



What is KEEN's commitment to corporate social responsibility (CSR)?

KEEN vision is to be an outdoor brand that delivers industry-changing, high-quality products for all outdoor enthusiasts, and to demonstrate integrity and leadership, especially on social and environmental commitments, while promoting a more inclusive outdoors community.

KEEN has a **Corporate Social Responsibility** group who are part of the company's efforts linking the ideals of Hybrid.Think™ -- a way of thinking about sustainability and informing consumers about KEEN actions throughout its business operations.

For its North American operations, KEEN established **an employee Green Team** to help implement, measure and report on the effectiveness of the company's recycling, waste prevention, buy-recycled, energy reduction and carbon offset efforts throughout all departments at the corporate office in Portland, Oregon, USA.

Is the environment a focus of KEEN product line?

Yes, **lessening the environmental footprint of KEEN is a core issue** for its business operations and actions in the broader communities.

Some of the best ways KEEN found to reduce its product footprint is to: 1) **reduce or eliminate materials containing toxins**, 2) **reduce waste** in the manufacturing of KEEN products, 3) **reuse materials** wherever possible, 4) **recycle leftover materials** and tooling into new products or processes, and 5) **select sustainable materials** as often as possible.

Does KEEN report on its CSR activities?

The **KEEN Accountability Report, planned for the fall of 2008**, will provide information and supporting metrics on the challenges, successes and disappointments the company is experiencing during the journey toward CSR best practices. The report will be based on the reporting principles of the Global Reporting Initiative [www.globalreporting.org], an international network of business, civil society, labor, and professional institutions developing a Sustainability Reporting Framework to report on economic, environmental, and social performance.

Does KEEN have any fully sustainable products?

Designing and manufacturing **fully sustainable products is the long-term ideal**, although achieving this is challenging, KEEN is proud of the ongoing progress being made in a variety of areas

KEEN employees are committed to constantly looking for ways to improve performance in all business areas. KEEN strives to design products which incorporate the best possible environmental processes and materials, will allow for a measurable difference right at the start of the product manufacturing cycle.

Examples of current best practices and projects include:

- **KEEN shoeboxes are made from 100% recycled post consumer waste** that contains no use of clay coating, helping to reduce water and energy use, and its label uses natural latex glue. Nearly 70% of the shoebox is made from post consumer waste. The remaining

30% of the shoebox is made from secondary fiber, a by-product waste from furniture manufacturing.

- Increasing the utilization of materials to produce as little waste as possible. Using **recycled polyester webbing** on a variety of KEEN products, and **water-soluble glues** or using **vulcanized rubber instead of glue**.
- Introducing **Hybrid.Transport, a new bag and pack line made partially out of footwear waste stream**, including aluminum from mold making, rubber from outsole molding, and fabric from recycled soft drink bottles.
- Using **natural cotton** for canvas. KEEN has chosen not to call this organic cotton until there is a full chain of custody on the cultivation and processing steps. Natural cotton is grown without the use of pesticides on farms that are transitioning their operations to a certified organic farm.
- Leather used in KEEN footwear is purchased from select tanneries that follow best practices for environmental processes as benchmarked by the **Leather Working Group**, a multi-stakeholder group with a mission to develop and maintain a protocol that assesses the compliance and environmental performance of tanners and promotes sustainable and appropriate environmental business practices within the footwear leather industry.

Is KEEN offsetting its carbon emissions?

- KEEN is working to measure the carbon footprint throughout its operations. **The goal is to reduce the overall carbon footprint through KEEN product innovation, use of natural and/or organic materials and a focus on efficiency in production and transportation.** Anyone can simply buy “carbon offsets” and tout that they are carbon neutral. The challenge is to REDUCE KEEN carbon footprints, and this is what the company intend to do.
- KEEN buys **100% renewable energy offset through Portland Gas & Electric’s Clean Wind Program** to supply all electricity needs at the corporate headquarters in Portland, Oregon, USA. KEEN set up this program with Portland Electric & Gas in July 2006.

Where are KEEN products manufactured?

- KEEN is a relatively small privately owned company and the company **contract for production of all products bearing the KEEN name.** With the exception of hosiery, all KEEN products are made outside the United States, principally in Southern China. KEEN manufactures its products in China for three very simple reasons: competitive price, quality workmanship and on-time delivery
- KEEN places orders with contract production facilities, and conduct internal audits in order to determine if they meet the expectations of **KEEN “Workplace Code of Conduct For Contract Production Facilities.”** Where deficiencies are found, KEEN has processes to identify the severity of the issue and to determine if remediation is appropriate.

Does KEEN have a Workplace Code of Conduct?

- Yes, the KEEN “Workplace Code of Conduct for Contract Production Facilities” is a tool to manage KEEN that its contract production facilities conduct their businesses in compliance with KEEN expectations and applicable laws. To manage compliance with

the KEEN “Workplace Code of Conduct for Contract Production Facilities,” **KEEN has a process to: 1) audit facilities, 2) identify issues and deficiencies, then 3) a process to remediate these issues with KEEN contract production facilities.**

- **KEEN reserves the right to terminate its business relationship with any contract production facility which does not demonstrate a willingness to resolve compliance issues in a timely manner.**
- In addition to the KEEN “Workplace Code of Conduct for Contract Production Facilities,” KEEN believes that independent, third-party monitoring is a key part of a broader commitment to transparency. KEEN is in the process of joining the Fair Labor Association (FLA) [www.fairlabor.org] as well as other companies in the outdoor industry and other stakeholders to improve workplace conditions.

What are contract workers paid?

- The section titled “Fair Wages and Benefits” in the KEEN “Workplace Code of Conduct for Contract Production Facilities” states that “KEEN will seek contract production facilities who share this commitment to the betterment of wage and benefit levels that address the basic needs of workers and their families so far as possible and appropriate in light of national practices and conditions. **Contract production facilities shall pay employees, as a floor, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher; and shall provide legally mandated benefits.**”
- KEEN find achieving its expectations in this area problematic with most contract production facilities; KEEN is committed to ongoing efforts in this area. There are no perfect workplaces and there are many challenges associated with making sure these expectations are met; **KEEN is committed to the process of continual improvements and being transparent about the issues the company faces.**

What is KEEN doing to give back to communities?

KEEN partners with environmental and social organizations, particularly those interested in connecting people with the outdoors and conservation initiatives.

What is STAND?

KEEN is launching Hybrid.Stand in August '07 to inspire everyday people personally involved with sustainability and show how they can make a difference. KEEN will be awarding \$150,000 in grants to individuals who submit sustainability ideas -- artists, outdoor athletes and activists.

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