



# 2023 CORPORATE SOCIAL RESPONSIBILITY REPORT

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# About This Report

This report covers Superior Group of Companies, Inc.'s (SGC's) priority environmental, social, and governance (ESG) topics for our three reportable business segments as presented in our 2023 financial statements: Branded Products, Healthcare Apparel, and Contact Centers. Unless otherwise noted, all information and data presented within this report reflect SGC's performance in fiscal year 2023 (January 1 – December 31, 2023) and are reported in United States Dollar (USD).

Our intention with this report is to increase our customers' and other stakeholders' visibility of our ESG priorities and the outcomes of the strategies we have implemented. This report is the fifth iteration of our annual corporate social responsibility (CSR) report and the first year that we have incorporated the Sustainability Accounting Standard Board (SASB) Apparel, Accessories & Footwear (2023) Standard. The identified SASB standards apply only to our apparel divisions within our Branded Products Healthcare Apparel segments at this time, as the standards do not apply to the rest of the company. We look forward to enhancing our disclosures on SASB, ESG priorities, risks, and opportunities in our future corporate social responsibility reports as we continue to build out our reporting processes.

## LEGAL STATEMENTS

This report may make forward-looking statements about SGC's expectations or predictions about the future. Because these statements are based on current assumptions and factors that involve risks and uncertainties, SGC's actual performance and results may differ materially from what is included in this CSR report. Please refer to SGC's U.S. Securities and Exchange Commission (SEC) filings, including our 2023 Annual Report on Form 10-K filed on March 14, 2024, and other subsequent filings (such as our first quarter 2024 Quarterly Report on Form 10-Q) for detailed discussions of principal risks and uncertainties that could cause such differences.

For more information about this report or to inquire about our corporate responsibility performance, please contact us at **[CorporateSocialResponsibility@superiorgroupofcompanies.com](mailto:CorporateSocialResponsibility@superiorgroupofcompanies.com)**.



# *Letter from the CEO*

2023 was a transformative year for Superior Group of Companies (SGC). Amid evolving markets and global challenges, we leveraged talent and resilience to achieve significant success. Our commitment to excellence enabled us to continue to deliver substantial value to our customers, employees, communities, and shareholders alike.

In 2023, we invested in cutting-edge technologies, processes, and talent to position ourselves for short-term and long-term success. This dedication to continual improvement enabled us to introduce new solutions to the market, honoring our competitive edge and driving growth across our business units.

We are proud of our achievements and awards, including BAMKO, one of our subsidiary companies, ranking as the #4 distributor in PPAI's Top 40 for 2023 and being named a 2023 Best Place to Work SoCal.

SGC remains committed to sustainability and social responsibility. From reducing our environmental footprint through our recycling efforts and support of our suppliers' energy use reduction initiatives to supporting our local communities through donations and volunteering, we continue to take proactive steps to develop a more sustainable and equitable future for all. These efforts have strengthened our brand reputation and reaffirmed our commitment to being a responsible corporate citizen.

From a corporate social responsibility reporting perspective, one of the key highlights of the year is our inaugural alignment with the Sustainability Accounting Standards Board (SASB) Apparel, Accessories & Footwear (2023) Standard. This alignment further demonstrates our dedication to transparency and accountability providing confidence to our stakeholders that their trust in our efforts to build a sustainable future is warranted.

We are proud of the growth we have achieved and the people who have made that growth possible. I want to express my sincere gratitude to our customers, employees, suppliers, partners, and shareholders for their continued support and trust. It is through our collective efforts and shared commitment to excellence that we will continue to thrive.

Looking ahead, we intend to continue the transformative spirit of 2023 by furthering SGC's commitment to our people and our sustainability initiatives.

Sincerely,

Michael Benstock

CEO



# *About SGC*

# About SGC

Superior Group of Companies is a publicly traded company that supports its diverse set of customers through supplying uniforms, custom branded merchandise, healthcare apparel, and contact center solutions. We help our customers unlock the power of their brands to do more, be more, and achieve more. We seek to elevate our customers' brand engagement experiences for their employees and customers through strategic and creative solutions from our family of companies. Our business is organized into three segments encompassing a range of products and services.

Since 1920, we have created lasting connections and partnerships with our communities and our value chain members through our three attractive business segments, each serving large, fragmented, and growing addressable markets. Each segment enables businesses to create extraordinary brand engagement experiences for their customers and employees by providing leading companies with the means to enhance their brands through exceptional customer and employee experiences. SGC's commitment to service, quality, advanced technology, and omnichannel commerce provides unparalleled competitive advantages. We are proud to have a legacy of stability and consistent growth while maintaining our commitments to our communities. This is achieved

through a strong focus on sustainability, quality, professionalism, and innovation, all of which helps us to deliver exceptional experiences for all our stakeholders.

## OUR CORPORATE SOCIAL RESPONSIBILITY FOCUS AREAS

This report demonstrates our ongoing commitment to corporate social responsibility, transparency, and accountability. Within this report, we discuss the ESG topics identified to be especially material to operations and to the success of our company. We believe that this journey towards a more sustainable future is vital not only for the well-being of our stakeholders, but also for ensuring the longevity of our business. We are committed to continually monitoring our progress, identifying areas for improvement, and implementing innovative solutions to address ESG-related challenges such as data security and privacy, responsible sourcing through supply chain mapping, and reducing our environmental footprint. At SGC, we hold our company and ourselves accountable for our commitments, while remaining true to our long-established values and vision for SGC.

# About SGC

**OUR VALUES:**

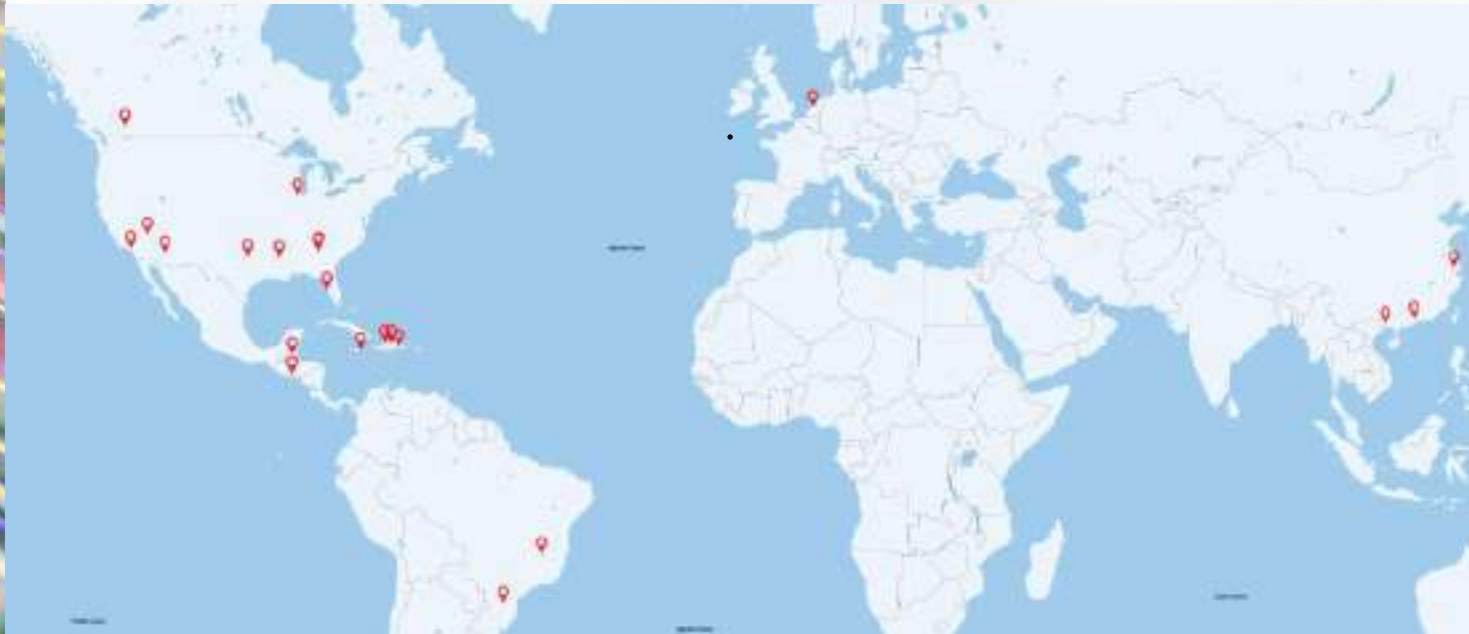
- Integrity above all else
- Be ambitious; Persevere; Be tenacious
- Be honest and transparent
- Curiosity drives change; Embrace change
- Everyone is accountable
- Solve problems quickly

**OUR VISION:**

- Seek opportunity
- Innovate boldly
- Earn the loyalty of our customers
- Be the leader in corporate ethics and social responsibility

Branded Products	Healthcare Apparel	Contact Centers
 	   	

## SGC LOCATIONS



- |                       |                                  |                                       |
|-----------------------|----------------------------------|---------------------------------------|
| Atlanta, GA           | Amsterdam, Netherlands           | Belize City, Belize                   |
| Clearwater, FL        |                                  | Belmopan, Belize                      |
| Coppell, TX           | Dehradun, India                  | San Ignacio, Belize                   |
| Eudora, AR            |                                  |                                       |
| Lake Providence, LA   | Ouanaminthe, Haiti               | San Paulo, Brazil                     |
| Las Vegas, NV         |                                  | Minas Gerais, Brazil                  |
| Lexington, MS         | Kingston, Jamaica                |                                       |
| Los Angeles, CA       |                                  | Suzhou, China                         |
| Oak Grove, LA         | Santiago, Dominican Republic     | Guangzhou, China                      |
| Peachtree Corners, GA |                                  | Hong Kong, China                      |
| Phoenix, AZ           | Vernon, British Columbia, Canada |                                       |
| Romeoville, IL        |                                  | Al Puerto de la Libertad, El Salvador |
| St. Petersburg, FL    |                                  | San Salvador, El Salvador             |

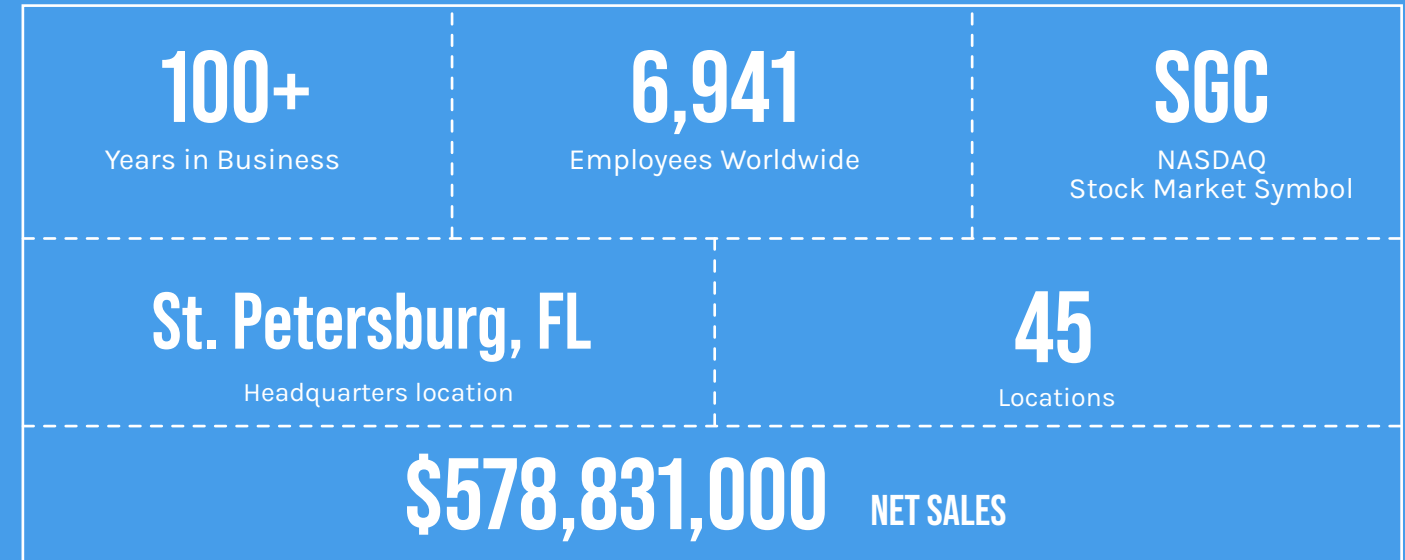
# Materiality

We acknowledge our responsibility to identify and address various ESG issues that are material to our operations. In 2021, we evaluated and identified several key topics that aligned with our values and vision as well as our business strategy. We analyzed feedback from our investors, customers, employees, and other key stakeholders to help better understand and prioritize our efforts. To build upon this work, in 2024 we conducted a formal materiality assessment, including targeted customer engagement research, to reassess our core CSR priorities. We look forward to sharing the results in future reports.

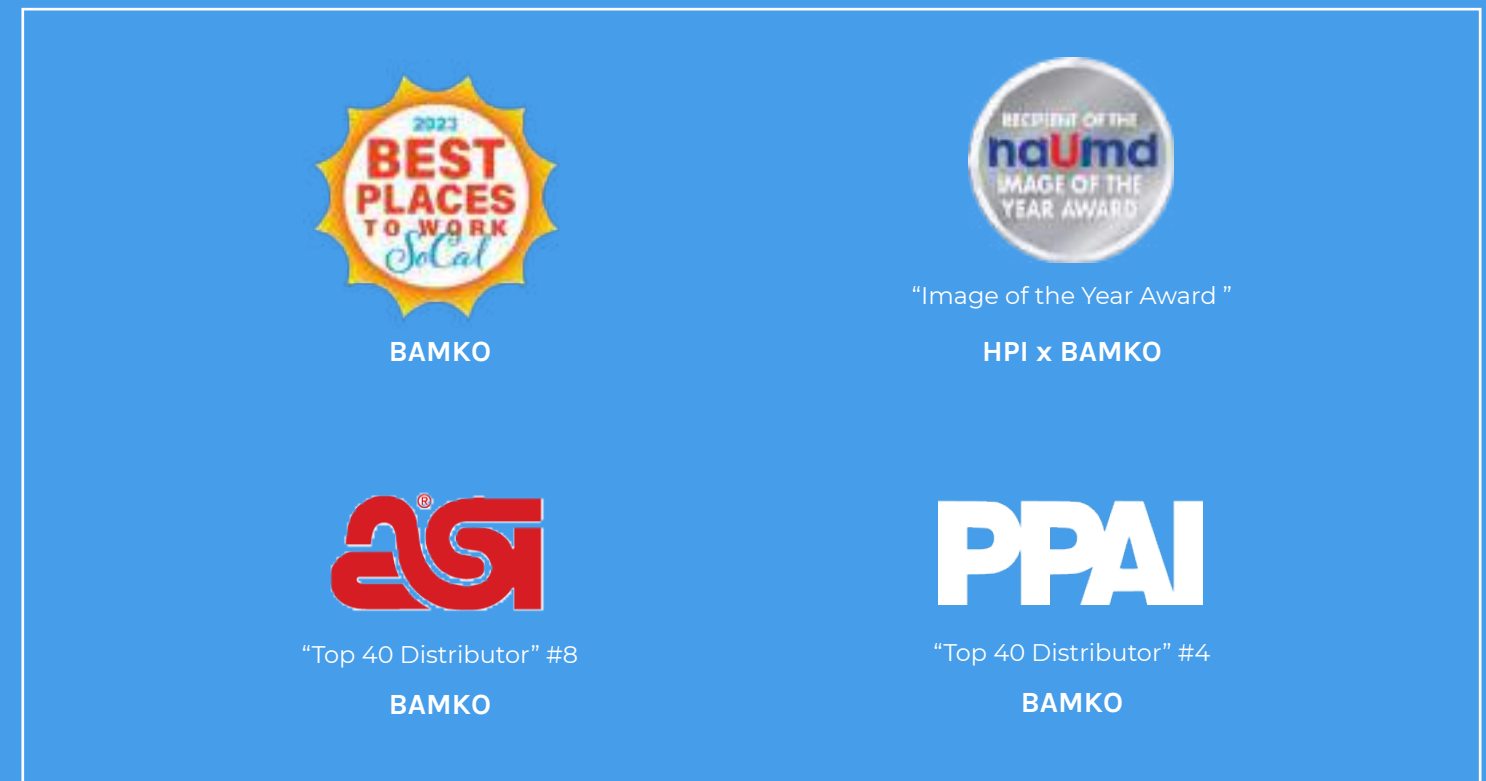
For this year, identified focus areas included within this report are:

- **Business Ethics & Human Rights**
- **Labor Practices & Supply Chain**
- **Community Relations**

## KEY ORGANIZATIONAL HIGHLIGHTS



## AWARDS/RECOGNITION IN 2023







# 2023 PERSPECTIVE: SUSTAINABILITY

We are excited and encouraged to continue our sustainability journey here at SGC. Following the formation of our first-ever ESG Council in 2022, we are now taking another step forward with our corporate reporting by aligning with the SASB Apparel, Accessories & Footwear (2023) Standard. This reporting framework helps us to identify, measure, and manage common sustainability-related risks and opportunities for the uniform divisions within our business, while exemplifying transparency for our employees, suppliers, customers, and investors across the broader organization.

Beyond our alignment with SASB, we have several key highlights from 2023. We engaged with our suppliers through a Factory Survey on Sustainability, which was designed to gather information on our suppliers' sustainability programs. As a result, we now better understand many of the sustainability initiatives that our suppliers are undertaking, including fabric recycling, paper recycling, use of solar panels, recycled polybags, forest protection, and carbon reduction management plans. Another major highlight of 2023 was the publication of our Sustainability White Paper. This publication outlines sustainability terms and strategies that are integral to textile brands and manufacturers, legislation in the United States related to textile waste and recycling, sustainable manufacturing options for textile manufacturers, and fabric and waste recycling and disposal strategies.

Thinking about our future in 2024, we are filled with eager anticipation to further build upon our accomplishments. We look forward to surpassing milestones on our path forward, leaving a positive and meaningful impact on both the environment and the communities we engage with, and maintaining our steadfast dedication to helping our customers to do more, be more, and achieve more with us.





***Commitment to  
Ethical Business***

## CORPORATE GOVERNANCE

SGC is committed to upholding ethical standards throughout our business operations. Our company's policies, procedures, and communications reflect our steadfast dedication to responsible leadership. These policies and procedures, such as our Code of Business and Ethical Conduct (Code of Conduct), establish the ethical norms expected from each of our employees, contractors, and suppliers.

## MANAGEMENT STRUCTURE

The Corporate Governance, Nominating, and Ethics Committee, established by our Board of Directors, convenes quarterly to discuss various ESG topics, business ethics, data security, and privacy issues. These meetings include general discussions on the annual CSR report progress, updates on the ESG Council's activities, and other critical topics such as legal or regulatory ESG changes that may rise to the Board level. Our CFO and other members of the executive team are part of our ESG Council. As necessary, we share information and progress with external investors and key stakeholders on ESG topics throughout the year. Internally, SGC's leadership actively engages with employees and stakeholders through CEO communications to all employees and regular townhall meetings hosted by segment presidents. These actions foster open dialogue and continuously improve our ethical business practices.



## BUSINESS ETHICS

We are committed to conducting our business with integrity and honesty. This commitment is embodied in our company policies, which outline our approach to business integrity as well as ensuring compliance with applicable laws, rules, and regulations. In addition to our Code of Conduct, we maintain several standalone comprehensive policies and procedures covering anti-discrimination, anti-harassment, supplier and vendor compliance, and other relevant compliance considerations. To ensure awareness and knowledge of our expectations, we provide regular training to our employees on ethical business behavior, which includes the Code of Conduct and our Anti-Discrimination and Anti-Harassment Policy.

## CODE OF BUSINESS AND ETHICAL CONDUCT

SGC's Code of Conduct addresses key topics such as conflicts of interest, anti-corruption, anti-bribery, health and safety, fair labor standards, whistleblower policies, equal employment and more. All new employees are required to complete initial training on the Code of Conduct within 90 days of their start date. This training helps to ensure that our employees are well versed in ethical business behavior, which is crucial to upholding our ethical business practices. All employees refresh their Code of Conduct training bi-annually. We internally monitor our Code of Conduct training monthly to identify those who are out of compliance, and then work with them and their applicable leaders, if necessary, to complete the Code of Conduct training. While we do not currently calculate our employee Code of Conduct compliance percentage, we are considering doing so in 2024. Employees who violate the Code of Conduct are subject to disciplinary action ranging from warnings to termination or removal. If any

supplier, contractor, or other business partner violates the standards and requirements stated in our Code of Conduct, SGC reserves the right to terminate its business relationship with that entity.

Compliance with the Code of Conduct is monitored by our Board of Directors on a quarterly basis, with direction and recommendations from our legal team as necessary. We communicate our approach to complying with the Code of Conduct in great detail, which encompasses a clear and comprehensible process for assessing and resolving potential concerns. The Board of Directors also has ultimate oversight over the Code and Conduct to ensure that it is current and effective. Enforcement of the Code of Conduct, along with ensuring that our employees maintain ethical business standards, is entrusted to our management, including executive staff. Any employee who is found to be in violation of company policy is subject to disciplinary action ranging from warning to termination of employment.

Our Board's Corporate Governance, Nominating and Ethics Committee, in conjunction with the Audit Committee and with support from our legal team, regularly and systematically reviews the Code of Conduct to ensure our policies and regulatory compliance meet or exceed the requirements of the countries in which we operate. These reviews and revisions are conducted more frequently than required by the Corporate Governance, Nominating and Ethics Committee's charter to maintain a high ethical standard.

## LABOR PRACTICES AND HUMAN RIGHTS

We are proud to be an equal opportunity employer and are committed to conforming to all applicable labor laws. We also commit to providing a safe, healthy work environment for all our employees, contractors, and guests. As outlined in our Code of Conduct, SGC prohibits and will not tolerate discrimination or harassment because of race, color religion, sex, sexual orientation, national origin, age, disability, veteran status, genetic information, or other protected status.

To ensure the well-being of our workforce and prevent workplace harm from occurring, we have established rules and procedures, as well as systems in place to report unsafe conditions or issues that may arise in the workplace.

## WHISTLEBLOWER POLICY

Taking action to prevent illegal or unethical activity is a part of our proactive culture. Employees are encouraged to talk to their supervisors, managers, or other appropriate personnel if they believe they have observed illegal or unethical behavior, as well as violations of company policies, or other general wrongdoing. The Board has ultimate oversight over the Whistleblower Policy while operational control is held by the Chief Ethics Officer.

In addition to reporting directly to management, employees and other stakeholders (including contractors and community members) may report

known or suspected violations or other wrongdoings by:

- Contacting our third-party anonymous toll-free whistleblower hotline or website staffed by a trained operator 24/7/365
- Calling our direct, internal toll-free ethics hotline, or
- Contacting the chair of our Board's Audit Committee

Violations may be reported in confidence and should be done so without fear of retaliation. We seek to protect the anonymity of those raising concerns, but we also understand that it may not be feasible in all situations. Under no circumstances does SGC permit retaliation of any kind against those who have reported in good faith.

## SOCIAL COMPLIANCE TRAINING MANUAL

At SGC, protecting the environment and health, safety, and rights of our employees, as well as the communities we operate is an ongoing process.

In 2023, we launched our Social Compliance Training Manual. This manual was provided to our facilities to cover the topics of: **health and safety,**

**subcontracting, environment, Business integrity, anti-corruption, anti-bribery, and working hours.**

The Social Compliance Training Manual includes a quiz at the end of the training that tests our employees on the covered compliance topics.

## DATA SECURITY AND PRIVACY

Data security threats are growing exponentially in volume as well as sophistication. Our data security processes are designed to provide a proactive and comprehensive approach to assess, identify, manage, mitigate, and respond to data security threats in a manner that is safe, lawful, and ethical. SGC and its segments adhere to all applicable data security and privacy laws, internal company policies, as well as our customers' specific data privacy policies.

Data security is an integral part of our risk management process and is an area of focus for our Board and management. Our Corporate Governance, Nominating, and Ethics Committee oversees our approach to data security and privacy by reviewing related topics on a quarterly basis and discussing them with the full Board on an annual basis, or more frequently if necessary. Company leaders hold the day-to-day responsibility of managing data security practices across the company and its segments and are

responsible for promoting the importance of attentive and responsible data security practices at every level of our organization.

Under the leadership of our Director of IT Security and Compliance, we have continued to strengthen our established foundation of data security with a systematic approach to managing sensitive company information. Our internal data security culture is backed by stringent privacy policies, data security certifications, and employee training, all of which is designed to strengthen our data security practices. Our employees undergo multiple data security training sessions each year through a reputable third-party security training platform. These employee training sessions cover various topics related to security and privacy best practices, awareness, prevention, and remediation.

Our internal data security team, which is supported by multiple third-party resources, closely monitors our security networks to confirm we have protected personal information while successfully performing our operations. Our data security teams follow industry best practices and ensure compliance with applicable laws and regulations. All the third parties engaged in security support are thoroughly vetted to ensure they satisfy our strict security standards. We also periodically review our third-party engagements to ensure that the providers maintain the necessary levels of protection and competency, as well as to oversee and identify potential cybersecurity risks and/or threats from such engagements. We also invest in current technologies, perform regular penetration testing, conduct employee training, use a tier-one secured access data center, and follow industry best practices to protect data against threats.

## DATA PRIVACY

Our Data Privacy Policy outlines how we collect, process, use, disclose, and store data provided by those who utilize our website, communicate with us, or use our products and services. We use Secure Sockets Layer (SSL) encryption to help maintain data confidentiality for particularly sensitive data. In addition, we regularly audit our system for possible vulnerabilities and attacks. Divisions within SGC maintain supplemental policies that are specifically tailored for their businesses and industries.

***At SGC, we prioritize security and compliance as fundamental pillars of our operations. We are committed to safeguarding our clients' data and ensuring adherence to all regulatory requirements. Our robust security measures and comprehensive compliance programs reflect our dedication to maintaining the highest standards of integrity and trust.***

- IT Security & Compliance Employee

## Data Security Certifications for SGC and Company Segments

We are pleased to report that in 2023, our Branded Products and SCS segments received ISO 27001 and ISO 27701 certifications. The El Salvador and Belize locations for The Office Gurus (TOG) continue to maintain the SOX, SOC2 & PCI LVL 1 certifications. These certifications help organizations establish, implement, maintain, and continually improve their information security management system, providing assurance that their data is secure and protected.

Other data security certifications held by SGC include the following:

- Payment Card Industry Data Security Standard
- SOC 2 (System and Organization Controls 2)
- CertiPro Scrum Master

# *Supply Chain*





## SUPPLY CHAIN

Our suppliers are our partners. We expect them to help us deliver quality products and services to our customers in a manner that aligns with SGC's values. We require our suppliers to meet stringent guidelines pertaining not only to quality standards, but also to upholding and safeguarding human rights, engaging in fair labor practices, and enforcing SGC's standards across all our suppliers worldwide. Through our proactive initiatives, our goal is to positively influence the communities we procure materials and services from, while enhancing our customers' overall experience.

We recognize that much of our success is predicated on the quality and reliability of our suppliers, and as such, we seek to ensure the stability and resiliency of our supply chain. We identify and mitigate potential risks through regular and frequent supplier relationship assessments. Our policies and programs for our suppliers echo the corporate responsibility standards to which we hold all SGC company segments and our employees accountable, promoting a steadfast commitment to sustainability throughout our supply chain.

Our supply chain policies and manuals mandate compliance with applicable laws and regulations, including environmental compliance, ethical business practices, and human rights provisions such as working conditions, child and forced labor, health and safety, and conflict minerals. In addition to upholding our Code of Conduct, our suppliers are also required to review and adhere to our Supplier and Vendor Compliance Manual. This document further defines the details of our audit programs and expectations for suppliers, including requirements for their

own employees, subcontractors and other supply chain partners. For additional information, we also produce an annual Fighting Against Forced Labour and Child Labour in Supply Chains Act disclosure.

We conduct regular trainings, audits, and monitoring activities to ensure continuous progress by our suppliers and to ensure they remain in compliance with these policies. If issues with noncompliance arise within our supply chain, we find solutions through a collaborative effort with all relevant partners.

### SUPPLIER SUSTAINABILITY INITIATIVES

In 2023, we engaged several of our uniform suppliers through a Factory Survey on Sustainability to gather information on their sustainability programs. We appreciate that our suppliers are engaging in multiple initiatives including fabric recycling, paper recycling, use of solar panels, recycled polybags, forest protection, and carbon reduction management plans. Many of our textile suppliers used recycled wastewater to reduce their water consumption, while other supplier mills had installed heat exchangers on their dyeing machines to reduce energy consumption.

More than 60% of the responding suppliers indicated they have a carbon reduction plan in place, with nearly 30% of our suppliers seeking clean energy solutions such as solar energy. More than 23% have begun to move from diesel trucks to electric vehicles, and more than 38% are reducing or eliminating their airfreight.

## RESPONSIBLE SOURCING

We maintain a commitment to ensuring that our global manufacturing and supply chain partners recognize and respect human rights, uphold fair working conditions, and ensure environmental compliance. We maintain a zero-tolerance policy against forced labor, human trafficking, child labor, abuse and harassment, violence, discrimination, bribery, falsifying audit reports or other business licenses, and other unacceptable practices. All textiles purchased globally are purchased from Oeko-Tex® certified suppliers to guarantee that our textiles are free of harmful substances. We will continue to monitor this in compliance with SGC policies and applicable laws and regulations.

## FAIR WAGES

One of our priority areas in 2023 was to ensure suppliers provide fair wages and benefits that meet or exceed the legally required wages and benefits for their location, including legally required overtime wages. If there are no laws regulating wages or benefits in the locations where our suppliers operate, we require them to engage with local contacts for guidance on the proper local pay standards for their employees.

## SUPPLIER SPENDING

In 2023, 70% of our spending on uniforms was with suppliers that participate in a sustainability program. In addition to this, approximately 16% of all our suppliers were given purchase orders for sustainable products in 2023.



## CONFLICT MINERALS

SGC itself does not purchase raw ore or unrefined conflict minerals and makes no purchases in the Democratic Republic of the Congo or adjoining countries which are the focus of conflict minerals regulations. Furthermore, SGC maintains a strict zero-tolerance policy for sourcing raw materials from suppliers whose products contain conflict minerals originating in the Democratic Republic of the Congo or adjoining countries which are the focus of conflict minerals regulations and requires that suppliers have a policy in place to reasonably assure that the products they manufacture or source do not contain tantalum, tin, tungsten, or gold (3TG) that is sourced in such regions. Suppliers are required to provide SGC a written document outlining their due diligence programs to ensure they retain “conflict free” supply chains.

As part of this policy, we work closely with our supply chain partners to identify sources of raw materials that meet the standards outlined in our Supplier and Vendor Compliance Manual and zero-tolerance policies. We oversee our own due diligence internally to guarantee that the products and materials we receive from our suppliers do not contain conflict minerals. We conduct surveys for targeted suppliers using the Electronic Industry Citizenship Coalition and Global e-Sustainability Initiative (EICC/GeSI) Conflict Minerals Reporting Template.

## ENVIRONMENTAL IMPACTS

As outlined in SGC's Supplier and Vendor Compliance Manual, we mandate that our suppliers must fully comply with all applicable laws and regulations, including obtaining and retaining appropriate permits. We also require that all suppliers provide a safe working environment, including proper labelling of machinery, hazardous materials and other potentially dangerous items. All waste materials and byproducts are to be disposed of in a legal and environmentally responsible manner, with adequate records of compliance maintained.

Several of our textile suppliers, especially those associated with our Branded Products segment, have assessed their environmental performance using the Higg Facility Environmental Module (Higg FEM) assessment developed by the Sustainable Apparel Coalition. In 2023, seven of our suppliers (17.1%) participated in the Higg FEM assessment. Other suppliers participated in the Global Recycled Standard (GRS), which tracks and verifies the content

of recycled materials throughout the entire supply chain. Our Branded Products segment continues to assess suppliers based on sustainability and environmental impacts, giving preference for those who have demonstrated higher environmental ratings with our external assessment organizations.

## EVALUATING THE ENVIRONMENTAL IMPACTS OF COTTON

To verify the sources of all our cotton and determine how it was produced, SGC has mapped our cotton supply chain for all our foreign-made nominated fabrics that contain cotton. Mapping our cotton supply chain helps us to promote our sustainability practices as well as remain compliant with US laws. Through our partnership with Oritan, a global leader in applying forensic and date science to verify the origin of products and raw material, we can verify the accuracy of the cotton supply chain map and verify our suppliers' sources.

## SUPPLY CHAIN AUDITS

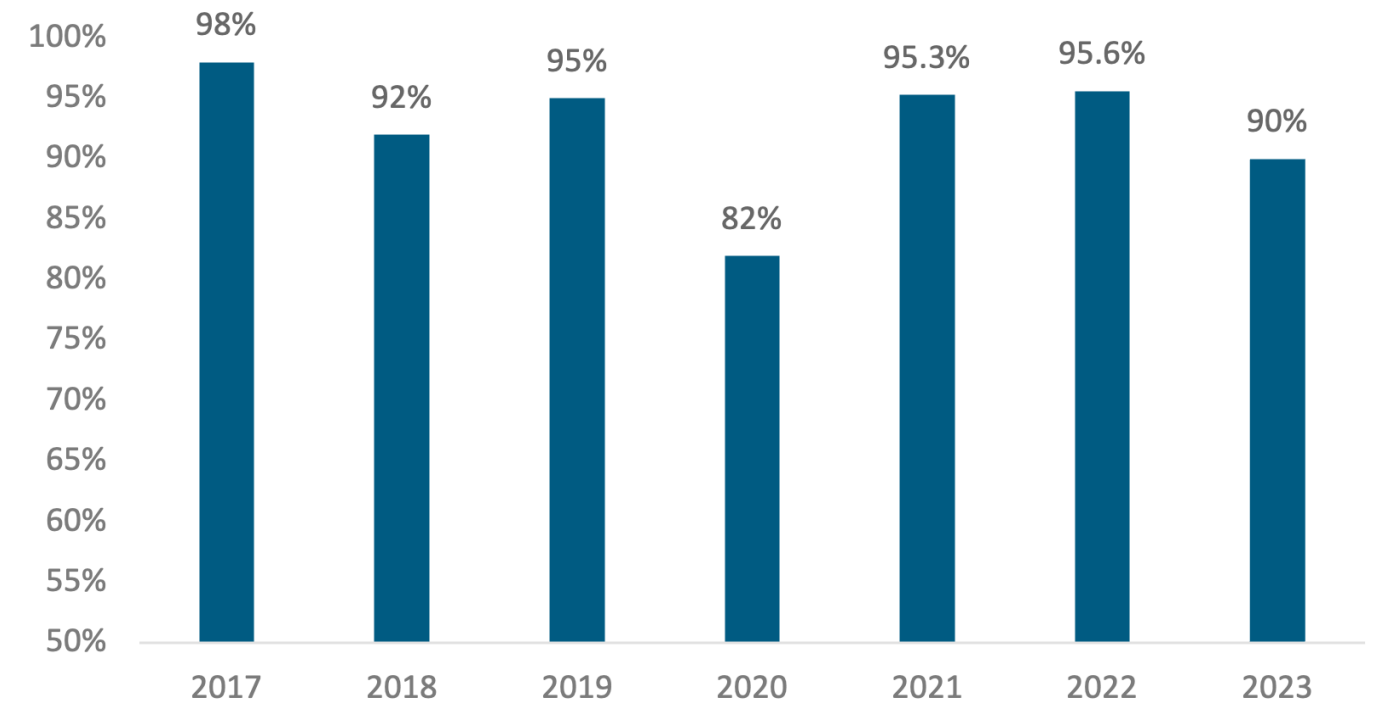
To ensure compliance with our policies as well as applicable laws and regulations, we use both internal SGC auditors and major independent third parties to conduct supplier audits. We audit most suppliers annually, although we do allow select suppliers who have a long and consistent record of successful audits to be audited every two years.

The other component of our supplier audit program is to evaluate compliance with social and environmental policies and procedures. In addition to SGC-specific protocols, we leverage external audit programs such as Worldwide Responsible Accredited Production (WRAP), Business Social Compliance Initiative (BSCI), and Sedex Members Ethical Trade Audit (SMETA). This helps us ensure we address a range of social and environmental topics that are relevant to SGC as well as our broader value chain. Throughout these audits, we have found no evidence of child labor, forced labor or human trafficking, abuse or harassment, bribery or falsification of business materials by our suppliers.

In 2023, 90% of SGC's suppliers for its uniform divisions were screened and audited using social and environmental criteria, which represents our 44 global supplier audits.

As part of SGC's audit program, our manufacturers are required to undergo regular fire inspections by a local authority, perform mandatory fire drills, possess fire-fighting equipment, and have an evacuation plan in place. Fire safety certificates, fire safety inspection records, machine and equipment safety certificates are reviewed by third-party auditors.

## Uniform Segment Suppliers Screened



## APPROACH TO CORRECTIVE ACTIONS

In the event of noncompliance, our suppliers, manufacturing partners, or their subcontractors are expected to correct any noncompliance issues within a designated timeframe as part of a formal corrective and preventive action plan. Failure to resolve an identified noncompliance or implement a corrective action plan in a timely manner may be considered a material breach of contract by the supplier and may result in termination of the relationship. We have had no such supplier contract terminations to date and always have been able to correct non-compliance issues with our suppliers for our uniform divisions.



# *Employee Engagement*

## EMPLOYEE ENGAGEMENT

Our employees are the cornerstone of delivering exceptional brand experiences to our customers. We are dedicated to fostering diversity, equity, and inclusion, while ensuring a dynamic and multifaceted talent pool thrives within our organization. With more than 6,900 employees worldwide, of which 98.5% are full-time employees, we have designed initiatives to keep our people safe and healthy, enhance our culture, acquire and retain diverse talent, develop employees who are ready to take on critical and leadership roles, and reward and support our employees with competitive benefits and wages.

## TALENT ATTRACTION & RETENTION

Our dedication to nurturing a positive, supportive workplace culture encourages growth, innovation, and collaboration. By cultivating this environment, we are not only investing in our employees' futures but also laying the foundation for sustained success with our customers. In 2023, we increased our global headcount by 2.0% from approximately 6,800 employees.

We take pride in providing amenities and benefits which are designed to attract and maintain our workforce. We offer a highly competitive and comprehensive benefits package which is designed to attract new hires and support existing employees. We continue to offer a 401(k) plan, medical and dental insurance, life- and short-time disability, and wellness programs which exist in compliance with local laws and regulations. We also offer paid leave for holidays, vacations, mental health, and other personal days. This year, we also introduced new policies such as Flex Time, which allows staff members to take additional paid time off.

As an initiative to help our employees in 2023, we partnered with WinRock International to implement a Supporting Health Advances for Rural Employees (SHARE) Campaign at SGC. This partnership provided our employees with incentives for a healthier lifestyle by providing several options of workout equipment that can be done at the desk along with valuable information on how to make healthier choices, both in what we eat as well as our overall lifestyle. The SHARE campaign provided helpful tips and information, free giveaways for all employees, and a monthly drawing for a health-related participation prize. We held several health and wellness screening events, free to all our employees in 2023. We also offered a free flu shot clinic and prostate screening event.

As in past years, our Talent Acquisition team continued to attend recruiting events throughout the year. For example, our Contact Centers again held a presence at events such as Comic-Con and hosted a Social Media Day with the intentions of engaging with prospective employees and enhancing our brand recognition. We also hosted a job fair at our local Chamber on Main Street, in Eudora, Arkansas, providing employment opportunities to community members who may face challenges in accessing opportunities elsewhere. Demonstrating a successful talent attraction program and company-wide growth, we are excited to see that our headcount has grown by more than 49.0% since 2020.



### WORKPLACE CULTURE AND EVENTS:

The Office Gurus continued to foster a positive work environment by organizing a variety of events throughout the year. We conducted monthly volunteering activity and wellness events. We celebrated special occasions and festivities with our Gurus, such as Valentine’s Day, Employee Appreciation Day, Customer Service Week, Halloween, and much more. As part of our engagement program, we coordinated teambuilding activities alongside culture-focused workshops to continue fostering a cohesive workplace environment. Additionally, we coordinated more than 30 alliances with local brands, offering exclusive discounts to our people.

These activities and more were described in our corporate newsletter that highlights key happenings, achievements, and insights from across our organization. This initiative serves as a valuable resource to keep our people connected and informed.



### Celebrating Pride at BAMKO

In 2023, BAMKO, a company within our Branded Products segment, launched the first Pride Employee Resource Group (ERG) in the promotional products industry, known affectionately as GLAMKO. It is glamorous to belong to a workplace resource group that welcomes not only our LGBTQ+ employees, but our BAMKO colleagues who are allies to the community.



## DIVERSITY, EQUITY, AND INCLUSION

We are continuously improving our approach to recruitment, training, and employee recognition to cultivate a welcoming and open workplace where all feel safe and included. The steps we take to ensure that our workplace is free of discrimination are detailed in our employee handbook. In addition, we maintain anti-discrimination policies and provide accommodations, which enable an equitable working environment. These policies clearly and precisely define harassment of all kinds and describe our reporting, investigation, and non-retaliation policies to promote a discrimination-free workplace.

SGC is an organization composed of thousands of people with various backgrounds, ethnicities, and cultures. It is important to us that we represent the communities that we serve and that our people are from in the more than 10 countries our employees and stakeholders call home. As a global business, we promote and foster cultural exchange, appreciation, and understanding among our diverse array of employees, suppliers, and customers by encouraging our teams around the world to share their customs and holidays with each other. One example of this comes from a The Office Gurus site in Belize, which sponsored two important events for Belizean culture. The first was La Ruta Maya, which is a four-day long annual canoe race that celebrates Belizean culture, heritage, and the importance of the Belize River. The second was the San Ignacio Independence Parade, which is an annual event held to celebrate and mark Belize's Independence Day and community spirit. Another ongoing cultural

tradition within our Branded Products segment is honoring Juneteenth as a paid holiday for U.S.-based employees.

We will continue our ongoing efforts to enhance diversity and equity in the workplace on a global level. As SGC expands, we are continuously adding more perspectives and cultures to our company. This will only help us bolster our capacity in fostering an inclusive environment in which employees can fully thrive and be themselves.

## EQUAL OPPORTUNITY EMPLOYER

Superior Group of Companies is proud to be an Equal Opportunity Employer that does not discriminate on the basis of actual or perceived race, color, creed, religion, national origin, ancestry, citizenship status, age, sex or gender (including pregnancy, childbirth and pregnancy-related conditions), gender identity or expression (including transgender status), sexual orientation, marital status, military service and veteran status, physical or mental disability, genetic information, or any other characteristic protected by applicable federal, state or local laws and ordinances. SGC's management team is committed to this policy with respect to recruitment, hiring, placement, promotion, transfer, training, compensation, benefits, employee activities, access to facilities and programs and general treatment during employment.

## TRAINING AND DEVELOPMENT

Training and development programs are an opportunity to engage our employees and support their career growth at SGC. To keep everyone informed and compliant with company policies, we require all employees to complete initial SGC training on our Code of Conduct within 90 days of their start date, followed by biannual refreshers. This mandatory training encompasses our Code of Conduct, health and safety practices, and other essential topics. We track employee training and monitor progress throughout the year. Due to the wide range of services we offer within SGC amongst our three segments and all their divisions, our training program beyond the Code of Conduct and other company-wide policies is decentralized throughout our divisions. This helps each of our divisions address their individualized training needs.

## TOG UNIVERSITY

In order to support and enhance skills specific to contract centers, The Office Gurus offers TOG University to its employees. TOG University trains employees for success in their field by offering a multi-disciplinary business training curriculum that enables participants to develop key competencies. TOG employees have utilized TOG University for seven years to develop their expertise and advance in their careers. The success of TOG University is evidenced by the massive growth in participants and graduates in the program over the last two years, propelled by the availability of virtual courses. 350 Gurus graduated from TOG University in 2023 with over 2,700 hours of live training.

We are continuously searching for ways to expand our offerings through TOG University year over year. In 2023 we continued to add new courses to the TOG University catalog with the addition of the TOG College and the Manger University courses. The TOG College is the new entry-level program which provides our Gurus with a first look into TOG culture, history, and values, as well as a better understanding of how TOG works and how they can play a role as staff members in TOG. The Manager University is our brand-new program for managers, which was tailored specifically to the development needs of our TOG managers.

In addition to the new courses, we enhanced our previous programs. The School of Team Leaders program has become the TL University and the School of Supervisors has become the Supervisor University. In addition to the name change, both programs received reformatted modules, which make them more appealing, automated voice-overs so our Gurus do not have to read through all slides, and a reduced number of modules to focus on the more essential learnings. In 2023 we also implemented the Open Workshops, a new program which provides additional voluntary development opportunities to all Gurus through workshop-style sessions where we deliver topics of interest in a gamified environment.

## 2023 TOG University Participants and Stats:

### Logged thousands of hours of live training

- 2,725 hours of live, online training (webinars)
- 432 participants

### Completed thousands of TOG University courses via TOG's online platform

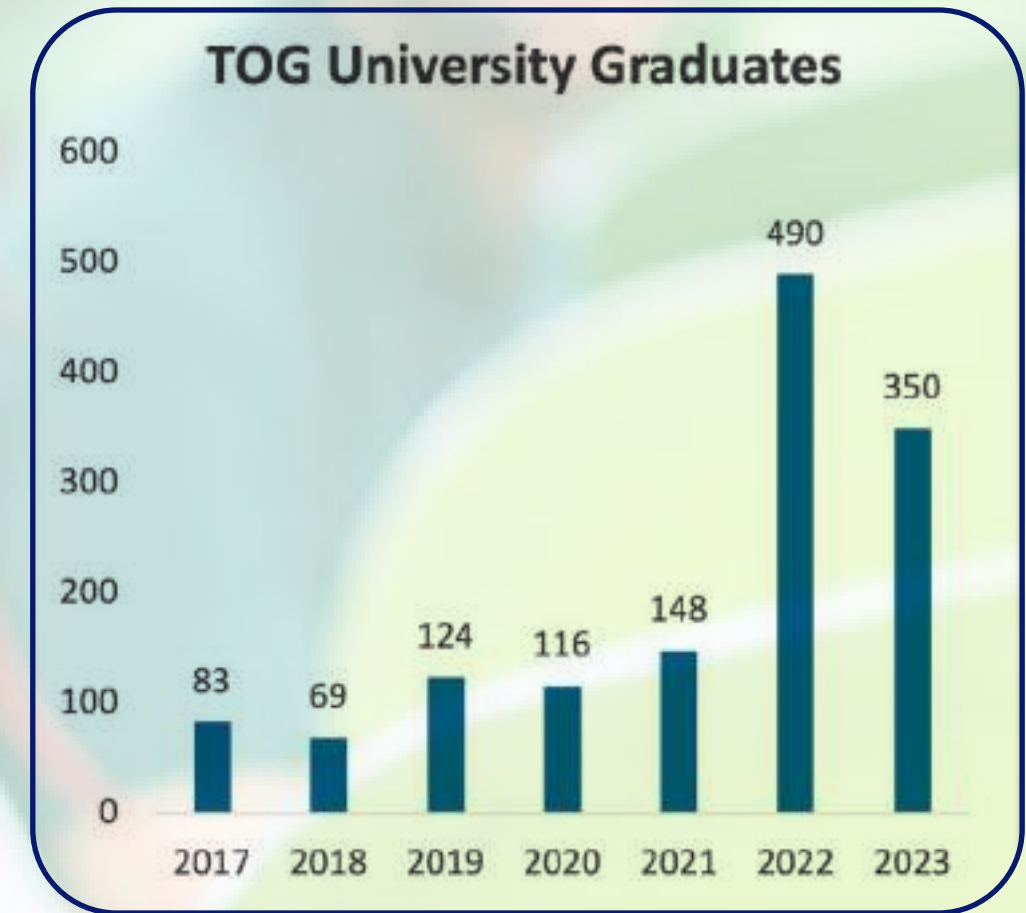
- Graduation rate of 81.0%
- 4,087 courses completed

### Continued to grow and expand TOG University offerings

- Revamp of TOG University with addition of TOG College and the Manager University to our catalog

### Leveraged external training for special skills

- 18,500+ hours of external training completed



## TOG UNIVERSITY SPOTLIGHT

*“During my time at TL University and TOG College, I’ve gained invaluable insights into effective leadership. Learning about communication, problem-solving, and teamwork has greatly enhanced my abilities as a Team Leader. The help and guidance provided by the program have been fundamental in my professional growth, and implementing the strategies and techniques learned in these programs has allowed me to motivate and guide my team more effectively.”*

- Karen S. (TOG University 2023 Graduate)



# *Community Relations*

## COMMUNITY RELATIONS

SGC is a proud reflection of the diverse cultures and communities in which we live and work. We strongly believe that it is part of our corporate responsibility to support and encourage positive community relationships as we seek to make an impact around the world. In 2023, we continued to support and give back to our communities through a variety of initiatives each year ranging from direct financial support to volunteering to donation of apparel.

In 2023, SGC and our employees together raised more than \$104,000 to support 21 organizations around the world. We primarily raise funds throughout the course of the year through employee contributions, which ebb and flow year over year based on a variety of social and economic factors. We are encouraged to see such positive outcomes from our community partnerships.

In 2023, we donated over 161,000 units of clothing. Donations included gowns, scrubs, scrub caps, masks, laundry bags, lab coats, aprons, and other clinical apparel for healthcare workers at medical centers, nursing homes, and mission trips. We also provided apparel for shelters, community organizations, schools, and day care centers to assist teens, the homeless, and others in need. In total, our donation materials were distributed to 18 different humanitarian and healthcare organizations serving in the United States, El Salvador, and Kenya.

In addition to apparel, in 2023 we donated over 2.0 million pairs of gloves to 16 different organizations which included surrounding school districts, nursing homes, clinics, and hospitals. Our facility in Haiti also banded together to provide

students and staff with school supplies to ensure children have the materials necessary to focus on their education.

Other examples of programs and initiatives around the world include:

- Donating scrubs to Food for the Poor in Guatemala
- Donating uniforms to local area charities near our Eudora, Arkansas distribution center
- Donating inventory from our facility in Poland to Schneider Children's Medical Center
- Donating funds to support the local Eudora Police Department to ensure that the entire local police force has bulletproof vests.



## ADOPT-A-SHORE PROGRAM

In 2009, SGC adopted Madeira Beach through the local Adopt-A-Shore program, a collaborative partnership between the public and private sector and Pinellas County, Florida. Through this program, groups “adopt” a mile-long section of county shoreline and host clean-up events to help reduce and prevent debris from entering the waterways and restore coastal habitats. Since then, SGC has hosted quarterly debris and trash clean up events at Madeira Beach on Florida’s western coastline.

## OLIVIA & FRIENDS

Since 2017, TOG has taken immense pride in our dog adoption charity, Olivia & Friends. This program was named in honor of Olivia, TOG’s first adoption in 2017. In 2020, Pepe joined Olivia, bringing boundless joy to our offices and community. Our children’s book, “The Adventures of Olivia & Pepe,” was illustrated by local artists featuring features six individual stories, each representing one of SGC’s core values.

Through Olivia & Friends we continue to collaborate with local programs to rescue and adopt puppies while supporting rescue shelters through fundraising events such as:

ARANI, a local animal shelter, which we have partnered with for more than six years to make a significant impact on our community. Olivia & Friends and ARANI work in collaboration to facilitate adoption days and volunteer events, all with the common goal of finding loving homes for shelter dogs.

In 2023, TOG forged a new partnership with Adoptame, an organization

dedicated to promoting responsible adoption. Through this collaboration, TOG conducted two volunteer activities at a local shelter where our team contributed by bathing puppies and cleaning shelter facilities.

To follow Olivia and Pepe’s adventures and see any new friends that might join them, please visit <https://www.instagram.com/happygurutails/>

### Gurus in Action: TOG Volunteer Activities

Throughout 2023, TOG continued its ongoing volunteer traditions such as collecting and distributing Christmas gifts for the elderly residents of the nursing home Hogar de Ancianos San Vicente de Paul. We also established new partnerships to better our community. We partnered with Ternova’s CSR program, Recicla 503, to promote recycling initiatives and organize a cleanup at San

Blas beach to reduce plastic waste. Other volunteer activities our Gurus supported in 2023 include building a house for a vulnerable family in El Salvador, participating in two wheelchair assembly activities, assisting in the operation of a Christmas festival for people with disabilities, and partnering with Belize Rotary to help transform areas in development with school paintings.



## CANCER AWARENESS AND SUPPORT

Each year we host a Breast Cancer Awareness Walk, which bring employees together in support of something that has impacted many on a very personal level. SGC also continued to raise funds for Fundación Edificando Vidas in 2023 through a special phone line. Fundación Edificando Vidas works to educate people on cancer and human rights and provide cancer screenings at a low cost. In addition to the funds raised through the phone line, our Contact Center employees contributed their own money to Fundación Edificando Vidas. In addition to monetary donations, our volunteers participated in a floral arrangement workshop and helped deliver arrangements to breast cancer survivors.

In addition to these efforts, TOG joined forces with other members of the AMCHAM Call Center's Committee of El Salvador to conduct a fundraiser campaign in commemoration of Breast Cancer Awareness Month. Our campaign actively raised funds throughout October and enabled us to contribute to non-profit organizations.

Our Gurus also supported Fundación Ayúdame a Vivir, the only organization in El Salvador that provides medical treatment and comprehensive support to all boys and girls with cancer at no cost to the patient, with their time and effort. The Gurus organized a two-week internal campaign to gather provisions for children battling cancer, collecting over 1,800 supplies for Fundación Ayúdame a Vivir.

## BLOOD DRIVES

In 2023, we continued our tradition of hosting quarterly blood drives at one of our largest distribution centers, the Eudora Distribution Center in Eudora, Arkansas. These blood drives provide our employees with the opportunity to donate and contribute to the local community's blood supply. By keeping donations local, we ensure that they remain readily available to those in need within our community.





*Environmental  
Management*



## ENVIRONMENTAL MANAGEMENT

We work to help brands “do more, be more and achieve more.” This also rings true with our approach to environmental management. We are working with our value chain partners to identify new and unique ways to minimize pressures on the environment while also improving the communities around us. For example, we have found innovative ways to repurpose end-of-life materials and to also minimize our own material consumption practices. We partner with suppliers who are like-minded and agree to abide by our SGC’s Supplier and Vendor Compliance Manual and related policies, striving to bring together innovative solutions to our industry and to our value chain to create a more sustainable future.

### Product Design and Innovation

SGC has consistently implemented eco-friendly practices into our operations through product designs, manufacturing, and materials sourcing. The initiatives we have introduced have reduced our environmental footprint while also creating new sustainable product lines and unlocking new material sources. Our production process

In 2023, we converted over **400,000 customer delivery bags into RPET (recycled polypropylene non-woven) bags.**

Since 2019, we have:

Recycled over **133.6 million** plastic bottles and  
Produced over **8.9 million** yards of RPET fabric.

practices and initiatives reduce waste and material use, upcycle end-of-life fabrics and other products, and redesign source materials to be less resource intensive.

We have continued our long-standing bottle recycling program in 2023 which has experienced major success. Each year, we can recycle more bottles than the last thanks to increased production of our recycled fabrics. We convert used plastic bottles into production-quality fabrics that are used to create new uniforms and other products. This initiative not only helps in removing plastic waste from the environment, but also minimizes raw material consumption, lowering the product’s overall carbon footprint by comparison to conventional fabric manufacturing methods. In 2023, our bottle recycling program recycled approximately 24.0 million plastic bottles. These recycled materials were transformed into roughly 2.6 million yards of fabric. CID alone utilized 1.6 million yards of recycled fabric to make scrubs in 2023.



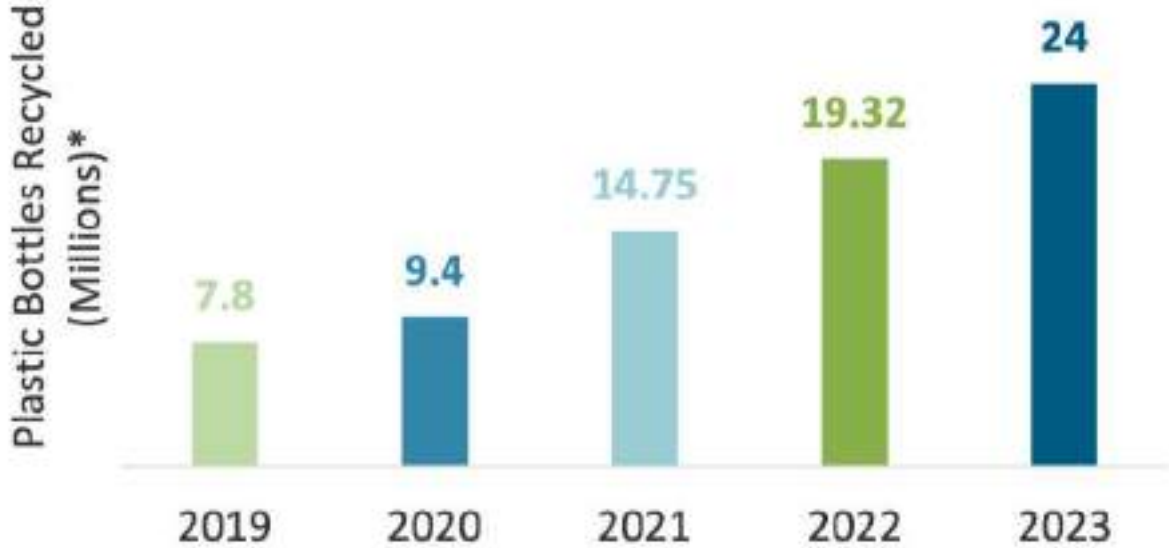
We further expanded our sustainable practices by fostering partnerships with suppliers offering eco-friendly alternatives to various products such as Forest Stewardship Council-certified (FSC) paper, compostable plastics, and natural fabrics (such as cotton). Our dedication to sustainable uniforms is further evident in the continued expansion of our Wink™ collections, formerly known as WonderWink Renew™ and WonderWink Thrive™. The latter, introduced in 2022, is crafted entirely from recycled polyester and has garnered substantial customer demand, underscoring the market’s embrace of eco-friendly solutions. In 2023, CID is proud to announce that we launched two more fully sustainable Wink collections: Boundless and Nova.

This year we continued our ongoing collaboration with HeiQ®, a renowned leader in innovative and sustainable fabric applications. HyProTech®, an antimicrobial and antiviral technology-infused fabric, stands out for its comprehensive safety standards. This material is also compliant with the European Union’s Registration, Evaluation, Authorization and Restriction of Chemicals (EU REACH), and United States’ Federal Insecticide, Fungicide, and Rodenticide Act (US FIFRA) regulations. Additionally, this material is Oeko-Tex® certified and is homologized by Zero Discharge of Hazardous Chemicals (ZDHC) and BlueSign. Furthermore, the ingredients used are cosmetic-grade and the material itself is entirely bio-based. SGC proudly holds licensing rights to integrate HeiQ® fabrics into our product portfolio, facilitating the development of unique apparel solutions

tailored for use in healthcare settings and similar environments. In 2023, we procured nearly 400,000 units of HeiQ® apparel to meet the evolving needs of our customers. Since our partnership with HeiQ® began in 2021, we have procured over 825,000 units of apparel.

Looking ahead, we are excited to continue expanding our eco-friendly fabric offerings and to continue exploring innovative materials and processes. Anticipated projects include the adoption of all-natural, plant-based dyes and finishing chemicals and repurposing common items like coffee waste and old garments into raw materials.

### SGC Plastic Bottles Recycled



## PRODUCT QUALITY AND CHEMICAL MANAGEMENT

We have worked hard to establish and promote products which are reflective of our namesake: a Superior Group of Companies. To maintain our reputation, compliance with our quality processes and safety requirements is essential. This is reinforced in our Supplier and Vendor Compliance Manual as well as our Code of Conduct and other policies.

We have implemented strategies to help us monitor and manage the levels of chemicals that may enter our products. These chemicals are often introduced during the manufacturing and processing stages where textiles may be subjected to chemical applications during the dyeing and finishing phases. These chemicals are added to generate attributes such as barrier protection, moisture wicking capabilities, or varying levels of material softness.

As stated in our supplier agreements, we require suppliers to affirm that the materials we purchase for apparel do not contain chemicals on the American Apparel & Footwear Association's (AAFA) Restricted Substance List (RSL). We review and align with the RSL on an annual basis and apply this requirement to all regions and all products within our apparel supply chain.

We manage chemicals in our products through two key processes:

- 1) Using a nominated source, where we dictate to the manufacturer which mills they can use, for our higher usage materials for apparel.
- 2) Requiring vendors to verify the materials are Oeko-Tex® certified.

Oeko-Tex® is a collection of independent textile and leather testing institutes that test fabrics to ensure they do not contain chemicals that are outlawed in Europe and certain U.S. states (including California Prop 65). Throughout 2023, all SGC textile mills were Oeko-Tex® certified and we continued to purchase only Oeko-Tex® certified fabric for all apparel

manufacturing. We have also carried forward the Oeko-Tex® certification requirement to all our trim suppliers, which provide elements of apparel that are not the



main fabric, to ensure that all elements of our apparel products are Oeko-Tex® certified. As in past years, many of our products continue to bear the Oeko-Tex® “Standard 100” label. This identifies to our customers that every component of a garment — including thread, buttons, and other accessories — is free of harmful substances.

## PFAS

For decades, per- and poly-fluoroalkyl substances (PFAS) have been used in a variety of household and commercial products serving multiple applications such as stain resistance for clothing, fire resistant properties, and more. In recent years, PFAS chemicals have recently been defined as “forever chemicals,” due to their longevity and difficulty to breakdown and eradicate in the environment. These chemicals are the subject of a growing number of regulations. Through our membership in the AAFA, we are staying current on the latest state and federal PFAS regulations.

SGC is taking steps to address and remove these chemicals from our products. We leverage a third-party testing facility to compare the performance of our barrier fabrics against common fabrics containing PFAS. Through this third-party testing, they were able to determine that our PFAS-free fabric performs as well as previous versions of the fabric that included PFAS. We also conduct our own testing at the textile manufacturing level, where chemical usage is more prevalent, to determine any chemical risks inherent to the raw materials. Third-party and internal testing has not detected any levels of PFAS in the materials we have tested.

We are diligently working toward the removal of all intentionally added PFAS from our supply chain in a manner compliant with all applicable laws and regulations. To achieve this; we have recently developed a new PFAS-free barrier fabric in collaboration with a chemical manufacturer and a fabric supplier. We are also working with members of Textile Rental Services Association of America and American Reusable Textile Association on a PFAS tool kit for laundries.



### WASTE MANAGEMENT

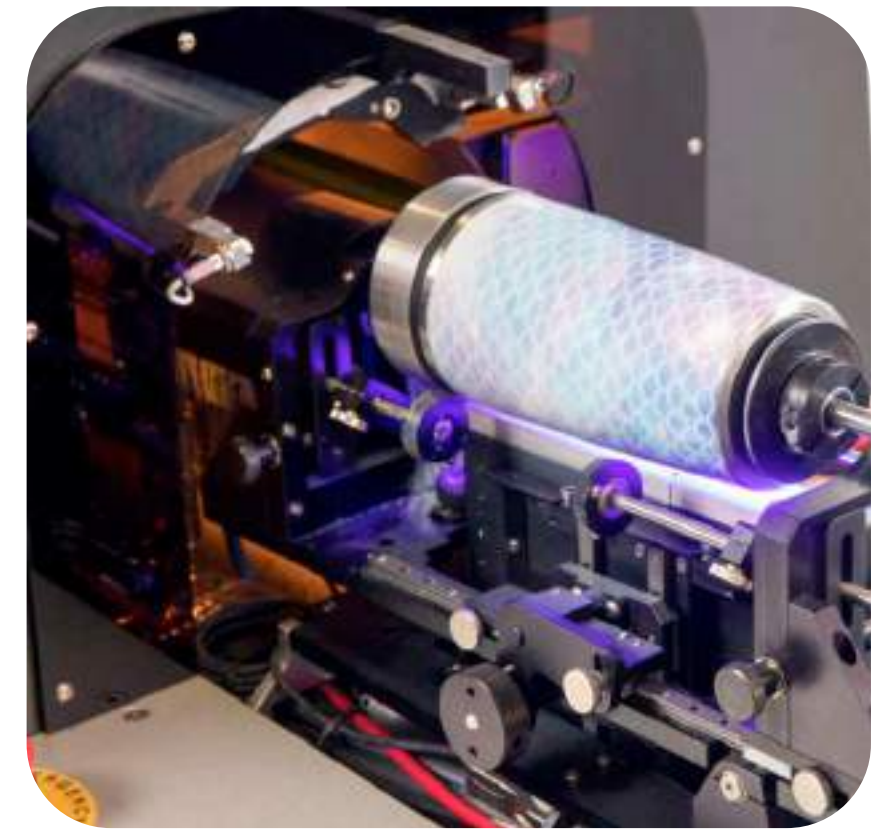
Across our facilities, we have adopted several sustainability initiatives that target waste reduction at our offices and manufacturing operations. We have sought ways to go paperless, eliminate single-use packaging, and increase our on-site recycling efforts. For example, we continue to incorporate recycled materials from third parties into our garment packaging and labels to further reduce our raw material consumption and waste generation.

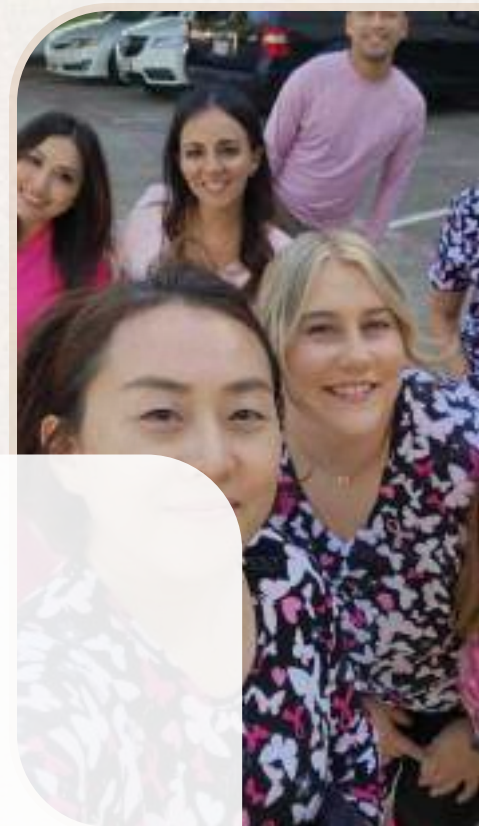
Our main distribution center in Eudora, Arkansas continued its recycling program and was able to recycle over 1,400 pounds of obsolete electronics from the distribution center in 2023, exemplifying our holistic approach to waste management. SGC recycled approximately 64.3 tons of corrugated cardboard across three of our Arkansas facilities in 2023. To put that into perspective, one ton of corrugated would be comparable to about 2,577 cardboard boxes. This recycling program is ongoing for our distribution center and is a huge environmental win. We also are evaluating the sustainability of our packaging solutions, especially regarding shipping and handling. In 2023, we eliminated the use of bubble wrap for some of our product lines and canceled over 200,000 individual polybags, instead opting to use recycled honeycomb wrapping paper.

## FACILITY OPTIMIZATION

Over the past year, many of our facilities have installed new equipment or launched new procedures to further reduce their environmental impacts. Our older facilities routinely undergo upgrades, in which we retrofit them with equipment designed to reduce energy demands or install LED lighting enhanced with motion detectors. We also continue to monitor the heat exchangers on our suppliers' dyeing machines for optimization opportunities and energy demand reductions. The fabric mills, we use have focused their attention on procuring an increasing amount of green energy, either by direct purchases, green energy from the local grid, or the installation of owned and operated solar panels. These mills are also looking for ways to reduce their water demands by leveraging wastewater recycling systems to minimize water consumption.

We integrate cutting-edge sustainability practices and technologies into all our new facilities, focusing on energy efficiency and waste reduction. Our CID factories have all had successful audits by Intertek and renewed their WRAP certificates for 2024. In addition to this, our factory in Codevi Park, Haiti, has been approved by Carhartt, and we issued orders for our first sustainable Carhartt collection (Core Essentials). These achievements underscore our unwavering dedication to sustainability and responsible business practices across all facets of our operations.





# *Closing*

At SGC, with our workforce of more than 6,900 individuals, we appreciate and understand the unique opportunities that we have to influence the world. We have put additional focus and effort into the training and development of our employees to not only encourage a successful and tenured career at SGC, but also to build out the SGC reputation with our clients and other stakeholders. We continue to seek ways to positively address our impact both directly within our facilities and through our products and services, as well as within the communities in which we operate. We look forward to continuing our path forward as a company committed to corporate social responsibility and sharing updates in the future.



## SASB INDEX

This index summarizes SGC’s responses to the apparel, accessories & footwear (2023) standard of the sustainability accounting standards board (sasb) standards. The information below pertains only to the apparel divisions within the scs and branded products segments. This information is not applicable to the other divisions of our business as these particular industry standards do not apply to them.

SASB Standard – Apparel, Accessories & Footwear			
Topic	Accounting Metric	Code	Response
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	CG-AA-250a.1	SGC maintains a restricted substance list (RSL) for its uniform divisions. We use the RSL list published annually by the American Apparel & Footwear Association (AAFA).  For further information, see <a href="#">Product Quality and Chemical Management</a> .
	Discussion of processes to assess and manage risks or hazards associated with chemicals in products	CG-AA-250a.2	We manufacture finished products, not raw materials (which mostly is fabrics). Chemicals are added during the manufacturing of the fabric. We require all nominated fabric manufacturers to be Oeko-Tex® certified, which includes the requirement to be free of certain chemicals.  For further information, see <a href="#">Product Quality and Chemical Management</a> .
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits or contractual agreements	CG-AA-430a.1	We have 57 suppliers for our apparel divisions that we recognize as Tier 1. Of these, 49 are finished product suppliers and 8 are textile suppliers. In 2023, we audited 44 of our finished product suppliers (77.2% of Tier 1 suppliers) regarding various environmental matters, including their environmental management programs which includes questions specific to wastewater permitting. We expect all our suppliers to operate within compliance with local laws and regulations. Furthermore, in 2024 we anticipate expanding our auditing program to include our textile suppliers. In 2023, 13 out of 57 (22.8%) of our Tier 1 suppliers have self-reported wastewater permits. Since most of our Tier 1 suppliers are garment manufacturers which typically do not generate wastewater as part of the manufacturing process, we manage the process by requiring our suppliers to comply with all local laws, including environmental regulations. We verify compliance through a third party audit process of Tier 1 suppliers. We do not currently audit beyond our Tier 1 suppliers.  For further information, see <a href="#">Supply Chain Management</a> .



SASB Standard – Apparel, Accessories & Footwear			
Topic	Accounting Metric	Code	Response
	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition’s Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	CG-AA-430a.2	<p>We have collected limited HIGG FEM assessment information for 2023. We intend to make collecting such information a higher priority in 2024.</p> <p>For further information, see <a href="#">Supply Chain Management</a>.</p>
<b>Labor Conditions in the Supply Chain</b>	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	CG-AA-430b.1	<p>We conducted 44 audits in 2023 of Tier 1 finished product suppliers that included evaluating compliance with a labor code of conduct. This equates to 89.8% of our Tier 1 finished product suppliers. We have not audited our textile suppliers in the past but anticipate adding them to the audit list in 2024. Additionally, we have new suppliers who have replaced previous ones but have not yet come due for a renewal. All audits were conducted by independent, third parties.</p> <p>We conducted audits of four suppliers beyond Tier 1.</p> <p>For further information, see <a href="#">Supply Chain Management</a>.</p>
	(1) Priority non-conformance rate and (2) associated corrective action rate for suppliers’ labor code of conduct audits	CG-AA-430b.2	<p>We conducted 44 audits in 2023 of Tier 1 finished product suppliers. These audits identified 211 corrective action items. 172 of these items were completed and closed in 2023. Our goal is to complete corrective actions within 90 days of identification.</p> <p>Audits occur on a rolling basis, so there likely will always be open corrective action items. 19 of our Tier 1 finished product suppliers have an open corrective action item.</p> <p>For further information, see <a href="#">Supply Chain Management</a>.</p>
	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	CG-AA-430b.3	<p>Labor:</p> <p>1) Potential worker unrest related to wages</p> <p>2) Apparel often is produced in unstable regions, which may affect the ability of the labor force to work at full capacity</p> <p>3) Cost of labor is increasing</p>

SASB Standard – Apparel, Accessories & Footwear			
Topic	Accounting Metric	Code	Response
			<p>Environmental/Health/Safety:</p> <p>1) Worker safety</p> <p>2) Changing weather conditions might affect workers and/or facilities</p> <p>3) Worker health due to unsafe drinking water or disease</p> <p>For further information, see <a href="#">Supply Chain Management</a>.</p>
<b>Raw Materials Sourcing</b>	(1) List of priority raw materials; for each priority raw material: (2) environmental or social factor(s) most likely to threaten sourcing, (3) discussion on business risks or opportunities associated with environmental or social factors, and (4) management strategy for addressing business risks and opportunities	CG-AA-440a.3	<p>Fabric textiles make up nearly 100% of our priority raw materials. Over 95.0% of our priority raw materials are manufactured in China while the remaining 5.0% are manufactured in other countries in Asia.</p> <p>A large percentage of fabric textiles contain cotton that is sourced from China and other countries. Cotton availability is affected by political and environmental factors. For example, U.S. law forbids the use of cotton grown in certain areas of China and environmental factors impact the supply of cotton from different regions at different times.</p> <p>Our supply chain is sufficiently diverse enough to mitigate the impact of environmental factors in any given region.</p> <p>For further information, see <a href="#">Supply Chain Management</a>.</p>
	(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental and/or social standard, by standard	CG-AA-440a.4	<p>In 2023 we purchased approximately 2,594 metric tons of fabric from our nominated suppliers, all of whom are Oeko-Tex certified.</p> <p>For further information, see <a href="#">Supply Chain Management</a>.</p>
	<b>Activity Metric</b>	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	CG-AA-000.A