

TARGUS SUSTAINABILITY REPORT

2023



Targus

WORD FROM THE CEO



MIKEL WILLIAMS CEO

Protection is at the heart of everything we do at Targus. From protecting technology, workspaces and well-being, to protecting the world we live in, we understand that we have a responsibility when it comes to people and the planet. That's why I wanted to take a moment to introduce our first sustainability report, a big step in our journey towards building annual goals, monitoring our progress and sharing best practices with transparency and mutual accountability throughout the whole organisation.

When creating this report, it was important to us that we had a tangible and recognised framework behind us, to ensure we have the greatest impact possible. As a result, we've aligned to five key UN Sustainable Development Goals to contribute to measurable, tangible change. So why now?

Since Targus' founding in 1983, we've come a long way. We've expanded, diversified and adapted to the market and to changing consumer trends. In this time our planet has changed drastically as well. As businesses around the world mobilize to combat the climate crisis, we're taking responsibility and pushing for meaningful change. We must all adapt and work together to address climate issues, both by the products we produce and the way we operate our business, including ethical sourcing from our worldwide supply chain partners. We're proud of the strides we've made over the years to reduce our impact, but there's more we can do, and we're excited for everywhere this journey will take us.

From our first EcoSmart products, made from recycled plastics, we have moved to more varied and sophisticated eco-friendly product strategies. In 2020 we responded to increased demand and market trends towards sustainable business, with the launch of our Cypress Collection, and in 2021 we expanded our range to include tablet cases, all of which have been designed with the circular economy in mind. Looking to the future, we're expanding our concept of EcoSmart to include more innovation, more tech and less waste. These initiatives, along with the lifetime warranty on all our soft and hard case products, demonstrates our commitment to limiting our impact. But we know there's still more to be done.

Now is the time for us to lay out where we are, and where we're going. Not only for what we make but for everything we do as a business. We're on a mission to make sustainability part of our DNA.

So welcome to our first sustainability report. I'm incredibly proud of how far we've come and the journey we're embarking on. I invite you to read this report and follow our progress. Thank you.

MIKEL WILLIAMS
CHAIRMAN & CEO

**PROTECTION IS
AT THE HEART OF
EVERYTHING WE DO.**

MIKEL WILLIAMS



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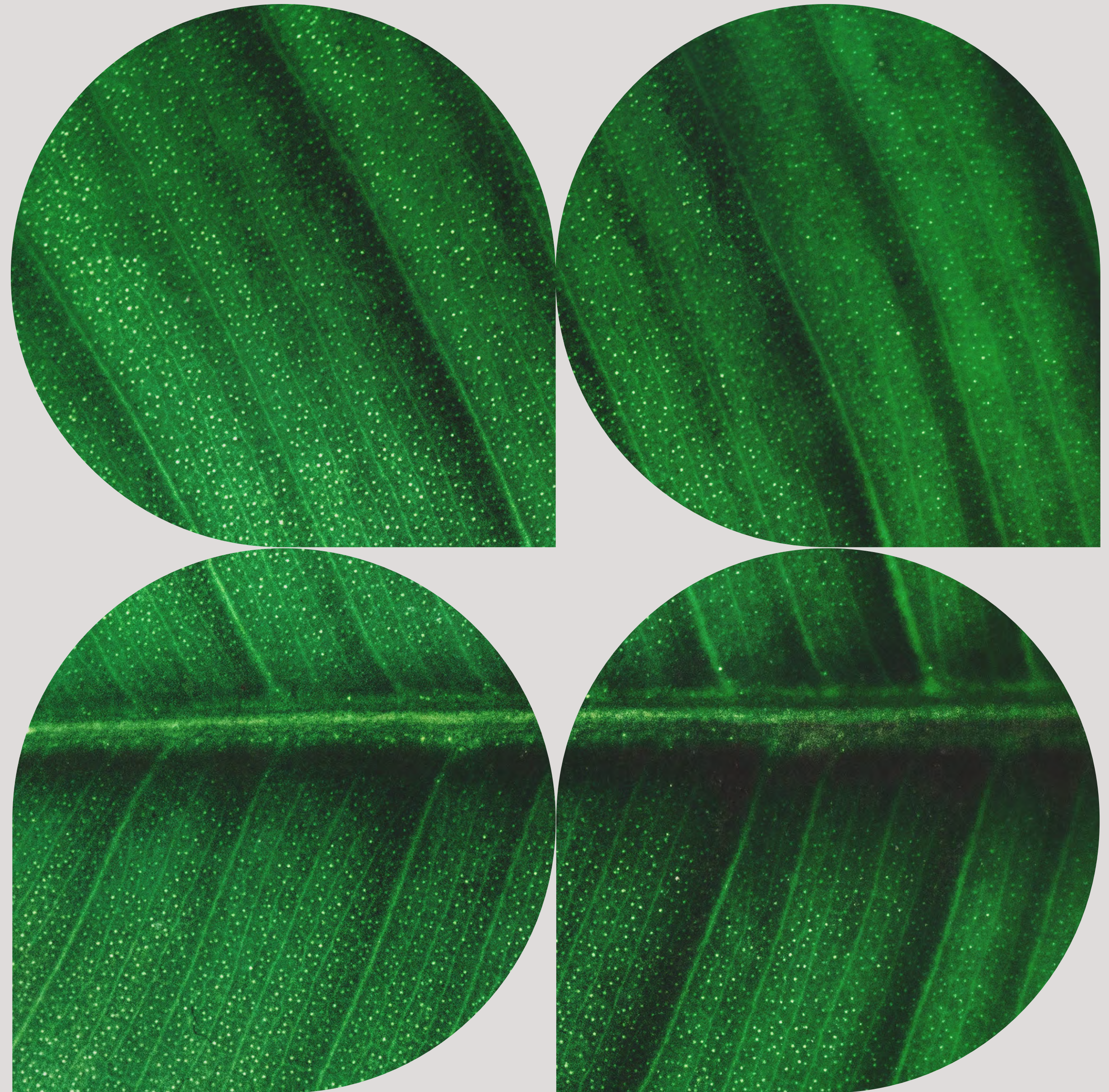


THE REPORT

For 40 years, the Targus brand has been known for delivering the highest quality and innovation.



Since the company's inception, we've rapidly grown and evolved, adapting to new markets, new technologies, as well as global trends. Now, with an increasing urgency to address the climate crisis and find ways to tackle it, we know that as a global business, Targus has an important role to play. That's why, we're continually looking inwards to understand our business's impact on the environment and take action to reduce it.



WHY CREATE A SUSTAINABILITY REPORT?

It's clear that sustainability is key to how Targus does business.

It's clear that sustainability is key to how Targus does business. While we've taken steps and made some good progress, we know there is so much more to be done. With the climate crisis worsening, the responsibility of businesses to reduce their carbon footprint is becoming more apparent. That's why we're standing up and making our intentions to people and the planet clear.

This report gives us the opportunity to communicate clearly and coherently what we're doing to support common sustainability goals. Also, by aligning our journey to the UN Sustainable Development Goals (SDGs), we're able to track and measure our progress and ensure that we contribute to a greater collective impact.



The report will also allow us to:

- Tangibly and transparently audit the business on sustainability actions
- Bring together individual actions and focus them towards clearly expressed goals
- Uncompromisingly communicate our successes, as well as areas for improvement
- Explicitly state Targus' corporate responsibility and hold our business accountable

To communicate our strategy and actions we've structured this report into three sections: our business, SDGs, and roadmap. The first section is an overview of our company, from our eco-friendly products to sustainability within our corporate culture. The SDG section establishes the UN Sustainable Development Goals that Targus has prioritized as a company, and what actions we are taking to support them. The roadmap section focuses on the future, looking forward to our company's goals and commitments within this space.

With that, welcome to Targus' first sustainability report. We can't wait to share our journey!



OUR STATEMENT

TARGUS IS DOING MORE TO IMPACT LESS.

As a leader in laptop cases and tech accessories, Targus strives to be a force for positive change. With a clear focus on putting people and planet first, we are on a mission to make sustainability part of our DNA. We are striving to reduce the impact on our planet, improve sustainability in our day-to-day activities and to develop circularity, from sourcing and packaging to distribution and partnerships, and beyond.

OUR STATEMENT

OUR STATEMENT

OUR STATEMENT

TANGIBLE IMPACT

We believe that our commitment to change and circularity needs to be tangible, so we're doing more to quantify and improve our actions. Targus is demonstrating it will walk the walk with increased emphasis through reporting and certification, improved transparency in our supply chain and a clear CO2 footprint reduction strategy aligned with the UN Sustainable Development Goals.

OUR STATEMENT

OUR STATEMENT

02

SUSTAINABILITY AT TARGUS





OUR ZERO WASTE BACKPACK IS THE FIRST OF ITS KIND, DESIGNED TO INCORPORATE THE PACKAGING INTO THE FINAL PRODUCT.

17M

Up to 17 million bottles of plastic recycled so far to create EcoSmart products – that's a saving of over 1,000,000lbs of CO2 compared to virgin plastic.

We're working with logistics partners to carbon offset our shipping CO2, with all shipping from Asia to Europe now carbon neutral.



IFA 2022

Targus hosted our first ever carbon-negative global event at IFA Berlin 2022.



5,808

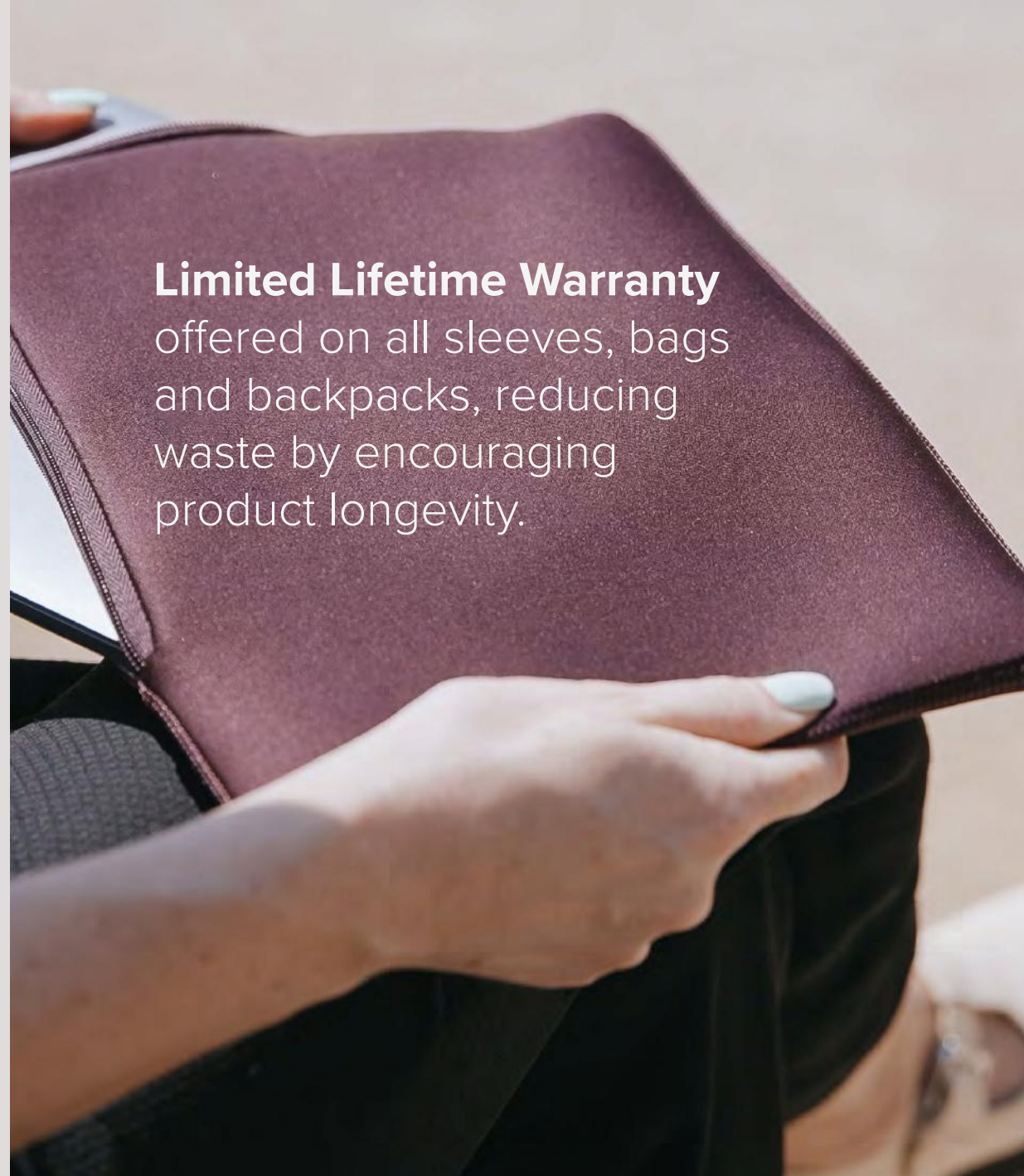
Targus teamed up with Treekly to plant 5,808 trees, providing 58 days of work and capturing the equivalent of 319 tons of CO2.



AWARDS

CES Eco Award Winners 2023 for the Targus® Energy Harvesting EcoSmart™ Keyboard.

CES Eco Award Winners 2022 for the Cypress Hero EcoSmart® Backpack with Apple® Find My™ Technology.



Limited Lifetime Warranty offered on all sleeves, bags and backpacks, reducing waste by encouraging product longevity.

<1%

A **<1% return rate** on our bags and backpacks, showing that our products are made to last.



PLASTIC WRAP ON ALL OUR EUROPEAN PALLETS REPLACED WITH REUSABLE RUBBER BANDS TO REDUCE PLASTIC WASTE.

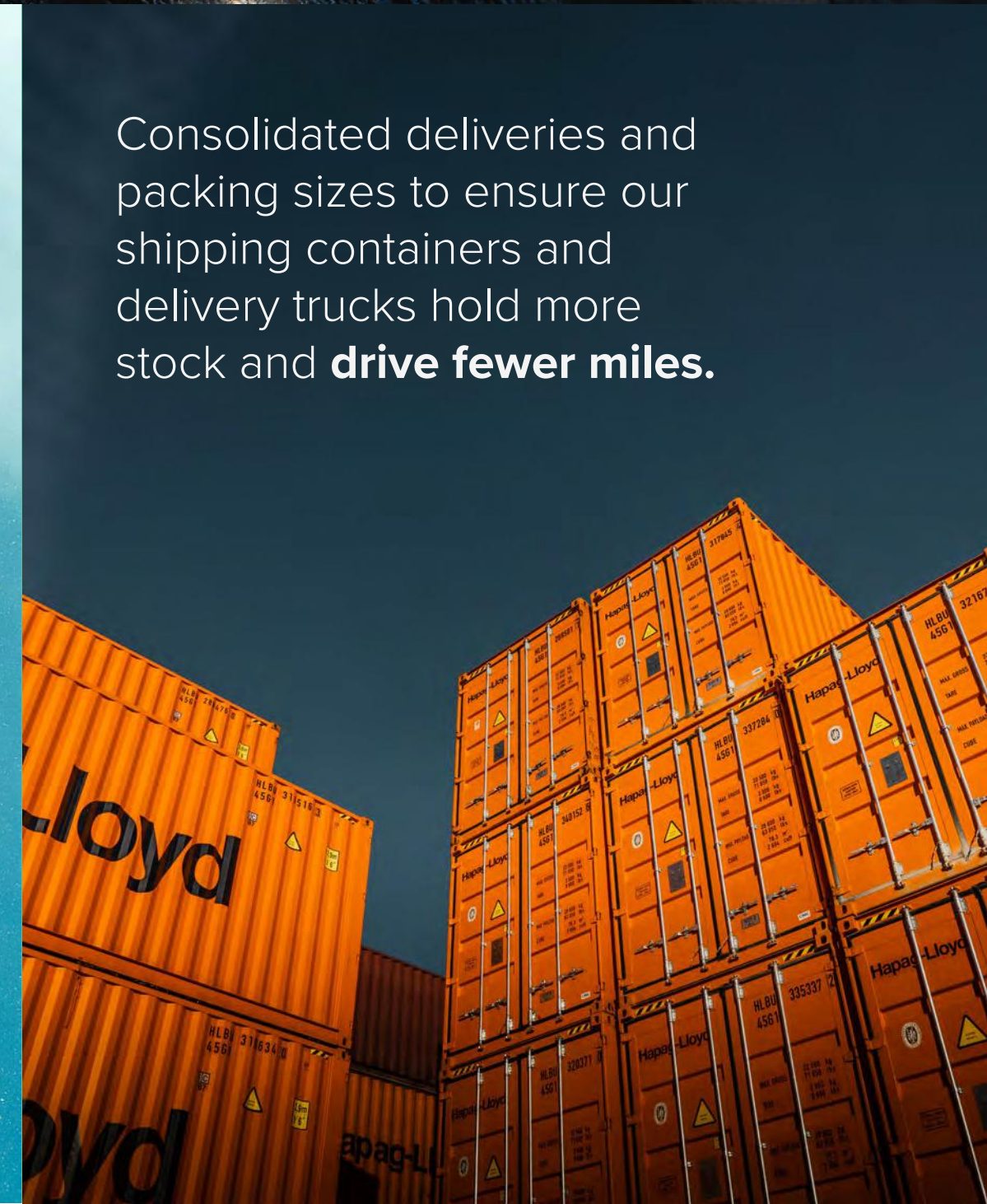
15 YEARS

2023 MARKS 15 YEARS OF ECOSMART, USING RECYCLED MATERIALS TO CREATE OUR PRODUCTS.



CO²

Our US warehouse has switched all forklifts to **electric models**, reducing their CO2 impact.



Consolidated deliveries and packing sizes to ensure our shipping containers and delivery trucks hold more stock and **drive fewer miles.**

COMPANY PROFILE

Founded in 1983, Targus has global operations in over 45 offices and distribution in more than 100 countries across the globe. Our mission drives us, our passion fuels us and our customers make us everyday, inspired.

REGIONAL HEADQUARTERS

US & LATAM

Anaheim, USA

EMEA

Staines, England

AUS & NZ

Sydney, Australia

CANADA

Toronto

ASIA PACIFIC

Hong Kong

GLOBAL DISTRIBUTION

WORLDWIDE PRESENCE

- + Worldwide Headquarters Anaheim, CA
- + 45 regional offices

GLOBAL DISTRIBUTION

- + Distribution in over 100 countries
- + Partnered with major distributors

WORLDWIDE SUPPORT

- + Industry leading warranties
- + In-region customer service



REGIONAL MARKET CONTEXT

Our customers are what keep Targus going. As Targus moves forward, both as a business and a force for positive change, it's key to our success to understand what sustainability means to organizations and individuals around the globe. Through regular independent research and working with thousands of office workers and decision-makers from key markets, we're learning what matters to our customers.

US & CANADA

North American office workers are rejecting fast fashion, making purchasing decision based on long-lasting products, quality of materials, and longer warranties.



North
America

EUROPE

Eco concerns are high among Europeans, with office workers consistently rating sustainability and eco-friendly measures as a top priority.



Europe



Aus/NZ

AUSTRALIA/NEW ZEALAND

In Australia and New Zealand companies are stepping up, with 87% of organizations reporting sustainability measures.

Source: Targus Empower Your Life Survey, November 2022, n=1,000 senior business decision makers and 6,000 people in North America (US and Canada) and Europe (UK, France and Germany)

AMERICA

A CLOSER LOOK

More than any other region, the US sees sustainability as a motivation for where people choose to work. An overwhelming number of top-level decision makers stated that sustainability initiatives have a positive effect on employee recruitment (95%) and retention (94%).

65%

Two thirds (65%) of Canadians think that sustainability should be a top priority for all businesses.

There are some notable regional differences in how organizations are approaching sustainability. Firms in Canada are more likely to be trying to print less (47%), while firms in the US are focusing on giving back to the community (48%).



BUYING TECH

While nearly half of all Canadians agree that sustainability influences their tech-buying decisions, they're still less likely than their US counterparts to pay more for eco products.

72%

The US is top across North America and Europe for prioritizing products that last, with 72% agreeing that they buy fewer fast fashion products and invest in long-lasting products.

EUROPE

A CLOSER LOOK

STAYING LOCAL

The French are staying local, with a higher proportion of domestic business travel vs international travel than any other country. They also drive less, relying more on walking and cycling than other countries.

78%

4 out of 5 (78%) of French office workers agreed that sustainability should be a top priority for all businesses.

PLASTIC PROBLEM

Plastic is a problem and the UK knows it, rating the reduction of disposable plastics as one of the top focuses for organizations.



In Germany, eco-friendly tech protection was one of the top 5 considerations for people when buying a tech bag or case, above extra pockets and airline compatibility.

38%

Working for eco-friendly companies is important to the Brits, with 38% stating that sustainability values and policies are a key consideration when picking an employer.

German organizations are motivated by emissions, rating carbon footprint reduction and green energy as the biggest focus areas for sustainability in businesses.



Source: Targus Empower Your Life Survey, November 2022, n=1,000 senior business decision makers and 6,000 people in North America (US and Canada) and Europe (UK, France and Germany)

AUS & NZ

A CLOSER LOOK

1 IN 3

1 in 3 Australian businesses have made changes in their working environment and policies to increase sustainability.



Employer habits matter in Australia and New Zealand, with 80% of businesses finding sustainability to be important to talent retention.

65%

Two thirds (65%) of Australian and New Zealanders are buying less fast fashion and investing in longer-lasting products.

OUR VALUES

Sustainability should be a top priority for all businesses.

01

BE INSATIABLE CREATORS

Have a bias for action, a hunger for curiosity and an appetite for change

02

WALK THE WALK

Lead by example with honesty and integrity and match your words with action

03

PUT WE BEFORE ME

Foster global collaboration and work in harmony with our customers to deliver the best for our individual users

04

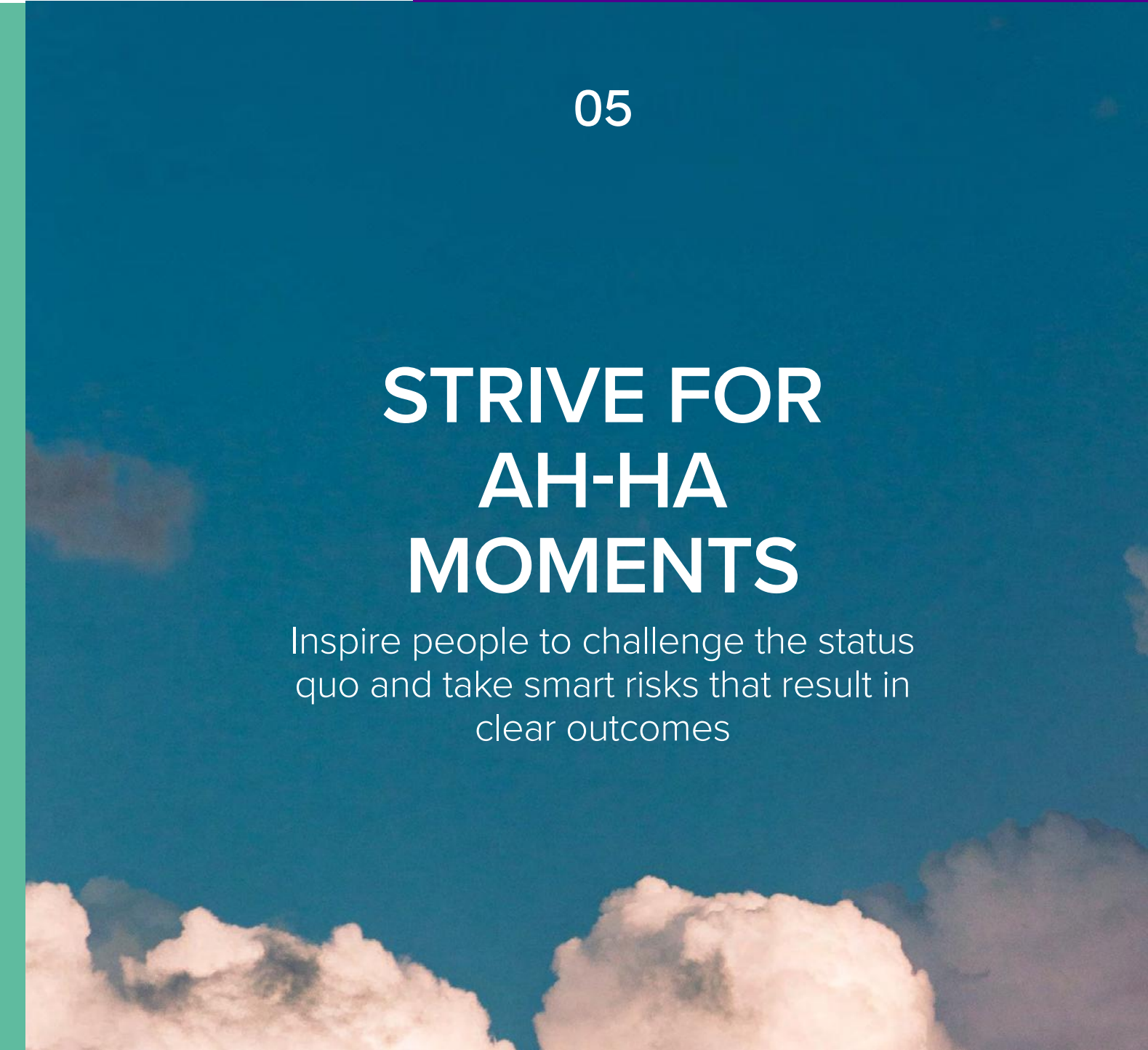
OWN THE WIN & CELEBRATE IT

Go all-in, be proud of victories and inject some fun

05

STRIVE FOR AH-HA MOMENTS

Inspire people to challenge the status quo and take smart risks that result in clear outcomes



TARGUS ECOSMART PORTFOLIO HIGHLIGHTS

Launched in 2020, Cypress is our most successful EcoSmart® range with over **250%** global sales growth in last two years¹

250%



EcoSmart® grew from **8%** of total soft case sales in 2020 to **14%** in 2022²

14%

Using recycled plastic has saved over **1,000,000lbs** of CO2 (compared to virgin plastic)³

1,000,000

¹ Source: Targus global sales revenue figures for financial years 2020-2022

² Source: Targus global sales revenue figures for financial years 2020-2022

³ Source: Comparative Global Warming Potential research by the Association of Plastic Recyclers

⁴ Source: Recycled materials by weight and Targus global sales figures for financial years 2008-2022

17m

BOTTLES RECYCLED

Over **17 million** plastic bottles recycled⁴

THE ECOSMART JOURNEY (SO FAR)

Spruce™: The first ever EcoSmart line was introduced in 2008, leading the way in the market for recycled textile laptop & tech protection.

Cypress™: Our flagship EcoSmart collection, Cypress was the first from Targus to introduce a “bottle count” of recycled materials, now printed on the lining of every EcoSmart bag.

Mobile Tech Traveler: An ambitious pair of high-capacity, travel-ready cases, each Mobile Tech Traveler bag contains between 35 to 37 recycled plastic bottles.

1

2

3

4

5

6

Balance™: Designed for ergonomics and air flow, the award-winning Balance collection proved that Targus could deliver eco-friendly device protection without compromising quality or innovation.

MultiFit: The form-fitting and ultra-lightweight EcoSmart Multifit Sleeves represent the highest percentage of recycled content utilized in any Targus products to date, reaching 82%.

Sagano™: Created at a more accessible price point to reach a wider audience, the Sagano™ collection is set to be one of EcoSmart’s most successful ranges for 2023.

ECOSMART TABLET CASES

The Targus EcoSmart Tablet Cases, launched in 2021, are the first EcoSmart products outside of the bag category and the first to have been designed with a full end-to-end circular economy strategy in mind. Combining materials created from post-consumer waste with innovative biodegradable plastics, EcoSmart tablet cases represent our next step in eco-friendly tech protection.

Our EcoSmart portfolio is growing into new categories within our company, making this holistic approach to product design increasingly important.

▶ WHAT GOES AROUND COMES AROUND

Created using recycled waste and biodegradable materials, EcoSmart tablet cases combine high performance protection with sustainable design.

THOUGHTFUL LIFE CYCLE

- + Biodegradable components designed to decompose
- + Made to last with a lifetime warranty

BETTER MATERIALS

- + Up to 73% eco friendly content
- + Same high performance and military grade drop testing



SMARTER DISTRIBUTION

- + 100% recycled transit packaging
- + Hemp rope & recycled sealing tape

SUSTAINABLE DESIGN

- + Covers and lining made from post-consumer recycled materials
- + Bio & fossil-based biodegradable tray

ZERO WASTE BACKPACK CONCEPT

Due for release in 2023

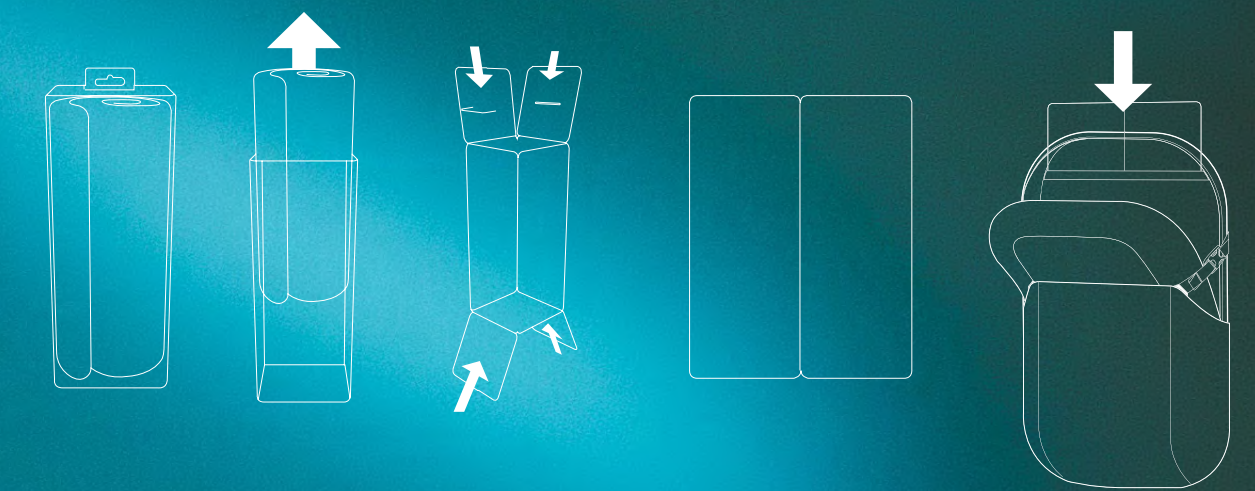
Due for release in 2023, Targus' Zero Waste Backpack is the market's first backpack made from recycled post-consumer plastic, that fully incorporates its own packaging into the bag itself. The recycled product packaging is folded down and used to form the internal structure of the bag to create its stiff, protective frame. This way, it consumes its own packaging to ensure that nothing goes to waste. The packaging is designed to be easily stackable to optimize shipping and in-store space.

Large main compartment to hold your other possessions

Dedicated compartment to hold laptops up to 16"/40.6cm screensize

Zero Waste
All packaging is utilized in the product. Fold down the box and insert into the dedicated pocket

Front stash pockets and water bottle pockets



CYPRESS™ HERO ECOSMART BACKPACK

with Apple® Find-My® Technology



The future of EcoSmart is innovation. At Targus, we don't want to limit sustainability to the same products, we want to push eco-friendly design to the forefront of our portfolio and create products from the ground up. The Cypress Hero EcoSmart® Backpack with Apple® Find-My™ Technology does just this by combining high-impact recycled materials with industry-leading smart technologies.

The Cypress design backpack is woven from 26 plastic bottles and introduces a new level of security for the belongings you carry inside. Featuring an integrated tracking device that's fully compatible with Apple®'s Find My app, the backpack can send a signal to your iPhone, Apple® Watch, or other iOS device from anywhere, ensuring you never lose your most valuable items.



Apple, Find My, iPhone, and Apple Watch are trademarks of Apple Inc., registered in the U.S. and other countries. iOS is a trademark or registered trademark of Cisco in the U.S. and other countries and is used by Apple Inc. under license.

FUTURE PRODUCT DEVELOPMENT

2023 is set to be a huge year for the Targus EcoSmart portfolio.

Breaking out of the bags and cases space, this year we're expanding EcoSmart to include high-performance tech accessories. The collection of EcoSmart keyboards, mice, and presenters, due for release this spring, will use ultra-low-power Bluetooth® Low Energy technology, as well as up to 70% post-consumer plastic materials in the products to provide an enhanced and sustainable experience.

From the Energy Harvesting EcoSmart™ Keyboard's solar power capabilities, to the EcoSmart™ Ambidextrous Mouse's completely universal approach to ergonomics, we're moving towards a future of tech accessories where smart design and sustainability are inextricably linked.

LOOKING AHEAD
LOOKING AHEAD
LOOKING AHEAD
LOOKING AHEAD
LOOKING AHEAD



2023 is set to be a significant year for the growth of the Targus EcoSmart portfolio. We're expanding our adoption of new materials, categories, and ways to think about what truly makes a product sustainable.

We're working to bring our first Ocean Bound Plastic Certified PET (recycled polyethylene terephthalate) bag to market, specifically targeting plastic waste at risk of ending up in our waterways. Exploring these types of new materials helps us to ensure that our sustainability efforts are both strategically targeted and cohesive with our UN Sustainable Development Goals (SDGs).

PARTNERSHIPS

Targus has always been a company built on strong partnerships, nurturing new and long-term relationships at every stage. We know our journey to become a more sustainable company cannot be achieved alone.

As we discover what sustainability means to Targus and quantify our business's sustainability goals, we are working closely to both educate and learn from our partners. From hardware manufacturers and third-party material suppliers, to distribution and retail, the companies and individuals we work with serve to both challenge and support our sustainability efforts, and in doing so motivate us to do more.

Hardware Partners

While we pride ourselves on a universal portfolio designed to work with all major devices, our strong working relationships with Targus' key device manufacturers are essential to our success. We are proud to be a Global Tier 1 Accessory Partner with Samsung, as well as a partner in the Samsung Mobile Accessory Partnership Program (SMAPP), and a Samsung Knox Partner and DeX Accessory Partner. Targus is also a Microsoft® DfS (Designed for Surface) partner, a Google Works With Chromebook partner, and a trusted accessory partner to Dynabook.

Working alongside these device manufacturers that we partner with allows us to create unique product lines to provide customers with more sustainable options to protect their tech. View our EcoSmart portfolio overview on page 13 for more information on how we're doing this.



PARTNERSHIPS

BY WORKING **TOGETHER**
BUSINESSES CAN SUPPORT
EACH OTHER TO REACH OUR
SUSTAINABILITY **GOALS**

OEM & Alliance Partners

Since our first OEM project with IBM 40 years ago, Targus' ethos and product portfolio have created a unique opportunity for our Alliance projects. Four decades later, we continue to work with industry leaders to align with their sustainability visions and requirements and develop new ways to innovate. Working with companies like Dell, Hewlett-Packard (HP®), and Lenovo®, Targus develops products and collections that are more sustainable. One such example is utilizing recycled plastic in our accessories to complement our OEM customers' devices. This results in laptop bags and carrying case solutions that have a reduced impact on the environment. With Dell we've gone even further, using ocean-bound plastics to bring their EcoLoop™ collection to today's eco-conscious businesses and consumers.

In every case these partnerships represent a mutually beneficial relationship. While Targus helps to source and test new materials and products used by our Alliance partners, this research also informs and advances our own eco-friendly ranges. We believe that this level of collaboration is the key to having a meaningful impact. By working together, businesses can support each other to reach their sustainability goals.

EcoLoop™ is a trademark of Dell Inc.



Channel & Distribution Partners

The importance of channel and distribution partners to sustainability at Targus cannot be overstated. Our extensive network enables our company to inform and inspire our customers, communicate our messaging and get our EcoSmart products into the hands of our customers. Without these key partners it would be impossible to achieve our goals.

Our channel partners also help us to progress our sustainability actions by holding us to their own roadmaps and standards. Incorporating these external benchmarks into our everyday operations ensures that we never become complacent. We continue to push ourselves forward and work together toward achieving greater and more ambitious environmental goals.





03
**SUSTAINABLE
DEVELOPMENT
GOALS**



OVERVIEW OF SUSTAINABLE DEVELOPMENT GOALS

Supporting the Global Initiatives with UN Sustainable Development Goals

Why align with the UN Sustainable Development Goals?

At Targus, we take our sustainability journey very seriously. This means looking inward and focusing on clear goals and targets to ensure that we contribute to genuine, tangible change. We've aligned our journey with the UN Sustainable Development Goals (SDGs) to implement a solid strategy that is driven by transparency and accountability.



It is vital to us that we have strong, globally recognized standards to consolidate and communicate our journey. The SDGs act as a compass for aligning countries' and organizations' plans with their global commitments, offering a blueprint for positive action throughout the world. The SDGs provide a solid framework that allows our company to not only track and measure our progress, but also ensure that we contribute to a greater collective impact.

By working toward these common goals, we are unifying with an unprecedented network dedicated to creating real change.



HOW DID WE CHOOSE OUR SUSTAINABLE DEVELOPMENT GOALS?

At Targus, this is only the start of our sustainability journey, and while we've been taking steps to reduce our impact over the last few years, we know we still have a way to go. As a result, we've chosen to align with five of the 17 UN Sustainable Development Goals where we believe our company can have the biggest impact.

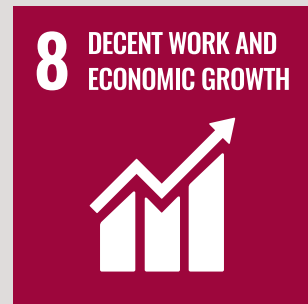
THE GOALS WE HAVE CHOSEN TO ALIGN WITH ARE:



Each of these SDGs has been chosen after taking a close look at our previous accomplishments, as well as our careful consideration of how Targus can shape its future actions. This included collating our organization's activities from every department across every continent, from big to small, and organizing these by impact areas.

Having identified our strengths within the sustainability sector and the areas where we need to improve, our company's sustainability roadmap now sets out to build on those foundations. Working through extensive audits, projections, and impact analysis, Targus has ensured that we are aligning with the Sustainable Development Goals in the specific areas where we can have the most positive change.

SDG 8: DECENT WORK AND ECONOMIC GROWTH



While the previous chapters of this report have looked at sustainability at a product material level, this chapter is focused on a different resource: people. Sustainable Development Goal 8 emphasizes promoting sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all. For Targus, this means providing secure and productive workplaces that drive progress, provide fair income, and aid personal development.

► ECONOMIC GROWTH

Since inception, Targus has expanded and evolved as a company, but our people remain key to our success. At the time of publication, we employ over 400 people in five continents and dozens of countries across the globe, from Delhi to Dallas and countless cities in between. As our company grows, showing consistent year-on-year growth on a global level, so does our investment in our labor force, growing 3% in FY2022. This is how we ensure that the economic growth of our company is a vehicle for secure and productive employment around the world.

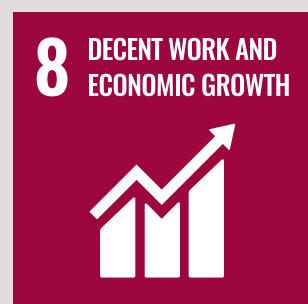
► ETHICAL SOURCING

We take ethical sourcing very seriously. This means that any supplier we work with must meet our standards of “Fair and Ethical Business Practices”, ensuring they operate in a fair and ethical manner. To achieve compliance with our Supplier Code of Conduct, all suppliers are obliged to safeguard against harassment, abuse, discrimination, corruption, extortion, and forced and child labor. Health and safety are also important considerations for Targus, with provisions in place throughout our global organization to ensure safe, clean, and healthy working environments, along with regulations on hours of work and minimum days off.

All suppliers are required to offer at least minimum wage by local law, and guarantee the right to association.

As part of our commitment to the environment, we require at a minimum that all suppliers comply with local environmental legislations and endeavour to reduce their impact. This includes prioritizing waste reduction, emission reduction, and energy-saving projects and initiatives. To ensure that our strict and specific standards are met, all suppliers and third parties are held to frequent audits, including an initial SER (Social and Environmental Responsibility) audit for new suppliers and an regular SER audit for existing suppliers. In addition, key suppliers and manufacturing facilities are subject to EICC/RBA audits by a third party.

SDG 8: DECENT WORK AND ECONOMIC GROWTH



WORKING CONDITIONS

Targus prides itself on providing excellent working conditions. This is fundamental to who we are as a company. From connectivity to ergonomic solutions, everything Targus does is designed to allow people to work in the best possible way. Living this vision internally means flexible working, with office staff supported in remote work environments where possible.

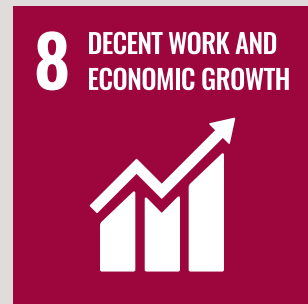
Wherever the team works, health and wellbeing are front and center. Mental health support is available to employees, as well as private healthcare in applicable countries, supported by annual wellbeing initiatives.

At Targus, we truly believe that progression is important to a healthy workplace, which is why we review the performance of each and every full-time staff member regularly. This is underpinned by a development path and personal growth goals.

To ensure that Targus is a welcoming and accommodating workplace for everyone, employees are also trained on equality, diversity, and workplace ethics. Every effort is made at the recruitment and retention stages to improve our company diversity, but we know we have a way to go here.



SDG 8: DECENT WORK AND ECONOMIC GROWTH



BEYOND TARGUS

While providing adequate work for our own people is extremely important, we also have the unique opportunity to help others. As a designer of work-centric products, we are able to support working and learning for groups and individuals far outside our own organization. As a result, we've been working with charitable causes across the globe to provide funding and donations of high-quality equipment, designed to facilitate better learning and working opportunities.

We also encourage activities that give back to local communities, providing volunteering opportunities and organizing group actions to support worthwhile causes.



SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION



With such a significant emphasis on product quality and longevity, it's no surprise that we have chosen to align with an SDG that is focused on the journey and life cycle of a product. Targus knows that every product we manufacture and sell has a cost associated with it, and it is our responsibility to measure, assess, and minimize the impact of our production and consumption of our products on the environment. While there is no such thing as a completely sustainable product, there are products created that use the best materials, are designed to last, and can be reused again and again. Targus prides itself on delivering products that achieve these goals.



► LIFETIME WARRANTY

Every Targus bag, slipcase, backpack, and tablet case includes a limited lifetime warranty as the standard for its lifetime of ownership. This type of warranty demonstrates our company's commitment to long-lasting quality products and rejects the acceptance of creating fast-moving, low-quality consumer goods. Instead, we're helping to tackle overconsumption by providing products and solutions that are designed to last. This dedication to quality and longevity has proven itself over time, as evidence of a less than 1% return rate on our bags. A bag that lasts means less waste and less resource consumption, which is better for our customers and the planet.

► RECYCLED MATERIALS

For 15 years, Targus has been using recycled materials to create some of our best-selling products. To date, our EcoSmart® products have diverted more than 17 million bottles from landfill by shredding post-consumer plastic into micro-pellets that are heated and spun into high-performance GRS-certified fabrics.

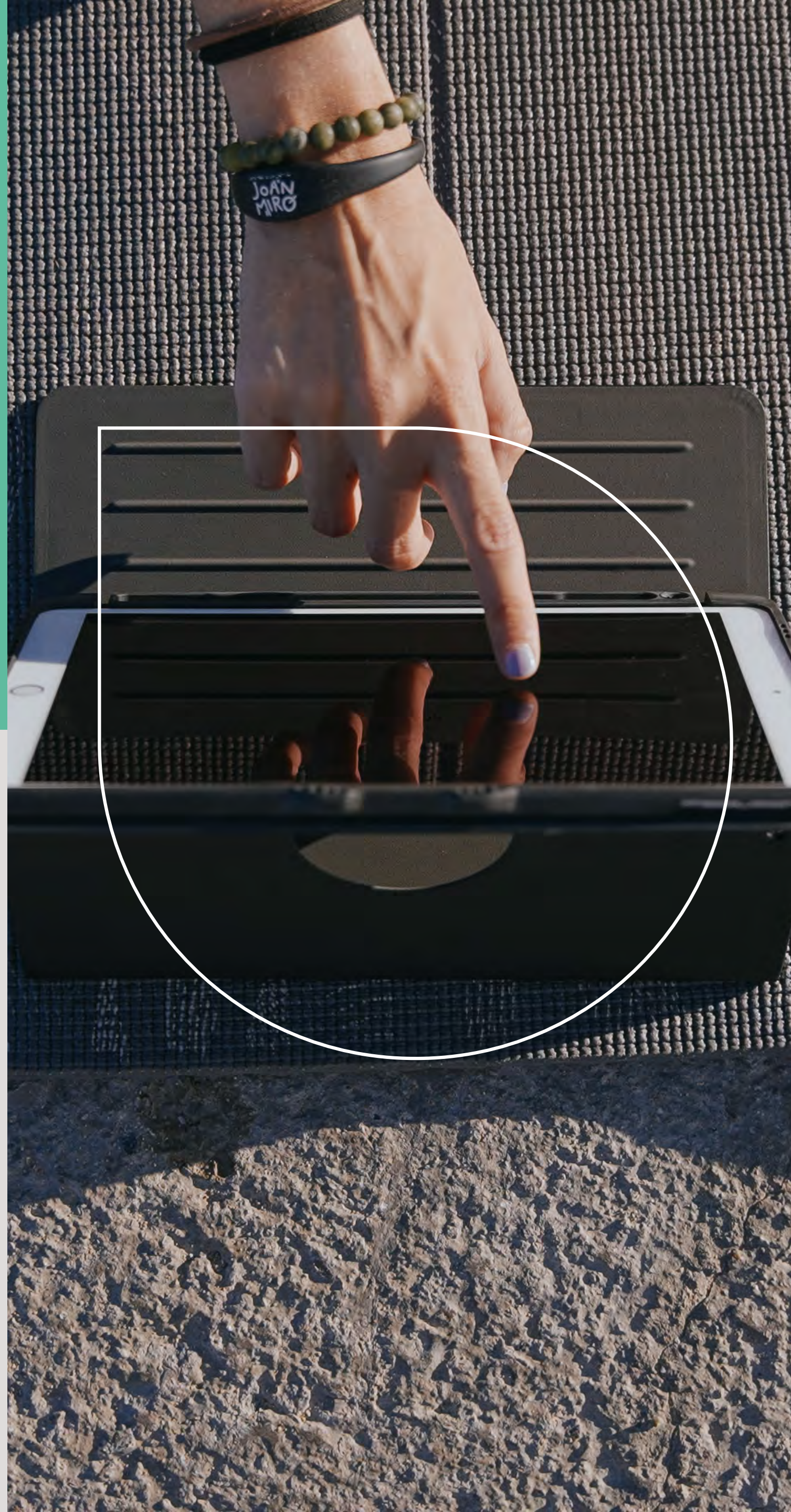
Every EcoSmart product is printed with the number of plastic bottles used to make it, with percentages of recycled content ranging between 20-90%. As we look toward the future of EcoSmart, we're focusing on becoming even more sustainable by increasing the recycled content in each product and expanding the EcoSmart range.

SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION



PRODUCT INNOVATION

As understanding of our impact and how we can achieve better circularity improves, so do our products. Recycled fabrics will always be a key foundation of Targus' portfolio, and rightly so. But we are now thinking bigger, pushing our innovation further and considering every stage of our products' lifecycle. From the Targus® Energy Harvesting EcoSmart® Keyboard to the Zero Waste Backpack that “eats” its own packaging, at Targus we continue to demonstrate exceptional sustainable innovation in the tech accessories category. Find out more about the EcoSmart portfolio on page 14.



THE FUTURE

While Targus has made significant strides toward demonstrating a high level of commitment to responsible consumption and production through sustainable materials and long-lasting products, there is still much more that we need to do. Specifically, this means looking closely at our products' end-of-life to help ensure their recyclability once discarded.

With a portfolio that includes everything from complex technical units to hard-wearing textiles being sold in more than 100 countries around the world, we are faced with a variety of challenges when it comes to establishing a low-impact end-of-life product strategy. Our products are our responsibility, so we are dedicated to putting into place effective strategies to maximize those products and minimize their impact on the planet.

Looking forward, we'll continue to work closely with our partner network to implement a strategic scheme of take-back programs and improved recyclability. Our aim is to reuse what we can and recycle what we can't. We know that this will be one of the most difficult steps in our journey, but necessary to deliver truly sustainable products.

SDG 13: CLIMATE ACTION



As the climate crisis continues to worsen and its impacts are increasingly realized all around the world, SDG 13 is focused on taking urgent action to tackle it. Our world is changing, and it's going to take all of us to create a more sustainable future. It's time for every business to take notice, responsibility, and actionable steps to reduce our impact. At Targus, we're working toward climate action by tackling our CO² emissions and climate change contributors in various ways.

► LOW-CARBON MATERIALS

The recycled materials we use in our EcoSmart products and packaging across the company serve multiple purposes. Every product in our EcoSmart range incorporates materials made from post-consumer plastics, which not only remove waste plastic from the environment but also result in products with a much lower carbon footprint than traditional virgin PET (newly created plastic). Targus has already used the equivalent of 17 million post-consumer plastic bottles, saving over 1,000,000lbs of CO² equivalent.

► LOW ENERGY PRODUCTS

As a company in the tech sector, reducing energy consumption is an important component of making our products more sustainable. Technology requires energy expenditure, and each watt has an impact on its carbon footprint. Targus believes that through innovation and smart design, technology can be optimized to not only use less energy, but in some cases to even save energy.

Targus' MiraLogic™ Workspace Intelligence System (WIS) uses the Internet of Things to control working environments in a smarter way, maximizing efficiency and minimizing wasted energy. IT managers can remotely monitor workstation status and power consumption in real time, using smart automation to oversee individual desk energy use, automatically power down unused stations and analyze overall device performance. MiraLogic™ represents a strategy in which technology is not limited by sustainability, but rather works alongside environmental considerations for solutions that work.

Where we can't minimize power use, Targus is exploring alternative power sources. An example of this is the Targus Energy Harvesting EcoSmart® Keyboard, named a CES® 2023 Innovation Awards Honoree, which combines advanced energy harvesting solar technology with post-consumer recycled materials and ultra-low-power Bluetooth® technology in sustainable packaging. This is just one of a new range of ultra-low powered, recycled plastic tech accessories. Find out more on page 15.



SDG 13: CLIMATE ACTION

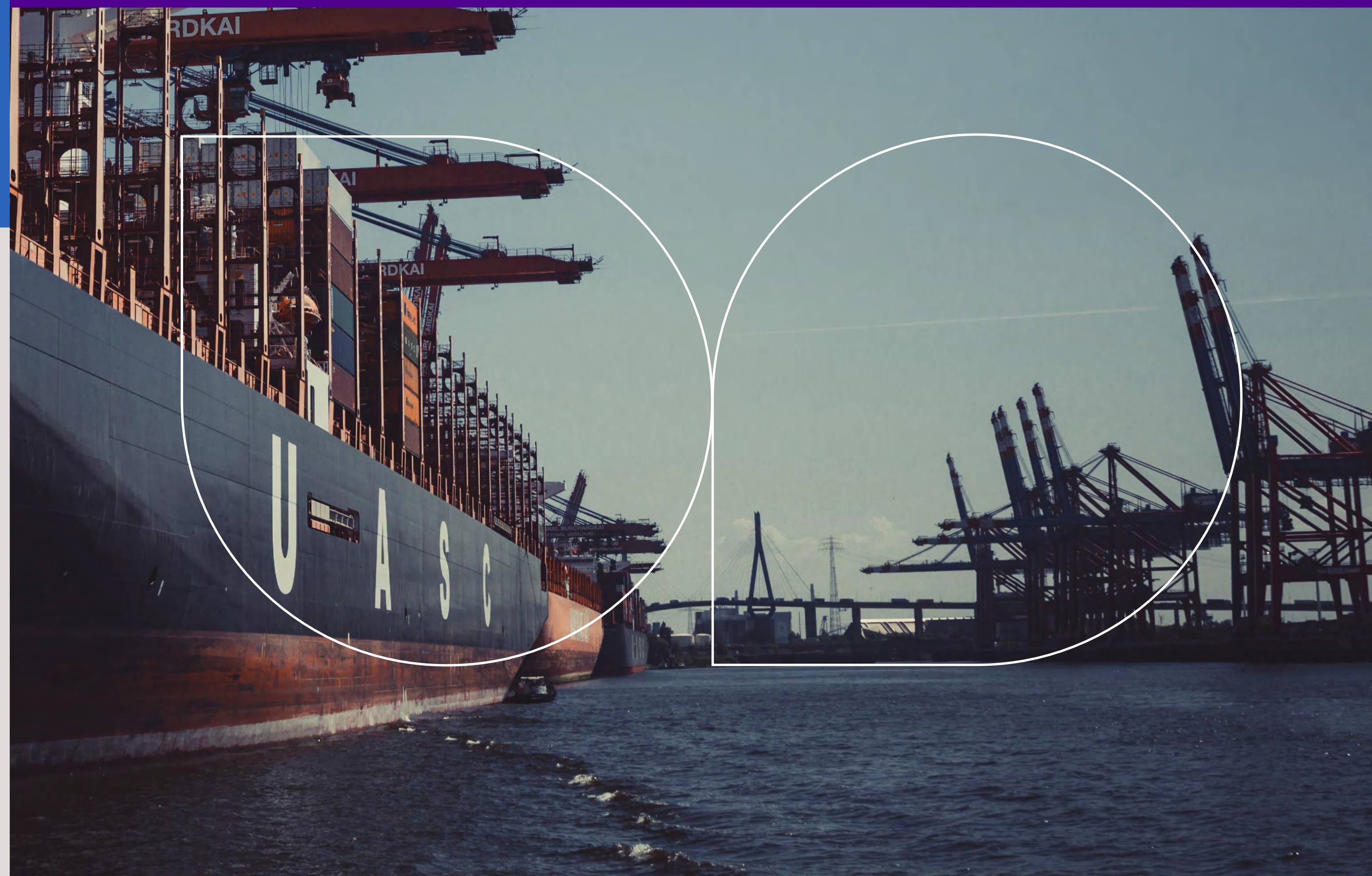


SHIPPING

Looking at the lifecycle of our products also includes the complex logistics of getting goods from point A to B. In recent years, our operational team has made strides in reducing the impact of our products on the supply chain, from transport to the space they occupy on retail displays, by conducting an in-depth analysis of packaging and carton sizes. This has led to more bags fitting in smaller packages, meaning fuller shipping containers, fewer journeys made, and reduced cardboard waste.

Our new Zero Waste Backpack concept rolls up to a fraction of its size to be shipped and sold, allowing us to have two-to-three times more products in a single container, significantly reducing the impact of transportation. For the emissions generated, we're working with logistics partners in Asia on carbon offsetting this CO².

Meanwhile, Targus has consolidated deliveries to ensure our trucks hold more stock and drive fewer miles. We have also removed plastic stretch wrap on our European pallets by replacing it with rubber bands, significantly reducing plastic waste. Also, in the U.S., we've upgraded all our forklifts to electric models. Through incremental changes, we're optimizing our operations for a more sustainable future.



SDG 13: CLIMATE ACTION



EVENTS

If the pandemic has taught big businesses anything, it was the power of remote connectivity. COVID-19 transformed the landscape of events for Targus, and since emerging from forced quarantines our approach to travel and events has significantly changed. Virtual meetings and events have become an everyday practice; from webinars to customer meetings, we are doing more and more to bring our products and solutions to people, digitally. Spaces like our virtual Store of The Future are interactive platforms designed to achieve everything we previously relied on in-person meetings and events to accomplish. By innovating digitally, we reduce waste, energy consumption, and help to reduce the environmental effects of travel, freight, printing, and physical displays.

Where in-person/live events are still important to our business, we are pushing our company to consider their environmental impact at every step. Our presence at the 2022 IFA Consumer Electronics show in Berlin, Germany this September was Targus' first-ever carbon-neutral event and a great example of how we're doing more to use less:

- Events mean a lot of people doing a lot of walking. We harnessed this by partnering with Treekly, an app designed to turn steps into proactive afforestation projects. For every 5,000 daily step count reached, a tree was planted. Throughout the event we reached 38 million steps, planting 5,808 trees. That's equivalent of over 319 tons of CO² captured.
- As well as being our most sustainable event ever, IFA 2022 was also our most digital. We shipped fewer products than ever, instead showcasing our range through augmented reality, virtual spaces and interactive videos. Throughout the planning stages, this was a conscious effort to reduce the carbon footprint of our shipping.
- IFA was a paperless event. Instead of printed materials, we used QR codes to capture leads and provide digitally-hosted materials, from catalogues to product sheets.
- To reduce event wastage the stand itself was designed for reuse, created to be broken down and repurposed for use at other events and in our offices across the globe.



SDG 14 & 15: LIFE BELOW WATER AND LIFE ON LAND



For a company that is extremely focused on the human experience of work, life, and technology, these two SDGs might seem like an unusual choice. However, within this chapter we explore why life below water and life on land are two goals close to Targus' heart. The reason we have chosen to align to these hugely important goals becomes clear; just delve into how we operate and the way we design, manufacture, and ship our products.

By helping to remove waste from our waterways and constantly striving for more sustainable life cycles, we're working toward the global goals to conserve the oceans, support life, sustainably manage forests, and halt biodiversity loss.

► PACKAGING

As a product-centric business, packaging is a necessary part of how Targus operates. We are aware this has an impact on the planet, which is why we've taken steps to implement a low-waste packaging strategy to limit our effect on the environment. Our company is on a journey to ensure that our packaging is recyclable and increasingly focused on using GRS and other eco-friendly materials.

- We have replaced plastic wrap on our European pallets with reusable rubber bands.
- Plastic viewing windows have been removed in favor of mono-material packaging to make household recycling much easier.
- We are supporting responsible and sustainable foresting practices by using more FSC- certified paper and board than ever before.
- Our packaging sizes have been reduced to reduce waste and consolidate shipping.
- Our EcoSmart Tablet collection featured our most sustainable packaging ever, down to the hemp rope and recycled-paper barcode labels.

As our company looks to the future, we are exploring alternative ways to think about the life cycle of our packaging. Our Zero Waste Backpack prototype began with a simple idea: to make the packaging a purposeful part of the product. The result is a retail quality backpack that uses hard-wearing recycled plastic to ship the product – that is then flattened down and inserted into the bag to become an integral part of the structure by serving as the backpack's laptop protection system. As with all Targus bags, it's designed with a limited lifetime warranty which lasts for its life. Find out more about the Zero Waste backpack on page 17.

SDG 14 & 15: LIFE BELOW WATER AND LIFE ON LAND



RECYCLED MATERIALS

For more than 15 years Targus has been innovating with recycled materials. The EcoSmart range was born from fabrics spun from superheated waste plastics, which has resulted in the equivalent of 17 million bottles diverted from the earth's landfills.

In 2023, we are exploring more ways to reduce plastic in the environment. Our new laptop backpacks and cases made from Ocean-Bound post-consumer plastic work on a similar principle but focus on targeting abandoned plastic waste bound for our earth's waterways. We hope that by strategically tackling plastic waste headed for the ocean, we can help preserve our environment and encourage healthy marine life.

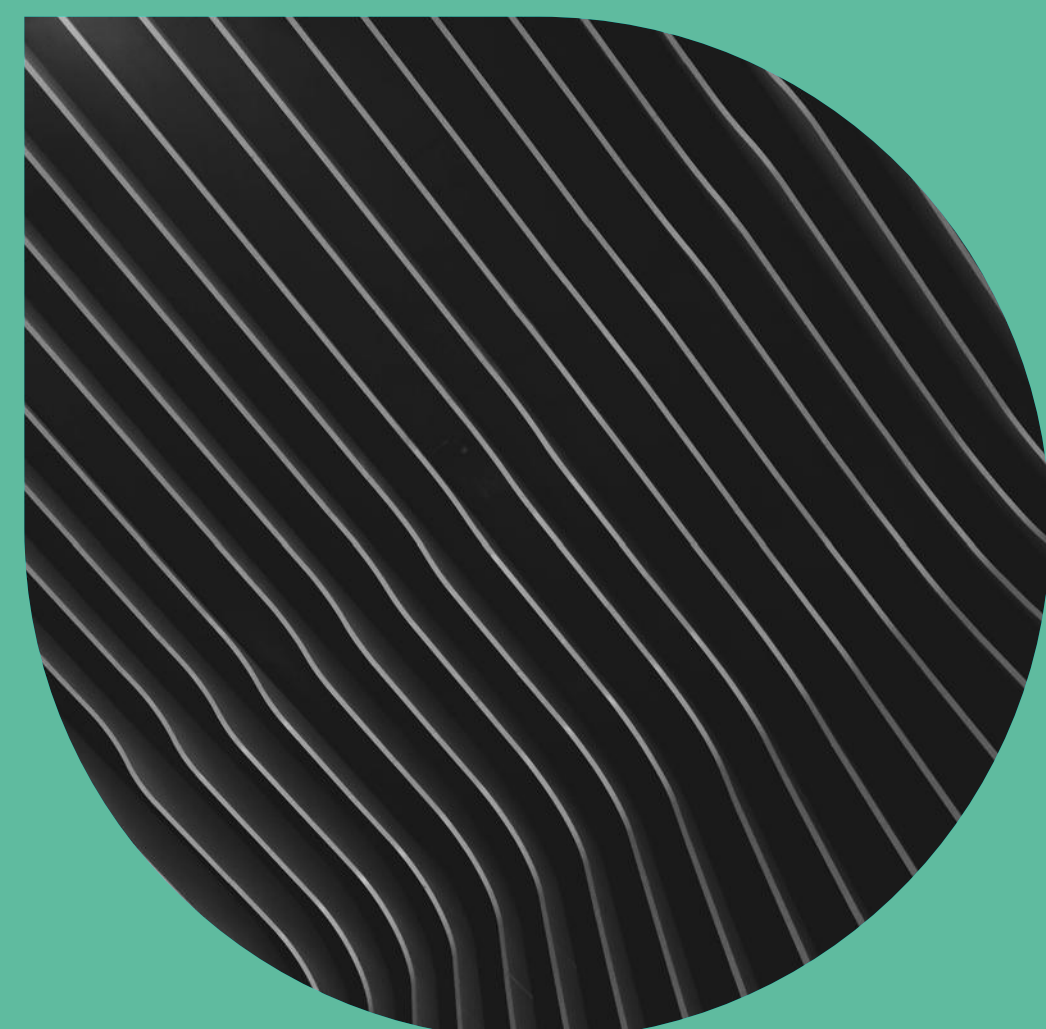
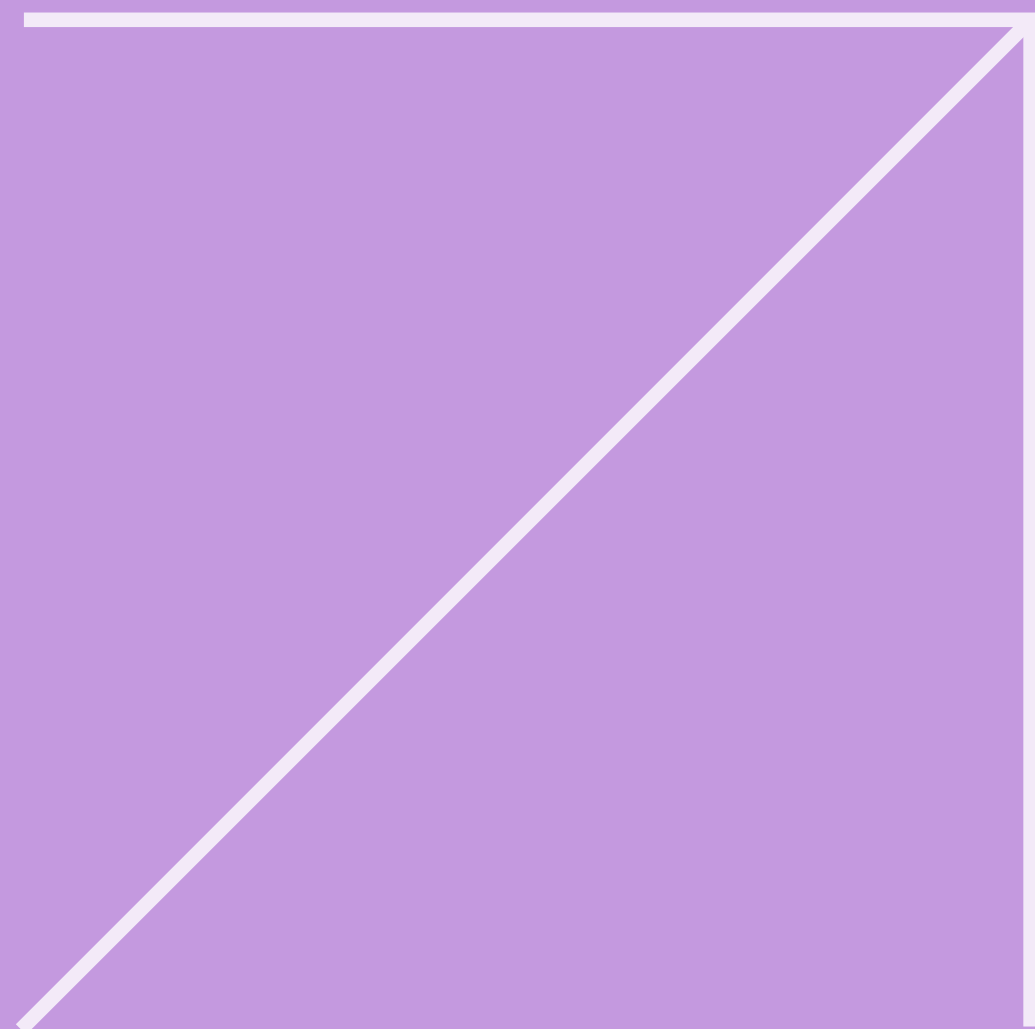
BUILT TO LAST

Every product has an impact on our planet, which is why we are committed to designing and manufacturing quality, purposeful solutions that are built to last. When you can use a product longer and replace it less often, we all create less waste.

Every single Targus bag and tablet case sold comes with a standard limited lifetime warranty, while our tech accessories lead the industry in warranties and longevity, empowering years of reuse and minimizing consumption over time.

As Targus grows its portfolio of tech accessories, we're looking at new ways to prevent unnecessary product waste. Our new GaN power collection, slated for early 2023 availability, leverages innovative charging technology to maintain the health of laptop, tablet, and smartphone batteries through dynamically delivered power. By adapting to the varied and changing requirements of the device in real-time, this smart power system helps the batteries work better, longer, resulting in fewer tech replacements over time.

04
ROADMAP

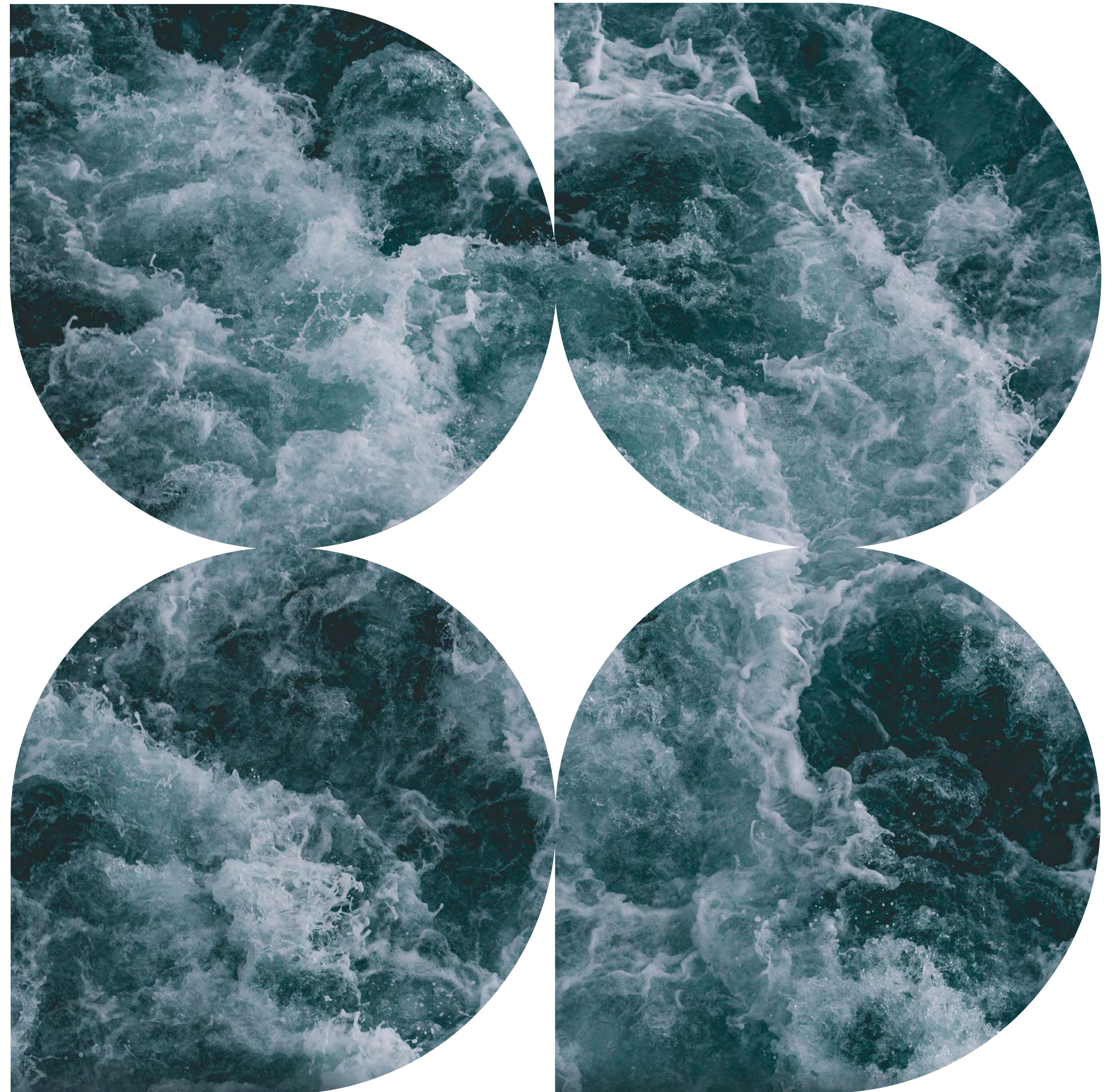


ROADMAP OVERVIEW

We're proud of how far we've come on our sustainability journey, but there's still a way to go.

Targus is proud of how far we have come on our sustainability journey, but there's still a long way to go. That's why our sustainability roadmap helps us understand where we are, while providing guidance to ensure that we integrate our goals and strategies across the whole organization.

The framework in the following pages is built from in-depth internal evaluation, customer requirements, and industry analysis to define the key areas to progress our sustainability journey. As our roadmap grows and evolves, these themes act as a structure to organize our commitments as a company.



ROADMAP PRIORITIES

CERTIFICATION & REPORTING

A central pillar of the Targus sustainability roadmap is a commitment to communication. This report marks a new stage in our journey, and one that we know requires a lot of work. Our pledge is to continue pushing our certification and reporting forward and to keep looking inward to measure ourselves as we improve and develop our sustainability work. In order to communicate our progress effectively, transparency is fundamental.

CO2 REDUCTION

At Targus, we're carrying out many independent projects aimed at reducing the CO² that we emit. This area of our roadmap is about organizing, quantifying, and developing these activities to turn them into truly impactful actions. First, we must understand our carbon footprint and hold ourselves responsible for reducing it. That's why in the short term, our goals are focused on establishing a baseline of operations from which we can take action.

PACKAGING & DISTRIBUTION

As a product-centric company, some of the most impactful actions Targus can take revolves around the logistics of getting our products from the factory to the hands of the consumer. This is an area in which we have come a long way in recent years, introducing innovative solutions on a product level all the way to global operations management. However, there is still much work to do. Our roadmap looks at transportation and packaging materials across the full Targus range, considering how we can apply the best solutions to our diverse global portfolio.

LABOR CONDITIONS

Here at Targus, people are our greatest asset. Our labor considerations range far and wide, from factories to offices and everywhere in between. Our ongoing commitment to good working conditions and fair labor addresses not only those directly employed by Targus, but also our suppliers and third-party producers.

CIRCULARITY

Looking to the future of Targus without looking at circularity and the bigger picture is impossible. We know that circularity is vital for a more sustainable world, and so understanding and defining what this looks like to us is fundamental. Going forward, circularity must be considered at every step, from design and manufacture to lifecycle and logistics, giving us a framework against which to measure every choice. Establishing these benchmarks will allow us to work towards the tangible, transparent goals we are so passionate about.



05 CONCLUSION



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Thanks for taking the time to read through our first sustainability report. Throughout, we have explored the journey that Targus is on towards a more sustainable future and balancing the impact of our business with actions for positive change.

Far from a simple collection of actions and ideas, this report marks a turning point for Targus. We've been focused on defining our strategy and capturing what sustainability means to us, as well as looking inward at our impact and ways in which we can make it more positive. This has been an opportunity for deep reflection. While we are proud to be leading the industry in our sustainable thinking, we are also humbled by how much further there is to go. Through our alignment to the UN Sustainable Development Goals, our evolving roadmap, and our partnerships, we are unrelentingly committed to continuous improvement in the sustainability space.

We invite you to follow our journey.

Targus®

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