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BI WORLDWIDE Corporate Social Responsibility Report 2021

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Introduction

This report summarizes BI WORLDWIDE’s goal of organizing our efforts around global standards for Corporate Social Responsibility and Sustainability. As a privately held company founded by a visionary entrepreneur, we have always understood the importance of ethical business practices and responsible management of all resources. And of course there is no resource more vital to our enterprise than our employees. This was a founding principle of our organization, and holds true to this day.

This report summarizes our efforts over the last two years, from 2019-2021. Our fiscal year runs July 1 – June 30. Some of the data may reflect our Fiscal Year reporting and will be noted as such.

It focuses on our U.S. operations only, but may reference global numbers as our entire organization is pursuing similar goals.
OUR MISSION:

We are in the inspiration business!

We apply our talent to get people to change their beliefs and behaviors to produce results for our clients. We work with great companies who value their employees, customers and partners.

OUR VISION:

Innovation: Be a recognized thought and market leader. Apply the science of behavioral economics to our client solutions. Partner with leading organizations and academics. Create new markets and applications for our services. Impress our clients with creativity and ingenuity.

Growth: Exceed twice the economic growth in each headquarters country with a healthy product and margin mix.

Culture: Be a “best company to work for” in each headquarters location. Make it easier for all of us to do our jobs through simplification and technology. Celebrate success and learn from failure. Help our people realize their dreams and ambitions. Always be grateful.

OUR VALUES:

Service well done.
Innovate or perish.
Fast is better than slow. Action is better than talk.
Never give up.
In it for the long haul.
Play nice in the sandbox.
Change is inevitable – so get on with it.
Lead, follow or get out of the way.
Help each other.
It's not all about us.
Work hard, play hard, celebrate!
A GLOBAL COMPANY WITH A LOCAL APPROACH.

Our U.S. headquarters is located in Minneapolis, Minnesota. We have more than 25 sales offices throughout the U.S. and headquarters around the world in Australia, Brazil, Canada, China, India, Latin America, Singapore and the United Kingdom. Our worldwide network of offices and partnerships not only give us unmatched local resources but also allow us to deliver culturally-relevant programs and solutions no matter where our customers and their audiences are located.

THE SCIENCE BEHIND OUR SUCCESS.

How did we get to be so good at inspiring people and delivering results? Experience is part of it but it also stems from our unique approach to building solutions. We design and deliver customized employee, sales, channel, customer and event solutions that are grounded in the science of behavioral economics. In other words, we look at how thought and emotion combine to drive human decisions and behavior. We don’t have to guess at what might motivate employees or customers because we use scientific research and data to determine what will really inspire them. Then we act on it.

We also pride ourselves on being a full-service agency, which means we can offer end-to-end, integrated solutions. Looking for an all-employee recognition system and a way to reward your top sales performers? We can do that. Need to launch a new product at your annual dealer conference and provide training for your corporate employees? We can do that too. Our single focus is not on providing a single solution – it’s on partnering with you to understand where your business is headed and combining our variety of solutions to help our customers get there.
My father founded this organization on a passion for building business for our customers. His spirit of entrepreneurship still guides our efforts. We love to be challenged to bring forward innovative ideas and enthusiastically deliver solutions to inspire and engage employees, sales teams, channel partners, and customers in numerous industries around the world.

Since day one of our organization, we have known that delivering results is key to our growth. But HOW we deliver these results is equally important. This Corporate Social Responsibility Report compiles key measures and progress with the goal of sharing it with our employees, customers, and third-parties where appropriate. This is a key step in our journey to hold ourselves accountable in a variety of areas, and we are proud to report our progress over the last two years in areas such as:

- Diversity, Equity and Inclusion
- Employee Wellness
- Impact on the Environment
- Responsible Business Practices
- And many other areas where we can make an impact.

Our 71-year journey will continue with the support and contributions of our leadership team, our 1,400 worldwide employees, 2,800 suppliers, and 376 customers. Thank you for being a part of our efforts.

Larry Schoenecker
CEO
Our key resource: Our Employees

Over the last two years, we have taken great strides to diversify our workforce and create a more inclusive environment for all employees, as well as continuing our efforts around wellness and overall employee engagement.

In 2021, Newsweek Magazine recognized BI WORLDWIDE on their 100 Most Loved Workplaces for employee happiness and satisfaction at work. The magazine specifically called out our Summer of Love program with relaxed dress codes, reduced hours, and frequent concerts on the office lawn.

In 2020 and 2021, we were also recognized as a Top 175 Workplace by the StarTribune.

The culture-focused survey encourages:

• Organizational Alignment
• Better Management
• Emotional Connection
• Increased Effectiveness
• Innovation

Results are shared with the Executive Team and managers, and fuel our HR strategic plan each year. Our goal is continuous improvement and continuing to earn this important recognition annually.
HEALTH AND WELLNESS

We encourage our associates to engage in a healthy lifestyle to the best of their ability. We have created communications and resources in four areas to support employee health and wellness:

- Emotional Well Being
- Financial Well Being
- Physical Well Being
- Social Well Being

These are featured on the BIW Insider (company intranet) To help associates live healthy, active lifestyles, we provide our associates the following benefits:

- Health care (medical, dental, disability, STD, LTD, life insurance)
- Frequent fitness program (Vitality, gym membership reimbursement)
- Healthy savings program (i.e., fresh produce discounts)
- Employee Assistance Program (EAP)
- LSS financial counseling services and webinars
- Walking treadmill desks and adjustable standing desks
2021 Employee Survey Results

Thank you so much for sharing your thoughts in our survey! We learned a lot from you - this shows just a few of the things we learned from across the whole company. Your feedback will help us get better and better at what we do.

2021 Survey Stats

78% Response Rate

Top Scores

These three areas were the most encouraging

Values
BI WORLDWIDE operates by strong values

Innovation
New ideas are encouraged at BI WORLDWIDE

Appreciation
I feel genuinely appreciated at BI WORLDWIDE

2019 Survey Stats

Response Rate: 69%
Comments: 1500

Benchmark
Business Services - 2021
Response Rate: 67%

Selected words from the survey that describe our company culture:

- client-focused
- creative
- supportive
- fun
- fast-paced
- recognition-focused
- hardworking
- inclusive
- collaborative
- inspiring
DIVERSITY AND INCLUSION INITIATIVES

DIRECTOR OF DIVERSITY AND INCLUSION

In March 2021, BIW hired a Director of Diversity and Inclusion who is responsible for leading BIW’s diversity, equity and inclusion efforts.

DIVERSITY AND INCLUSION STEERING COMMITTEE

In September of 2021, BIW formed a Diversity and Inclusion Task Force co-chaired by the CHRO and Director of Diversity and Inclusion and other key stakeholders including the CEO. The D&I Task Force will be responsible for leading the BIW U.S. diversity and inclusion strategy. The D&I Task Force will also:

- Conduct research and survey current BIW associates from underrepresented communities and incorporate key findings and strategies into the D&I plan.
- Set diversity hiring goals for the manager of each region, area, department, and division of the company.

There are three sub-committees that will provide focus on specific areas, including:

- Hiring and Retention
- Learning
- Resource Groups

The hiring and retention group formulated a D&I statement for posting on all job openings:

At BIW, we are committed to creating belongingness, where D&I is a priority. We invite you to join us as we continue to expand our culture of inclusivity, collaboration, and authenticity together.

DIVERSITY AND INCLUSION HIRING

Effective January 1, 2021, hiring managers are required to interview at least one person of color, with a focus on candidates from the Black or African American community, for every position before hiring. The D&I Steering Committee set diversity hiring goals for the company.

DIVERSITY AND INCLUSION SUMMER “UPTURNSHIP” PROGRAM

For the summer of 2021, BIW hired 10 college students of color for “Upturnships,” with assistance from UpTurnships.org. Two of these individuals were hired into full-time positions. Our goal is to continue this program in the summer of 2022.
DIVERSITY AND INCLUSION TRAINING

BIW University features a section entitled “Inclusion Academy” featuring over 13 hours of learning around topics such as:
- How to be an inclusive co-worker
- Cross-cultural communication
- Resources for an inclusive workforce
- Systemic racism explained

For the summer of 2021, all BIW managing directors were required to read “35 Dumb Things Well-Intended People Say” by Dr. Maura Cullen and participate in three (3) book discussions led by the Director of Diversity and Inclusion.

These discussions will be available to all associates in 2022. They are encouraged, not required.

Also in 2022, managers will be required to complete coursework around Unconscious Bias.

<table>
<thead>
<tr>
<th>Area of Reporting</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>Goal FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of workers from minority groups</td>
<td>9.25</td>
<td>12.56</td>
<td>15.05%</td>
</tr>
<tr>
<td>Percentage of women employed</td>
<td>53%</td>
<td>52%</td>
<td></td>
</tr>
<tr>
<td>Percentage of women in leadership positions (Mgr, Dir, VP)</td>
<td>34%</td>
<td>36%</td>
<td>20%</td>
</tr>
<tr>
<td>Percentage of workforce covered by formal collective agreements</td>
<td>&lt;1%</td>
<td>&lt;1%</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Percentage of workforce receiving regular performance reviews</td>
<td>99% of active, full-time employees</td>
<td>99% of active, full-time employees</td>
<td>100% of active, full-time employees</td>
</tr>
</tbody>
</table>

Note: Business Development Associates, approximately 10% of the workforce, have a job-specific performance evaluation process which is conducted on a quarterly basis. The other 90% of associates are reviewed annually using the ADP system in place.
Diverse Workforce Representation at BI WORLDWIDE

Diversity & Inclusion Progress at BIW

Here is an infographic of our journey in D&I - we are listening, learning, and taking action.

Attendance at Training

Summer Reading for Managers
169

What's The Right Term?
82

Juneteenth
100

AAPI Panel
62

LGBTQIA+ Panel
77

National Hispanic Heritage Panel
42

D&I Book Discussion
60

Total sessions attended:
592

New Partnerships

Women in Technology

Prime Digital Academy

Sponsorships

Uptownships organization

General Mills MLK Breakfast benefiting the United College Negro Fund

Coming in 2022

Uptownships return

MLK events

Black History Month event

Unconscious Bias training for hiring managers

Allyship training

Employee Resource Groups

Support of BIPOC Small Businesses

$62,089

spent with BIPOC restaurants in our summer lunch offerings supporting 24 businesses

Darwin food provided by BIPOC small businesses

Committee Participation

Steering Committee
11 associates and leaders

Hiring/Retention Committee
10 associates and leaders

Learning Committee
12 associates and leaders

Resource Group Committee
8 associates and leaders
CAREER MANAGEMENT TRAINING

A vital part of a strong associate base is recruiting the best candidates, onboarding them quickly, and providing a strong training plan based on their unique position in the organization. To do this, our HR and Training Manager work with each hiring manager to formulate a unique onboarding experience for new employees. This includes:

- Assignment of Mentor/Buddy from their new team
- Communication touchpoints starting before the employee’s first day
- Manager checklist to ensure all steps are completed on time
- HR support for questions or concerns that may pop up

Because this process is new, a measurement plan and goals for improvement have not been created yet, but will be in 2022.

**Customize an Onboarding Experience**

**Then:**

**Select My Team > Manage New Hire Onboarding**

The dashboard will show the status of the employees.

Select the Checklist tab. Under action, options to Customize Onboarding and Checklist tasks will appear.

Checklist Tasks can be reviewed and checked off when completed.
NEW ASSOCIATE TRAINING

All new associates are assigned 15 required classes in BIW University to get them off to a good start. These classes are in the following areas:

- Introduction to Behavioral Economics
- BIW Mutual Respect Policy (2 courses – Introduction & Workplace Harassment Prevention)
- Information Security (2 courses – Spear Phishing & Advanced Spear Phishing)
- Customer Service (2 courses – Signature Service and CX3 Process)
- Introduction to BRAVO (Employee Recognition System)
- True Colors (Communication Styles)
- Collaboration
- BIW University Reference Guide
- Meeting Management
- Creating a Timesheet
- BIW Brand
- New Rules of Engagement – Extensive Research Proprietary to BIW around Employee Engagement
**CUSTOMER EXPERIENCE TRAINING AND LEADERSHIP**

Based on employee survey results as well as customer feedback, a senior-level position and company-wide training was created around a new process that we titled CX3. This stands for the three areas of improved customer experience.

This addresses concerns around Execution and Interdepartmental Cooperation as identified on the Workplace Survey, and strives to continue to improve the experience that customers have when working with BI WORLDWIDE.

The three key areas of the process address:

- Strategy – ensuring we are bringing forward solutions that meet our customer's needs
- Design – bringing together all aspects of the solution in a manner that will produce measurable results for our customers
- Implementation – standardizing the process for delivering on-time, on-target and on-budget solutions for our customers

Overseeing the process is Vice President of the Office of Customer Experience, Jeanne Tompkins. This position was created in 2019 to facilitate the process and improve our customer experience. Programs are regularly audited for compliance and results are shared with the organization. Initial development of the process took place in 2019. Initial training took place in December 2019. The process officially rolled out January 1, 2020. Our plan is to report on the audits annually.

**MEASURES**

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2021 Change vs. Baseline</th>
<th>FY 2022 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of the total workforce across all locations who received career- or skills-related training</td>
<td></td>
<td></td>
<td>Career and skills-related training is available to all associates and is taken on an as-needed basis or assigned by their manager.</td>
<td></td>
</tr>
<tr>
<td>Average hours of training per associate</td>
<td>23</td>
<td>27</td>
<td>17% increase</td>
<td>30</td>
</tr>
<tr>
<td>CX3 Audits Performed</td>
<td></td>
<td></td>
<td>NA</td>
<td>20</td>
</tr>
<tr>
<td>% of business units audited</td>
<td>100%</td>
<td>NA</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>
We believe decreasing energy consumption, greenhouse gas emissions (GHG) and materials consumption and waste at our global headquarters is important. We use ENERGY STAR Certification to help gauge the energy efficiency and environmental impact of the five (5) buildings on our global headquarters’ campus in Minneapolis, Minnesota.

ENVIRONMENTAL POLICY AND REDUCE, REUSE AND RECYCLE PRACTICES

We are committed to a long-term sustainable approach to caring for and safeguarding the environment. Over the long run, only a sustainable approach will benefit our customers, our associates and the communities we serve by both meeting our business goals and protecting and improving the quality of the environment in which we all live.

To that end, we maintain a well-defined Environmental Policy and employ Reduce, Reuse and Recycle practices to support this policy. Examples include:

- Recycle all corrugated cardboard and office paper
- Proactively do business with vendors that abide by the Old Growth Forest Program
- Employ building management systems and/or setback thermostats to control environmental conditions based on occupancy and time of day
GREEN TEAM

The 10-member Green Team is responsible for helping define and update our Environmental Policy and Reduce, Reuse and Recycle practices, and communicating and creating educational opportunities surrounding our policy and practices to associates. Efforts of the Green Team were put on hold in 2020 due to the pandemic and the associate base working from home. For 2022, with associates returning the the office, the Green Team will resume providing more frequent communications via the BIW Insider (intranet), email, in-person classes, recorded content and activities designed to reinforce our commitment to these practices.

AIR QUALITY ON CAMPUS

We have invested in new air purification systems for all of our HVAC units across the buildings on our Edina campus. The benefits are:

• The air purification systems use what is referred to as “Needlepoint Bipolar Ionization” technology, commonly referred to as NPBI.
• They work in combination with the existing air filtration which was already in place.
• All systems are UL and CE approved and do not produce ozone or any other harmful byproducts.
• They attract and kill viruses, mold spores and bacteria – 99.4% effective against SARS-CoV-2/COVID-19
• They reduce particles (dust, dander, pollen) in the air through agglomeration. The ionized particles are attracted to each other and then more efficiently captured by the existing air filters.
• They reduce odors, leaving indoor air smelling fresh.
### MEASURES

<table>
<thead>
<tr>
<th>Metric</th>
<th>CY2019 (Baseline)</th>
<th>CY2020</th>
<th>CY2022 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Star Certification (score 75 or higher)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Building 1</td>
<td>77</td>
<td>83</td>
<td>75</td>
</tr>
<tr>
<td>• Building 2</td>
<td>93</td>
<td>98</td>
<td>75</td>
</tr>
<tr>
<td>• Building 3'</td>
<td>39</td>
<td>48</td>
<td>n/a</td>
</tr>
<tr>
<td>• Building 4</td>
<td>78</td>
<td>85</td>
<td>75</td>
</tr>
<tr>
<td>• Building 5</td>
<td>90</td>
<td>94</td>
<td>75</td>
</tr>
<tr>
<td>Energy Consumption (MWh)$^{2,3}$</td>
<td>2,117.98</td>
<td>1,572.61</td>
<td>n/a</td>
</tr>
<tr>
<td>Greenhouse Gasses (metric tons)$^{2,3}$</td>
<td>1,719.20</td>
<td>1,380.60</td>
<td>n/a</td>
</tr>
</tbody>
</table>

1. Building 3 contains BIW’s Data Center.

2. Energy Consumption (MWh) and Greenhouse Gases (metric tons) are calculated using EnergyStar’s Portfolio Manager. These KPIs are reported to the Hennepin County Efficient Buildings Collaborative and the City of Edina, Minnesota in compliance with the city’s requirements for any building over 25,000 square feet.

3. BIW uses ENERGY STAR Certification to gauge the energy efficiency and environmental impact of its buildings. BIW currently does not set specific energy usage targets.
BIW’s Supplier Management and Sourcing Policy applies to all associates who make purchases on behalf of our customers and our organization.

**Our Ethical Purchasing Policy states that:**

BIW has a responsibility to monitor its quality of service by maintaining the highest standards of ethical conduct in all its business transactions. This is especially important in the area of purchasing, where any conflict of interest, real or apparent, could compromise the reputation and best interests of the company. A “conflict of interest” is defined as a situation in which an individual, or their family, may realize personal gain as a result of their position and responsibilities within the company.

**INITIATIVES FOR 2021**

BIW’s Supplier Information Form (SIF) was updated to include verbiage associated with Corporate Social Responsibility (CSR). Within the SIF document specific language is:

Supplier shall adhere to BIW or BIW customer requirements concerning Corporate Social Responsibility standards. For purposes herein, Corporate Social Responsibility Standards include, without limitation, maintaining Supplier business operations that demonstrate fair and ethical employment practices, environment-friendly manufacturing and services, and safeguard against any terrorist activity or funding. BIW also encourages Suppliers to demonstrate philanthropy through support of social causes, nonprofit organizations, local community programs and charities and Supplier agrees to use best efforts in compliance with these expectations.

Percent of dollar spend with suppliers is tracked on these four metrics:
1. Maintain business operations that demonstrate fair and ethical employment practices
2. Environment-friendly manufacturing and services
3. Demonstrate philanthropy through support of social causes, nonprofit organizations, local community programs and charities
4. Safeguard against any terrorist activity or funding
COMPLIANT SUPPLIERS

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2021 Change vs. Baseline</th>
<th>FY 2022 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of dollars spent associated with suppliers with at least one of the four CSR elements</td>
<td>21.3%</td>
<td>24.5%</td>
<td>15%</td>
<td>15%</td>
</tr>
</tbody>
</table>

ETHICS

As a part of our sourcing policy, plus in all areas of work, BIW practices the highest level of business ethics. Examples include:

- All associates must read and agree to the Acceptable Use Policy for Information Security
- Zero Tolerance Theft Policy
- Copyright Infringement Policy
- Customer and Internal Confidentiality Policy
- We have defined a clear policy and definition of conflict of interest when it comes to sourcing and supplier management, with a clear explanation of violations as they pertain to the policy

In 2021, we launched new policy management software to help automate the process of ensuring all employees are trained and the company is fully compliant on key organizational policies. In addition, we are in the process of expanding our measurement and goals in this area for 2022. These measures will be tracked on an ongoing basis and reported annually.

ETHICAL

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY20</th>
<th>FY21</th>
<th>FY21 Change vs. Baseline</th>
<th>FY22 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethics Training</td>
<td></td>
<td></td>
<td></td>
<td>Available for all associates. Not required at this time.</td>
</tr>
<tr>
<td>Number of Reportable Incidents</td>
<td>0</td>
<td>0</td>
<td>--</td>
<td>0</td>
</tr>
<tr>
<td>Number of Security Breaches</td>
<td></td>
<td></td>
<td>BIW does not report this information, except as required by law.</td>
<td></td>
</tr>
<tr>
<td>Other Reportable Violations</td>
<td>0</td>
<td>0</td>
<td>--</td>
<td>0</td>
</tr>
</tbody>
</table>
SUMMARY

This year marks our initial efforts to gather and share this information, with the goal of transparency and continuous improvement. BIW has historically been focused on innovation and leadership, and it is our goal to be a leader in the area of corporate social responsibility in our industry. Here is a list of the Corporate Social Responsibility Team members who continue to drive responsible human and environmental responsibility for our organization.

Human Resources & Facilities

Nancy Martinson, CHRO

Nikhil Enugula, Director of Diversity & Inclusion

Jodi Jovanovich, Communications & Training, BIW University

Kristin Murawski, Director

Vicki Talberg, System Manager

Karen Wantock, Team Leader, Administrative Services

Merchandise Division

Chris Awes, Vice President

Mark Grube, Director, Merchandise Purchasing

Client Services

Walter Ruckes, Vice President, Life Sciences & Healthcare

Scott Smestad, Vice President, Technology Vertical