Superior Group of Companies 2024 CSR Report

# 2024 Corporate Social Responsibility Report







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# **About This Report**

We are proud to share the sixth iteration of our annual Corporate Social Responsibility (CSR) Report, including our sustainability efforts and achievements for our core prioritized environmental, social, and governance (ESG) topics. Our 2024 CSR Report is intended to share highquality sustainability information with our internal and external stakeholders, thus increasing the visibility and understanding of our sustainability priorities, strategies to achieve them, and progress to date.

This marks our second disclosure in alignment with the reporting guidance and principles of the Sustainability Accounting Standard Board (SASB) Apparel, Accessories & Footwear Standard (2023). Please note that the selected SASB Standard is only applicable to our apparel divisions within our Healthcare Apparel and Branded Products business segments at this time, as the Standard does not apply to the rest of the company.

### **Report Boundary**

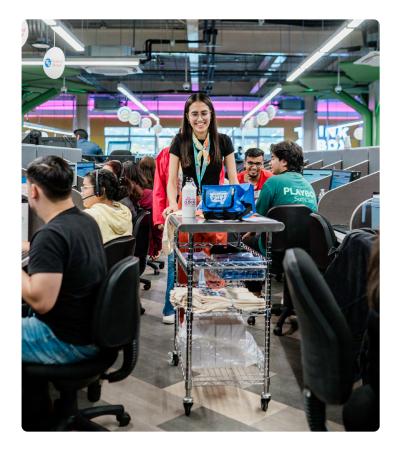
This report covers Superior Group of Companies, Inc.'s

(SGC's) three reportable business segments as presented in our 2024 financial statements: Branded Products, Healthcare Apparel, and Contact Centers. Unless otherwise noted, all information and data presented within this report are reflective of SGC's performance in fiscal year 2024 (January 1 to December 31, 2024), in line with the financial reporting period of our 2024 Annual Report on Form 10-K. All financial figures have been reported in United States Dollars (USD) unless otherwise specified.

### 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 2024 Annual Report on Form 10-K filed on March 11, 2025, and other subsequent filings (such as our Quarterly Reports on Form 10-Q) for detailed discussions of principal risks and uncertainties that could cause such differences.

We look forward to enhancing our sustainability disclosures as we continue to develop and evolve our corporate responsibility strategies and subsequent reporting processes. For questions or comments regarding the information presented within this report, please contact us at: <u>CorporateSocialResponsibility@</u> <u>superiorgroupofcompanies.com</u>.







# Letter from the CEO

At Superior Group of Companies, corporate social responsibility is a fundamental part of who we are and how we operate. We are determined to help create a more ethical, communal, and sustainable world, and we made significant progress in that pursuit over the course of 2024. Whether we were organizing local community cleanups, ensuring social compliance standards in manufacturing factories overseas, or implementing new projects to reduce our environmental impact, we continued to strengthen the foundation of responsibility that defines our company.

As we reflect on 2024, I am proud to share the meaningful progress we have made toward building a more resilient, profitable, and sustainable future. Since establishing our ESG Council in 2022, we have continued to evolve our policies and procedures, launched impactful philanthropic programs, and invested in projects designed to improve our environmental efficiency. Our approach to corporate sustainability is dynamic, ensuring that we remain up-to-date with emerging regulations, ethical considerations, and environmental, social, and information security risks. This report marks our second disclosure in alignment with the SASB framework, acknowledging the importance of consistent, comparable sustainability disclosures as the reporting landscape continues to evolve.

In 2024, we took meaningful action across several key areas. We reinforced standards throughout our supply chain, welcomed our first Board Observer which allowed the amplification of diverse perspectives, deepened our community relationships through partnerships and volunteering events, and expanded our efforts to utilize renewable energy throughout our operations. Not only have these initiatives bolstered our CSR program internally, they have strengthened our reputation and garnered public recognition as well. During Customer Contact Week, The Office Gurus, one of our subsidiary companies, received the CMP Research Best of the Best Employee Experience Award. This recognition reflects our ongoing efforts to foster a culture where team members are valued, motivated, and empowered to pursue excellence every day.

The successes of 2024 would not have been possible without the leadership of our valued business segments, the unwavering dedication



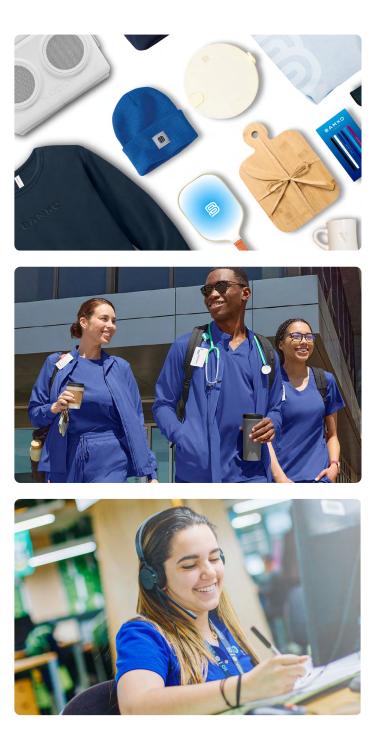
of our employees, the loyalty of our customers, or the continued trust of our shareholders. We recognize that corporate social responsibility is not a fixed destination—it is a shared duty and continuous journey. We look forward to sharing our progress as we build upon our achievements and are deeply grateful for your continued partnership and support along the way.

Sincerely,

michael Benstock

Michael Benstock Chief Executive Officer

# **About SGC**



Superior Group of Companies is a publicly traded company that supports its diverse set of customers through the provision of company 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," elevating their brand engagement experiences through strategic and creative solutions from our family of companies. Our business is organized into three broad business segments that encompass a variety of products, services, and brands:



Each of these three business segments serves distinct, dynamic markets that are brimming with growth opportunities. Since our founding in 1920, we have been building lasting connections and partnerships, driving positive impact within the communities where we operate and throughout our value chain. Each segment enables our clients to create extraordinary engagement experiences for their customers and employees, enhancing their brand recognition and strengthening their relationships. Our commitment to service, quality, advanced technology, and omnichannel commerce provides unparalleled competitive advantages, and we are proud to have built a legacy of stability and consistent growth while continuing to support our communities and conserve environmental resources.

### Contact Centers (Contact & Call Centers)

- Our clients place their most prized possession in our hands daily: their customers.
- We are not just the voice on their consumers' phones or the authors of their emails—we are the human connection, the embodiment of their brand values, and the champions of exceptional customer service.
- Key Brands: The Office Gurus





# SGC At a Glance

Established in 1920



Nearly 7,200 employees worldwide



Headquartered in St. Petersburg, Florida, U.S.



37 Locations (Owned and Leased)



•••

**Presence on Four Continents** 

NASDAQ Symbol: SGC

2024 Net Sales of \$565,676,000

Average Annual Customer Retention Rate of 90%

### **Our Vision and Values**

We maintain a consistent focus on sustainability, quality, professionalism, and innovation, all of which enable us to provide exceptional experiences for our stakeholders. By staying true to our corporate vision and core values, we strive to empower our team, support our communities, and deliver lasting value for our customers.



### **Our Vision**

SGC exists to unlock, leverage, and maximize the power of our clients' brands—a purpose we strive to deliver each and every day. Our vision is centered on four key principles that drive our success and impact:



### **Our Values**

SGC is committed to maintaining the highest standards of performance and a dedication to excellence within our work environment. These core values define our work and guide every individual throughout the organization:

- and tenacity.
- truthfulness.
- change.
- and actions.
- into opportunities for improvement.

**Innovate Bolding** 

Earn the loyalty of our customers **Prioritize high** standards in corporate ethics and scoial responsibility

Act with unwavering integrity: Always do what is right, even when it is not easy.

**Demonstrate ambition and perseverance:** Strive for excellence with determination

**Practice honesty and transparency:** Communicate openly and build trust through

Foster curiosity and embrace change: Seek knowledge, ask questions, and drive

Take ownership and be accountable: Hold yourself and others accountable for results

**Be solutions-oriented:** Respond to challenges swiftly and constructively, turning problems







### **Our CSR Focus Areas**

This report underscores our ongoing commitment to corporate social responsibility, transparency, and accountability. It highlights and discusses the CSR topics deemed most material to our operations and to the long-term success of our company. We recognize that this journey toward a more sustainable future is vital not only for the well-being of our stakeholders, but also for the enduring success of our businesses. We continuously monitor our progress, identify potential opportunities for improvement, and implement innovative solutions that address our most prominent CSR-related challenges including data privacy and security, responsible sourcing, supply chain mapping, and environmental footprint management.

> Ethical Business Management

Supply Chain Management

### Materiality

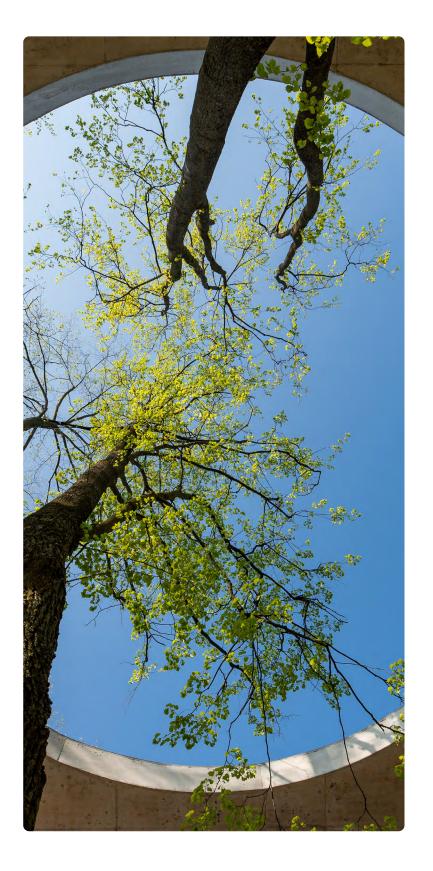
We acknowledge our responsibility to identify and address various CSR issues that are material to our business strategy and operations. In 2024, we conducted our first formalized materiality assessment to solicit meaningful input from our stakeholders and to reassess, calibrate, and validate our core CSR priorities. To facilitate this process, each of our business segments was responsible for engaging their relevant customers to gather their views and insights on corporate social responsibility and SGC's progress, performance, and goals. Feedback was collected via direct engagement with our customers and was then shared with our ESG Council and business leaders to evaluate and refine our CSR approach and consider potential operational enhancements.

Identified focus areas helped to inform the content and structure of this report, including:

Employee Engagement Community Relations

Environmental Management





### 2024 Sustainability Highlights

At SGC, corporate social responsibility is more than a commitment—it is a core part of our daily operations and a driving force behind our long-term growth. Throughout 2024, we continued to build upon our strong momentum since first formalizing our ESG Council in 2022. Our performance highlights reflect our continued focus on ethical governance, responsible supply chain management, and the creation of a workplace where our employees are valued, celebrated, and empowered. We have deepened our community partnerships around the world and have advanced our environmental initiatives through product innovation and facility retrofits that reduce our footprint. A small sample of our noteworthy achievements throughout 2024 includes:

• Achieved a compliance training completion rate of 96.4% for all U.S. employees, reflecting our shared dedication to integrity, accountability, and living our values.

- Completed audits for 100% of our Tier 1 finished products and textile suppliers using social and environmental criteria, ensuring that our commitment to corporate social responsibility is also reflected throughout our value chain.
- Launched our new Board Observer Program, focusing on amplifying diverse perspectives and providing participants with a firsthand understanding of the responsibilities and dynamics involved in serving on a public company board.
- Donated over \$110,000 in company gifts and employee contributions to local

charities, plus almost 210,000 additional items of clothing were donated to various causes worldwide. Diverted approximately 32,000 pounds of apparel waste that would otherwise be landfilled into an engineered fuel conversion process, generating nearly 99,000 kilowatthours (kWh) of energy that was used to power a cement kiln.

As we look ahead to 2025 and beyond, we are excited to continue our strong momentum and build upon the progress we have achieved thus far. We remain focused on making a lasting positive impact on our employees, the environment, and the communities we serve, staying true to our mission to help our customers do more, be more, and achieve more—together with SGC.

### 2024 Awards and Accolades

The Office Gurus (TOG) won the "CMP Research Best of the Best: Employee Experience Award" at Customer Contact Week 2024, acknowledging its successful employee engagement initiatives and the company's efforts to foster a culture where team members are motivated and empowered to excel.



**TOC** ranked among the top 10 best companies for young professionals in El Salvador in the 2024 Employers for Youth (EFY) Study conducted by FirstJob.





**BAMKO** received the Best Places to Work Award 2024 from ASI Counselor Magazine, solidifying its position as a top workplace in both the distributorship and supply sectors.









# **Business Ethics**





We maintain an unwavering commitment to sound corporate governance, respect for human rights, and robust data security measures. By embedding these principles throughout our day-to-day operations, we strengthen our trusting relationships, promote accountability across our business, and support the long-term sustainability of SGC.

### **Corporate Governance**

SGC's approach to corporate governance is closely aligned with our company values and rooted in the principles of integrity, honesty, and accountability. Our Board leadership, management structure, and established policies and procedures are designed to ensure high standards of ethical behavior throughout our business operations, applicable to employees, contractors, suppliers, and persons working on behalf of SGC. We establish clear leadership roles and responsibilities, set high standards for personal and professional conduct, and actively monitor our compliance against our responsibilities and requirements.

### **Board of Directors**

Our experienced Board of Directors (Board) provides a broad spectrum of knowledge, perspective, and expertise and is well-prepared to oversee SGC's policies, performance, and strategies to create long-term value. Chaired by our CEO, the Board provides guidance to our senior leadership teams, oversees our Code of Business and Ethical Conduct, and maintains ultimate responsibility for our corporate risk oversight and management practices. The Board meets at least four times annually and has five standing committees.



Each committee meets multiple times per year, is responsible for completing an annual selfassessment, and reports regularly to the Board. For more information regarding our Board Committees and respective charters, please review our <u>Governance Documents</u>.

Capital Committee



### Management Structure

Our Board and its committees are responsible for providing effective leadership and oversight of our business strategy, corporate policies, and overall performance. Policies and procedures are reviewed regularly to ensure compliance with applicable laws and regulations, proper management of identified risks, and consistency and alignment with SGC's core values. Internally, SGC's leadership team actively engages with employees and stakeholders through CEO communications to all employees,

townhall meetings hosted by segment presidents, and investor relations meetings. These actions help to foster open dialogue and feedback, enabling us to continuously improve our business practices and refine applicable policies where appropriate.

### **CSR** Oversight

Our Corporate Governance, Nominating, and Ethics Committee convenes on a quarterly basis to discuss various CSR topics, business ethics, data security, and data privacy issues. These meetings include general discussions on the annual CSR report progress, updates by the ESG Council, and

other critical topics such as legal or regulatory CSR developments that may rise to the Board level. Our CEO and Executive Team are part of our ESG Council and are responsible for sharing relevant information and progress with key internal stakeholders throughout the year.

### **Business Ethics**

We remain dedicated to conducting our business with integrity and honesty, and have adopted

several company policies that underscore our ethical conduct and ensure compliance with applicable laws, regulations, and standards. Policies such as our Code of Business and Ethical Conduct. our Whistleblower Policy, and our

Anti-Corruption and Anti-Bribery Policy all guide the actions of our Board, executives, employees, suppliers, and contractors, and help to ensure that we operate with professional integrity and in the best interests of our stakeholders. In addition to these foundational policies, we maintain several standalone policies addressing key areas such as

anti-discrimination, anti-harassment, supplier and vendor compliance, and other relevant compliance considerations.

### Code of Business and Ethical Conduct

SGC's Code of Business and Ethical Conduct (Code of Conduct) addresses key topics such as conflicts of interest, anti-corruption and anti-bribery, health and safety, fair labor standards, whistleblower procedures, and equal employment. The Code of Conduct is reviewed on a regular basis by the Board's Corporate Governance, Nominating, and Ethics Committee in conjunction with the Audit Committee and with support from our legal team. This comprehensive review is intended to ensure that:

- Our policies and regulatory compliance meet or exceed the requirements of the countries in which we operate;
- All requirements are communicated clearly to deter wrongdoing, ensure accountability, and promote professional behavior with the highest degree of integrity and honesty; and
- The Code of Conduct remains up-to-date with the latest policies, requirements, and emerging topics.





All new employees are required to complete initial training on the Code of Conduct within 90 days of their start date and must refresh their training biennially. This training helps to ensure that our employees are well-versed in our standards and requirements for ethical business behavior, and covers various topics presented within the Code of Conduct. We monitor our Code of Conduct training records on a periodic basis to ensure that no employees are out of compliance, and when necessary, work with employees and their managers until they are compliant.

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. Enforcement of the Code of Conduct, along with ensuring that our employees maintain ethical business standards, is entrusted to our management, including executive staff.

Employees who violate the Code of Conduct are subject to disciplinary action ranging from warnings to termination of employment, as appropriate. 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.

### Anti-Corruption and Anti-Bribery Policy

Maintaining compliance with SGC's anti-corruption and anti-bribery policy is a fundamental aspect of upholding the company's integrity and ethical standards. This policy not only reflects our commitment to conducting business honestly and transparently, but it supports our culture rooted in fairness, accountability, and respect for legal frameworks worldwide. By prohibiting corrupt practices—such as offering, soliciting, or accepting bribes—SGC sends a message to its employees, partners, and stakeholders that integrity is nonnegotiable, no matter the market or region.

Our anti-corruption and anti-bribery policy operates in tandem with the Code of Conduct yet stands separately to reinforce the criticality of our core principles and guide the ethics that underpin dayto-day decision-making. Together, these policies create an ethical framework that empowers employees to act responsibly and make choices aligned with the company's values. Our policy articulates an approach to the investigation and prevention of high-risk activities, including sound accounting controls and audits.

Violations of the policy are serious. Offenders may be subject to discipline up to and including termination of employment, termination of our business relationship, and civil and criminal action, as appropriate. This approach underscores our stance on ethical behavior, and reinforces accountability at all levels, mitigates legal and reputational risks, and earns and maintains the trust of our customers, investors, and global partners.

### Whistleblower Policy

Preventing, managing, and taking prompt corrective action to address incidents or violations is a core component of our ethical culture. The Board maintains ultimate oversight over our Whistleblower Policy, while operational control is the responsibility of our Chief Ethics Officer.

Employees are encouraged to speak with their supervisors, managers, or other appropriate personnel if they believe they have witnessed illegal or unethical behavior, violations of company policies, or any other form of misconduct. In addition to direct reporting, employees, contractors, and community members may report known or suspected violations or misconduct by:

- Contacting our third-party anonymous toll-free whistleblower hotline or website, which is staffed by a trained operator and available 24/7, 365 days a year;
- Calling our direct, internal toll-free ethics hotline; or
- Contacting the Chair of our Board's Audit Committee.

Violations may be reported confidentially and without fear of retaliation. Retaliatory actions against individuals who report in good faith are strictly prohibited under all circumstances. In 2024, we achieved a compliance training completion rate of **96.4%**, a reflection of our shared dedication to integrity, accountability, and living our values.

### **Compliance Training**

SGC is committed to fostering a respectful, ethical, and compliant workplace. To promote awareness and understanding of our expectations, we provide employee trainings on ethical business behavior, including the Code of Conduct and our Anti-Discrimination and Anti-Harassment Policy. As part of our ongoing compliance efforts, employees are required to complete the following training programs:

- Ethics & Code of Conduct Training: Completion is required at the time of hire and is repeated every two years to reinforce our company standards and expectations for appropriate, ethical, professional behavior.
- Harassment Prevention Training: Completion is required at the time of hire and is repeated every two years to instill and promote a safe and respectful work environment for all employees.

### Labor Practices and Human Rights

We are proud to provide a safe, healthy, and equal opportunity work environment for all of our employees, contractors, and persons working on our



behalf. We remain vigilant in our compliance with all applicable labor laws and regulations, and apply internal policies that promote safe, fair, and inclusive workplaces. As outlined in our Code of Conduct, we strictly prohibit discrimination or harassment, including based on the characteristics of race, color, religion, gender, sexual orientation, national origin, age, disability, veteran status, genetic information, or any other protected status.

Our due diligence approach includes the enforcement of our Code of Conduct, regular audits of working conditions, and internal mechanisms for employees to report concerns anonymously or through our Human Resources department. All reported issues are investigated promptly, and corrective actions are taken when necessary. We also provide training to managers and employees on workplace ethics, anti-harassment, and nondiscrimination to ensure ongoing awareness and compliance.

Our company fully respects and upholds employees' rights to freedom of association, in line with local labor laws and international standards. We recognize the right of employees to form or join unions, or to be represented by other forms of employee representation, without fear of retaliation or discrimination. When applicable, we engage in collective bargaining in good faith with duly elected employee representatives.



### Supplier and Vendor Compliance Manual

Our Supplier and Vendor Compliance Manual outlines a comprehensive set of guidelines that define the company's expectations for ethical conduct, workplace conditions, and the protection of human rights throughout its supply chain. Serving as an extension of the company's Code of Conduct, the Manual provides clear standards for suppliers and vendors, emphasizing responsible and lawful business practices. It clarifies our expectations for suppliers' and vendors' ethical business behavior, including topics such as:

### Ethics

### Human Rights & Workplace Conditions

- Business Integrity/Anti-Corruption/ Anti-Bribery
- Disclosure of Information
- Intellectual Property
- Protection of Identity & Non-Retaliation
- Identification of Toxic Chemicals
- Responsible Sourcing of Minerals
- Privacy & Data Protection

- Child Labor
- Forced Labor and Human Trafficking
- Compensation
- Working Hours
- Worker Health & Safety
- Harassment & Violence
- Discrimination
- Freedom of Association
- Environmental Management

### **Data Security and Privacy**

At SGC, security and compliance are not just requirements; they are core to how we operate. We remain deeply committed to protecting our clients' data and upholding all regulatory standards. Our rigorous security protocols and comprehensive compliance programs underscore our dedication to operating with integrity, accountability, and trust. As data security threats continue to grow in both volume and sophistication, we take a proactive and comprehensive approach to safeguarding information. Our data security practices are designed to assess, identify, manage, mitigate, and respond to threats in a manner that is safe, lawful, and ethical. SGC and its business segments comply with all applicable data security and privacy laws, internal policies, and customer-specific data privacy requirements.

### Data Security Oversight

Data security is a key component of our enterprise risk management strategy and remains a priority for both our Board of Directors and executive leadership. The Chief Information Officer provides oversight of our data security and privacy efforts, reviewing related topics guarterly and engaging the full Board annually, or more frequently as needed. Day-to-day responsibility for implementing and promoting data security practices lies with company leadership across all business segments. These leaders reinforce a culture of accountability and vigilance, ensuring that responsible data handling is embedded at every level of our organization.

### Data Security Program and Testing

Under the leadership of our Director of Global Information Security and our Director of Global Compliance, we continue to build upon our strong foundation by taking a systematic and disciplined approach to the protection of sensitive information. Our internal data security program is supported by robust privacy policies, relevant certifications, and a comprehensive employee training framework. All employees participate in multiple annual training sessions delivered by a leading third-party provider, covering essential topics such as security awareness, prevention, remediation, and best practices in data privacy.

Our internal security team, reinforced by trusted third-party partners, closely monitors our networks to ensure the protection of personal and sensitive data while enabling seamless business operations. All external partners supporting our security efforts are rigorously vetted and held to stringent security standards. We also perform regular reviews of these engagements to assess their continued effectiveness and identify any emerging cybersecurity risks.

We invest in advanced technologies, conduct regular penetration testing, utilize secure Tier I data centers, and adhere to industry best practices to maintain a resilient and adaptive security posture. Through these ongoing efforts, we aim to uphold the trust of our customers, partners, and employees by protecting data with integrity, diligence, and care.





### **Data Privacy Policy**

Our Data Classification Policy governs how we collect, process, use, disclose, and store personal information shared by individuals who visit our websites, communicate with us, or engage with our products and services. To ensure the confidentiality of sensitive data, we employ Secure Sockets Layer (SSL) encryption and routinely audit our systems for vulnerabilities and potential threats.

In recognition of the diverse nature of our business operations, each division within SGC maintains supplemental privacy policies tailored to the specific requirements of their industries and customer expectations. These policies work in alignment with our enterprise-wide standards to reinforce our commitment to responsible and transparent data handling practices.

### **Data Security Certifications**

We are proud to maintain internationally recognized certifications that highlight our ongoing investment in rigorous security practices and our unwavering commitment to protecting the integrity and confidentiality of the data entrusted to us. We remain dedicated to implementing, maintaining, and continuously enhancing a robust information security and privacy management system, as demonstrated by the following certifications for 2024:

### SGC:

- International Organization for Standardization (ISO) 27001
- · ISO 27701
- Payment Card Industry Data Security Standard (PCI-DSS) Self-Assessment Questionnaire (SAQ) D
- Sarbanes-Oxley Act (SOX) compliance

### BAMKO:

- AICPA SOC 2 Type II
- · ISO 27001
- · ISO 27701
- · PCI-DSS
- SOX compliance

### TOG:

- American Institute of Certified Public Accountants (AICPA) System and Organization Controls 2 (SOC 2) Type II
- PCI-DSS 3.2 (Belize)
- PCI-DSS 4.0 Level 1 (El Salvador)
- SOX compliance

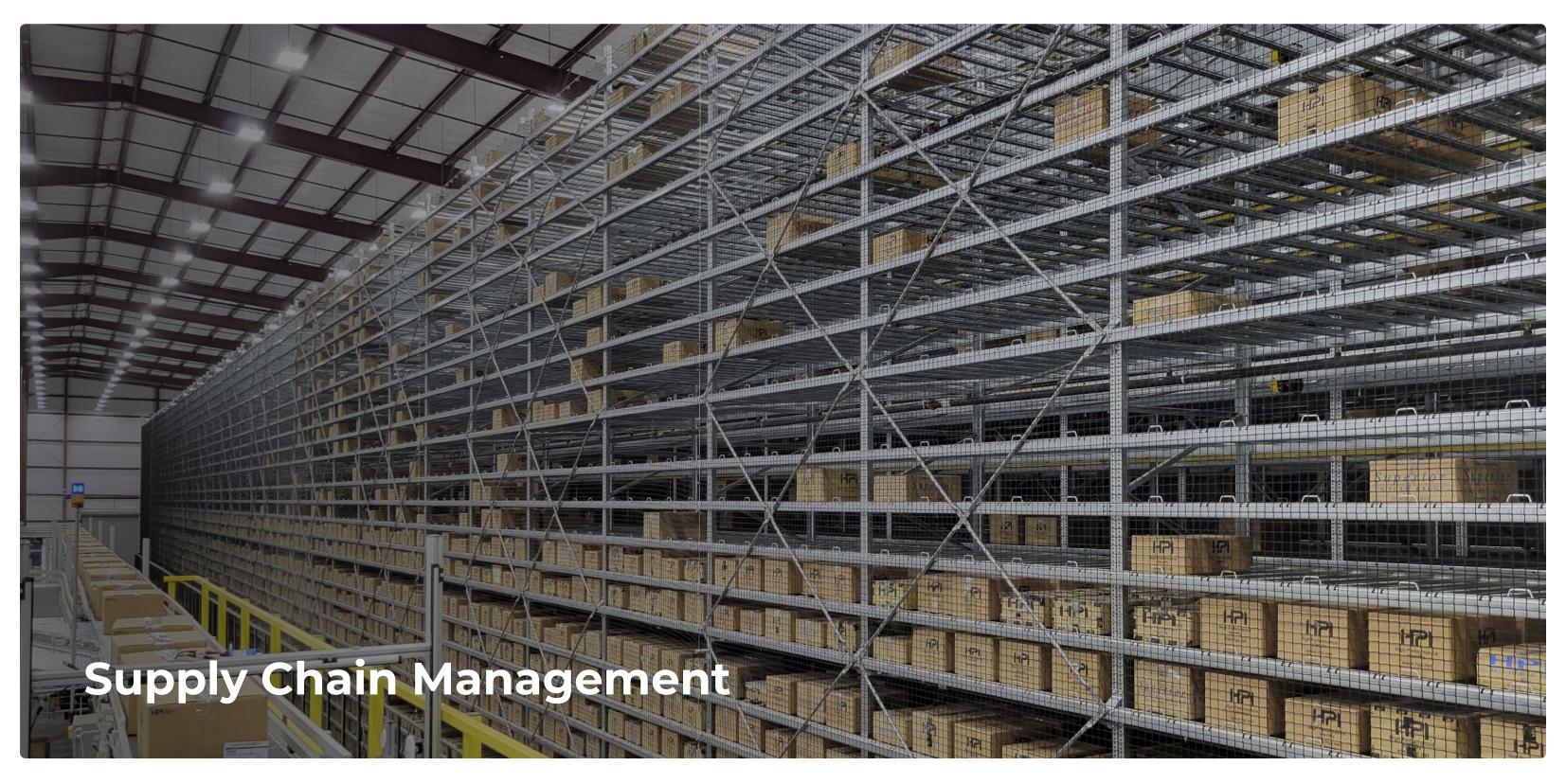
### **CID Resources:**

- · ISO 27001
- · ISO 27701
- PCI-DSS SAQ D
- SOX compliance

SGC and select business segments are proud to maintain the following certifications for data security and privacy:







# Supply Chain Management

We understand that the success of our business is tied directly to the quality, reliability, and integrity of our supply chain. Our suppliers are more than vendors-they are our trusted partners. We are proud of our efforts to build and sustain a stable, resilient supplier network that is reflective of the high standards and core values of SGC.

### Management and Monitoring

Our goal is to positively impact the communities we procure materials and services from, while simultaneously enhancing our customers' overall experience. We require our suppliers to meet stringent guidelines to ensure guality, uphold and safeguard human rights, engage in fair labor practices, and enforce SGC's standards of ethical conduct.

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 standards), as well as responsible sourcing of conflict minerals. In addition to complying with our Code of Conduct, our suppliers are also required to review and adhere to our <u>Supplier and Vendor</u> Compliance Manual. This manual further defines the details of our audit programs and expectations for suppliers, including requirements for their own employees, subcontractors, and other supply chain partners.

We identify and mitigate potential risks through regular and frequent supplier relationship assessments, and conduct regular trainings, audits, and monitoring activities to ensure that our suppliers remain in compliance with our policies. If issues with noncompliance arise within our supply chain, we collaborate closely with all relevant partners to reach a solution, including

corrective action plans, supplier education, auditing, and potential contract termination.

### Supplier Sustainability

Each year, we conduct a Factory Survey throughout our supplier network to gather insights on their environmental management and sustainability progress. Topics cover a variety of sustainability considerations that are most relevant for the factory environment, typically including forest management practices, recycling initiatives, greenhouse gas (GHG) emissions, wastewater management practices, and third-party certifications. Results are used to better understand our suppliers' sustainability performance and challenges, enabling us to make informed decisions regarding our supplier base and associated policies.



### **Factory Scorecards**

In 2024, we launched our new Factory Scorecard Program to gather relevant CSR information from factories throughout our network and to better assess their sustainability performance. Each scorecard evaluates the factory's commitment to our Code of Conduct, social compliance, forced labor prevention, environmental protection, and ecosystem restoration. Noteworthy initiatives reported by our factories include:

### **PFAS Requirements**

In 2024, we updated our Supplier and Vendor Compliance Manual to require compliance with PFAS-related regulations. All suppliers are now formally required to:

- Ensure that any products provided to SGC comply with all applicable PFAS-related laws and regulations, including those that limit or prohibit the use of PFAS;
- Stay informed about current and emerging PFAS regulations; and
- 1 Support SGC in maintaining full compliance with these requirements.



In 2024, we received 39 survey responses from factories throughout our supplier network. In addition to reporting various sustainable initiatives such as the installation of solar panels and heat pumps, transition to electric vehicles, and freight consolidation, notable results include:

Nearly 50% of factories are implementing recycling programs



Over 71% of factories have developed Carbon Reduction Management Plans



Over 50% of factories have introduced employee-led initiatives such as carpooling and tree planting



Over 68% of factories are certified to the OEKO-TEX® Standard 100

Factories reused Reverse Osmosis (RO) reject water for canteen washing processes, plant irrigation, and fire hydrant supply, thus alleviating freshwater demand and promoting water stewardship.

Factories recovered and reused boiler steam condensation as a component of the boiler feed water to enhance efficiency and reduce water consumption.





### **Responsible Sourcing**

SGC remains committed to ensuring that our global manufacturing and supply chain partners recognize and respect human rights, uphold fair working conditions, and maintain environmental compliance. Our corporate policies strictly prohibit forced labor, human trafficking, child labor, abuse and harassment, violence, discrimination, bribery, falsification of audit reports or other business licenses, and other unacceptable practices.

In 2024, SGC maintained strong oversight of its supply chain practices, with the following outcomes and ongoing efforts:

- No known issues or disruptions were identified involving vendors or suppliers engaging in forced labor or child labor during the manufacturing process.
- Textiles were sourced primarily from OEKO-TEX® certified suppliers ensuring textiles are free of harmful substances.
- Supplier performance and compliance with SGC policies and applicable laws and regulations were continuously monitored uphold ethical and legal standards.

### Fair Wages

We require all suppliers to provide 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.

### **Conflict Materials**

SGC 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. We maintain a strict zero-tolerance policy for sourcing raw materials from suppliers whose products contain conflict minerals and require 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 with a formal document outlining their due diligence programs to ensure they retain "conflict free" supply chains.

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. Internally, we maintain robust due diligence procedures to guarantee that the products and materials we receive from our suppliers do not contain conflict minerals. This includes conducting surveys for targeted suppliers using the Electronic Industry Citizenship Coalition (EICC) and Global e-Sustainability Initiative (GeSI) Conflict Minerals Reporting Template.

### **Environmental Impacts**

As outlined in SGC's Supplier and Vendor Compliance Manual, we mandate that our suppliers comply with all applicable laws and regulations, including obtaining and retaining appropriate permits. We also require that all suppliers provide a safe working environment, ensuring 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 appropriate recordkeeping procedures to verify compliance.

### Cotton Supply Chain Management

- In an effort to promote our sustainability practices and remain compliant with U.S. regulations, we actively monitor our cotton supply chain and verify our suppliers' cotton sources. Through our partnership with Oritain, we apply forensic science and advanced data analyses to verify the origin of our products and raw materials.
- We maintain a Cotton Traceability & Anti-Forced Labor Standard Operating Procedure to formally document our processes to maintain compliance with the Uyghur Forced Labor Prevention Act (UFLPA).
- In 2024, we partnered with HireAPartner to provide training to product and textile suppliers of cotton or cotton blend finished garments and fabrics. The training focused on supply due diligence, transactional documentation, traceability, and robust document translation quality to ensure adequate preparation in the event of Customs and Border Protection shipment holds to substantiate no nexus to forced labor.







### Supply Chain Audits

We use internal SGC auditors and independent third party auditors to conduct our supplier audits and ensure compliance with SGC policies and applicable laws and regulations. Audits are typically conducted annually but may be completed biennially for select suppliers who have demonstrated a long and consistent record of successful audits. As of 2024, SGC now requires a third-party social audit for any factories that we do business with if the expected annual revenue from products supplied by the factory exceed \$100,000.

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). These programs enable us to address a broad range of social and environmental topics that are relevant to SGC as well as our broader value chain, including:

### Quality

 We validate suppliers' compliance with regulatory and testing requirements to ensure that they meet our high standards for quality, durability, and product safety.

### Social and Human Rights

•We strive to ensure ethical practices and regulatory compliance throughout our supply chain, covering topics such as forced labor prevention, anti-bribery, wages and benefits, grievance mechanisms, emergency preparedness, and occuprational health.

### Environmental Compliance

•We actively monitor suppliers' environmental performance and regulatory compliance, covering topics such as permitting, waste management, resource use, management systems, and sustianability. Throughout these audits, we have found no evidence of child labor, forced labor, human trafficking, abuse, harassment, bribery, or falsification of business materials by our suppliers.

In 2024, 100% of SGC's Tier 1 finished products and textile suppliers were screened and audited using social and environmental criteria.

### **Our Approach to Coercive Actions**

In the event of noncompliance, our suppliers, manufacturing partners, and subcontractors are expected to correct any issues of noncompliance within a designated timeframe as part of a formal corrective and preventive action plan. Specific requirement details and supplier expectations are communicated clearly within our Supplier and Vendor Compliance Manual.

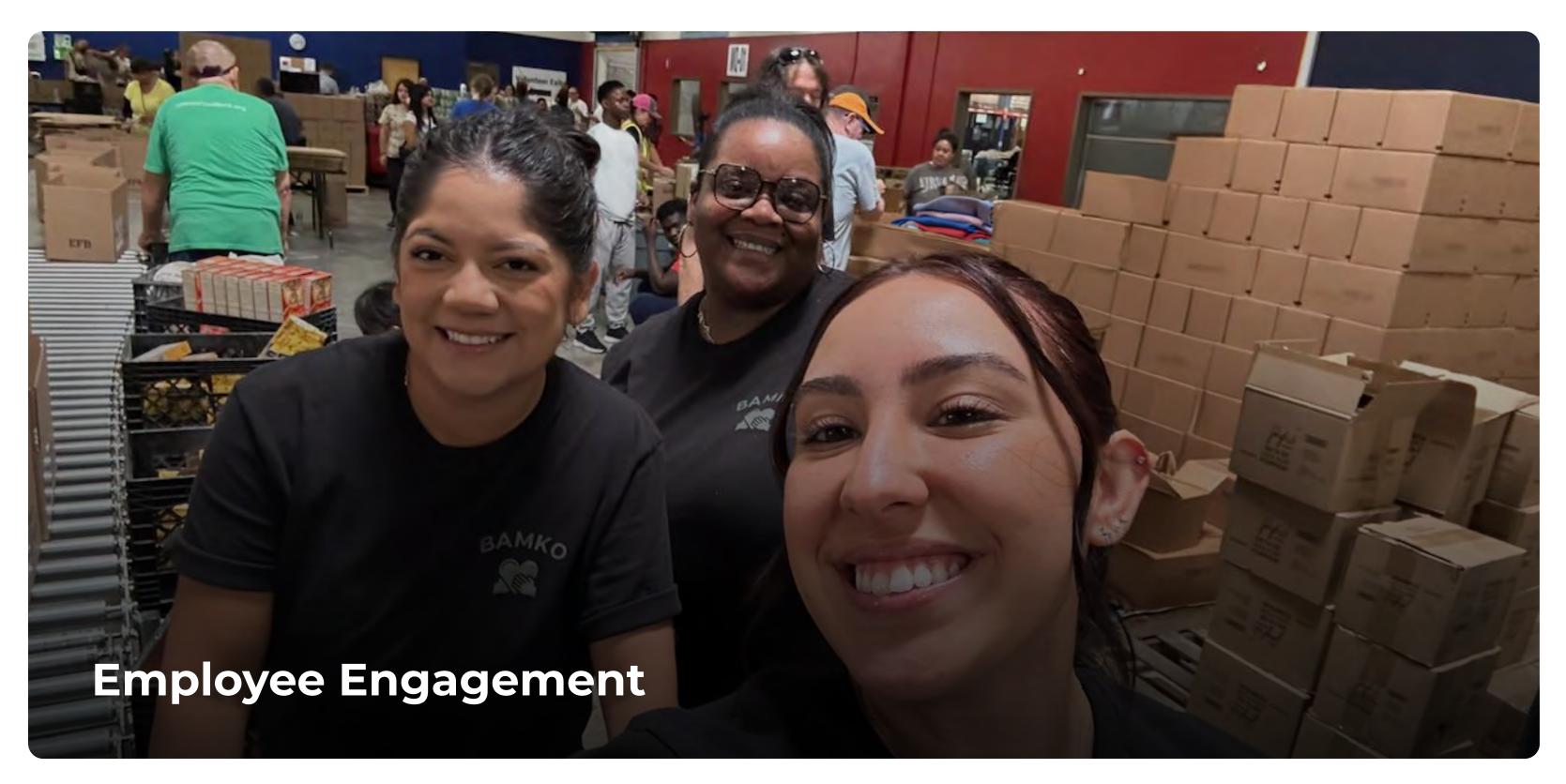


Failure to resolve an identified issue of noncompliance or implement a corrective action plan in a timely manner may be considered a material breach of contract with the supplier and may result in termination of the relationship. We have had no such supplier contract terminations to date and are proud to partner with our suppliers to educate, correct, and prevent issues of noncompliance so that we can maintain the trusting relationships on which we rely.

Step 6: Collect evidentiary support of corrective actions and close findings









### **Employee Engagement**

At SGC, our people are at the center of everything we do. We strive to maintain a safe, healthy, and inclusive workplace—one that fosters a strong culture, attracts and retains diverse talent, and supports continuous development. We prepare our employees for critical leadership roles, offer competitive wages and comprehensive benefits, and empower our workforce to ensure long-term organizational success.

### **Talent Attraction and Retention**

We continue to nurture a positive, supportive workplace that encourages growth, innovation, and collaboration. By investing in our culture of continuous improvement, we empower our employees to grow throughout the organization and take on new leadership roles, laying the foundation for sustained success with our customers. Our global workforce encompassed nearly 7,200 employees worldwide in 2024, with over 96 percent working full-time.

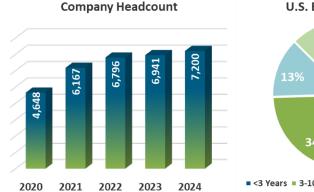
### Wellness & Benefits

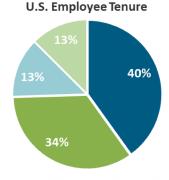
take pride in providing a comprehensive suite of benefits and amenities which are designed to attract new talent and maintain employee wellness. We offer a highly competitive benefits package, including a 401(k) retirement plan, medical and dental insurance, life and short-term disability insurance, and wellness programs which exist in compliance with local laws and regulations. We also offer paid leave for holidays, vacations, and mental health and personal days, and maintain an additional Flex Time Policy which enables employees to take supplemental paid time off outside of our standard leave.

Through our partnership with WinRock International, we've continued to expand our Supporting Health Advances for Rural Employees (SHARE) Campaign at SGC. Employees are provided with a variety of workstation-friendly exercise equipment as well as valuable information on healthy lifestyle choices, diet, and exercise to improve overall health and well-being. The campaign provides helpful tips and information, free giveaways for all employees, and a monthly drawing for a health-related participation prize.

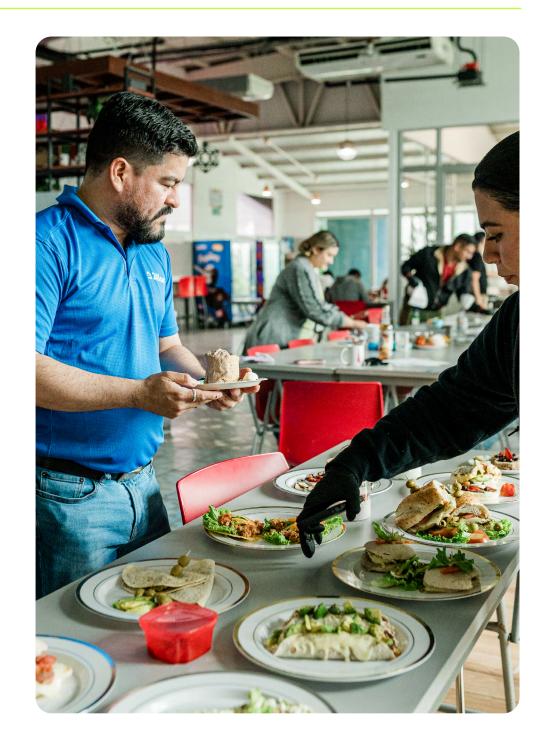
### Attracting Top Talent

Our Talent Acquisition team attended various recruiting events throughout the year, including events such as Comic-Con and Social Media Days, to engage with prospective employees and enhance our brand recognition. We participate in various job fairs throughout the communities where we operate, striving to support local economic growth, connect with diverse talent, and provide community residents with meaningful employment opportunities. Throughout 2024, we enhanced our talent acquisition processes through the use of artificial intelligence (AI) for language assessments and interview summaries, automated reporting and analytics, and expanded our use of automated tools throughout every step of our recruitment process. Our successful talent attraction program has resulted in company-wide growth, with a nearly 55% increase in global headcount since 2020.

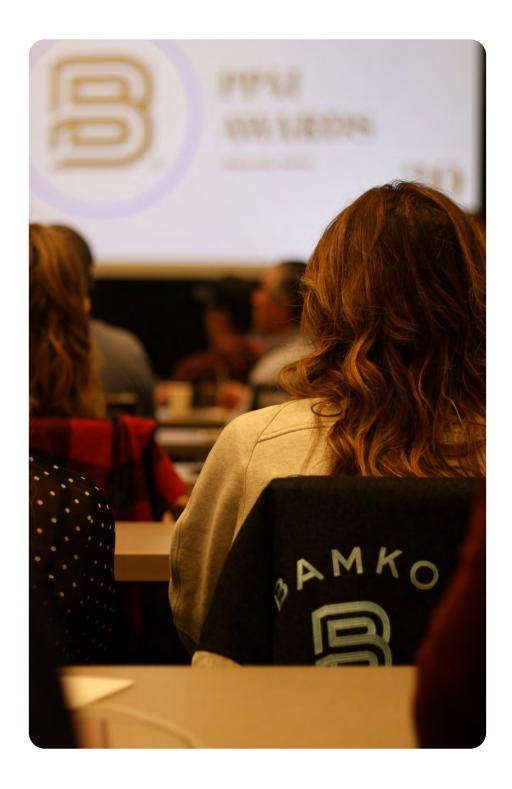




<3 Years = 3-10 Years = 11-20 Years = 20+ Years</p>







### Training and Development –

Training and development programs are an opportunity for us to further engage with our employees as they pursue careers at SGC. We require several mandatory trainings from onboarding through career progression to ensure that all employees remain current and aware of our company policies. Key training areas include:

- New Employee Orientation: All new employees are required to complete our Onboarding Program, including trainings on company policies, values, culture, and business operations. The training features interactive discussions with our CEO, CFO, Vice President of Human Resources, and leaders from each business segment, providing valuable insight into our leadership vision, company strategy, customers, products, and services.
- Code of Conduct: All employees are required to complete our Code of Conduct training within 90 days of their start date and biennial refresher trainings thereafter. The training covers our Code of Conduct, health and safety practices, expectations for ethical behavior, and more.
- **Performance Management Training**: All employees receive performance management training to gain a clear



understanding of our performance cycle, professional expectations, and effective goal-setting strategies.

Manager-Specific Training: Managers participate in an enhanced training session focused on performance ratings, the SBI (Situation-Behavior-Impact) feedback model, and best practices for delivering effective, constructive feedback to their teams.

Data Security & Privacy: All employees are required to complete annual trainings on data security and privacy, including topics such as Personal Identifiable Information (PII), phishing and ransomware, password safety, and file storage. Completion is monitored by Human Resources and IT Security, and noncompliance may result in access restrictions or disciplinary action.

Beyond our core training programs, we offer employees the opportunity to deepen their expertise through learning opportunities that are tailored to their specific interests and professional goals. Outside of company-wide policies, the rest of our training program is largely decentralized throughout each of our business segments, enabling a more customized and skills-based training approach.

## **TOG University**

In order to support and enhance specific skills that are most relevant to business process outsourcing (BPO) organizations and our contact centers segment, The Office Gurus (TOG) offers their TOG University training program to all employees. TOG University offers multi-disciplinary business training curriculum that enables participants to develop key competencies, hone their expertise, and advance their careers. In 2024, 412 Gurus completed nearly 5,200 hours of live training and graduated from the program—a 396% increase from the 83 graduates when the program first launched in 2017.

### 2024 TOG University

- Participants: 412
- Training Hours: ~5,200
- Courses Completed: 6,153
- Workshop Session Hours: 1,960
- External Training Hours: 1,066

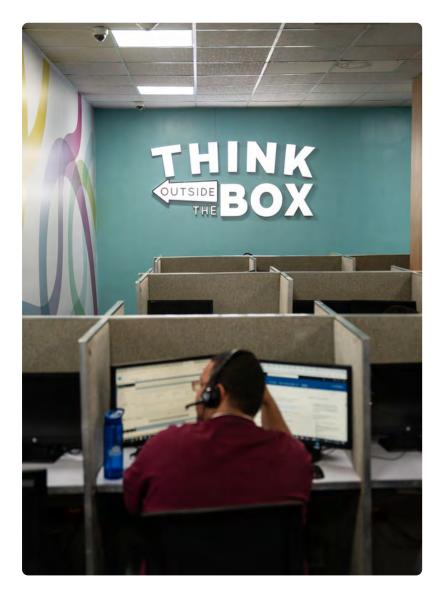
We continue to evolve our professional development program through TOG University with a growing portfolio of training offerings, including:

- TOG College: An entry-level program to educate agents on the BPO industry, TOG history, and introduce them to their possible career paths within the organization.
- TL University: A program specifically designed for Team Leaders (TLs) that must be completed within their first two months in the position. This includes a combination of synchronous and selfpaced content to introduce them to the knowledge required for team leadership positions.
- Trainer University: A program
   specifically designed for trainers as
   they are promoted. This includes
   synchronous and self-paced content, with
   onsite classes focusing on hands-on
   practice in a classroom environment.
- WFM University: A program specifically designed for newly promoted Real-Time Analysts (RTA) and Workforce

Management (WFM) analysts, focusing heavily on ensuring efficient operations and optimal customer service within the call center and business process outsourcing environment.

- Supervisor University: This program is used for newly promoted Supervisors and Team Leaders who are already part of a succession plan. This includes self-paced content and live classes to focus on case scenarios and group learning.
- Manager University: As the final stage of our learning path, this program includes storytelling techniques, high-impact presentations, statistical analysis, and key management topics delivered via self-paced content and onsite sessions.

In 2024, we revamped the content for the Trainer University, making it more specific to the trainer role and included more practical learning. The Manager University was launched in May 2024, with all Managers at our El Salvador, Belize, Jamaica and Dominican Republic locations participating in the program.



### **Belonging and Inclusion**

As a global business composed of thousands of people with various backgrounds and ethnicities, we actively promote cultural exchange, mutual appreciation, and deeper understanding across our workforce, suppliers, and customer base. We welcome new voices, cultures, and perspectives into our company. These contributions are essential to building an environment where employees feel empowered to thrive and bring their authentic selves to work.

We are continuously enhancing our strategies for recruitment, training, and employee recognition to cultivate a welcoming, inclusive environment where all employees feel safe and valued. Our employee handbook outlines our policies and procedures that ensure our workplace remains free from discrimination, which are supplemented by our anti-discrimination policies and employee accommodations, where appropriate. These policies clearly define harassment and describe our procedures for reporting, investigation, and protection against retaliation.

Our El Salvador location was proud to receive the Inclusive Workplace Certification from The National Council for the Inclusion of Persons with Disabilities (CONAIPD) in 2024.

### Equal Opportunity Employer



SGC is proud to be an Equal Opportunity Employer and 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 pregnancyrelated conditions), gender identity or expression, 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. Our management team upholds 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.

### **Board Observer Program**

We were proud to launch our new Board Observer Program in 2024, aimed at amplifying diverse perspectives and providing participants with a firsthand understanding of the responsibilities and dynamics involved in serving on a public company board. This exposure is expected to contribute to their professional development and enhance their knowledge of corporate governance practices in order to help them be better positioned to join a public company board in the future. Participants in the non-voting Board Observer Program will be invited and expected to attend most Board and











committee meetings and are encouraged to ask questions as well as lend their own perspective to those meetings. SGC intends to select one or two new observers each year, each observing for a 12-month period. To learn more about the program and current participants, visit the <u>SGC Board</u> <u>Observer Program</u>

"Diverse perspectives lead to better decision-making and improved business outcomes. But far too often, U.S. public company boards lack that diversity. We are taking this unique step to change that dynamic. We envision this as an annual program designed to give governance exposure to those traditionally underrepresented in boardrooms.

While there is no expectation that the program participants will join our Board, we believe our efforts will help more people get into the room."

Michael Benstock Chairman of the Board and CEO of SGC



### **Employee Years of Service Awards & Celebrations**

We proudly recognize and celebrate the dedication of our employees, whose years of service reflect their commitment. hard work, and invaluable contributions to our company's success. In 2024, we honored 14 milestone anniversaries, ranging from 5 to 50 years of service. Our CEO personally presented pins and plaques to local employees celebrating more than 25 years of service, recognizing their dedication, hard work, and career contributions.







### InspireHer

We believe that empowering women is not just a commitment—it is a driving force behind our success. With women comprising more than 50% of our global workforce and 61% of our U.S.-based workforce, we recognize the immense value of fostering an environment in which women can thrive. lead. and inspire others. In 2024, TOG launched the InspireHer program, a groundbreaking initiative designed to fuel professional growth, promote well-being, and strengthen leadership networks.

To better prepare for InspireHer, we engaged key groups across TOG to gain a deeper understanding of the challenges and aspirations of our female workforce. Through these invaluable conversations, we identified three fundamental pillars that serve as the foundation of InspireHer:



Education &

Development





Work-Life Balance & Wellness

Leadership & Support Networks

Education & Development is at the heart of InspireHer, providing women with the tools, knowledge, and mentorship needed to break barriers and advance

in their careers. By fostering a culture of continuous learning, we empower women to step into leadership roles and drive meaningful change.

Work-Life Balance & Wellness is essential for ensuring that our team members not only excel in their careers but also lead fulfilling lives beyond work. Through wellness initiatives, mental health resources, and conversations around balancing personal and professional responsibilities, InspireHer champions the overall well-being of our employees.

Leadership & Support Networks create spaces where women can connect, share their journeys, and uplift one another. By fostering these strong relationships, we are shaping a workplace where women feel seen, supported, and emboldened to take on new challenges.



# **Community Relations**

Kerns

Kerns

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# **Community Relations**

We strongly believe that sound corporate responsibility includes a responsibility to our communities, and we strive to generate a meaningful, positive impact by fostering our community relationships around the world. We remain dedicated to uplifting our local communities by investing our time and resources toward philanthropic efforts, education, and volunteer work.

Since 2019, we have partnered with hundreds of charities worldwide, resulting in millions of dollars of in-kind and monetary contributions. In 2024, we supported our communities through a variety of initiatives including charitable financial support, volunteering, and apparel donations. Philanthropic donations include both corporate donations and employee contributions, reflecting our shared commitment to positively impacting the communities where we live and work.



Our apparel donation program remained strong throughout 2024, with over 206,900 items of clothing donated to various causes worldwide. Items included gowns, scrubs, scrub caps, masks, laundry bags, lab coats, aprons, and other clinical apparel for healthcare workers at medical centers, nursing homes, and public service departments. We also provided apparel for shelters, community organizations, schools, and day care centers to assist teens, individuals experiencing homelessness, and others in need.

In addition to providing support via donations and volunteering events, our BAMKO business segment also introduced its BAMKO Gives Back Program in 2024. This sales-based giving program donated 1% of all BAMKO Collection sales to a different organization each quarter to support their efforts. In the second quarter of 2024, BAMKO partnered with the American Foundation for Suicide Prevention (ASFP) and donated 1% of sales to this important cause. Every qualifying purchase made through BAMKO during this time period directly contributed to funding AFSP's programs and initiatives aimed at preventing suicide and supporting those affected by mental health challenges.



In addition to our donated finished apparel, we also began donating excess fabric to further support communities in need. In 2024, our factory in Madagascar repurposed our donated fabrics to make clothing for over 2,000 impoverished families living in rural areas.





Alongside our monetary and apparel donations, employee volunteering plays a vital role in our community impact efforts. By selflessly giving their time, skills, and energy, our employees help strengthen the connections we build with local organizations and significantly expand the reach of our support. A small sample of 2024 volunteer initiatives includes causes related to environmental stewardship, animal welfare, and community health and well-being.

### **Environmental** Stewardship

### Adopt-A-Shore Program

We have partnered with a local Adopt-A-Shore program since 2009, with SGC being the formal sponsor of Madeira Beach. This collaborative partnership enables us to "adopt" a mile-long section of county shoreline and host cleanup events to help reduce and prevent debris from entering the

waterways and restore coastal habitats. Over the duration of this partnership, we have continued to host cleanup events



at Madeira Beach on Florida's western coastline each quarter. Throughout 2024, 61 volunteers collected over 610 pounds of trash from the beach. In recognition of our dedication, Keep Pinellas Beautiful recognized SGC and named one of our outstanding employees the 2024 Beach Adoption

Volunteer of the Year.

### Water Stewardship in Haiti

Our Superior Sourcing factory in Codevi Park, Haiti, is an active participant in several community programs focused on water stewardship and pollution prevention. Through the Grupo M Foundation, employees participate in community initiatives such as "Olitas Verdes," coastal water plastic collection campaigns, and the installation of bio-fences in rivers, along with strategic partnerships with the Ministry of Environment and the Yaqué Water Fund, which significantly contribute to mitigating pollution in the surrounding ecosystem.

### **FUNZEL**

In 2024, TOG began partnering with The **Zoological Foundation** of El Salvador (FUNZEL), an organization

dedicated to protecting marine flora and fauna in El Salvador. Volunteers participated in several events throughout the year, including a cleanup event for San Diego Beach in La Libertad and a reforestation event in San Luis Talpa.

Fundación Zoológica de El Salvador

### **Animal Welfare**

### Olivia & Friends

Since 2017, TOG has taken immense pride in our dog adoption charity, Olivia & Friends. This program

joy to our offices and community. Our children's book, "The Adventures of Olivia & Pepe," was illustrated by local artists featuring six individual stories, each representing one of SGC's core values. We continue to collaborate with local programs to rescue and adopt puppies while supporting rescue shelters through fundraising events.

was named in honor of Olivia, TOG's first adoption in

2017. In 2020, Pepe joined Olivia, bringing boundless

### Adóptame

We have continued our partnership with Adóptame, an organization dedicated to promoting responsible animal adoption in El Salvador and supporting shelters

for stray animals as they await the gift of a forever home. Through this collaboration, TOG supports various volunteer activities where our team can help care for the animals, bathe dogs, and clean the facilities.

### **Community Health and** Well-being

### **Cancer Awareness and Support**

We continued our breast cancer awareness efforts throughout 2024. Employees from our facilities in Eudora, Arkansas; Coppell, Texas; Atlanta, Georgia; and St. Petersburg, Florida proudly joined local Breast Cancer Walks. These events continued to inspire and unify our teams, and the participation was heartfelt.



Many walked in honor or memory of loved ones, adding a meaningful personal touch. Employees also learned about the importance of early detection and screenings-reinforcing a shared sense of purpose and support.



In addition to breast cancer awareness events, TOG supported Fundación Ayúdame a Vivir, the only organization in El Salvador that provides medical treatment and comprehensive support to children with cancer at no cost. Throughout 2024, Gurus volunteered for various initiatives to boost cancer patients' spirits, including arts and crafts workshops, visits, and meal deliveries.

### Fundación Edificando Vidas

We welcomed Fundación Edificando Vidas—which provides emotional and financial support to breast cancer patients-to visit our offices and share their mission with our employees. We hosted a tote bag painting workshop, where our employees and breast cancer survivors connected and heard firsthand stories of resilience.



The painted tote bags were later donated to breast cancer survivors. To better engage our remote employees in the importance of promoting breast cancer awareness, we created an interactive trivia activity

covering important facts everyone should know about breast cancer. Participants were rewarded with free mammograms.

### **Blood Drives**

In 2024, we continued our tradition of hosting quarterly blood drives at one of our largest distribution centers, the Eudora Distribution Center in Eudora. Arkansas. Blood drives enable our employees to donate



and help sustain the local blood supply, ensuring that lifesaving resources remain within the community and are readily available to those who need them most.

### Health and Wellness Events

We facilitate several different health and wellness events throughout the year to help maintain a healthier workforce and improve the



quality of life for local community members. Events are open to the entire community, and many are free for anyone who chooses to participate. Events throughout 2024 included health screening exams,

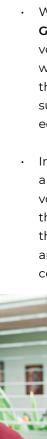
annual wellness physicals, and vaccine clinics. As an added incentive, employees who complete an annual wellness physical receive a gift card and a discount on their medical premiums for the following year.

### Toys for Tots

Each December, our teams organize a toy drive as part of Toys for Tots, a charitable

program run by the U.S. Marine Corps Reserve that distributes toys and other gifts to disadvantaged children, especially around the holiday season.





### **Volunteering at TOG**

• We currently have a volunteer program called Guru Volunteer, which offers monthly volunteer opportunities in partnership with various nonprofit organizations. Through this initiative, our employees have the chance to support activities that focus on social, educational, environmental, and health impacts.

• In 2024, we introduced **TOGether Newsflash**, a monthly newsletter that highlights our volunteer activities. It features information about the supported nonprofit organization, showcases the volunteer of the month (selected by peers), and includes recognition and incentives for their contributions.





# **Environmental Management**





# Environmental Management

Our company mission is to help brands "do more, be more, and achieve more"—a philosophy that also guides our approach to environmental management and sustainability. We actively partner with stakeholders throughout our value chain to identify new and unique ways to mitigate our environmental impact and improve our local communities. Within our direct operations, we focus on the areas where we can generate the most impact, including product design, chemical reduction, waste management, and facility optimization for improved efficiency.

### **Product Design and Innovation**

We weave eco-friendly practices into our operations through product design, manufacturing, and material sourcing. The initiatives enable us to reduce our environmental footprint while simultaneously creating new product lines and material sources. Our production processes mitigate waste and material use, upcycle end-of-life fabrics and other products, and redesign source materials to be less resource-intensive.

### Trash to Textiles

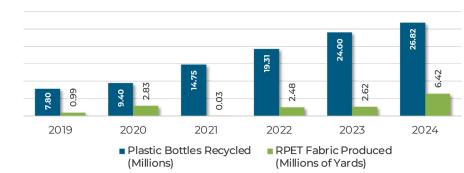
Through our long-standing bottle recycling program, we repurpose plastic bottles that would otherwise be obsolete and reuse them through our production of recycled fabrics. The recycled polyethylene terephthalate (RPET) fabric is known for its durability, water resistance, heat resistance, and elasticity, and is frequently used to create new

Since our bottle recycling program began in 2019, we have recycled over 102 million plastic bottles to produce over 15 million yards of RPET fabric.

uniforms and other fabric-based products. This program not only helps to remove plastic waste from the environment, but minimizes our raw material consumption, lowering the product's overall carbon footprint in comparison to conventional fabric manufacturing methods.

In 2024, our bottle recycling program recycled approximately 27 million plastic bottles, which were repurposed into nearly 6.5 million yards of **RPET** fabric.

### SGC Bottle Recycling for RPET Fabric



We have continued to partner with suppliers that offer eco-friendly alternatives to various products, including:

- FSC-certified paper that is certified by the Forest Stewardship Council as being sourced from forests that are managed according to strict environmental, social, and economic standards;
- Compostable plastics, such as polylactic acid (PLA) and cellulose-based products; and
- Natural fabrics (such as cotton).

In addition to our procurement of these sustainable alternatives, we have continued to expand our Wink™ collection, which includes styles produced from recycled polyester and has garnered substantial customer demand, underscoring the market's embrace of more sustainable fabrics.





### HeiQ<sup>®</sup> Sustainable Fabric

Throughout 2024, we continued our collaboration with HeiQ®, a renowned leader in innovative and sustainable fabric applications. HyProTecht®, an antimicrobial and antiviral technology-infused fabric, stands out for its comprehensive safety standards, including:

- Compliant with the European Union's Registration, Evaluation, Authorization, and Restriction of Chemicals (EU REACH);
- Compliant with the U.S. Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) regulations;
- Certified by OEKO-TEX®;
- Homologized by Zero Discharge of Hazardous Chemicals (ZDHC) and BlueSign; and
- Entirely composed of biobased, cosmeticgrade ingredients.

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.

We are excited to continue the expansion of our ecofriendly fabric offerings and for the future development of more innovative materials and processes. Current initiatives include the adoption of CiCLO polyester, which is blended with virgin or recycled polyester and can reach full biodegradation in two to three years.

> In 2024, we procured nearly 322,000 units of HeiQ<sup>®</sup> apparel to meet the evolving needs of our customers.

Since our partnership with HeiQ<sup>®</sup> began in 2021, we have procured over 1.15 million units of apparel.

### **Product Quality and Chemical Management**

Effective chemical management is vital to ensuring product quality, maintaining our reputation, and complying with various quality processes and safety requirements. Our standards for these topics are explicitly reinforced in our Supplier and Vendor Compliance Manual, Code of Conduct, and other policies as appropriate. We implement effective strategies to help us monitor and manage the levels of chemicals that may enter our products, which are often introduced during the manufacturing and processing stages when textiles are subjected to chemical applications during the dyeing and finishing phases. These chemicals are typically added to generate attributes such as barrier protection, moisture wicking capabilities, or material softness.

We require all suppliers to affirm that the materials we

purchase for apparel production do not contain chemicals on the American Apparel & Footwear Association (AAFA) Restricted Substance List (RSL). We review and align with the RSL on an annual basis and apply this requirement to all regions and products throughout our apparel supply chain. Chemicals are managed through two key processes:

- Using a nominated source, where we dictate which mills our manufacturers are permitted to use for apparel production; and
- Requiring vendors to verify that their materials are OEKO-TEX® certified.

### **OEKO-TEX®** Certification

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

STANDARD 100

certain U.S. states (including California Proposition 65). Throughout 2024, all SGC textile mills were OEKO-TEX® certified, and we continued to purchase only OEKO-TEX® certified fabric for all apparel manufacturing.

### Waste Management

We continue to target waste reduction as a key sustainability initiative throughout our offices and manufacturing operations, including efforts to go paperless, eliminate single-use packaging, and increase our on-site recycling. We continue to incorporate recycled materials from third parties into our garment packaging and labels, further reducing our raw material consumption and waste generation.



### **PFAS Abatement**

As active members of the AAFA, we strive to remain current on the latest state and federal PFAS regulations and are actively working to eliminate PFAS from our product portfolio. Independent and in-house testing confirm that our barrier fabrics (where PFAS is undetectable) perform as well as PFAS-treated ones, with no detectable PFAS found in tested materials. We remain committed and are on track toward our goal of removing all intentionally-added PFAS chemicals from our supply chain by the second quarter of 2025.



### 2024 Waste Survey

In 2024, we facilitated a comprehensive waste survey for all manufacturing facilities in an effort to better understand their waste footprint, recycling programs, processing equipment, and associated costs. Based on the survey results, over 70% of manufacturing facilities indicated that they have a recycling program onsite, effectively sorting and recycling various materials such as plastics, glass, paper goods, and shipping containers.

### Pursuing Zero-Waste in Codevi, Haiti

Our Superior Sourcing factory in Codevi Park, Haiti, has developed a comprehensive waste management plan, covering all stages from classification to disposal. They have established a "Composting Zone" to manage organic waste through digesters that generate 100% natural compost. Compost is then used as fertilizer in the facility's green areas and surrounding community. In 2024, the facility efficiently managed over 300,000 pounds of waste generated across the campus, reintegrating these materials through recycling initiatives and generating fertilizer from food waste.

# Container and Apparel Recycling in Eudora, Arkansas

As a worldwide distribution center, SGC Eudora processes a substantial amount of cardboard within its facility, which is used to ship the majority of its orders. Through the use of an on-site compactor and baler, the facility was able to recycle over 53 tons of corrugated boxes in 2024, successfully diverting these materials from the landfill. The facility also initiated a successful partnership with E-Cycle Environmental, which facilitates an endof-life destruction and regeneration process for unwanted goods. Through this partnership, the facility diverted over 32,000 pounds of apparel waste that would otherwise be landfilled. Materials were sent through an engineered fuel conversion process which generated nearly 99,000 kWh of energy that was used to power a cement kiln.

### BAMKO x SwagCycle

Our Branded Products segment specializes in the production of branded merchandise, promotional products, and uniforms for companies. But as brands evolve, businesses merge, and acquisitions occur, many of these branded items become obsolete. To prevent these items from being thrown away, BAMKO partnered with SwagCycle, an organization that specializes in responsibly managing the lifecycle of branded merchandise. The SwagCycle journey includes the following steps:



### **Facility Optimization**

Throughout 2024, many of our facilities invested in efficiency initiatives to further improve their sustainability and reduce their environmental impacts. Our older facilities routinely undergo upgrades and retrofits that improve energy efficiency, such as the installation of LED lighting or motion-activated light switches. In 2024, we converted a TOG call center from fluorescent to LED lighting, resulting in an estimated savings of 314,500 kWh per year.

Within the fabric mills we engage, we have focused our attention on helping them procure an increasing amount of renewable energy, either by direct purchases, grid electricity, or the installation of owned and operated solar panels. We also continue to monitor the heat exchangers on our suppliers' dyeing machines for optimization opportunities and energy demand reductions. Many of these mills have improved their water stewardship by leveraging wastewater recycling systems to minimize their water consumption.

As we expand and construct new facilities, we integrate modern sustainability practices and technologies, focusing on energy efficiency and waste reduction. Our Superior Sourcing factory in Codevi Park, Haiti, uses solar LED lights to decrease electricity consumption from nonrenewable sources and to promote environmental sustainability.

In addition to generating approximately 76 megawatt-hours (MWh) of electricity per month from their campus solar panels throughout 2024, they also donated 325 solar lights to the surrounding community and hosted training events with community members to share information on solar panel installation, maintenance, and the importance of environmental sustainability.

- In celebration of Earth Day, our SGC Corporate Office provided reusable coffee mugs and water bottles to all employees. We installed a state-ofthe-art water dispenser offering flavored and carbonated beverages to mitigate the use of single-use plastics, and have successfully eliminated the use of 8,621 plastic bottles throughout 2024.
- The factories we use in Haiti, Kenya,
  and Madagascar all have had
  successful audits and renewed their
  WRAP Certificates for 2024. As part
  of these audits, facilities must
  demonstrate sound environmental
  stewardship and promote
  environmentally responsible practices
  in their manufacturing and
  production processes.





# **Looking Ahead**

We appreciate and understand the unique opportunity that we have to influence the world, and the responsibility that comes with being a sustainable corporate citizen. We remain committed to advancing our corporate social responsibility initiatives and driving meaningful progress through collaboration with our employees, customers, suppliers, and communities.

We are proud of the progress we've made throughout 2024 and look forward to continuing this momentum as our corporate social responsibility program matures. We will continue to seek ways to generate positive impact and are excited to share our progress in future reports. Thank you for following this important journey with us.

For questions or comments regarding the information presented within this report, please contact us at <u>CorporateSocialResponsibility@superiorgroupofcompanies.com</u>.





This index summarizes SGC's responses to the Apparel, Accessories & Footwear (2023) Standard of the Sustainability Accounting Standards Board (SASB). Please note that all information below is representative only of our apparel divisions within our Branded Products and Healthcare Apparel business segments at this time, as the Apparel, Accessories & Footwear Standard does not apply to the rest of the company.

Торіс	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 published annually by the American App For further information, see <u>Product Quality and Chemical Management</u> .
	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 is mostly fabrics). Chemicals are added during the fabric manufact TEX® certified, which includes the requirement to be free of certain chemicals. For further information, see <u>Product Quality and Chemical Management</u> .
Environmental	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	In 2024, we had 50 suppliers for our apparel divisions that we recognized as Tier 1 (finished products and textile suppliers). In 202 and social criteria, including their environmental management programs which covers questions specific to wastewater permitt In 2024, 28% of our Tier 1 suppliers had self-reported wastewater permits, and 83% of Tier 2 suppliers had self-reported compliance of our Tier 1 suppliers are garment manufacturers (which typically do not generate wastewater as part of the manufacturing pro- local laws, including environmental regulations. We verify compliance through a third-party audit process of Tier 1 suppliers. For further information, see <u>Supply Chain Management</u> .
Impacts in the Supply Chain	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	In 2024, 16% of Tier 1 suppliers and 12% of suppliers beyond Tier 1 completed a Higg FEM assessment. For further information, see <u>Supply Chain Management</u> .
Labor Conditions in the Supply Chain	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	In 2024, 100% of Tier 1 suppliers and 42% of suppliers beyond Tier 1 completed audits evaluating compliance with a labor code of For further information, see <u>Supply Chain Management</u>
	<ol> <li>(1) Priority nonconformance rate and</li> <li>(2) associated corrective action rate for suppliers' labor code of conduct audits.</li> </ol>	CG-AA- 430b.2	In 2024, 100% of Tier 1 suppliers were screened and audited using environmental and social criteria, resulting in corrective action Our goal is to complete corrective actions within 90 days of identification. Audits occur on a rolling basis, so it is likely that there For further information, see <u>Supply Chain Management</u>

pparel & Footwear Association (AAFA).

acturing process. We require all nominated fabric manufacturers to be OEKO-

2024, 100% of Tier 1 suppliers were screened and audited using environmental nitting. We expect all of our suppliers to comply with local laws and regulations. ance with wastewater discharge permits or contractual agreements. Since most process), we manage the process by requiring our suppliers to comply with all

of conduct. All audits were conducted by independent, third parties.

on items. Approximately 68% of these items were completed and closed in 2024. re will always be open corrective action items.

Торіс	Accounting Metric	Code	Response
Raw Materials Sourcing	<ul> <li>(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</li> <li>(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</li> </ul>	CG-AA- 440a.3 CG-AA- 440a.4	Fabric textiles make up nearly 100% of our priority raw materials. Over 95% of our priority raw materials are manufactured in Chi A large percentage of fabric textiles contain cotton that is sourced from China and other countries. Cotton availability is affected cotton grown in certain areas of China, and environmental factors impact the supply of cotton from different regions at differen Our supply chain is sufficiently diverse enough to mitigate the impact of environmental factors in any given region. For further information, see <u>Supply Chain Management</u> In 2024, we purchased approximately 3,494.09 metric tons of fabric from our nominated suppliers, most of which are OEKO-TEX For further information, see <u>Supply Chain Management</u>
Activity Metric	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	CG-AA- 000.A	In 2024, we had 50 Tier 1 suppliers (finished products and textile suppliers) and 12 Tier 2 suppliers. For further information, see <u>Supply Chain Management.</u>

China while the remaining 5% are manufactured in other countries in Asia.

cted by political and environmental factors. For example, U.S. law forbids the use of rent times.

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