

2023

ENVIRONMENTAL SOCIAL & GOVERNANCE REPORT



Our ESG Commitment

Message From Our President & CEO

Investing in sustainable business practices benefits people, planet and profits. In fact, it's a driving force behind ID Images' reputation as a supplier and employer of choice.

Our commitment to ESG contributes to ID Images' industry leading position as a high quality manufacturer and solutions provider of value added converted labels and products serving brands, retailers and supply chain partners.

Because of our talented team's dedication to including ESG into our policies, processes and products, ID Images continues to unlock new growth opportunities through sustainable and innovative solutions.

We understand that we are part of a global community that reaches far beyond the neighborhood in which we operate. Therefore, we are dedicated to environmental improvements that foster a sustainable future that leads to social and economic improvements within the communities where we do business.

ID Images views ESG as a competitive, profitable advantage. We have for some time. This is nothing new for us. Sustainable business practices enable us to take care of people, planet and profits. Without one, there is no value. This is why ID Images remains steadfastly committed to evolving our ESG principles as a means of delivering value for all who depend on our efforts to deliver a better tomorrow.

We are proud to share our sustainability story with you.

Jeffrey Fielkow

ID Images
President & CEO



Our Environmental, Social & Governance Highlights

ID Images considers a wide array of ESG factors and stakeholder concerns. Weekly and quarterly enterprise wide meetings discuss environmental performance, health and safety, financials, operational efficiency, risk and compliance, customer service, and a host of other matters affecting ESG. The following highlight some ESG factors our stakeholders have identified as the most relevant and impactful to our sustainable business model.



ENVIRONMENTAL

- Sustainable product portfolio development
- Local production manufactured closer to customers
- Technology driven efficiency
- Waste reduction
- Materials innovation
- Reduce, renew, recycle efforts/ lowering carbon footprint



SOCIAL

- Equal opportunity employer committed to diversity and equality
- Workplace health and safety policies
- Communications and workforce engagement
- Opportunities for employee professional and personal growth
- Recruitment and retention policies to attract top talent



GOVERNANCE

- Corporate and supply chain risk management
- Tax strategies and financial reporting
- Employee, environmental, health and safety
- Integrated business management systems
- ISO 9001 Certified Sites 2015
- Quality control programs
- IT security and data protection measures
- Capital expenditure controls and thresholds
- Internal business audits and performance reporting transparency





Environmental

Environmental stewardship is right by any measure. But it's also crucial to winning new business and attracting the best talent. Our product portfolio includes sustainable solutions that cost less, use less, and improve customer profitability. We use less materials. We produce cleaner products. We employ more efficient processes. In short, our commitment to ESG helps secure jobs, save resources and grow profits.

The environment is an important part of our values at ID Images. For this reason, we continue to develop products and processes to help us reduce our impact on the environment.

PRODUCT INNOVATION

It is important for us to offer our customers products that have a smaller environmental footprint, which helps them achieve their sustainability goals. Our portfolio of sustainable products includes linerless labels for less waste, PET & kraft liners for easy recycling, 100% recyclable shrink sleeves, compostable labels to reduce landfill, tree free stone and cane sugar materials, and FSC certified materials for governance of paper products.

LINERLESS:

The Ultimate Eco Friendly Product

Linerless labels are pressure sensitive labels that don't have a release liner. That means less waste, because with traditional labels, 35% of the end product, the liner, is simply thrown away.

Linerless labels are an eco friendly and economical choice that require less paper and reduces customers' overall expenses.

Printing more labels per roll reduces customers' storage needs, transportation costs, and results in more productivity.

LINERLESS ADVANTAGE

- No release liner waste or liner disposal cost
- Greener & less energy usage
- 40% more labels per roll = less roll changes
- Lowers transportation costs & occupies less warehouse space
- More economical because of no more liner
- Dispenses only what is needed
- Faster press speed = no more die cutting

Sustainability Highlights

REDUCE

- Saved 3.5 tons of carbon emissions using local carbon neutral courier service
- Improved raw consumption by down gauging
- Used water based inks from solvent top coatings
- Replaced clamshell lids with thin film lidding
- Digitized processes, reducing waste and set up time, and improving manufacturing carbon footprint
- Deployed high efficiency air compressors
- Transitioned to LED lighting





Environmental

Product Innovation

COMPOSTABLE LABELS

Demand for compostable packaging is increasing across all business segments. Switching to compostable alternatives drives the need for compostable labels. It helps brand owners, retailers and converters meet growing consumer demand for sustainable solutions. It also addresses anticipated legislative requirements on landfill and sustainable packaging. ID Images portfolio includes materials that use biodegradable and compostable adhesive in combination with a range of paper and biodegradable film facestocks



CLEANFLAKE™ LABELS

We offer brand owners a new way to differentiate their products and enhance sustainability. CleanFlake™ labels significantly improve the rPET yield in the recycling process while maintaining the shelf appeal that pressure sensitive labels are known for. Pressure sensitive labels typically limit PET recyclability into food grade rPET due to adhesive contamination. However, CleanFlake™ technology cleanly separates in reaction to the caustic bath, leaving no adhesive residue on the PET flake.

KEY FEATURES

- Allows PET recycling into rPET , reducing fossil fuel usage
- Enables design freedom for self adhesive labels
- Available with rPET liner made from 30% Post Consumer Waste (PCW) content

Sustainability Highlights

REDUCE

- Installed solar panels producing 364,401 kwh/year
- Used FSC (Forest Stewardship Council) paper sources
- Achieved FSC Certification (Canada)





Environmental

ID Images wants to go further than simply offering products that are better for the environment. We strive to minimize the environmental impact of our daily operations through effective use of technology, reducing waste and generating awareness with our employees.

Manufacturing Management

LOCAL PRODUCTION

With 16 plants throughout North America, we can reduce our carbon footprint by producing labels closer to our customers' delivery locations. Carbon footprint efforts also include solar projects for clean energy, recycling initiatives, and consolidating inbound deliveries.



TECHNOLOGY POWERED EFFICIENCY

Using digital technology for short run projects allows us to reduce waste compared to set up on a flexo press. The automation of the step and repeat of our files with Esko's Automation Engine allows us to reduce the waste caused by the reprint of an order.

WASTE REDUCTION

We are working to minimize the waste caused by label production. Employee programs increase awareness of reduction opportunities, and consolidating print runs and using the end of rolls as packaging also helps reduce waste.

MATERIAL INNOVATION

We use a thinner liner than the industry standard. The majority of our competitors use a 2.4 mil thick liner. Our standard is 2.1 mils, which allows us to use 12% less material and put more labels per roll, thus saving transport, storage space and handling. Lightweight liners use less energy to manufacture, use fewer raw materials, and reduce freight costs and packaging waste

Sustainability Highlights

RECYCLE

- Recycle paper and corrugated
- Recycle incoming stretch wrap
- Waste Management "One Stream"





Social

Social investments empower our people to learn, grow, and expand beyond their comfort zone. To attract and retain the best talent, we continue to support what our people care about. We invest in paid days off for volunteering. We encourage people to venture outside their comfort zones, where they learn to confront risk and develop resourcefulness and resiliency. These skills are valuable and necessary for personal success within an increasingly competitive and accelerated world. These investments encourage our people to explore roles outside their normal area of responsibility, pursue learning opportunities, and contribute to society in their own way. Investing in our people fulfills personal passions, energizes innovation and deepens our commitment to one another.

In a competitive market, any way to differentiate ourselves from our competitors is valuable. Our company competes for employees, as well as customers. A strong ESG proposition helps us attract and retain quality employees, boosts

employee motivation, creates a strong sense of purpose, and increases productivity overall.

Highlighting and demonstrating our company's values attracts employees and job seekers who share our values. Positive social credibility increases employee pride, loyalty and referral rates. Building strong connections and supporting all of our people relationships (employees, customers, communities, partners) creates value because it builds resilience. We gain strength as an organization by investing in the greater good.

ID Images commitment to environmental sustainability lies in our value of community involvement. We understand that we are part of a global community that reaches far beyond the neighborhood in which we operate. Therefore, we are dedicated to environmental improvements that foster a sustainable future that leads to social and economical improvements in the communities we do business.

Sustainability Highlights

Our commitment to social impact is defined by these values:

LOYALTY

- We are loyal to our customers and loyal to our employees

INTEGRITY

- We do what we say and say what we do
- We do the right thing

RELATIONSHIPS

- We want to build relationships, not complete transactions

CURIOSITY

- We want to learn and continuously improve





Social

HEALTH & SAFETY

Protecting the safety of our employees and visitors is the most important aspect of running our business. All employees have the opportunity and responsibility to contribute to a safe work environment by using commonsense rules, safe practices, and by notifying management when any health or safety issues are present. All employees are encouraged to partner with management to ensure maximum safety for all.

EQUAL OPPORTUNITY & DIVERSITY

ID Images is committed to creating and maintaining a workplace in which all employees have an opportunity to participate and contribute to the success of the business and are valued for their skills, experience, and unique perspectives. This commitment is embodied in company policy and the way we do business at ID Images and is an important principle of sound business management.

EMPLOYEE DEVELOPMENT

Comfort Zone Challenge

Those who are willing to step out of their comfort zone learn to

confront uncertainty and develop resourcefulness and resiliency. These skills are valuable and necessary for personal and professional success. ID Images seeks to encourage all employees to take part in an activity “outside of their comfort zone”. One time per calendar year, ID Images will reimburse up to \$100 of the cost of activity that an employee has never attempted before.

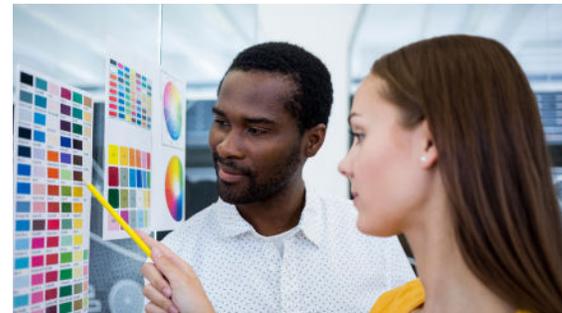
Curiosity Learning Program

The company will financially support one professional or personal development activity per employee, per calendar year, which does not have to be related to their current job or industry.

COMMUNITY ENGAGEMENT

Volunteer Time Off Program

ID Images will grant 8 hours of paid vacation hours to any employee who submits documentation of volunteering at least 4 hours at the charitable organization of their choice. Activities that enhance and serve the communities in which we live and work enriches the lives of our employees.



Sustainability Highlights

AVERAGE EMPLOYEE TENURE

- 8.5 years

AVERAGE CUSTOMER TENURE

- 15 years, within top 10

PROGRAM PARTICIPATION

- Comfort Zone and Volunteer Time Off have very high employee engagement

SAFETY RECORD

- Strong commitment to a culture of safety



Governance



Governance is the foundation of how we define, execute and positively impact people, planet and profits. Transparency, accountability and consistent reporting to all of our stakeholders is crucial to delivering on our ESG promises in a way that benefits all who depend on ID Images to deliver value. How we use resources. How we support our people. How we create and report value to stakeholders across the enterprise. Our ESG commitments stand at the epicenter of how we deliver value. Our strong governance model defines us, guides us, and holds us all accountable.

TRANSPARENCY, ACCOUNTABILITY, COMPLIANCE

Managing risk and ensuring fiscal responsibility across our enterprise depends on transparent communications and sharing of consistent, credible data with all our stakeholders. This is how we hold each other accountable for compliance with our policies, processes and performance goals.

Across more than a dozen locations throughout North America, we regularly share and discuss our commitments and how well we are delivering on those commitments. We hold quarterly, enterprise wide state of the business meetings, as well as monthly and daily facility and department meetings. During these meetings, a wide array of information is discussed, data shared, and actions taken to continuously improve upon how we positively impact people, planet and profits.

COMPANY AT A GLANCE

ID Images, a leading manufacturer of converted label products, specializes in providing label solutions from supply chain management to brand protection. We serve a variety of end markets including Food and Beverage, Consumer Durables, Healthcare and Transportation and Logistics, and operate 16 manufacturing facilities across North America.

Sustainability Highlights

COMMITMENT

Our commitment to sustainable governance is grounded in transparency, accountability and compliance efforts to positively impact people, planet and profits.

- Health and safety
- Sustainable product innovation
- Productivity and efficiency
- Financial performance and risk reduction

