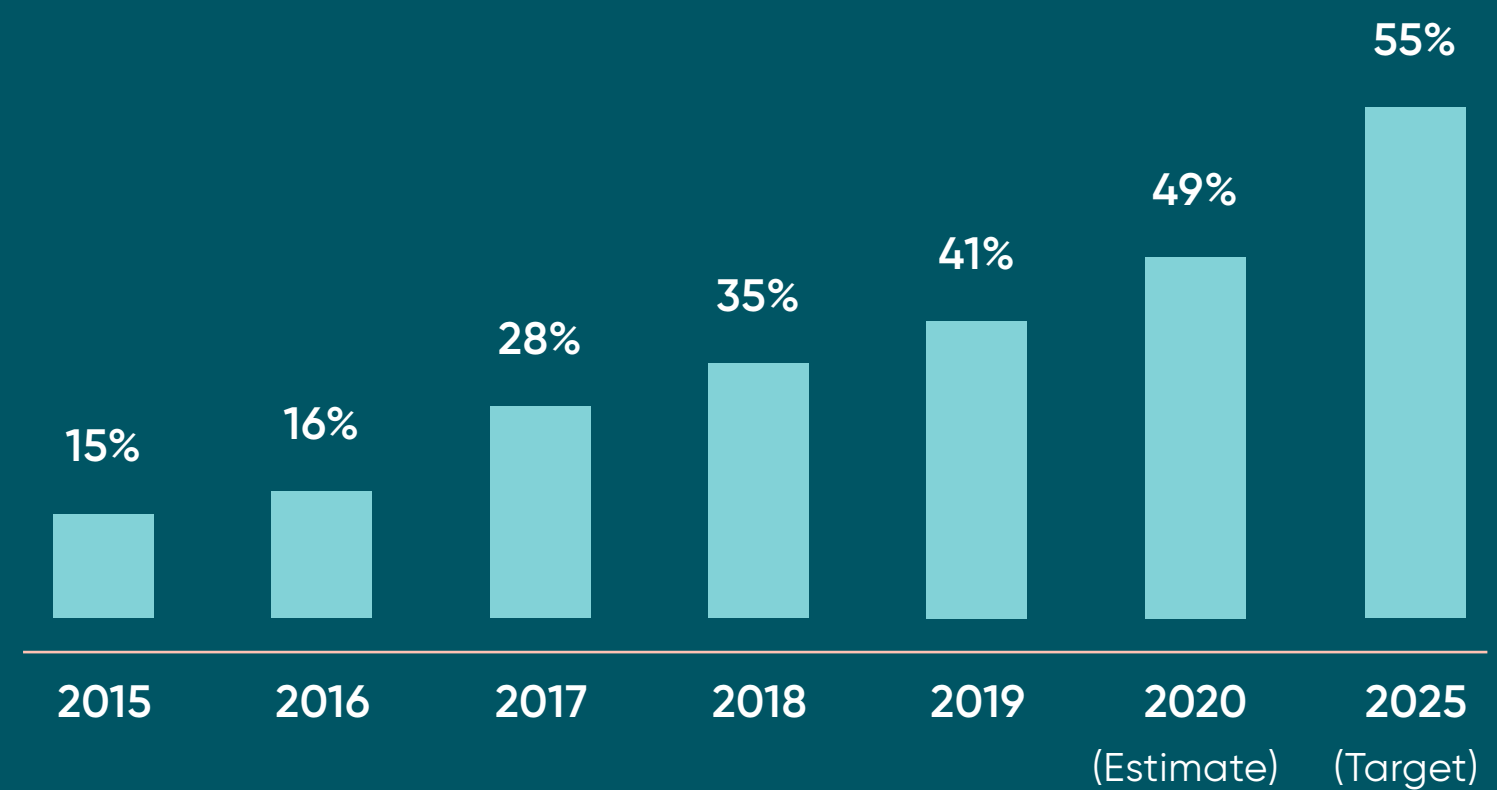
Furthermore, we are committed to finding workable solutions to reclaim our products at the end of their useful life, so that we can responsibly recycle them while incentivizing customers to exchange them for new products. We see this as crucial to encouraging sustainable consumption through our value chain and this will be an important aspect of our operations going forward.

At Keter in Europe, we drive the use of recycled content in many products to meet the increasing interest of climate-conscious consumers. Our CURVER brand is made mostly from recycled plastic, and in 2019/2020, we introduced a range of new products such as our Jute, Infinity and Terrazzo ranges that are made solely from recycled content.

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Our Innovative Technologies

Our history of innovation and 70-year track record of introducing new technologies to our markets is a testament to our commitment. We maintain a culture of innovation and a global R&D team of more than 70 designers, engineers, plastics specialists, research analysts and other professionals. A key focus of our innovation today is the circularity of our production and the use of recycled content, with our central Materials Laboratory responsible for sourcing and approving new materials for use in Keter products.

Keter is known for leading the industry every few years by fundamentally reinventing technologies, textures and shapes to provide greater affordability, convenience and environmentally preferable products for our consumers and customers.

For example, Keter created the now industry-standard Long Core Injection process in 1990 - a revolutionary type of injection molding process that saves huge amounts of raw materials while improving the strength of resin-based products.

The Store it Out: Our best seller outdoor storage solution is made from 65% recycled materials in a new fully-automated production chamber.

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Helping people feel at home, no matter where they are.

Durable, efficient wood-finish technology

Over the past few years, Keter has developed specialized technologies that offer benefits for the consumer and the environment. Our **Evotech™** technology is a composite made of several panel layers. Keter offers a range of outdoor sheds and other products made with Evotech technology which promises sturdy, weather-resistant and maintenance-free quality over the product lifetime of 10 or more years. Evotech offers an alternative to the use of natural virgin wood resources, generates zero waste in production, maintains its quality and form throughout its lifetime in all weather conditions, requiring no maintenance. Similarly, our **Duotech™** technology is another plastic composite designed to deliver the rough-grained feel of natural wornout wood for consumers who want the feel and aesthetics of wood at affordable prices with lower comparable impact on the environment over the product lifetime.

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Keter technology offers an alternative to the use of natural virgin wood resources, generates zero waste in production and requires no maintenance.

Advancing recycling technologies

To date, our primary raw material has been polypropylene which is easily recyclable and there is a strong market pipeline for polypropylene-based recycled raw materials. Yet, we are still not able to source enough quantities to significantly increase the share of recycled content in our production. As a result, our focus in recent years has been on other polymers and polymer mixes in post-consumer recycled (PCR) sources. This remains a challenge because of the limited options currently available and the technical changes we must make in our processes to accommodate new raw material compounds. We believe the solution is for our industry to collaborate with academic experts to develop new, accessible ways of recycling, as well as with start-ups in the recycled technology space.

Another concern as we move to more recycled content is traceability and certifiability of compounds. We want to be sure that the materials we use are actually recycled as claimed. There are limited possibilities for companies to certify recycled materials and reliance upon manufacturers' self-declarations is not a robust position for the long term.

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Partnering with UBQ to use household waste in recycled content

UBQ is a new company that envisions a world where finite resources are infinitely reused and aims to make household waste a renewable resource. Through a patented process, general waste is processed to become UBQ™ Material, an infinitely renewable thermoplastic resource with ever-expanding applicability. Keter has completed trials with **UBQ™** Material and we are working towards incorporating this promising sustainable resource in our products going forward.

ubq
EVERYTHING MATTERS

Collaborating for Sustainability

We collaborate widely to enhance innovation possibilities for our business and for the good of our industry and the environment. We work with academia and best-in-class design and engineering schools and we are also active in a range of consortia that share knowledge and resources to deliver groundbreaking solutions. Specifically, in Israel, we collaborate with the Israel Innovation Authority to progress initiatives relating to our industry, and we are currently active in 12 different projects relating to improving the recyclability and recycling of plastic. We frequently offer our extensive laboratory resources to test potential solutions that will serve the entire industry.

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The CIRCLE Consortium:

Keter is an active member of CIRCLE, a three-year (2019-2022) consortium established with the support of the Israel Innovation Authority. CIRCLE aims to develop a range of scientific-chemical technologies addressing critical challenges in plastics recycling, including methods to treat industrial waste comprised of multi-layer plastic films and methods to increase the amount of recycled material in plastic products while maintaining or improving the quality of the final product. Consortium members include manufacturers of plastic products and films, raw material producers and companies with unique technologies for various plastics additives and research is conducted in cooperation with leading academic institutions. Keter takes a leading position in several workstreams progressed by this consortium.
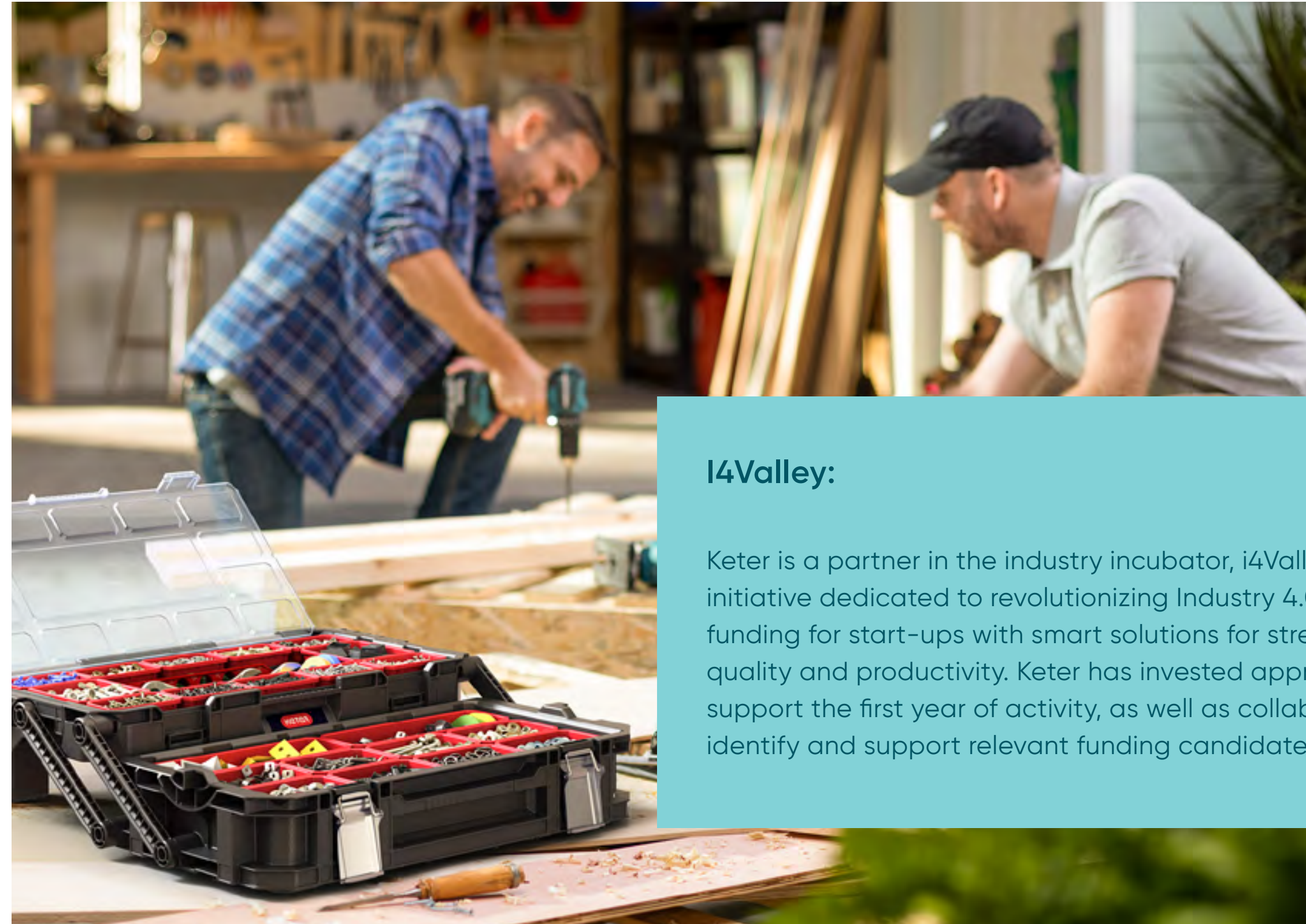
I4Valley:

Keter is a partner in the industry incubator, i4Valley, an Israel-based initiative dedicated to revolutionizing Industry 4.0 ventures through funding for start-ups with smart solutions for streamlining processes, quality and productivity. Keter has invested approximately $50,000 to support the first year of activity, as well as collaborating in practice to identify and support relevant funding candidates.

Supporting Waste Free Oceans:

Keter is an industry partner of the nonprofit Waste Free Oceans, that is dedicated to transforming ocean plastic with a goal to reduce the global impact of marine litter by reducing, reusing and recycling.

Keter also participates in national and industry recycling schemes as available in our countries of operation. For example, Keter Luxembourg is a member of Valorlux, a nonprofit that organizes collection of household packaging waste for reuse and recycling in Luxembourg.

Spotlight on collaboration in the medical industry

Our AP Medical business manufactures a wide range of containers for the disposal of medical waste. There are two main types of container: one for the disposal of needles and sharp waste (Sharps Containers) and another type for general hospital waste (Waste Containers). In general, such containers, due to the nature of the waste they hold, are designed to be single use, which poses a challenge for our circular approach. In order to evaluate other options, while maintaining medical safety, AP Medical is partnering with customers and regulators **to improve the environmental impact of these containers over their lifetime,** for example:

- Creating a unique range of reusable containers after testing deep cleaning and reuse processes with a customer, in accordance with legal and safety protocols.

- Approaching healthcare regulators, together our customers, to approve the use of recycled raw material for medical containers in markets where this is not currently approved.

- Working to obtain a safety mark (Kite mark) for Sharps Containers made with recycled raw material.

- We obtained certification (REC mark) for the use of recycled raw material in our waste containers range.

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Quality and Product Safety Every Time

We guarantee that our products are produced to the highest quality standards and always designed for safe usage throughout their life cycle. We consistently monitor and test for quality and safety during all our production processes according to our Quality Management System, quality standards and protocols. We maintain a comprehensive set of KPIs on quality, using internal measures, such as quality compliance and defects and external measures including customer feedback.

We follow (and often exceed) national guidelines for safety, stress testing and weight bearing and meet all applicable regulations for products as required in all our markets. Similarly, we comply with product labeling and use instructions on all products. In the past 10 years, we have had no significant product recalls in any of our markets.

Since 2019, Curver's dark gray Infinity line sold in Germany carries the Blue Angel label following an assessment of our processes and products. Blue Angel is the ecolabel of the Federal Government of Germany since 1978. Blue Angel sets high standards for environmentally friendly product design.

Better Planet

The Better Planet pillar of our Sustainability Strategy addresses our commitment to mitigating climate change risks through operational efficiencies and environmentally positive actions throughout our supply chain. Our entire supply process is designed for efficiency – from local suppliers, to operational excellence in our facilities and optimized logistics for transportation of our products. We always seek to do more and, with this in mind, have set ourselves ambitious targets to 2025.

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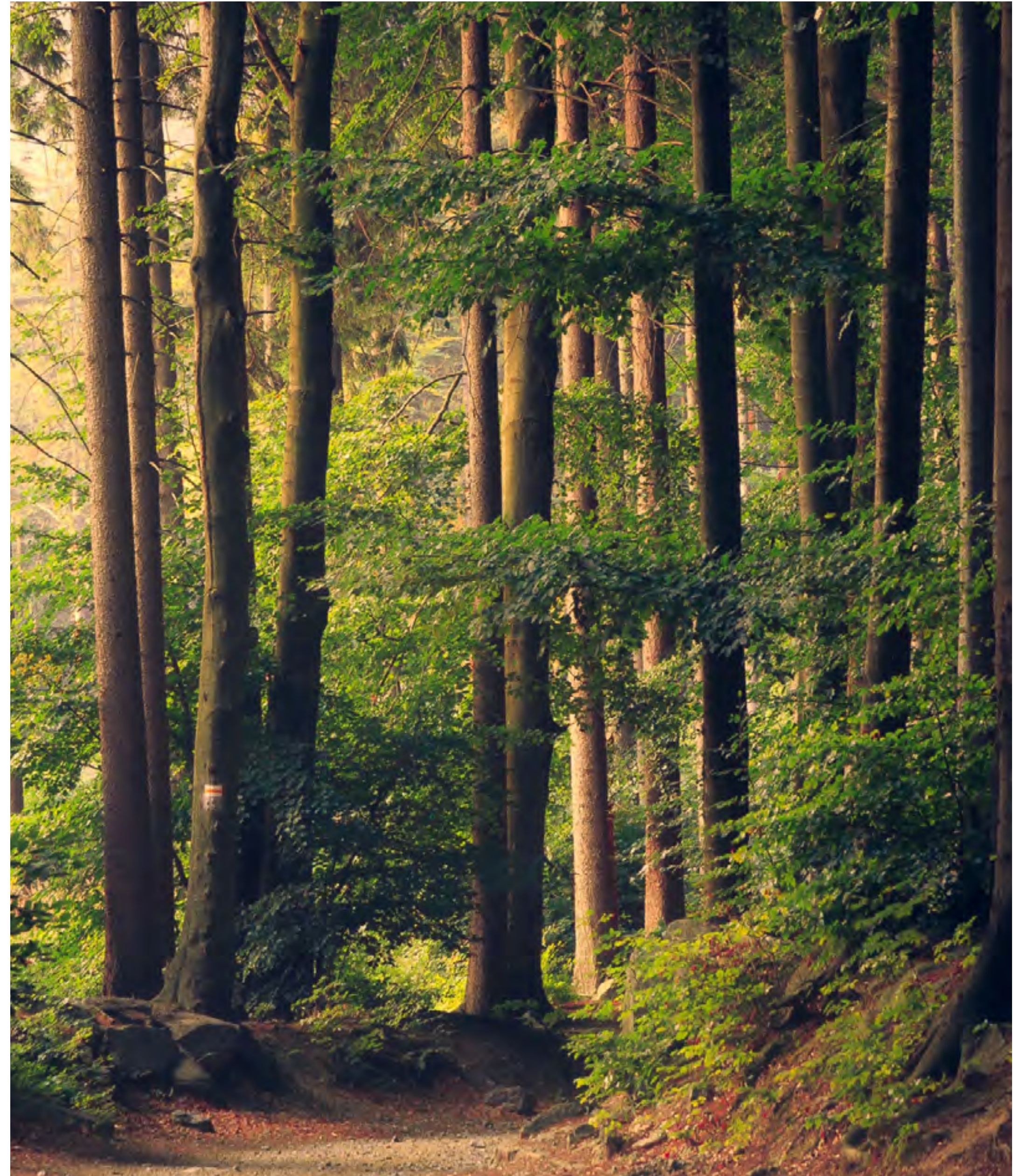
Climate Resilience

With a strategic target to reduce our greenhouse gases by 25% per ton of output by 2025, we demonstrate our commitment to supporting global emission reduction efforts. Our commitment to mitigating climate change is not new; we have taken a precautionary approach to managing our climate impacts throughout our manufacturing facilities with a focus on operational excellence and resource efficiency, and the adoption of a favorable energy mix at different facilities.

We were able to achieve a reduction of emissions in 2019 as a result of ongoing energy efficiencies at our plants around the world, alongside an improvement in energy generation carbon factors in different regions. Many sites have their own processes and certifications and have made significant progress. As we move forward with our sustainability strategy, we plan to implement comprehensive monitoring and data collection processes to serve our global sustainability management and transparency needs.

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In 2019, we achieved a 10% reduction in energy consumption and a 12% reduction in greenhouse gas emissions from our operations per ton of output:

Energy Consumption (kWh)
Per Ton Output

2017	2018	2019
1,180	1,185	1,064
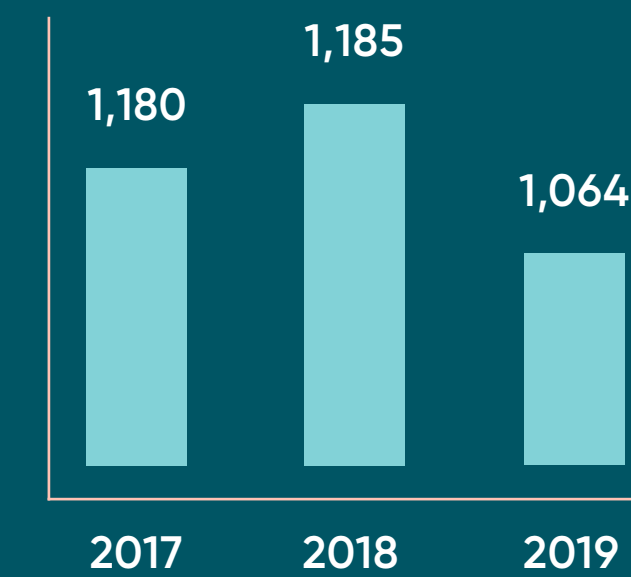
GHG Emissions (tons CO2e)
Per Ton Output

2017	2018	2019
0.53	0.52	0.45
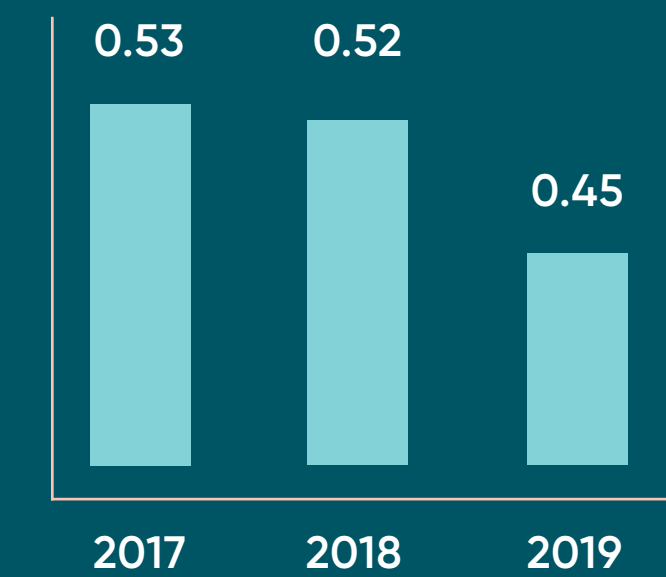
Some of the ways in which we mitigate climate change by reducing greenhouse gas emissions include:

Local manufacturing: Keter maintains 21 manufacturing sites in 10 countries, enabling supply to local markets in the most efficient way and reducing logistics requirements for raw materials and finished products to our customers.

Energy efficiencies: We operate our factories in accordance with similar protocols across our sites, many of which work to the same core processes. Each factory maintains a detailed operational analysis of material and line efficiencies, and sets targets to improve, based on identified opportunities. In Israel, for example, we are piloting a transition to LED lighting with an expected 30% reduction in energy use. In all plants, we practice proactive maintenance, and follow a replacement plan for extrusion machines that involves upgrades to more energy efficient models. 96% of our energy consumption is from purchased electricity, and we are exploring options to replace electricity with lower carbon forms of energy. In Israel we are evaluating the introduction of gas turbines to replace a portion of our purchased electricity and in Europe, we are considering renewable energy sources.

Logistics efficiencies: We aim to optimize packaging so that movement of finished product is as efficient as possible. Most of our materials are packed flat for assembly by the end-consumer, enabling optimum utilization of transportation space. This is especially advantageous for our growing online ecommerce channel, where we ship directly to the consumer.

Improving the carbon footprint of our products

In 2020, we embarked upon a detailed life cycle analysis of our key products, using accredited external consultants, to understand the overall carbon impact of leading products in our portfolio from sourcing to end-of-life. We expect to have results in 2021 that will enable us to identify opportunities to reduce greenhouse gas emissions along product life cycles.

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Aspiring to Zero Waste

In addition to our focus on climate resilience, we aim to operate across our value chain in a way that promotes circularity and eliminates waste. We are in the process of scaling up our processes to achieve zero waste from production to landfill by 2025, which will be a key milestone for Keter.

Currently, we are largely successful in driving zero waste in our core production as we recycle all production scrap back into our process. We separate waste at our facilities and maintain 15 solid waste disposal streams that include recycling as far as possible for oils, wooden pallets, all forms of paper and board packaging, and organic waste where possible.

We still have work to do. Although we achieved a 29% reduction in total waste in the past two years, this was offset by an 8% increase in waste to landfill, which we are working to reverse. Our ongoing focus on waste reduction aims to drive the 25% level of our 2019 waste to landfill to zero in the next five years, through further improvement in waste separation and waste stream management, and further focus on innovative design, in collaboration with partners both upstream and downstream in our value chain.

Total Waste (metric tons) Per Year

Year	Total Waste
2017	11,988
2018	8,754
2019	8,529

Waste to Landfill (metric tons) Per Year

Year	Waste to Landfill
2017	1,979
2018	2,177
2019	2,171
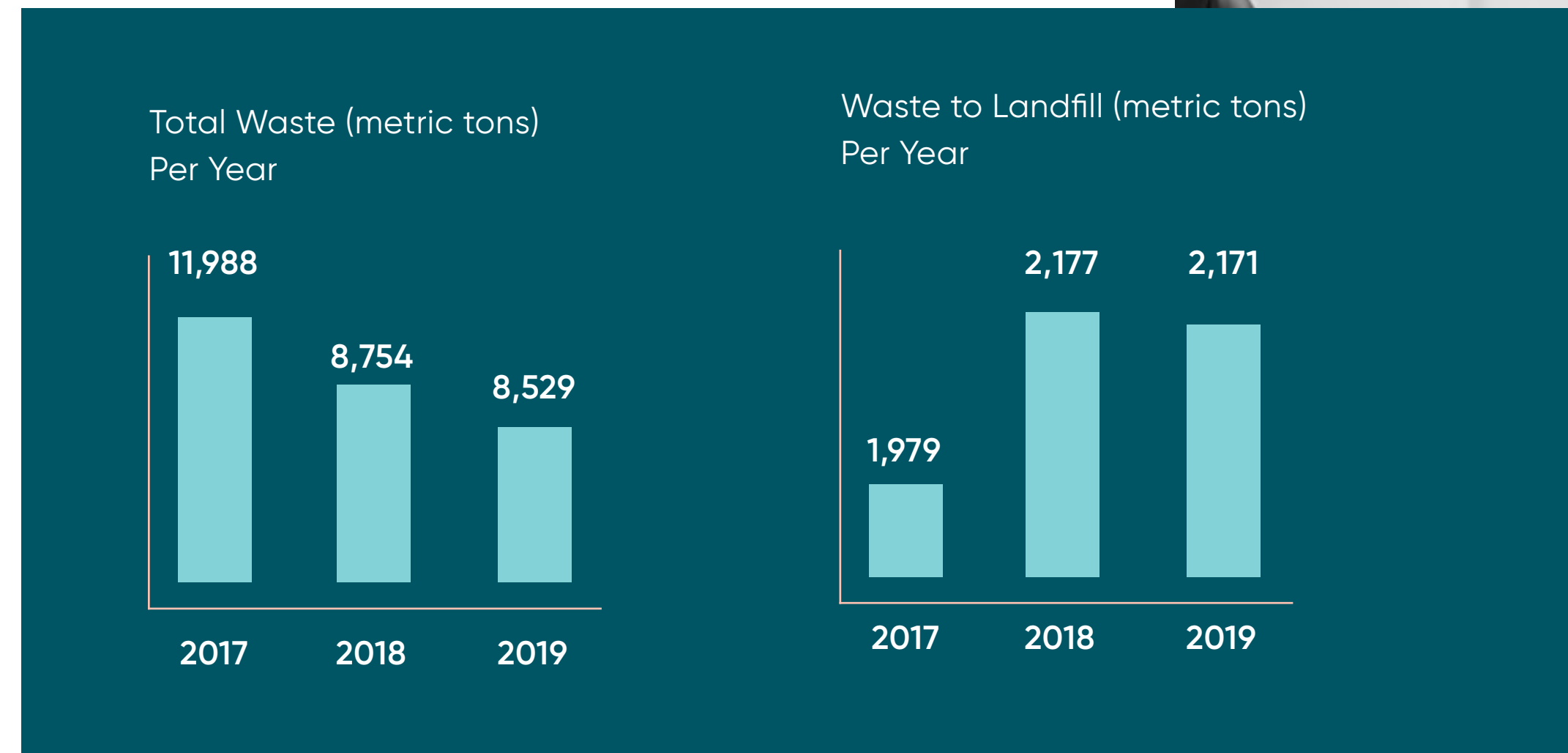
Our Environment Management System is certified to ISO14001 at nine factories in Israel and Europe, representing almost 45% of our global production.

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Spotlight on Luxembourg

Our Luxembourg operation is one of our larger operations in Europe with a manufacturing facility that produces more than 1,900 different products for local markets. Environmental stewardship achievements in the last year include:

Environmental Stewardship Achievements

- **LED lighting:** Replacement of sodium bells lighting with LED bells, and fluorescent tubes with LED tubes with motion detection, yielding more than 2,300 MWh / year in energy savings.

- **Energy efficiency:** In line with Keter Luxembourg's participation in the national voluntary energy agreement, improving the energy efficiency of participating companies by 7% by the end of 2020, Keter Luxembourg achieved an improvement of 11% compared to the 2014–15 reference year.

- **Waste reduction:** Ongoing improvement in waste reduction at source with continuous control of the injection process and inline recycling of production defects.

- **Biodiversity:** Collaboration with the municipality and the Ministry of Economy on the protection of the environment for protected species and biotopes on the Keter Luxembourg site.

- **Free Cooling:** Adoption of free cooling systems in 2019, where outdoor temperature cools the water for injection molding machines, yielding savings of more than 134 tons per year of greenhouse gas emissions.

- **Pallet recycling:** Keter Luxembourg actively contributes to the recycling system of wooden pallets. PRS Green Label is seen as a pledge of official recognition for efforts to make our business and the world more sustainable.

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Better Business

The aim of our Better Business strategic pillar is to deliver business value through ethical conduct, an engaged workforce and community inolvement. Better Business aims to bring improved value for Keter by means of sustainable profitable growth through product innovation, market expansion and new business models. Additionally, Better Business means creating value for all our stakeholders including our employees, our customers, our suppliers and society as a whole.

Grounded in the highest standards of ethical conduct, we aim to be a responsible employer, a collaborative customer to our suppliers and a good neighbor in our communities by showing solidarity and care for the people we serve. Our 2025 targets focus specifically on enhancing gender diversity in our organization, aiming to achieve 35% of women in management and leadership roles. We also aim to achieve an improvement in employee health and wellbeing with our target of 90% employee participation in a new global Keter wellbeing program.

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In 2020, Keter Luxembourg was proud to be certified as a Socially Responsible Company in the scheme established by the National Institute for Sustainable Development. The certification includes an external audit of the company's approach to sustainability, human resources and community involvement.

ENTREPRISE RESPONSABLE
Stratégie RSE • Gouvernance • Social • Environnement

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Empowering our People

With a global team of employees which continues to grow as our business expands, we strive to ensure everyone in Keter feels valued, that they are safe at work and that they can contribute to the fullest of their potential and develop a career with the company.

We are respectful and promote a culture of inclusion, welcoming people from diverse backgrounds with their unique perspectives, experiences and abilities to contribute to our shared objectives. Our culture is one of openness and trust and we work together as One Keter to create innovative, high-quality products that are at the forefront of our industry.

Our People at Keter

Keter's Global Employees

Year	Men	Women	Total
2017	3,060	1,257	4,317
2018	3,322	1,462	4,784
2019	3,457	1,463	4,920

■ Men   ■ Women

Employees By Region

Year	North America	Europe	Israel
2017	909	1,970	1,438
2018	1,352	1,942	1,490
2019	1,174	2,097	1,649

■ North America   ■ Europe   ■ Israel
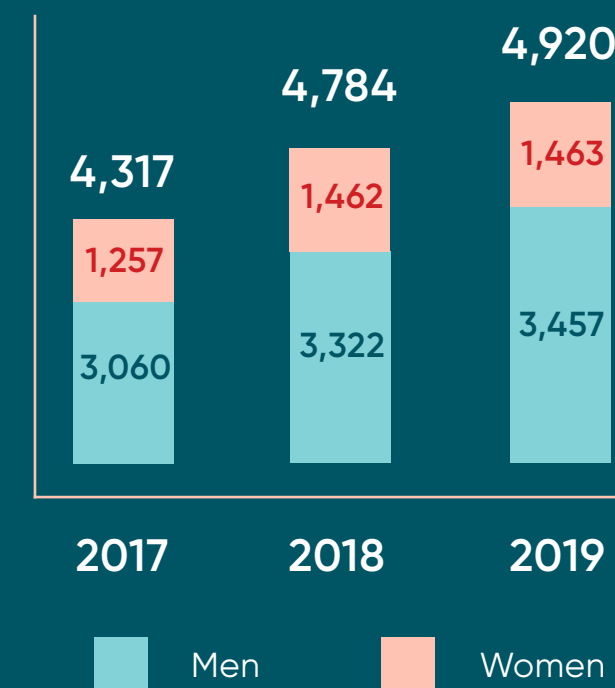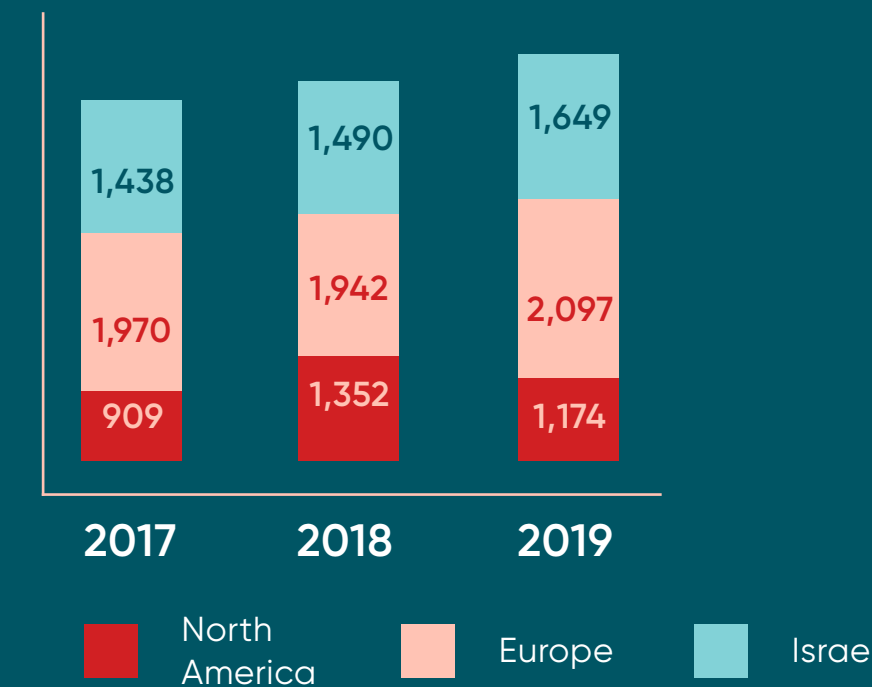
Our Approach to Human Resources

As with other areas of the business, Keter's global Human Resources management is led through each of our three regions, enabling and empowering Human Resources strategy to support specific business objectives and employee needs. Within the regions, especially in Europe, there is often complexity given different national operating environments and market priorities. While operating within a global set of values, each region drives those processes which are most likely to deliver Better Business for our customers through more engaged employees.

However, as we move to deliver our global business strategy, and specifically our sustainability strategy, we are looking to drive a globally harmonized approach in certain pivotal aspects of human resources management. For example, Keter's Performance Management Program (KPMP) is a group-wide process for engaging employees in performance management three times per year: target-setting at the beginning of the year, mid-year review and evaluation at the end of the year. All managers are trained in the use of these tools and effective ways of supporting employees through the development process. In 2019, 58% of employees in Europe participated in the KPMP process. We will report global participation in future reports.

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Recognition for Outstanding Contribution

We are grateful for the contribution of our employees across Keter and we do not take their dedication and hard work for granted. We have many opportunities throughout the year to recognize and acknowledge the work of our employees including employee lunches and dinners, gift cards and personal gifts as well as a program where employees can purchase Keter products at a discount. Recognition programs are tailored according to country or regional norms and preferences.

In North America, we recognize employees through the One Keter Award Program, where employees can nominate their colleagues for outstanding performance and demonstrating the Keter DNA. Winners of the One Keter Award receive a cash bonus as well as recognition across all of North America. Employees are also recognized for their years of service milestones in annual year-end celebrations.

Similarly, in Israel, we maintain a formal recognition program that enables managers to acknowledge employees who perform duties beyond those normally assigned or make an outstanding contribution in other ways. Each department has a quarterly budget to cover recognition bonuses for individuals or teams who are deserving of recognition.

Upholding our Employees' Rights

We believe in the inherent rights of all people as expressed in the Universal Declaration of Human Rights and we aim to create a diverse workforce that welcomes people of diverse nationality, sex, race, gender, gender identity, national or ethnic origin, color, religion, language, disability status or any other status or dimension of diversity. We also welcome those who are differently abled. In our workplace we strive to uphold The International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and so we:

· Expressly prohibit any form of child labor in our business or through our supply chain

· Expressly prohibit any form of forced or bonded labor

· Respect the rights of employees to freedom of association and collective bargaining

· Strive to eliminate discrimination in all its forms throughout our business.

We of course strive to operate lawfully in all aspects of our employment of people and comply with, or exceed, applicable laws governing hours of work and terms and conditions of employment. We provide safe channels for employees to raise any concerns and achieve resolution rapidly without fear of retaliation.

Making Keter Accessible:

In Israel, in 2020, we embarked upon an Accessibility Program at all our factories and offices. With a nominated, trained Accessibility Trustee at each site, we are updating fittings, signage, entrance ramps and accessibility features to ensure our places are accessible for all. In the U.S., we comply at all our sites with the Americans with Disabilities Act (ADA) which includes similar accessibility provisions.

Diversity, Inclusion and Gender Balance

Diversity and Inclusion are core values across our business, and to date, we have progressed in in alignment with local market environments and employee needs, with examples of leading practice to be found in each region. In Europe, for example, employees are engaged in advancing diversity with the aid of a Diversity Charter that helps raise awareness, supports recruitment processes and advances diversity and inclusion in teamworking and development planning.

Across our global business, women made up 30% of our total workforce, 30% of our managers and 17% of our executive positions in 2019. Our 2025 target requires us to achieve 25% of women in management and leadership roles by 2025, and we are committed to developing opportunities for more women to help lead our business into the future.

Welcoming the differently abled:

In Israel, we maintain an ongoing partnership with Ha'Meshakem, a company dedicated to the integration of people with disabilities into the job market. Each year and including through the pandemic period in 2020, we employ tens of differently abled individuals in our factories across Israel.

Employee Safety, Health and Wellness

Safety, health and wellness are of prime importance when it comes to caring for our employees at work. We strive to provide workplaces that are free from hazards, encourage a culture of safe working and offer support for employees to look after their own wellbeing.

> " If there is anything that the COVID-19 pandemic has taught us in the past year, it's that health should always be top of the agenda. At Keter, caring for the health of employees is not about the pandemic. It's about investing in health and wellbeing all the time, so that you can be at your best, not only at work, but every day, everywhere."
>
> **Pasquale Iannone,** Chief Financial Officer

In each region, we provide healthcare insurance in accordance with local market norms and support employees with different health and wellness benefits by country or region. For example, these include biometric health screenings in the U.S. and healthy meal options in our employee dining rooms.

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Occupational Health and Safety

We strive to comply with all applicable laws and regulations governing the occupational health and safety of our employees and maintain Health and Safety Systems and Process Safety Systems to manage, monitor and improve our safety process and outcomes across the business.

Process Safety at Milton factory, Canada: In 2019, the Milton factory team instituted a system of daily layered audits to ensure a high level of safety, reduce quality concerns and drive accountability while increasing employee engagement. The layered audit system covers safety audits in production, process quality audits and warehouse safety and security audits and includes an in-depth analysis of our systems to help identify gaps and potential areas of improvement. Auditors come from all departments across the organization, reinforcing the safety and quality part of everyone's job, laying the foundation for an inclusive culture.

In 2019, our global recordable injury rate reduced by 19% and total lost days due to injury reduced by 39%. This demonstrated significant progress and positive outcomes due to our consistent focus on safe practices and hazard elimination. Most accidents are minor, with slips, falls and trips, but some of the more serious cases involve accidents in the use of production equipment. We have systems in place to ensure that all incidents are reported, investigated and communicated and appropriate corrective action is taken. While our performance improved in 2019, we remain committed to a zero injury workplace and will further reinforce our safety processes in the coming year.

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In 2020, our global recordable injury rate reduced by 19% and total lost days due to injury reduced by 39%

Global Recordable Injury Rate

2017	2018	2019
5.07	5.36	4.33

Global Lost Day Rate

2017	2018	2019
46.74	57.91	38.69
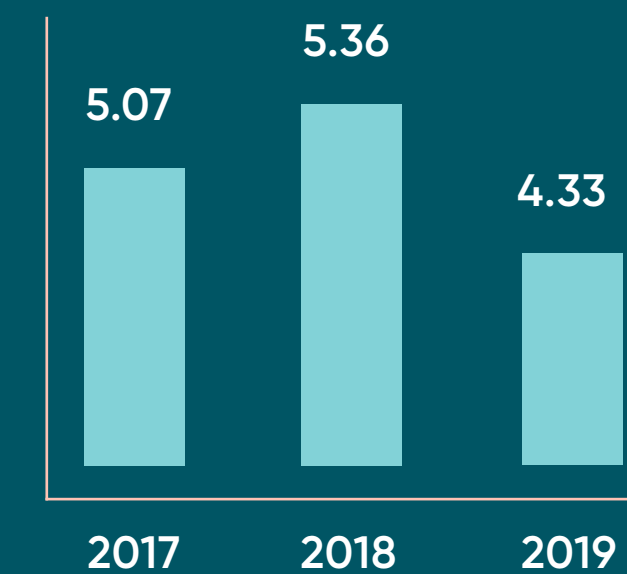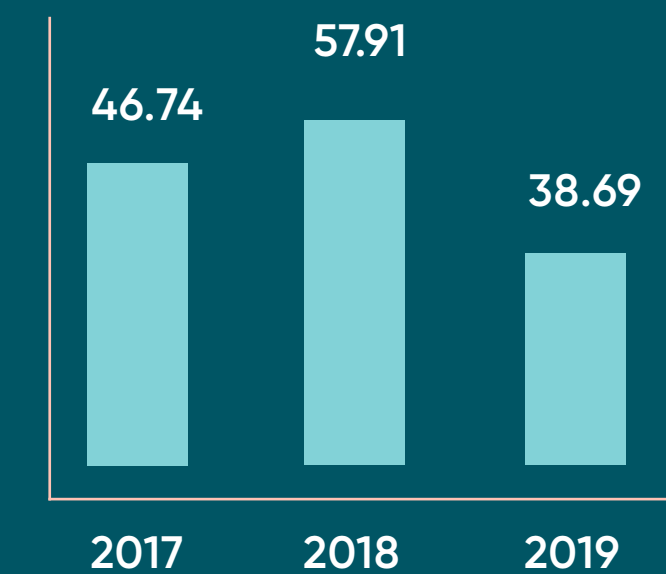
Involvement in our Communities

Keter aims to be a good neighbor everywhere we operate, and we encourage our employees to volunteer in solidarity with our local communities in causes they, and we, care about. Community activities, including charitable donations, are organized a local level and aim to address local needs. We have not established a structured system for monitoring our community investments and impacts at a global level, but we support community programs that are in place at all our sites. Going forward, we will establish a corporate system to further encourage and monitor our community activity in order to seek opportunities to enhance community outcomes.

In 2020, we demonstrated solidarity in exceptional ways due to the COVID-19 pandemic, converting our factories to support the production of face shields and donating thousands to support frontline healthcare workers (see Section on COVID-19 Response). In regular times, we have community programs in place at all our sites.

Some initiatives we supported in 2019/2020 include:

Breast Cancer Awareness & Early Detection:

In Israel, we partnered in the month of October (breast cancer awareness month) with the nonprofit "One in Nine", dedicated to supporting early detection of breast cancer. We launched an exclusive limited pink edition of the iconic Israeli "club" chair – Keter donated proceeds from sales of all pink chairs to the One in Nine nonprofit. This collaboration allowed us to further to raise public awareness with two public exhibitions that no one could miss in Tel Aviv's port and Israel's National Park. Alongside the models, a sign displays a scan code which provides access to relevant information about breast cancer and early detection.

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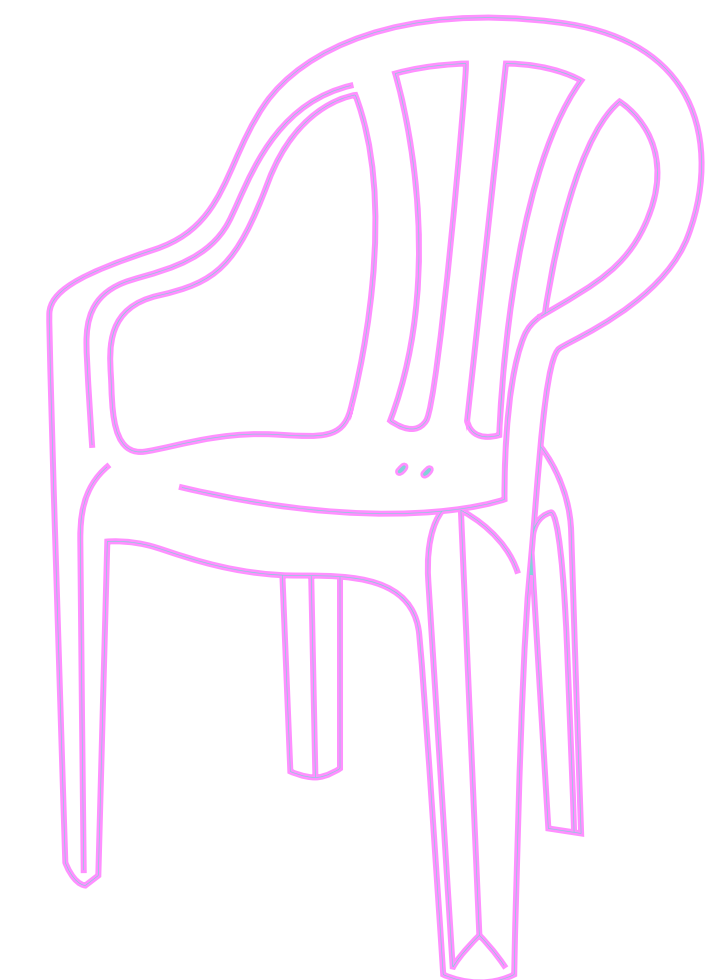
Supporting Women Paralympic Athletes:

Keter Israel contributes to the advancement of inclusive sports by adopting outstanding women Paralympic athletes, providing financial support that enables them to continue to train full time. The 2020 games were postponed to 2021 due to COVID-19, but our support remains unwavering. In 2020, we added another outstanding young sportswoman to the lineup which now includes Erel Halevi (swimming), Carolyn Tabib (table tennis), Simona Goren (rowing) and Alham Mahamid Rosin (goalball). We continue gain inspiration from their achievements and fighting spirit.

Advancing Art and Culture for Peace:

In 2020, Keter Israel, together with the prestigious Peres Center for Peace & Innovation in Tel Aviv, invited artists and designers across the Middle East, to take part in a visual art project titled "The New Shape of Co-Existence." Artists and designers from across the region of all ages, nationalities, ethnicities and cultural backgrounds are invited to present their unique perspectives on the subjects of peace and coexistence ideas for innovation in materials, ideas and initiatives.

A professional committee of judges will select approximately 30 artworks to be prominently displayed in the public plaza at the Peres Center for Peace and Innovation, overlooking the Tel Aviv-Jaffa beachfront. In addition, the selected artworks will be documented as part of a digital project conducted by the Peres Center for Peace and Innovation and the Keter Group. Also, Keter will offer a cash donation to support the artist judged to have delivered the most outstanding piece.

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> " *In the current reality, values such as mutual respect, entrepreneurship and innovation are being reaffirmed. The basis for this new initiative stems from the belief that design and art must break new barriers and become an expression of coexistence and brotherhood. Keter is proud to promote projects in the field of innovation and visual arts.*"
>
> **Udi Sagi,** Co-Head of Israel, Managing Director, Outdoor

Everyone can make a difference.

Governance, Compliance and Ethics

Keter strives to operate in an ethical manner in everything we do and comply with laws and regulations governing our business. We maintain a suite of internal policies and procedures governing aspects of ethical conduct such as compliance, anti-corruption, conflict of interest and others, and we ensure that managers and employees are aware of, and trained in, all aspects of these procedures as relevant for them to perform their roles.

As a private company, we confirm that our governance structure complies with the principles of good corporate governance and all regulatory requirements. Our Board of Directors, a holding company based in Luxembourg (Keter Holding, SARL) oversees strategy, risk management and approves and endorses our approach to sustainability.

As part of the development of a structured approach to sustainability, we are planning the development of a Code of Ethical Conduct that will apply to all Keter operations globally. We recognize that it is expected of us to articulate this for the benefit of our employees and those with whom we interact in our business, so they can know what to expect from Keter. At present, one Keter company, Keter Italy, maintains a local Code of Ethics that is required in Italian law. In 2020/2021, we will publish a Code of Ethical Conduct that will apply to our global business and roll out a training program and monitoring mechanism for all employees.

Sustainability Governance

In 2020, we created our new structure to lead our global sustainability efforts and deliver on our sustainability strategy. Reporting through to our Group Chief Executive Officer, our performance will be driven by regional teams and supported by a global group with representation from all functional heads. With this matrixed structure, we expect to capture the collective power and energy of the entire organization to drive our sustainability performance in a consistent and coherent way.

During 2020, we have been active in establishing the mandates for operation, controls and reporting mechanisms for each of these groups and creating a common understanding, defining how each will contribute to the achievement of our 2025 targets. Training and communications meetings were held across all regions and functions, and workstreams are now being established to drive the momentum.

Group CEO

Managing Director
Global Marketing, Innovation & Sustainabillity

Managing Director
Keter Innovation Center

Global Sustainabillity Steering Committee (GSSC)

Project Manager
Global Sustainabillity Manager

(GSSC) Includes:
Operations, Marketing, Finance, Product Development, Human Resources and Legal Heads of Function

North America
Sustainabillity Steering Committee

Europe
Sustainabillity Steering Committee

Israel
Sustainabillity Steering Committee

Regional Sustainabillity Teams Include:
Operations, Marketing, Human Resources and other functional leads

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About This Report

Thank you for your interest in our first annual Sustainability Report, representing our commitment to accountability and transparency to our stakeholders about the way we do business and our impacts on people and the environment.

This report has been prepared in accordance with GRI Standards: Core option. GRI Standards represent the most widely used sustainability reporting framework in the world today. GRI principles have informed our reporting approach: materiality (the issues relevant to our most significant impacts and which are of most importance to stakeholders); stakeholder inclusiveness (responding to stakeholder expectations and interests); sustainability context (presenting our performance in the wider context of sustainability issues) and completeness (inclusion of all the information which reflects significant economic impacts to enable stakeholders to assess our performance).

We intend to publish a sustainability report annually. The scope of this Report is:

- All Keter operations around this world unless otherwise stated.

- Quantitative performance data for calendar year 2019 and prior years where available. Corporate information and progress updates are also from 2020. In this report we introduce our newly developed sustainability strategy and multi-year targets. From next year, we will start to report on progress against these targets.

- All dollar amounts quoted in this report refer to U.S. currency (USD).

This Report has been extensively verified internally but not externally assured.

We welcome your feedback and invite you to send comments to:

**Ohad Dayan
Global Sustainability Manager
sustainability@keter.com**

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102-10	Significant changes	This is our first Report
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Delivering consumer benefits	GRI 203: Indirect Economic Impacts 2016	16	203-2 Significant indirect economic impacts	17-19	
	GRI 416: Customer Health and Safety 2016	30	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	30	
Product Innovation	Keter Indicator	25	K2: Percentage of sales from innovation	Not available	Will be reported in our next report
	Keter Indicator	25	K3: Number of new product launches	15	
Circular Economy	GRI 301: Materials 2016	22-24	301-1 Materials used by weight or volume	Not available	Will be reported in our next report
			301-2 Recycled input materials used	15	
			301-3 Reclaimed products and their packaging materials	24	
	GRI 306: Waste 2016	34	306-2 Waste by type and disposal method	55-55	

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Material impact	GRI Standards (2016)	Management Approach Standards 101:1-3, page	Indicator	Page	Omissions
Climate change	GRI 305: Emissions 2016	32	305-1 Direct (Scope 1) GHG emissions	54	
			305-2 Energy indirect (Scope 2) GHG emissions	54	
			305-4 GHG emissions intensity	54	
	Keter Indicator	32	K4: Percentage of renewable energy of total energy consumption	None	
	Keter Indicator	34	K5: Percentage of waste to landfill	34	
	GRI 302: Energy 2016	32	302-1 Energy consumption within the organization	53	
			302-3 Energy intensity	53	
	GRI 303: Water 2016	36	303-1 Water withdrawal by source	53	
Supply Chain Management	GRI 204: Procurement Practices 2016	31	204-1 Proportion of spending on local suppliers	Not available	Most of our sourcing is local. We will report detailed figures in our next report.
	GRI 308: Supplier Environmental Assessment 2016		308-1 New suppliers that were screened using environmental criteria	Not available	We will report this in future reports.
	GRI 414: Supplier Social Assessment 2019		414-1 New suppliers that were screened using social criteria	Not available	We will report this in future reports.
Ethical Conduct	GRI 205: Anti-Corruption 2016	45	205-3 Confirmed incidents of corruption and actions taken	None	
	GRI 407: Freedom of Association and Collective Bargaining 2016	39	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None	
	GRI 408: Child Labor 2016	39	408-1 Operations and suppliers at significant risk for incidents of child labor	None	

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Material impact	GRI Standards (2016)	Management Approach Standards 101:1-3, page	Indicator	Page	Omissions
Ethical Conduct	GRI 409: Forced or Compulsory Labor 2016	38	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	None	
	GRI 412: Human Rights Assessment 2016	39	412-1 Operations that have been subject to human rights reviews or impact assessments	Not available	We will report this figure in future reports.
Responsible Employer	GRI 401: Employment	38	401-1 New employee hires and employee turnover	56	
			404-3 Percentage of employees receiving regular performance and career development reviews	57	
	GRI 405: Diversity and Equal Opportunity 2016	40	405-1 Diversity of governance bodies and employees	58	Board of Directors is not included.
	GRI 403: Occupational Health and Safety 2016	41	403-2 Types of injury and rates of injury	57	Excludes contractors.
Community Involvement	GRI 413: Local Communities 2016	42	413-1 Operations with local community engagement, impact assessments, and development programs	Not available	Almost all our sites have local community involvement activities. We will measure this and report in detail in future reports.

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GRI Data Tables

102-8 Information on employees

Employees by region & gender	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
North America	278	631	909	484	868	1,352	427	747	1,174
Europe	715	1,255	1,970	714	1,228	1,942	761	1,336	2,097
Israel	264	1,174	1,438	264	1,226	1,490	257	1,374	1,649
Total	1,257	3,060	4,317	1,462	3,322	4,784	1,463	3,457	4,920

Employees by contract	2017		2018		2019	
	Women	Men	Women	Men	Women	Men
Full time	28%	70%	29%	68%	28%	69%
Part time	1%	1%	1%	1%	1%	1%
Permanent	27%	69%	28%	69%	27%	69%
Temporary	2%	3%	1%	2%	2%	2%

Non-payroll workers	North America	Europe	Israel	Total	As a percentage of total workforce
2017	135	788	301	1,224	22%
2018	272	633	624	1,529	24%
2019	269	685	375	1,356	22%

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GRI Data Tables

102-41 Collective bargaining agreements

Employees with collective bargaining agreements	North America	Europe	Israel	Total	As a percentage of total workforce
2017	0	1,099	0	1,099	25%
2018	0	1,139	0	1,139	24%
2019	0	1,234	0	1,234	25%

102-43 Stakeholder engagement
102-44 Key topics and concerns raised

Primary stakeholders	Means of engagement	Key expectations
Employees	A range of internal communications channels throughout the year	Fair and respectful treatment, and fair compensation. Pride in working for Keter. Ethical conduct. Opportunity to have a say in business planning.
Customers	Meetings and consultations with key retailers on a regular basis, social media	Product quality and safety, fast and reliable service, innovation, competitive pricing. Use of safe raw materials. Plastic waste avoidance.
Suppliers	Periodical meetings and discussions	Fair dealing, opportunity to engage in new developments.
Communities	Community events, volunteering in communities	Supporting communities in social causes. Making a local economic contribution. Hiring local employees.
Regulators, bankers, NGOs	As needed	Compliance, transparency, engaging on social and environmental issues where relevant, such as plastic waste avoidance and recycling.
Shareholders/ investors	Interaction through Board of Directors	Return on investment, business growth, ethical conduct, positive reputation.

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GRI Data Tables

302-1 Energy consumption within the organization

302-3 Energy intensity

Notes: Excludes use of fuels in Europe – includes only electricity which is primary energy source. Energy for Milton (Ontario) estimated for 2018 and 2017.

Energy within the organization	Units	2017	2018	2019
Natural gas	KWH	12,058,727	11,633,966	11,720,294
Diesel	KWH	1,576,381	1,212,905	992,656
LPG	KWH	206,794	310,789	335,878
Gasoline for mobile combustion	KWH	3,675,855	2,652,192	2,077,858
Total fuels	**KWH**	**17,517,756**	**15,809,852**	**15,126,687**
Electricity purchased from grid	KWH	332,537,758	340,909,231	344,267,315
Total Energy Consumption	**KWH**	**351,094,304**	**357,243,212**	**359,395,226**
Energy intensity	KWH/ton output	1,180	1,185	1,064

303-1 Water withdrawal

Water withdrawal	Units	2017	2018	2019
Surface water	M³	0	0	0
Groundwater	M³	46,784	48,895	31,606
Seawater	M³	0	0	0
Produced water	M³	0	4,400	21,601
Third-party water	M³	143,845	149,356	158,779
Total water withdrawal	**M³**	**190,629**	**202,651**	**211,986**

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GRI Data Tables

305-1 Direct (Scope 1) GHG emissions

305-2 Energy indirect (Scope 2) GHG emissions

305-4 GHG emissions intensity

Notes: Emission factors are based on country factors (Israel) and IEA published factors from 2017 for other countries. Fuel and emission factors are DEFRA based.

GHG Emissions	Units	2017	2018	2019
Scope 1 emissions from fuels and combustion	Tons CO2E	3,781	3,377	3,398
Scope 2 emissions from electricity – location based	Tons CO2E	153,051	152,461	150,072
Total	**Tons CO2E**	**156,832**	**155,838**	**150,072**
GHG emissions intensity	Tons CO2E/ ton output	0.53	0.52	0.45

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306-2 Waste

Non-hazardous waste by disposal type	Units	2017	2018	2019
Landfill	Tons	1,979	2,177	2,171
Reuse	Tons	7,305	3,763	3,189
Recycling	Tons	2,398	2,492	2,845
Composting	Tons	8	8	3
Recovery (including energy recovery)	Tons	232	248	231
Incineration	Tons	12	12	12
Total non-hazardous waste	**Tons**	**11,934**	**8,700**	**8,452**

GRI Data Tables

306-2 Waste

Notes: Waste excludes Europe

Hazardous waste by disposal type	Units	2017	2018	2019
Landfill	Tons	0	0	0
Reuse	Tons	53	53	49
Recycling	Tons	1	1	28
Total hazardous waste	**Tons**	**54**	**54**	**78**
Total Waste	**Tons**	11,988	8,754	8,529
Hazardous waste as % of total waste	**%**	0.5%	0.6%	0.9%
Waste intensity	**Tons**	0.042	0.031	0.025
% waste to landfill	**%**	17%	25%	25%
% waste recycled/reused	**%**	83%	75%	74%

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GRI Data Tables

401-1 New employee hires and employee turnover

New hires	2017				2018				2019			
	< age 30	age 30-50	> age 50	Total	< age 30	age 30-50	> age 50	Total	< age 30	age 30-50	> age 50	Total
Women new hires	3%	3%	1%	7%	3%	4%	1%	9%	4%	4%	1%	9%
Men new hires	10%	8%	2%	20%	9%	8%	3%	21%	11%	8%	2%	21%
Total new hires	13%	11%	3%	27%	13%	13%	4%	30%	14%	12%	3%	30%
Women leavers	2%	3%	1%	6%	3%	4%	1%	8%	3%	5%	1%	10%
Men leavers	9%	8%	3%	21%	9%	8%	3%	20%	10%	8%	4%	21%
Total leavers (turnover)	**11%**	**11%**	**4%**	**26%**	**12%**	**11%**	**5%**	**28%**	**13%**	**13%**	**5%**	**31%**

403-2 Injury rates

Note: Data for Israel not available. Will be reported in 2020. Rates are based on 200,000 hours worked.

Employees: Injury and lost day rates	2017		2018		2019	
	Women	Men	Women	Men	Women	Men
North America						
Recordable injury rate	9.43	9.32	9.30	10.56	6.64	6.65
Lost day rate	16.13	2.84	51.88	5.11	18.47	14.95
Europe						
Recordable injury rate	3.14	1.52	2.27	1.78	3.18	1.47
Lost day rate	91.25	38.58	108.77	24.92	63.64	45.80
Global						
Recordable injury rate	5.07		5.36		4.33	
Lost day rate	46.74		57.91		38.69	

GRI Data Tables

403-2 Injury rates

Note: Data for Israel not available. Will be reported in 2020. Rates are based on 200,000 hours worked.

Contractors: Injury and lost day rates	2017		2018		2019	
	Women	Men	Women	Men	Women	Men
North America						
Recordable injury rate	7.89	7.80	15.66	9.20	4.45	2.31
Lost day rate	0.00	138.80	0.00	0.00	7.63	2.31
Europe						
Recordable injury rate	1.02	0.75	1.75	7.00	2.56	8.47
Lost day rate	2.03	10.48	12.59	71.36	5.44	213.79
Global						
Recordable injury rate	2.60		6.44		3.74	
Lost day rate	16.02		15.55		33.69	

404-3 Percentage of employees receiving performance and career development reviews

Note: Excludes Israel and Iberia. Global data will be reported in 2020.

Employees receiving performance reviews	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Managers	20	70	90	92	169	261	115	171	286
Non-managers	412	650	1,062	479	716	1,195	500	799	1,299
Total	432	720	1,152	571	885	1,456	615	970	1,585
%Total	41%			45%			50%		

GRI Data Tables

405-1 Diversity of governance bodies and employees

Employees by level and gender	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executives	4	27	31	5	23	28	5	25	30
Managers	142	334	476	150	366	516	148	341	489
Non-managers	1,111	2,699	3,810	1,307	2,933	4,240	1,310	3,091	4,401
Total	1,257	3,060	4,317	1,462	3,322	4,784	1,463	3,457	4,920
% Women	29%			31%			30%		

Employees by level and age	Age	2017	2018	2019
Managers	< age 30	45	43	30
	age 30-50	317	366	329
	> age 50	132	148	154
Non-managers	< age 30	1,074	1,208	1,299
	age 30-50	1,895	2,069	2,068
	> age 50	854	980	1,040
All employees	< age 30	1,119	1,251	1,329
	age 30-50	2,212	2,405	2,397
	> age 50	986	1,128	1,194

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Thank you for your interest in this report.

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