

Garan

GARAN MANUFACTURING INC.

SUSTAINABILITY REPORT

WHAT WE DO TODAY MATTERS!

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ABOUT US

Our history

Garan was incorporated in 1941 and is a global manufacturer of branded and private label apparel, including newborn, infant, toddler, girls, boys, men's, and women's, with over 4,500 employees worldwide. Our most famous and recognized brand is Garanimals children's apparel.

Our mission & vision

Integrity and trust are very important to Garan. We understand our customers want to purchase garments that are made in a sustainable way; they want to purchase garments they know were made in an ethical, compliant way. Most of all, they want to know they can trust the company that makes the garments they buy. For this reason, we will be transparent in our sustainability efforts.

We are addressing our environmental footprint by taking steps to save energy and reduce our greenhouse gas emissions. We have strong ethical compliance guidelines for our supply chain. Our factories are 3rd party audited to ensure compliance with our requirements as well as local, state, country, and customer requirements.

Garan is focused on the wellbeing of our employees. We strive to provide a safe, healthy environment for our employees while they are in the workplace. Additionally, we participate in various community programs that help to improve the lives of people in the communities in which we live and work.

A MESSAGE FROM OUR... **PRESIDENT AND CHIEF OPERATING OFFICER**

Garan is a Global apparel company that has been in business for over 81 years. Garan employs more than 4,500 people around the world as well as helps assure jobs for thousands more throughout our supply chain. Our business is built on integrity and trust. We care about our people and the communities in which we live and work. We have employees who have been with Garan more than 30 years as well as many newcomers. We believe in Diversity and Inclusiveness, Equality and Fairness in jobs and wages. We strive to ensure our garments are produced in an Ethically and Socially compliant way. We invest in 3rd party audits to ensure factories that produce our apparel are following our strong Code of Ethics and Human Rights Policy. Before sustainability became a significant social issue, Garan was already recycling, reducing waste in landfills and conserving our electricity use, along with many other ecological initiatives. We thought it was the right way to do business then and deeply believe it is the right way to do business today and in the future. We are committed to doing our part to preserve our environment. We believe it is important to preserve our environment for our children today and for future generations to come. We understand, being a sustainable company, will require taking one step at a time and when we think we have done all we can, we will look for other ways to continue on our sustainability journey. Sustainability is more than just using less water, using less electricity and producing less Greenhouse Gas. While those things are definitely important, the world's people are its greatest asset. Continuing our sustainability efforts into the future depends on people and the beliefs instilled in people that they can make a difference.

Jerald Kamiel

Core Values





OUR JOURNEY

Garan is committed to sustainability. We believe sustainability is a combination of social, economic and environmental aspects and all are key to building a sustainable future. We know what we do today matters for our future.

Garan began our sustainability journey in 2008. We began by taking small steps in learning how our processes and products were affecting the environment. We began with simple changes designed to help reduce our resource consumption, waste to landfill, and Greenhouse Gas (GHG) emissions. Today, we continue to work to find ways to reduce our impact. L.E.D. lighting, renewable solar power for our facilities, automatic cutting machines, paperless billing, and working to find ways to eliminate paper are some of our more recent efforts in sustainability.

At Garan, our employees are more than a workforce, they are our family. This is why we have invested in ensuring we provide a safe workplace environment. Extensive third-party audits are carried out in each of our factories to ensure they meet ethical and safety standards set forth by law. These requirements include such things as no child labor, strict adherence to country safety regulations, living wages, and precious resource reduction management to name a few. In addition, we provide several yearly educational programs focusing on a variety of safety, health, and living topics. Garan also prides ourselves in purchasing fabric from reputable business partners committed to ethical standards and business practices. We will not work with or purchase from any manufacturers or suppliers that do not comply with our Supplier Code of Conduct.

Over the past decade, we have made strides in our sustainability journey. Since the start of 2008, Garan has recycled over 25 million pounds of waste material across all of our facilities. Through our implementation of new sustainability practices and technology, we have reduced our electricity use by 46% and our water usage by 45%.

We are committed to sourcing sustainable and safe fibers. Today we source 100% sustainable cotton and use recycled polyester/cotton, organic cotton and other sustainable fibers as often as possible. To ensure our garments are safe and comfortable for all children, all components in our garments are Standard 100 by Oeko-Tex certified.

We annually report our yearly emissions data, recycling efforts, and energy consumption to various national online platforms: the CDP (formerly the Carbon Disclosure Project), Higg Index, Walmart's Project Gigaton, and the Walmart Product Stewardship Network (PSN)/THESIS.

Highlights




We've reduced our absolute emissions by 59.3% and emissions intensity by 49.9% since 2008.



Since 2020, our Scope 1 and 2 Greenhouse Gas Emissions have been verified by an independent 3rd party.




Since 2008, we have reduced our total yearly CO2 emissions by 2,979 MT for both Scope 1 and 2 emissions. This is equal to removing 647 cars from the road for a year.



45% of all electricity used in our facilities comes from renewable energy. Since 2019, we have generated over 7.1 Million KWH of renewable solar energy. .



We are sourcing 100% sustainably grown cotton in all garments (USA Cotton, Better Cotton, Organic, etc.)



We used 576 MT of recycled polyester in 2021. By switching to recycled polyester, which emits 2.856 kg of CO2 per ton of fiber produced, we save 6.664 kg of CO2 emissions per ton of recycled polyester fiber.



easy-peasy

Exceptional Quality.

Garan's main goal is to produce exceptional quality apparel for children. Because children outgrow their clothing so fast, our intent is to make sure all children can be dressed in safe, long lasting apparel. Our clothes are designed to be able to be passed down from child to child for years to come. This not only allows for consumers to save money, but also helps keep our products out of landfills longer and reduces the number of garments needed in the supply chain.

Sustainable Care

Almost 90% of the energy used by a washing machine comes from heating the water. By switching from hot or warm water to cold water washing, Garan is allowing our customers to save energy. In fact, each household that makes the switch to cold-water washing eliminates about 1,600 pounds of carbon dioxide emissions a year, according to the Sierra Club.** By following our labeled care, the consumer not only saves energy and money, but also reduces their environmental impact.

**Info gathered at: gogolaundry.com/wash-clothes-in-cold-water-to-save-energy/

Product Efficiency.

Our goal is to be at least 90% efficient in the utilization of all fabric. However, our experience tells us due to the complexity of some styles, we will not always achieve this goal. To work toward continuous improvement, all styles are audited to double check that fabric usage is as efficient as possible for each specific style.

Supply Chain Sustainability

As a company, Garan incorporates sustainable practices and policies throughout our entire supply chain. We recognize the harm a company can have on the planet by being environmentally irresponsible and are committed to continual analysis and progress.

This starts within our walls, with everything from our corporate offices to our manufacturing facilities and extends into our supply chain. We are committed to engaging our suppliers, customers, and end use consumers in our efforts to reduce and/or eliminate waste in our supply chain as well as reduce our overall environmental impact.

For the past several years, we have partnered more closely with our supply chain to collect primary data and improve our reporting and performance. Our long-term and close relationships with suppliers means that we can react quickly to changing customer demands and trends. We will continue working with our supply chain partners, taking one step at a time into a more sustainable future.



Efficient Supply Transportation

BY SHIPPING FULL CONTAINERS (AT LEAST 90% FULL) OF FABRIC AND FINISHED GOODS, WE REDUCE THE NUMBER OF CONTAINERS SHIPPED, WHICH IN TURN REDUCES USE OF FUEL.



Environmental Impact

WE REQUIRE 100% OF FABRIC SUPPLIERS AND GARMENT WASHERS TO REPORT THEIR ENVIRONMENTAL IMPACTS USING THE HIGG FACILITY ENVIRONMENTAL MODULE (FEM) AND TO HAVE THESE REPORTS VERIFIED BY A 3RD PARTY EVERY OTHER YEAR.

IN ADDITION, WE REQUIRE SUPPLIERS TO REACH LEVEL 1 (25%) IN BOTH ENVIRONMENTAL MANAGEMENT SYSTEMS AND WATER CATEGORIES. WE PLAN TO INCREASE THIS REQUIREMENT TO ALL CATEGORIES BY 2025.



Chemical Compliance

WE REQUIRE FABRIC MILLS AND GARMENT WASHERS TO STRICTLY MONITOR THE CHEMICALS USED IN DYEING AND WASHING AGAINST THE ZERO DISCHARGE OF HAZARDOUS CHEMICALS' (ZDHC) MANUFACTURING RESTRICTED SUBSTANCES LIST (MRSL).

Supply Chain Compliance

Garan is committed to working with supply chain partners who provide fair, safe and healthy working conditions for their workers. We choose to work with partners that share our standard of excellence, ethical and responsible conduct in all operations and respect for the rights of all individuals. We expect all our supply chain partners to comply with our Code of Conduct. Garan values fair and equal work for all. We do not tolerate forced or child labor of any kind and are committed to doing our part to see that it is eliminated from our industry.

We are continually vigilant to the potential risks related to labor practices in our supply chain. To ensure our high ethical compliance standards are met, we conduct routine stringent, unannounced 3rd party audits in all of the factories that produce our garments.

All factories that produce our garments undergo an audit and certification process to ensure we meet ethical and social standards. All production facilities are both WRAP (Worldwide Responsible Accredited Production) and SMETA (Sedex Members Ethical Trade Audit) certified. These certifications are required to do business with Garan.



SMETA

Sedex's SMETA is a social auditing methodology, enabling businesses to assess their sites and suppliers to understand working conditions in their supply chain. Social auditing enables brands like Garan to demonstrate their commitment to human rights, and monitor worker health and safety. All SMETA audits are carried out by independent third-party organizations approved by Sedex.



On site audits are conducted to inspect workplace, overwork, discrimination, low pay and forced working conditions. The following areas are reviewed during the audit:

- Wages
- Health and Safety
- Fair treatment of staff
- Right to Work
- Temporary Workers
- Provision of rest time
- Working Hours

WRAP

WRAP is the largest independent facility certification program in the world focused on apparel, footwear, and sewn products. WRAP issues certifications based on a facility's compliance with [WRAP's 12 Principles](#). Garan utilizes WRAP's certification process to ensure our production facilities are meeting international workplace standards, local laws, and workplace regulations including these areas:

12 Principles

- Compliance with Laws and Regulations
- Prohibition of Forced Labor
- Prohibition of Child Labor
- Prohibition of Harassment and Abuse
- Compensation and Benefits
- Freedom of Association and Collective Bargaining
- Hours of Work
- Environment
- Prohibition of Discrimination
- Customs Compliance
- Health and Safety
- Security



All factories used to produce our garments must be rated Yellow or Green and must work to ensure constant compliance with SMETA and WRAP certification.

Code of Conduct

At Garan, we are committed to:

- **A standard of excellence in every aspect of our business and in every corner of the world;**
- **Ethical and responsible conduct in all our operations and**
- **Respect for the rights of all individuals**

The Garan Supplier Code of Conduct establishes the key principles under which Garan and our worldwide suppliers are required to operate.

In the selection of suppliers, Garan seeks reputable business partners who are committed to ethical standards and business practices compatible with those of Garan.

This Supplier Code of Conduct is intended to clearly establish, taking into account difference in cultures and legal requirements, Garan's expectations in all factories in which our products are manufactured. Garan products will be manufactured in a manner compatible with the high standards that have contributed to the outstanding reputation of Garan and our brands.

Garan strongly encourages suppliers and any contractors to exceed the requirements of the Supplier Code of Conduct and promote best practices and continuous improvement throughout their operations.

This Supplier Code of Conduct applies to facilities involved in the production of products for Garan or any of our subsidiaries, vendors, agents, or licensees including entities with direct relationships with Garan and any of their contractors involved in Garan productions ("Garan Suppliers").

Laws and Regulations

Garan Suppliers must operate in full compliance with all applicable laws and regulations of the countries in which they operate.

Child Labor

Garan will not tolerate the use of Child Labor. Garan Suppliers must not employ workers younger than the minimum age established by law in the country of manufacture. In addition, Garan Suppliers must comply with all legal requirements for the work of authorized young workers, particularly those pertaining to hours of work, wages, and working conditions.

Forced Labor

Garan Suppliers must not use involuntary or forced labor, whether indentured, bonded, prison, or otherwise. Garan will not do business with any company that takes part in forced labor of any kind.

Harassment and Disciplinary Practices

Garan Suppliers must treat all workers with respect and dignity. No worker shall be subject to corporal punishment, physical, sexual, psychological, or verbal harassment or abuse. In addition, Garan Suppliers will not use monetary fines as a disciplinary practice.

Wage and Benefits

Garan Suppliers must pay workers at least the greater of the minimum compensation required by local law or the prevailing industry wage. In addition, Garan Suppliers must provide all legally mandated benefits. In addition to their compensation for regular hours of work, workers must be compensated for overtime hours at such premium rate as is legally required or, in those countries where such laws do not exist, at least equal to their regular hourly compensation rate.

Hours of Work

Garan Suppliers must ensure that workers shall not work more than the lesser of (a) sixty (60) hours per week, including overtime, or (b) the limits on regular and overtime hours allowed by law of the country of manufacture. In addition, all workers shall be entitled to at least one day off in every consecutive seven-day period.

Health and Safety

Garan Suppliers must provide their workers with a clean, safe, and healthy work environment in compliance with all applicable, legally mandated standards for workplace health and safety in the countries in which they operate. This includes residential facilities, if applicable.

Non-discrimination

While Garan recognizes and respects cultural differences, Garan Suppliers must ensure employment - including hiring, remuneration, benefits advancement, termination and retirement - is based on ability and not on belief or any other personal characteristics.

Women's Rights

Garan suppliers will ensure women workers receive equal treatment in all aspects of employment. Pregnancy test will not be a condition of employment, and pregnancy testing - to the extent provided - will be voluntary and the option of the worker. In addition, workers will not be forced to use contraception.

Freedom of Association and Collective Bargaining

Garan Suppliers must recognize and respect the rights of workers to exercise lawful right to free association, including joining or not joining any association. Garan Suppliers must also respect the legal right of workers to bargain collectively.

Environment

Garan is committed to sustainable business practices and the preservation of the environment. Garan Suppliers must comply with all local environmental laws applicable to the workplace and must maintain and provide documentation when requested. Suppliers must use required platforms as requested by Garan to track their chemical use and environmental footprint. (Higg FEM and Bhive and requests for yearly reporting information)

Subcontracting

Garan Suppliers must not use subcontractors in the manufacture of Garan products or product components without approval from Garan, and only after the subcontractor has agreed to comply with this Supplier Code of Conduct.

Communication

Garan Suppliers must prominently display - in the languages of workers and supervisors - the Garan Supplier Code of Conduct poster and communicate the provisions of the Garan Supplier Code of Conduct to workers and supervisors.

Monitoring and Compliance

Garan will undertake affirmative measure, such as announced and unannounced onsite inspections of production facilities, to monitor compliance with this Supplier Code of Conduct. Garan Suppliers must maintain on site all documentation necessary to demonstrate compliance with the Code of Conduct, and Garan Suppliers must allow representatives from Garan full access to production facilities, worker records and workers for confidential interviews in connection with monitoring visits. Garan Suppliers are expected to take necessary corrective actions to promptly remediate any noncompliance. Garan reserves the right to terminate its business relationship with any Garan Supplier who is unwilling or unable to comply with this Code.

More Sustainable Cotton

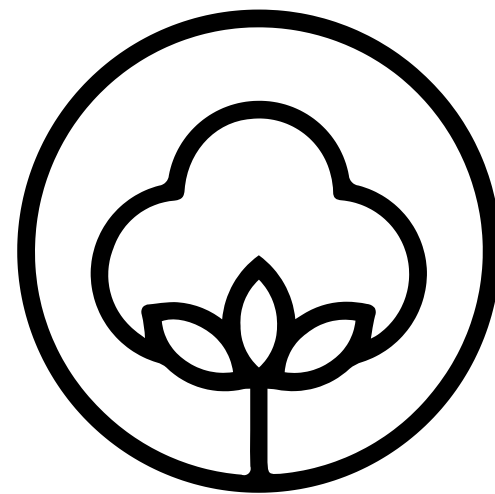
Garan is committed to sourcing fabric that is made from 100% sustainably grown cotton (USA Cotton and Better Cotton).

Cotton has historically been one of the most commercially grown crops in the world, leaving devastating impacts when grown irresponsibly. By growing cotton in a sustainable fashion that cares for the environment, farmers minimize the negative effects of fertilizers and pesticides. This leads to improved soil health, less pollutants getting into water sources, and reducing the strain on local animal habitats.

Garan is committed to sourcing fabric that is made from 100% sustainably grown cotton through our use of USA Cotton, Better Cotton, and other sustainably grown cotton fibers.



[Learn More About Better Cotton®](#)



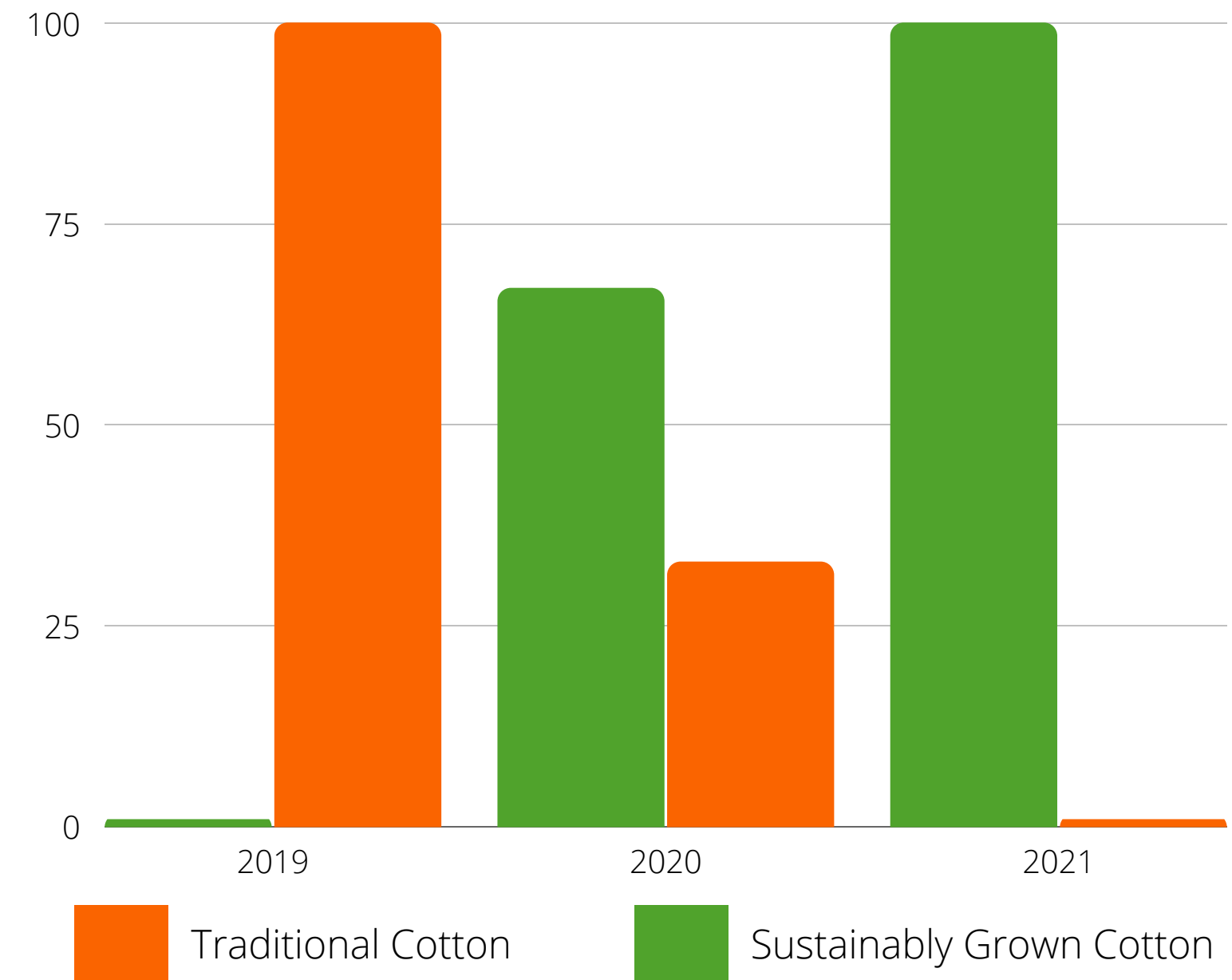
USA Cotton



Supporting Responsible Sourcing

GARAN IS A PROUD MEMBER OF BETTER COTTON® AND IS COMMITTED TO SOURCING MORE SUSTAINABLE COTTON. BETTER COTTON® IS A NON-PROFIT GROUP WHOSE MISSION IS TO HELP COTTON COMMUNITIES SURVIVE AND THRIVE, WHILE PROTECTING AND RESTORING THE ENVIRONMENT. BETTER COTTON® IS SOURCED VIA A SYSTEM OF MASS BALANCE AND IS NOT PHYSICALLY TRACEABLE TO END PRODUCTS.

In 2018, we made a commitment to source 100% sustainably grown cotton. As of 2021, we have reached this goal.



Recycled Polyester

Every year, billions of plastic bottles go into landfills or find their way into our lakes, streams, and eventually oceans. Plastic accumulating in our oceans and on our beaches has become a global crisis. Billions of pounds of plastic can be found in swirling convergences that cover up to 40 percent of the world's ocean surfaces. At current rates, plastic is expected to outweigh all fish life in the sea by 2050.

To help combat this crisis, Garan is committed to sourcing 100% recycled polyester in 50% of all our polyester fabric by 2023. To achieve this, Garan is working to source recycled polyester fibers from plastic waste and plastic bottles. By using recycled polyester fibers from post-consumer plastic bottles, we will conserve natural resources and prevent plastic waste from reaching landfills.

Recycled polyester (rPET) is made by melting down post consumer or post industrial plastic waste and then re-spinning it into new polyester fibers. The most commonly known materials are PETE and HDPE drinking bottles, but manufacturing waste from the textile industry is used as well.

On average, it takes an estimated 27 plastic bottles to make 1 lb of fiber. These fibers have the potential to keep nearly three billion plastic bottles out of landfills, save 500,000 barrels of oil and eliminate 400,000 tons of atmospheric carbon each year. This is the same as removing almost 76,395 passenger cars from the road for a year.



Man-Made Cellulosic Fibers

Recently, we made a commitment to ensure we are not sourcing any man-made cellulosic fibers (rayon, viscose, modal, lyocell, and acetate) derived from ancient and endangered forests, habitats, or other controversial sites by 2025. To accomplish this goal, we are requiring all suppliers source from 'green shirt' producers listed on the Canopy's Hot Button Report.



[Learn More About the Canopy's Hot Button Report](#)

The Canopy Hot Button



Canopy's Hot Button Report is a list/ranking of companies who source their man-made cellulosic fibers from forests and are committed to eliminating the use of Ancient and Endangered Forests in viscose and other cellulosic fabrics.

A company's adherence to forest and chemical criteria earn them specific ranks on the report. These ranks are denoted by both the Shirt and Beaker Icons.



While fibers such as rayon and viscose are made from trees, a renewable resource, every year approximately 150 million trees are cut down to produce these fibers. Forests soak up carbon dioxide which slows down climate change. Ancient forests, also known as "Old-Growth" forests, are one of the most important tools we have to protect our planet from the warming climate. These forests not only naturally sequester vast amounts of carbon but also provide refuge to threatened and endangered species. In addition, they are important for the ecosystem where they reside, providing food, shelter, and oxygen to both animals and people.

Chemical Policy

Garan takes restricted chemicals seriously. Our goal is to produce safe garments for children that meet or exceed all US Government, Individual US State, and our Customer's restricted chemical requirements. Through rigorous testing procedures, all garments that are produced for and by Garan are tested for harmful chemicals. We are continuously reviewing and monitoring regulations for chemicals to be avoided and updating our procedures accordingly. All our fabric mills and garment washers use the BHive to continuously monitor their chemicals to ensure ZDHC compliance.

Since 2019, Garan has worked with our suppliers to achieve Standard 100 by Oeko-Tex certification for 100% of our garments. To receive certification, every component that goes into our garments has been tested for over 400 potentially harmful chemicals. Additionally, each factory producing components or garments for Garan has gone through an audit process to ensure the factory adheres to Oeko-Tex requirements for manufacturing. As a company we are committed to minimizing the risk of exposure to harmful chemicals and we require our partners to be equally committed to this goal.



INTRODUCING

easy-peasy

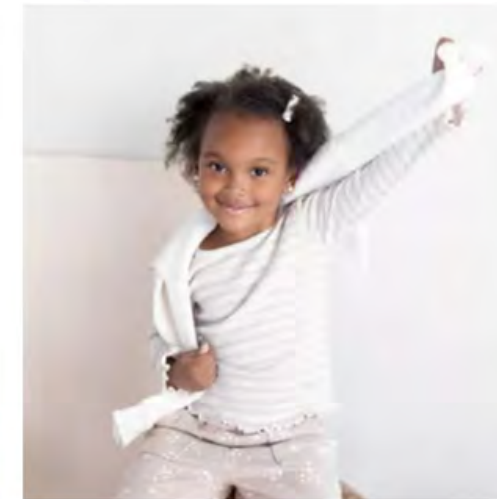
In 2022, Garan launched our new brand called *easy-peasy*. This brand is made with our future in mind. Our easy-peasy brand is centered around reducing our impact on the environment through sustainable sourcing. Every easy-peasy garment is rigorously tested for harmful chemicals to ensure each child can wear safe and comfortable clothing.



Good for the Earth.
Great for Kids.



[Shop Now](#)



Water Conservation Efforts

There are few natural resources as essential to the future of our planet as water. Garan sees the importance of this resource and is committed to applying sustainable, clean water practices throughout every facet of our company.

Garan is committed to improving our sustainable water practices within each of our manufacturing facilities, corporate offices, distribution centers, and quality-control offices. Measurable analysis of our water usage is regularly done throughout Garan's global company footprint, allowing us to quantify our progress and identify areas for continued improvement.

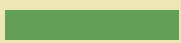
**IN THE PAST 10 YEARS, GARAN HAS
REDUCED OUR TOTAL WATER USAGE
BY ALMOST 12 MILLION GALLONS.**

**THIS IS A 59% DECREASE IN GALLONS
OF WATER USED PER DOZEN
GARMENTS PRODUCED.**



**2,979 TONNES CO2
REDUCTION SINCE 2008**

CARBON FOOTPRINT



53% Decrease in Emissions



SINCE 2020, OUR SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS HAVE BEEN VERIFIED BY AN INDEPENDENT 3RD PARTY. STARTING IN 2023, WE WILL VERIFY SCOPE 3 EMISSIONS AS WELL.

THE APPAREL INDUSTRY ACCOUNTS FOR 10 PERCENT OF GLOBAL CARBON EMISSIONS. WE UNDERSTAND THE IMPACT OUR ACTIONS HAVE ON THE ENVIRONMENT. THIS IS WHY GARAN HAS MADE A COMPANY-WIDE COMMITMENT TO REDUCE OUR GREENHOUSE GAS EMISSIONS. MOVING FORWARD, WE WILL CONTINUE TO PURSUE SUSTAINABLE SOLUTIONS THAT MINIMIZE OUR CO2 EMISSIONS.

BY 2030, OUR GOAL IS TO REDUCE OUR ABSOLUTE SCOPE 1 AND 2 EMISSIONS BY 50% AND REDUCE OUR SCOPE 3 EMISSIONS BY 25%.





**OUR EMISSIONS REDUCTIONS ARE
EQUAL TO REMOVING 647 PASSENGER
CARS FROM THE ROAD FOR ONE YEAR.**



SINCE OUR BASE YEAR OF REPORTING,

we have continued to see our CO2 emissions decrease while our annual production of dozens increased. Our intensity of emissions per dozen is 63% lower than in our base year. In 2016, We invested in installing LED bulbs in all our manufacturing facilities. We anticipate this LED bulb project to result in the reduction of over 181 Tonnes of CO2 emissions per year.

We know there is significant work to be done in our sustainability journey, but Garan's approach to reducing our carbon footprint will be science-based and goal oriented, providing motivation to get through our challenges. As we move forward, we will continue to measure and analyze where we are as a company and how we can work with our suppliers to reduce GHG emissions throughout our supply chain.

Emissions Reduction Activities

1. SOLAR PANELS

In 2019, we completed installation of solar panels in our El Salvador manufacturing facilities. Over the past several years, we have generated nearly 7.2 million KWH of renewable energy.

2. RECYCLED POLYESTER

Currently, we are using over 576 MT (635 tons) of recycled polyester fibers in our annual fiber consumption. The production of one ton of polyester fiber emits 9.52 kg of CO₂. By switching to recycled polyester, which emits 2.856 kg of CO₂ per ton of fiber produced, we save 6.664 kg of CO₂ emissions per ton of recycled polyester fiber.

3. COLD WATER WASHING

We implemented a change to our care instructions that label all our garments as "Cold Wash", allowing our customers to avoid washing our garments in warm water. From our research, a standard, modern washing machine will emit 0.2 kg of CO₂ emissions per wash if washed on the cold water/cold rinse setting while a warm wash/warm rinse setting will emit 2.5 kg of CO₂ emissions per wash.

Energy Conservation

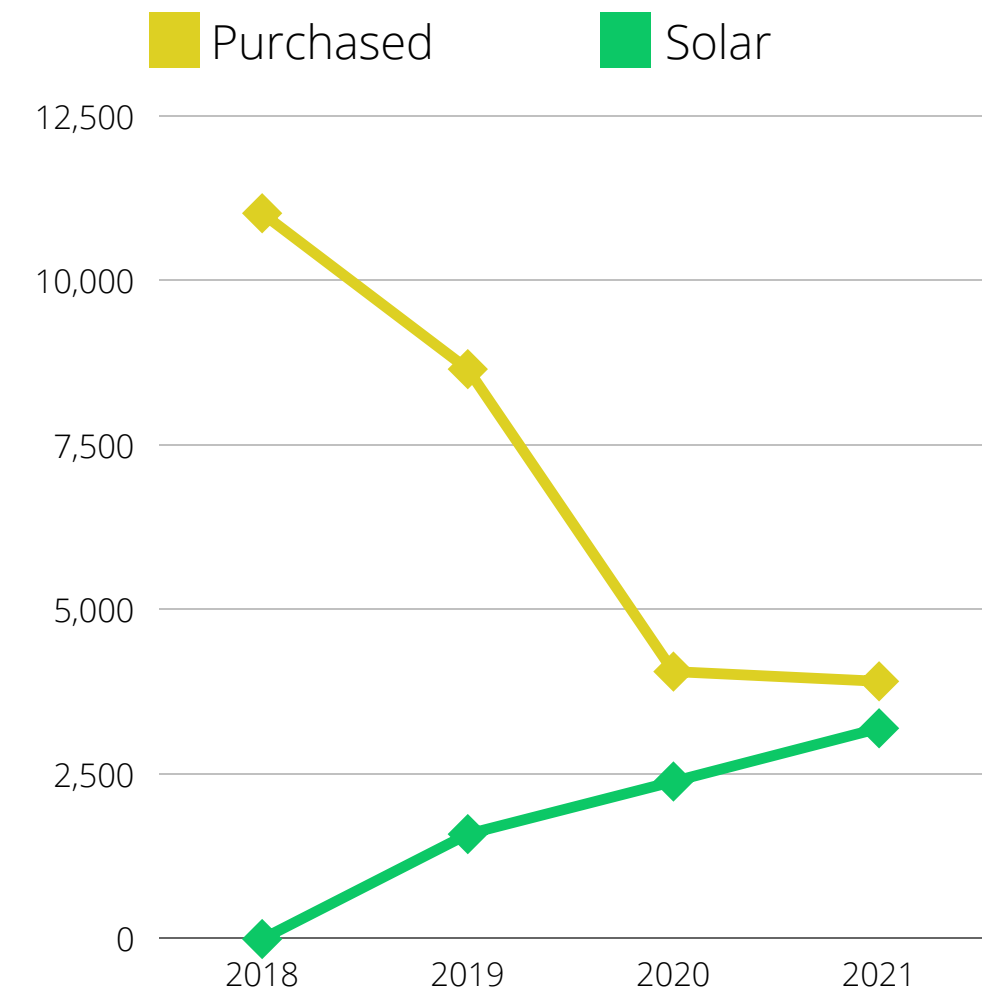
As part of our effort to reduce GHG emissions, we also focus on energy consumption. What are we powering? How much energy is consumed to power what we do? How can we be more efficient with the power we're using? These are questions we are consistently measuring, analyzing, and addressing.

In 2021, Garan's energy consumption was our 2nd lowest on record. We achieved a 46% decrease from our base year of 2008.

45% of our total company electricity consumption comes from renewable energy.

Since 2019, seven of our El Salvador facilities have been using renewable solar energy to help meet our power needs. Today, over 68% of our total energy consumption in these facilities comes from renewable solar energy. In total, our facilities have generated over 7 Million Kilowatt Hours of renewable energy.

We are committed to reducing energy consumption and will continue to seek ways to use efficient, clean energy throughout our company.

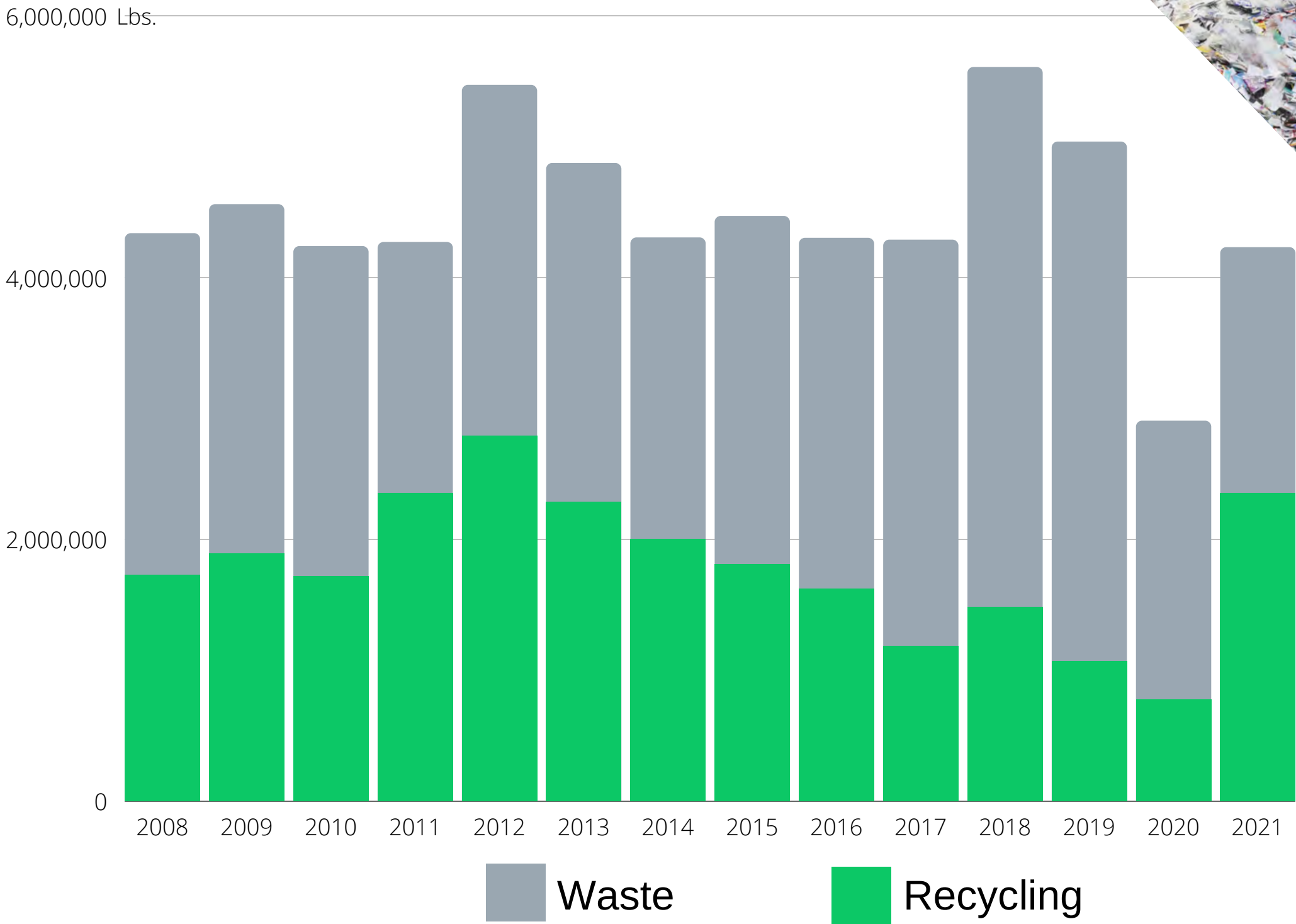


Solid Waste/Recycling

Zero Waste to Landfill Goal

Garan strives to be zero waste to landfill by 2030. As a company, we recognize the impact our waste has on the environment and are committed to making a difference. To meet this goal, we must be efficient with materials we bring in and conservative with what we send out. To help reach our goal of achieving zero-waste-to-landfill status, we are focused on company-wide recycling efforts. Since our base year in 2008, we have recycled 25 million pounds of waste materials. Despite the Covid-19 pandemic restrictions and social distancing measures between 2020 and 2021, we upheld our commitment and recycled over 3.4 million pounds of material as a company.

Garan acknowledges the inverse relationship between waste and recycling, and we will continue to focus on both. As our processes evolve to become more efficient and environmentally friendly, Garan will continue to reduce our waste, increase what we recycle, and ultimately reach our goal of being a zero-waste-to-landfill company. As of 2022, we have diverted 56% of our waste from the landfill.



What We Do Today Matters!

We use the 6 R's in our manufacturing facilities to remind and encourage everyone to think of the environment and the waste they are generating throughout the day.

1. Rethink - consider recycled and green content
2. Refuse - make the choice to not generate more waste
3. Reduce - make decisions that decrease the amount of waste produced
4. Reuse/Repair - expand the life of products
5. Recycle - reclaim raw materials
6. Respect - all people



Employee Engagement

At Garan, we work hard to create a company that is both sustainable and thriving. We expect every employee to be involved in our sustainability efforts. It is important that everyone take part in the evolution of our company and have a voice when it comes to sustainability.

We want our employees to think about the open-ended possibilities, think outside the box, and open their eyes to new ideas, ideas that conserve energy or otherwise lessen the impact we have on our environment. We strive to recognize those in our company who are generating change and propelling innovation toward continued growth in our sustainability journey.





CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is an evolving business practice that incorporates sustainable development into a company's business model. It has a positive impact on social, economic and environmental factors. As part of our commitment to CSR, Garan is involved in many local community events throughout the year. We are actively involved in our local charitable organizations, such as: local schools projects, Health Clinics, volunteering at Elderly Care Homes, and Non-Profit Organizations such as the Red Cross and Funter Telethon for disabled children and adults to name a few. We strive to be an active participant in maintaining and improving the community around us, not just by providing jobs, but by being a positive influence in the communities in which we live and work.



OUR EMPLOYEES

One Big Garan Family - 4,500 Strong

Our employees are at the heart of our success as a business. At Garan, we think of our employees as one big family, and we want them around for as long as possible. We believe in not only celebrating our time with our family, but also providing them with a safe place to work.

At Garan, we provide employees in our manufacturing facilities with several yearly educational programs focusing on a variety of safety, health, and living topics. These programs include things such as how and when you should schedule breast cancer screenings, the importance of donating blood, flu vaccinations, ZIKA virus care, free eye examinations, and domestic violence prevention to name a few.

Our employees are the driving force behind our success. We want to recognize their accomplishments and celebrate their continued efforts. Every year, we set aside several days dedicated to recognizing our employees continued service to our company, such as anniversaries, birthdays, and years of service.



Breast Cancer Screening



Earth Day Celebration



Labor Day Lunch



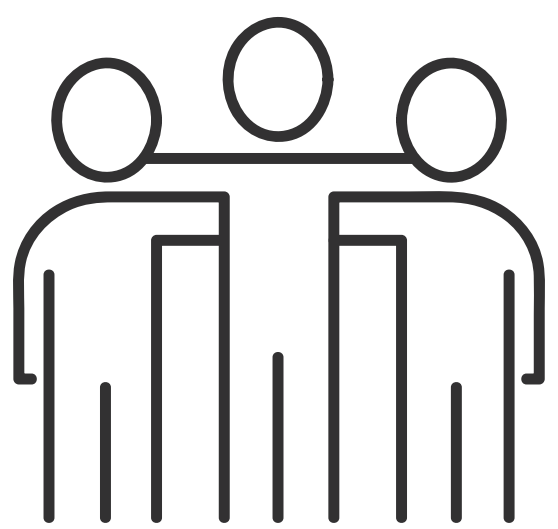
Employee Health and Safety

ZERO ACCIDENTS

In 2021, our company incident rate was 1.14%. This is a measurement of all loss time and recordable accidents per 100 employees. We believe one accident is too many but if an accident happens, we investigate the incident with all means possible to identify the reason it happened and correct it. Learning from this, we work to implement additional safety measures in hopes of eliminating all workplace incidents. We continue to work toward a ZERO Accident goal.

EVACUATION AND RESCUE

Garan cares about the safety and well-being of our employees. To ensure all employees have the necessary knowledge of what to do during an emergency, we provide up to date and comprehensive emergency evacuation training that covers what to do in the event of a fire, flood, earthquake, or other natural or man-made disasters.



TRAINING

Garan invests in a variety of training programs to promote work health and safety throughout the year: Ergonomic Exercise, Teamwork, Proper Handling and Driving of Motorcycles, Proper Diet, Chemical Safety, Equipment Training, Personal Protection Equipment (PPE) Training, Respiratory Infection Awareness, Physical Stress Relief, and many others.

All educational activities are designed with the purpose to help prevent on site accidents. We work to ensure our facilities comply with all local safety regulations to ensure the welfare of our employees.

FIRST AID

As part of our safety program, each of our facilities are equipped with fully stocked first aid stations and have several on site personnel that are trained to perform emergency first aid & CPR.

Throughout each manufacturing facility, the emergency aid stations are clearly marked so that all employees and trained staff can easily and quickly access them in case of emergency.

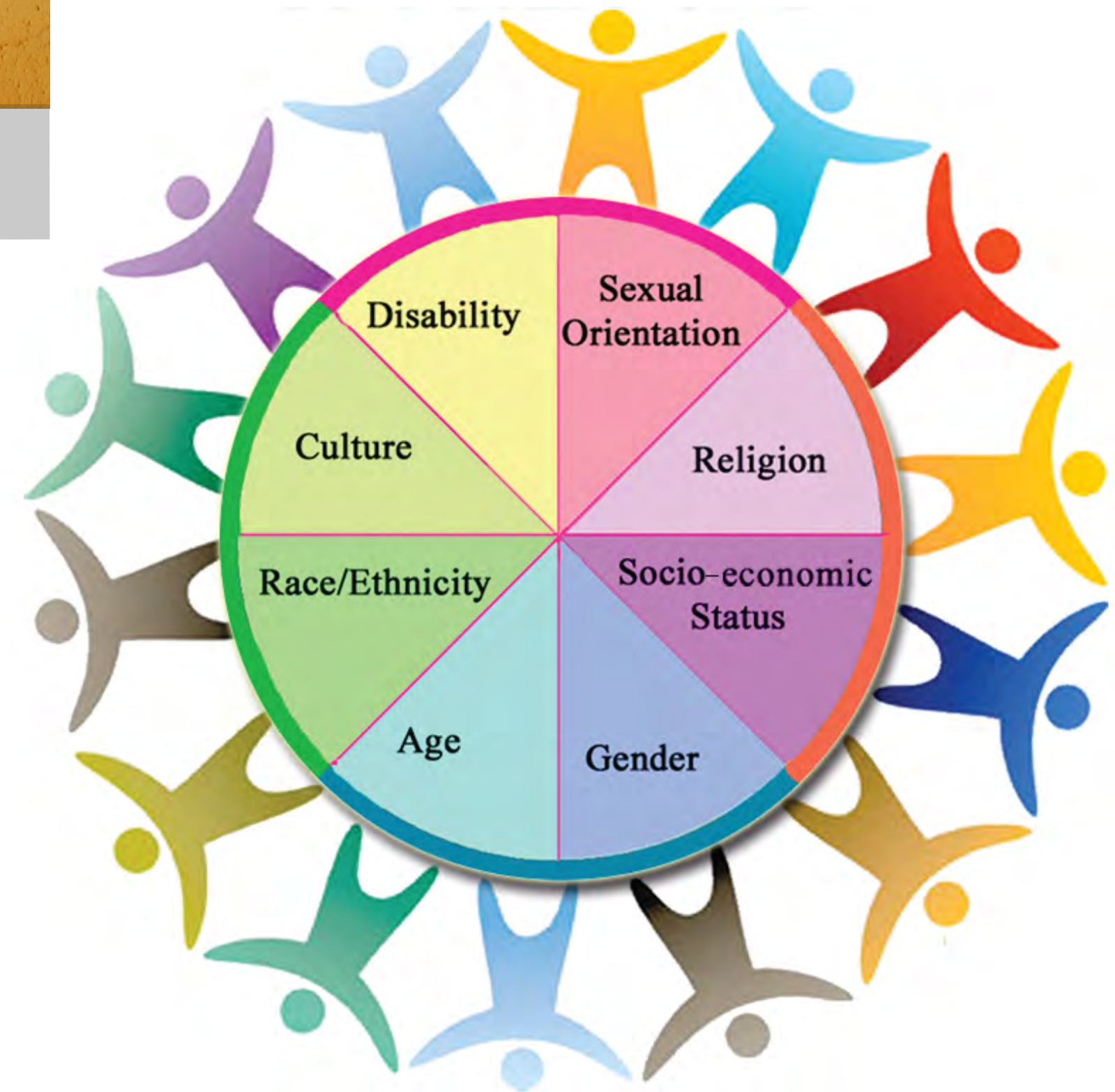
With the support of the medical clinic located near our facilities, all employees receive training on how to avoid and prevent the contraction of bloodborne pathogens. As we work in a manufacturing facility there is always a prevalent risk of injury. We want to make sure we have taken all necessary preventative measures to reduce this risk.



Diversity and Inclusion

We believe our differences make us stronger. At Garan, we are committed to providing a workplace where everyone is treated with respect and empowered to contribute equally. We work hard at fostering an inclusive atmosphere and a sense of belonging for all our employees.

We are committed to providing equal employment opportunities to all employees and applicants without regard to race, religion, color, sex, national origin, citizenship status, uniform service member status, age, sexual orientation, marital status, genetic information, disability or any other protected status.





WOMEN'S EMPOWERMENT

In an ongoing effort to contribute to the pursuit of equality for women, Garan volunteers, hosts, and sponsors many programs supporting women and women's rights. We are an equal opportunity employer.

FUTURE MOTHER

We have started a Future Mother's program in our Central America facilities. We believe it is very important for expectant and current mothers to gain knowledge on caring for their children as they grow and develop. As part of this program, we bring in a medical expert to talk to expectant mothers on the topics of proper nutrition for mother and baby, how to properly care for any needs their baby may require. The program details the options that are available for mothers during delivery, and also covers basic care for mothers and babies after delivery.

In the past, many expecting mothers did not have the resources or funds available to have their babies in a hospital and would give birth at home or wherever they could. With Garan's program, more mothers now have access to proper medical facilities for a healthy and safe delivery.

WOMEN'S SHELTER

Garan works closely with local women's shelters. We support the Prevention of Femicide and Violence against Women; working to help those who have suffered abuse from friends and family. We help by donating necessities, such as food, water, and clothing needed for the women who cannot return home. We also teach them about abuse prevention and self-defense to help them moving forward, as well as offer vocational training so that they may have a new skill set when looking for employment.

Internships

Garan provides paid internships for select students interested in furthering their careers in the fashion industry across the globe.

Interns receive valuable workplace experience and develop the necessary skills they will use for their future careers. We offer standout students full-time employment within the company.





HELPING OTHERS

Garan has partnered with several local and national charitable organizations to help those in need. We have donated both clothing and fabric to these organizations in the hopes that it can be used to improve the lives of those who are struggling or have been affected by tragedy. As a company, we have set a goal to donate over 200,000 lbs. of fabric and 2,000,000 garments by 2025.

Ukraine Relief 🇺🇦

Over 5.5 million Ukrainians have fled their homeland since the beginning of the Ukraine - Russian War, the largest refugee crisis in Europe since World War II. Most refugees have entered neighboring countries to the west of Ukraine, with Poland receiving more refugees than all other European countries combined. Romania, Moldova, Hungary, Slovakia, and others have also opened their borders to refugees. More than half of refugees are children. They are fleeing with mothers, grandparents and men who are too old for military service. Often, refugees are leaving their native country with nothing more than the clothes they're wearing and the few belongings they can carry in a piece of luggage.

To support the refugees, Garan collaborated with Good360 and their network of partners to donate over 131,000 children's garments. We hope the children and their families are able to be comforted in this uncertain time.

Disaster Relief

On September 6th, 2019 Hurricane Dorian was the first major hurricane of the 2019 Atlantic hurricane season. Dorian was the most intense tropical cyclone on record to strike the Bahamas and is regarded as the worst natural disaster in Bahamian history. After seeing the damage done by Dorian, Garan partnered with disaster relief efforts to provide clothing for those families with young children who were affected by Dorian as well as fabric to help make needed clothing and other essential materials due to the limited resources available at that time.



2021 Kentucky Tornadoes

In early December 2021, the cities of Mayfield and Benton, KY were devastated by deadly tornadoes that ran through Arkansas towards the Great Lakes. Over 200 miles of land across the state was devastated. Many families lost everything they had.

In the wake of this tragedy, Garan reached out and worked with our national charity partner Good360 to help provide relief. To help those families in need, we donated over 11,000 children's garments. Good360 was able to work with the Kentucky Division of Emergency Management to get essential items to communities impacted by the tornado outbreak.



National Organizations

Garan has partnered with national organizations such as the Red Cross, Good360, and Delivering Good to help individuals facing challenging life circumstances get the supplies they need. By working with these organizations, we believe we are inspiring hope, and know that our products are given a new life, allowing us to not only reduce waste but help build strong communities for the future.



Cruz Roja Salvadoreña



Since 2019, Garan has partnered with Good360 and Delivering Good by donating over 1,300,000 children's garments to their networks of non-profit organizations. These organizations will distribute our clothing to areas in the world impacted by natural disasters, poverty, or other hardships. Our hope is that our garments will be able to help children and their families going through difficult times by providing quality and stylish children's clothing.



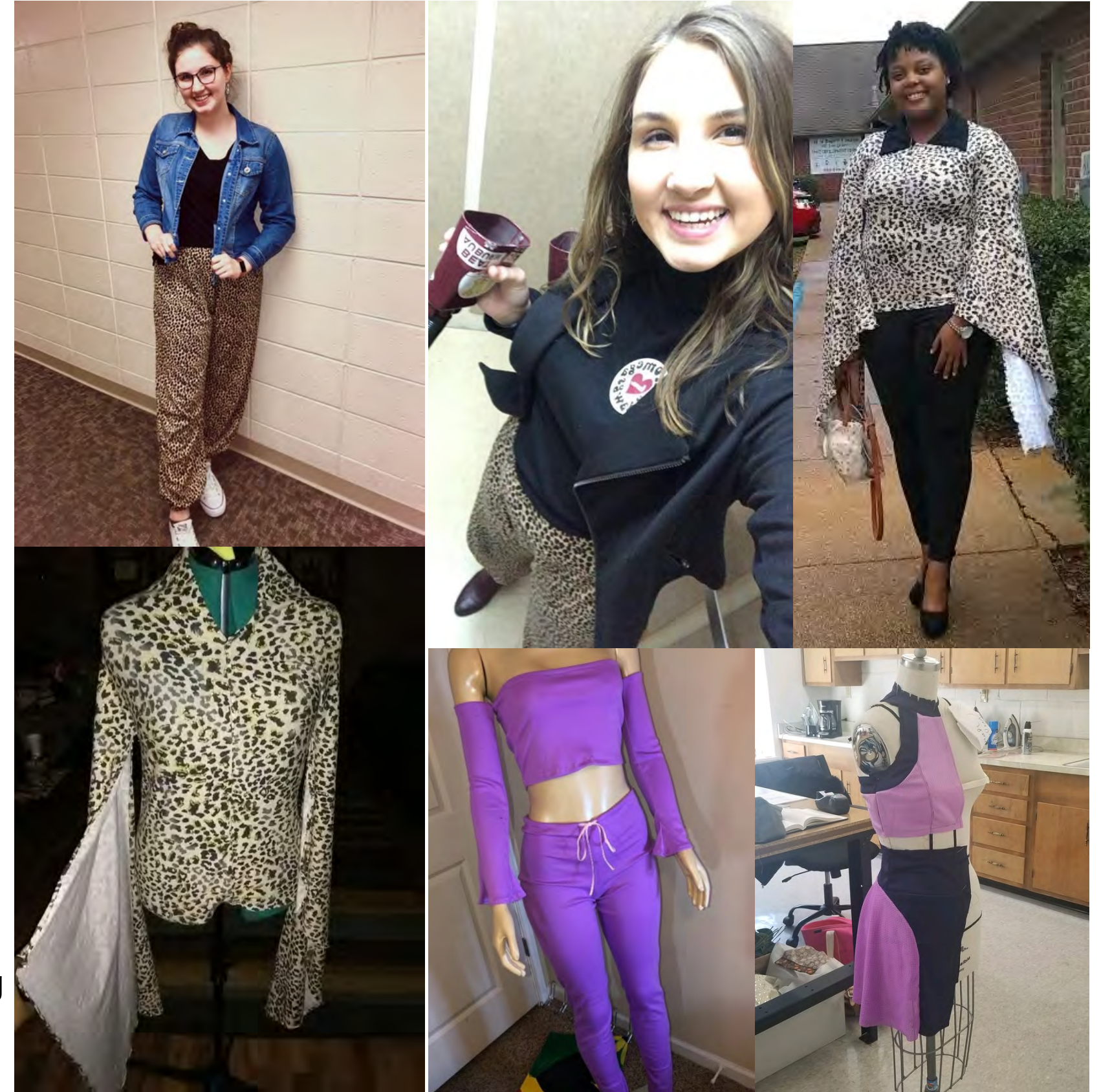
Education

In an effort to help educate the next generation of fashion designers, Garan has worked alongside Mississippi State University Fashion Design and Merchandising Department by donating fabric. The undergraduate and graduate students of the department will use the fabric to better understand the design processes of the fashion industry. As many know, even for large universities, procurement of resources for a department can be a struggle.

When we were approached by representatives from Mississippi State about donating our fabric scraps to their department, we knew this was an excellent opportunity to aid in the education of future fashion designers by providing them with necessary materials.

Local Organizations

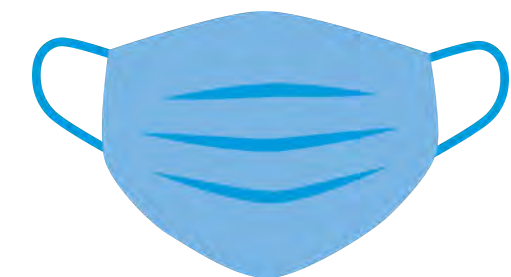
Garan is also working with local organizations to help give back to the community. We have partnered with organizations like 4-H, foster homes, homeless shelters, and local churches. by donating fabric. Our fabric will be used to teach children and adults to sew through craft projects making blankets, pillows, stuffed animals, and clothing. The items made by the organizations will then be provided to those in need.





Mask Donations

Our employees made reusable masks, which were donated within our communities to help fight against the spread of COVID-19.





FUTURE GOALS

WASTE:

CONTINUE TO REDUCE OUR WASTE TO LANDFILLS

GREEN HOUSE GASES:

WE PLAN TO SET SCIENCE-BASED TARGETS FOR OUR SCOPE 1, 2, AND 3 GREENHOUSE GAS EMISSION. IN ADDITION, WE WILL HAVE ALL EMISSIONS VERIFIED BY 2023

EMISSIONS:

REDUCE OUR CARBON FOOTPRINT ANOTHER 3.5%

INVOLVEMENT:

FIND MORE WAYS TO INVOLVE OUR EMPLOYEES AT ALL LEVELS OF OUR COMPANY IN OUR SUSTAINABILITY EFFORTS

REDUCE:

REDUCE THE AMOUNT OF OVERALL ELECTRICITY USE IN ALL OUR FACILITIES BY AN ADDITIONAL 5% OVER THE NEXT YEAR

RECYCLE:

COMMIT TO USING 100% RECYCLED PACKAGING AND LABELING WITH RECYCLING OPTIONS FOR THE CONSUMER BY 2025

FABRIC MILLS:

BY 2025, HAVE ALL FABRIC MILLS AND GARMENT WASHER ACHIEVE LEVEL 1 SCORING ON THEIR HIGG INDEX 3.0 FEM

CHEMICALS:

CONTINUE TO HAVE ALL WET PROCESSORS VERIFY ALL CHEMICALS AGAINST THE ZERO DISCHARGE OF HAZARDOUS CHEMICALS MATERIAL RESTRICTED SUBSTANCES LIST

FORESTS:

WE WILL DISTRIBUTE AND PLANT 15,000 TREES BY 2030 TO HELP COMBAT DEFORESTATION