

ESG Data and Facts

Fiscal 2023

Destination XL Group, Inc.

[HTTPS://WWW.DXL.COM/ENVIRONMENTAL-SOCIAL-GOVERNANCE/CAT1080052](https://www.dxl.com/environmental-social-governance/cat1080052)

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ESG Data & Facts

Fiscal 2023

In this document, Destination XL Group, Inc. (“DXLG”) provides additional ESG (“Environmental, Social and Governance”) data and facts for fiscal 2023. As we advance on our ESG journey, we anticipate that we will refine the definitions for these metrics, the data-gathering process as well as our internal controls. Unless noted otherwise, data is presented on a fiscal-year basis. Data may be rounded.

No third-party assurance is provided on our sustainability disclosures discussed within this document.

Our Environmental Performance

Energy & Climate

Climate Change

We understand that our activities contribute to climate change and recognize our responsibility to reduce our impact on the environment.

We regularly assess risks and opportunities to our business, which may include those driven by climate change. Ultimately, oversight of DXLG’s climate-related risks and opportunities is provided by our Board of Directors. The Nominating and Corporate Governance Committee of our Board is responsible for the oversight of our sustainability initiatives, with regular updates and presentations to the full Board. Please refer to the Corporate Governance section of our proxy statement filed with the Securities and Exchange Commission for more details.

Energy Use

| Total Energy Use (in MWh) | FY 2023 | FY 2022 | FY 2021 | FY 2023 vs. FY 2022 % Change |
|---|---------------|---------------|---------------|------------------------------------|
| Total energy use | 39,431 | 41,689 | 41,543 | (5.4)% |
| Fuels | 10,707 | 11,376 | 11,003 | (5.9)% |
| Natural Gas | 10,667 | 11,326 | 10,986 | |
| Diesel | 40 | 49 | 17 | |
| Purchased Electricity | 28,724 | 30,314 | 30,540 | (5.2)% |
| Energy Intensity (MWh per million USD sales) | 75.6 | 76.4 | 82.3 | (1.1)% |

In fiscal 2023, our total energy use decreased 5.4% as compared to fiscal 2022. Because of our decrease in sales as compared to fiscal 2022, the decrease in energy intensity is less, due to the deleveraging of sales. In total, approximately 73% of our energy usage is from purchased electricity, with the remaining 27% from fuels.

| Direct Energy Use by Facility Type (in Therms) | FY 2023 | FY 2022 | FY 2021 | FY 2023 vs. FY 2022 % Change |
|--|----------------|----------------|----------------|---|
| Total direct energy use | 365,311 | 388,138 | 375,412 | (5.9)% |
| Corporate office and distribution center | 75,234 | 70,818 | 82,073 | 6.2% |
| Retail Stores | 290,078 | 317,320 | 293,339 | (8.6)% |

| Electricity Use by Facility Type (in MWh) | FY 2023 | FY 2022 | FY 2021 | FY 2023 vs. FY 2022 % Change |
|---|----------------|----------------|----------------|---|
| Total electricity use | 28,724 | 30,314 | 30,540 | (5.2)% |
| Corporate office and distribution center | 2,285 | 2,546 | 2,477 | (10.3)% |
| Retail Stores | 26,439 | 27,768 | 28,063 | (4.8)% |
| | | | | |
| Electricity Intensity (MWh per million USD sales) | 55.0 | 55.5 | 60.5 | (0.9)% |

Greenhouse Gas (“GHG”) Emissions

| GHG Emissions (in Metric Tons CO ₂ eq ¹) | FY 2023 | FY 2022 | FY 2021 | FY 2023 vs. FY 2022 % Change |
|--|----------------|----------------|------------------|---|
| Total Scope 1 and 2 Emissions | 12,818 | 13,626 | 12,844 | (5.9)% |
| Scope 1 Emissions | 2,545 | 2,911 | 2,035 | (12.6)% |
| Natural Gas | 1,931 | 2,053 | 1,991 | |
| Diesel | 10 | 13 | 4 | |
| Refrigerants (Canton Facility) | 11 | 11 | 40 | |
| Refrigerants (stores) | 593 | 834 | n/a ² | |
| Scope 2 Emissions³ | 10,273 | 10,716 | 10,808 | (4.1)% |
| | | | | |
| GHG Intensity (Metric tons CO ₂ eq per million USD sales) | 24.6 | 25.0 | 25.4 | (1.6)% |

Our GHG emissions for fiscal 2023 decreased by 5.9% as compared to fiscal 2022 due primarily to a mild winter. The GHG figures in the above table cover all DXLG operations with the

¹ Metric Tons CO₂eq = activity data (fuel consumption or refrigerant refill) * emissions factor. Data for refrigerant refill was based on invoicing in fiscal 2023 and fiscal 2022 for 271 stores and 268 stores, respectively, but excludes data for 13 stores and 18 stores, respectively, which are contracted for service through respective landlords or for which sufficient data was not available.

² Data regarding scope 1 emissions for refrigerants at retail stores was not determinable in fiscal 2021.

³ Location-based

exception of an overseas office which was omitted due to its small size, and include 285 and 298 retail and outlet stores that were open at any time during fiscal 2023 and fiscal 2022, respectively, as well as the corporate office and distribution center (the latter two together constitute the “Canton Facility”). The data includes diesel, natural gas and electricity use and fugitive emissions of refrigerants. Some data was estimated, most notably for stores that have since closed. The GHG emissions calculations have been conducted in line with the GHG Protocol Corporate Standard, Revised Edition, to the extent possible. Emission factors were sourced from U.S. Environmental Protection Agency (EPA) and, for fiscal 2022 and fiscal 2021 two stores (which have both since closed), the Canadian Official GHG Inventory.

Renewable Energy

DXLG sources all electricity from the grid. While we are not directly involved in the generation or procurement of renewable energy, our Canton Facility energy provider supplies us with an electricity mix that includes approximately 43% carbon-free electricity from solar, wind and other eligible sources, per Massachusetts requirements.

Energy Conservation and GHG Reduction

DXLG is constantly evaluating opportunities to reduce energy and GHG emissions at stores and our Canton Facility. Over the past three fiscal years, we realized noticeable energy savings by adapting heating and lighting to lower occupancy levels driven by the COVID-19 pandemic. Since fiscal 2022, the Company has had a hybrid work policy for those associates at our Canton Facility, pursuant to which the corporate office is open to all associates on Tuesdays and Wednesdays and associates are encouraged to be in the office on those days.

When replacing equipment under our control, such as HVAC units or conveyor motors, we take environmental performance into account. All light fixtures in our Canton Facility are dimmable LED fixtures.

GHG Emissions from Transport and Logistics

DXLG does not own any vehicles, but we lease one van at the Canton Facility⁴. Transport and logistics needs are met by engaging with specialized service providers. We do not account for these outsourced emissions under our current boundaries, which is limited to scope 1+2. We intend to take a closer look at the fuel efficiency and carbon emissions resulting from transport in the future in partnership with our carriers.

Other Air Emissions

DXLG does not emit any meaningful quantities of Nitrogen Oxides (“NOx”) or Sulphur Oxides (“SOx”) in its own operations.

Product Sustainability –

In fiscal 2023, we started the process of gathering our GHG Emissions by factory through our LRQA audits so we can start to report on our environmental footprint in the future.

⁴ We currently do not track GHG emissions from this van, which has limited usage, such as a daily run to the post office.

Water and Waste & Recycling

Water Use

Water withdrawal at the Canton Facility totaled 766,700 gallons in fiscal 2023. All water is withdrawn from the municipal water supply. We estimate that approximately 2% or less is lost to evaporation on site by a cooling tower and other activities. The remaining 98% is discharged into the municipal sewer. The water quality of all discharge can be considered household-like. Water discharge is not treated by us. We are not aware of any incidents of non-compliance with water quality standards or regulations in our own operations. In fiscal 2023 a slab leak led to an increase in water withdrawal (but we cannot quantify the impact of the leak). The leak has since been fixed.

| Water Use (in gal) | FY 2023 | FY 2022 | FY 2021 |
|-------------------------|---------|---------|---------|
| Water withdrawn | 766,700 | 543,048 | 477,257 |
| Water consumed | ~ 2% | ~ 2% | ~ 2% |
| Water discharged | ~ 98% | ~ 98% | ~ 98% |

Note: This data only includes the Canton Facility. Data on water use by stores is currently not available.

Waste & Recycling

We seek to minimize the impact on the environment by reducing the waste we produce in connection with the manufacture, distribution and sale of our products.

In our distribution center, we have placed special emphasis on sizing our packaging appropriately, avoiding excess packaging. We also strive to recycle as much material as possible. We engage a local service provider to send a significant portion of the remaining waste to a waste-to-energy facility. We are not producing hazardous waste in meaningful quantities in our own operations.

| Waste Generation and Disposition* (in kilopounds, presented in 000's) | FY 2023 | FY 2022 | FY 2021 |
|--|--------------|--------------|--------------|
| Total waste generated | 1,716 | 1,780 | 1,576 |
| Cardboard | 1,417 | 1,547 | 1,400 |
| Office Paper | 7 | 9 | 22 |
| Other | 292 | 224 | 154 |
| Waste diversion rate | 92% | 94% | 95% |
| Total waste diverted | 1,585 | 1,665 | 1,492 |
| Recycled | 1,457 | 1,579 | 1,422 |
| Other | 128 | 86 | 70 |
| Total waste disposed | 120 | 115 | 84 |
| Incinerated (w/ energy recovery) | 99 | 94 | 74 |
| Landfilled | 21 | 21 | 10 |

*The scope of this data is limited to our Canton Facility. Data about our stores is not available.

Recycled Plastics – Shipping Materials

In conjunction with the companies in our supply chain, at the beginning of fiscal 2022, we introduced an initiative to substitute conventional polybags with an alternative bag made from recycled plastics. In fiscal 2023, approximately 79% of our private-label volume was shipped in polybags made from recycled plastics.

Inventory Waste Programs

Through our relationships with Good360 and BLUE JEANS GO GREEN, we are able to donate our sample merchandise and recycle denim, reducing our impact on landfills while also providing charitable organizations with much needed merchandise.

Our Employees

DXL is committed to Diversity, Equity, and Inclusion. We provide equal employment opportunities to all employees and applicants for employment and prohibit discrimination and harassment of any type without regard to race, color, religion, age, sex, national origin, disability status, genetics, protected veteran status, sexual orientation, gender identity or expression, or any other characteristic protected by federal, state, or local laws.

A copy of our Human Rights Policy is available on our investor relations website under Corporate Governance – Charters and Policies at <https://investor.dxl.com/>.

Diversity, Equity and Inclusion (“DEI”)

Normalizing the Brand Initiative

We are committed to inclusivity, acceptance, and equality. Our diversity & inclusion initiative, “Normalizing the Brand” started in 2017. The program brings awareness to unconscious bias and focuses on ensuring that the composition of our organization looks and feels like the communities where we live and serve. We have policies and training in place with respect to anti-discrimination and anti-harassment, among others, and provide our associates with access to an anonymous hot-line for reporting any concerns. Throughout the year, we require our associates to participate in educational videos. A cross-functional committee helps steer and further develop this program.

Our 2021 associate engagement survey included DEI-related questions for the first time. Also in 2021, we joined with CEO Action for Diversity & Inclusion, a coalition of over 2,500 CEOs, pledging to advance diversity and inclusion in the workplace. By signing on to this commitment, we have pledged to take action to cultivate a workplace where diverse perspectives and experiences are welcomed and respected, and where employees feel encouraged to discuss diversity and inclusion without retribution.

We also advanced our dedication to creating a diverse and inclusive workforce by teaming up with Circa in December 2023. Diversity Jobs, powered by Circa, is the industry’s largest talent acquisition and diversity recruiting solution and this relationship ensures open positions are posted on job boards across the country. In addition to a focus on recruiting, Circa also offers support and access to extensive content and resource libraries containing articles, guides, and

templates promoting continued learning by offering live and on-demand webinars on a variety of diversity, inclusion and educational topics.

We are continuing to work towards gathering additional DEI metrics and benchmarks.

Fostering Inclusion

Our Culture Committee and its subcommittees are cross-functional and focus on creating a welcoming community where associates feel appreciated, are engaged and can openly share their thoughts and aspirations. The subcommittees include:

- Associate Engagement and Development – to provide opportunities for development.
- Communications/Newsletter – to build cross-functional communication.
- Core Value Recognition – to instill, promote, recognize and celebrate associates who exemplify our core values: Innovative - Trustworthy - Empowered - Team Oriented – Inclusive.
- Activity – to organize fun, social and team-building events for our associates.
- Workplace Environment and Community Outreach – to improve our workplace surroundings, support a green environment and sponsor community outreach programs.
- Partners in Hope – to build awareness, coordinate fundraising activities and sustain our ongoing St. Jude Campaign.
- Including You! – to bring awareness to unconscious bias, encourage open communication and ensure that our work environment is inclusive and welcoming for all associates.

Our Normalizing the Brand Committee, which was renamed in fiscal 2022 to “Including You!” creates monthly calendars and sends emails explaining the history behind a particular holiday or day of observance to help our associates learn about cultural, regional and religious days of significance.

We have policies and training in place with respect to anti-discrimination and anti-harassment, among others, and provide our associates with access to an anonymous hotline for reporting any concerns. Throughout the year, we require our associates to participate in educational videos.

Culture, Engagement & Career Development

We are committed to providing an associate-centric environment, where associates have the opportunity to provide input and actively engage in issues affecting the Company’s workforce, the culture, personal development, and the employer-associate relationship. Throughout the year we encourage feedback and ideas through our annual engagement surveys, periodic pulse surveys, and third-party surveys (i.e., Glassdoor). In 2023, we asked over 1,400 associates to participate in our annual engagement survey and achieved a 57% participation rate. Over 80% of the responses to individual questions were either “strongly agree” or “agree”. Our overall Glassdoor score is consistently higher than the average retail score of 3.4 and as of June 2024 is 3.8. We are extremely proud that our culture score is 4 and our diversity & inclusion score is 4.1. We are dedicated to learning from the results of these feedback methods and to use the information obtained to continuously improve the associate experience.

We promote professional and career development through a variety of programs. Since 2014, we have offered our associates the opportunity to participate in our DXLG Mentor Program,

which pairs up to 20 mentees with mentors for one-year periods. The DXL Women's Leadership Group was formed in fiscal 2016 with a mission of "Women supporting, educating and empowering each other @ DXLG". It started as a pilot program and quickly expanded to now include over 40 female leaders, both people and process managers, in the corporate office and field. In addition, for the past six years, we have presented Leadercast, a platform for leadership development content available online. In 2023 we launched Leadercast 365 which significantly expanded the content library and offered users the opportunity to participate at their own pace.

Our Associate Engagement & Development Committee organizes "Lunch, Learn, Lead" and "Coffee Talk" sessions throughout the year to provide our associates an opportunity to gain insight on a wide variety of topics, such as, DXL's social responsibility initiatives, TED talks, leadership, department specific initiatives, diversity & inclusion, technology, etc. We also joined with Marist College to provide our DXL associates and their immediate adult family members with a 25% discount toward on-line tuition costs.

Pay Equity

In the latter half of 2021, Korn Ferry was hired to evaluate every position at our corporate office, from entry level to the CEO, and using their job leveling methodology, create a career framework of job levels based on scope, complexity, and responsibilities of each role. In addition, Korn Ferry reviewed our compensation philosophy, base salary ranges and bonus opportunities for each of the newly created job levels.

The study was completed in early 2022, and the use of job levels has helped us to ensure that all associates are properly compensated given their role within the Company and helps to strengthen our equitable pay initiatives. In addition, as a result of this new framework, in fiscal 2022, we expanded participation in our Annual Incentive Plan to include associates at the manager and senior associate level, enabling a greater number of associates to participate in our formal incentive performance program. As a result of the Company's financial performance for the past three years, the Company has also paid discretionary awards to all associates not participants in the Annual Incentive Plan, reflecting our commitment to our associates.

In fiscal 2022, we hired Jackson Lewis P. C. to perform another pay equity analysis of our full workforce, including our distribution center, our guest engagement center, stores nationwide and corporate office. The study focused on statistical trends within pay analysis groupings of employees to evaluate potential risks of systemic or class-based discrimination within our compensation system, of which no material risks were noted.

Compensation and Benefits

Our compensation programs are designed to pay our associates competitively in the market, based on their skills, qualifications, role, and abilities. Our benefits are designed to help employees and their families stay healthy and help them balance their work and personal lives. These benefits include health and wellness, paid time off, employee assistance, competitive pay, career growth opportunities, paid volunteer time, product discounts, and a culture of recognition. The challenges created by the global pandemic brought mental health awareness to the forefront. We are continually looking for programs and opportunities to offer our associates to ensure physical and mental wellness. We also highlight mental health awareness as part of our "Lunch, Learn, Lead" series and provide other relevant content within our learning management system. We also provide an Employee Assistance Program (EAP) which provides

24/7 assistance to associates and their family members for a variety of issues such as stress, family, parenting, and finances.

In October 2022, we added a new voluntary benefit *DailyPay*, which allows our associates to access their money as they earn it, instead of having to wait until their payday to access their funds.

Below are the DEI details for our Board and employees:

DEI Data – Board of Directors (as of June 1, 2024)

| | Board Members |
|---|---------------|
| Total Number | 7 |
| Gender | |
| Male | 4 |
| Female | 3 |
| Other | |
| Race | |
| American Indian or Alaskan Native | |
| Asian | |
| Black or African American | |
| Hispanic/Latino | 1 |
| Native Hawaiian or Other Pacific Islander | |
| Two or More Races | |
| Unknown | |
| White | 6 |
| Age | |
| Under 30 years old | |
| 30-50 years old | |
| Over 50 years old | 7 |

DEI Data – Employees (as of June 1, 2024). All employees reported below are located within the United States. The Company has three employees located in Hong Kong, China that are excluded from the below detail.

| | All employees | % | Executives and Senior Managers |
|---|---------------|-----|--------------------------------|
| Total Number | 1451 | | 14 |
| Gender | | | |
| Male | 682 | 47% | 10 |
| Female | 759 | 52% | 4 |
| Other | 10 | 1% | |
| Race | | | |
| American Indian or Alaskan Native | 10 | 1% | |
| Asian | 29 | 2% | |
| Black or African American | 314 | 22% | |
| Hispanic/Latino | 177 | 12% | |
| Native Hawaiian or Other Pacific Islander | 13 | 1% | |
| Two or More Races | 39 | 3% | |
| Unknown | 28 | 2% | |
| White | 841 | 58% | 14 |
| Age | | | |
| Under 30 years old | 291 | 20% | |
| 30-50 years old | 579 | 40% | 4 |
| Over 50 years old | 581 | 40% | 10 |

| | Breakout by Function | | | | | | | |
|---|----------------------|-----|---------------------|-----|------------------|-----|------------------|-----|
| | Corporate Functions | % | Distribution Center | % | Store Leadership | % | Store Associates | % |
| Total Number | 290 | | 93 | | 301 | | 753 | |
| Gender | | | | | | | | |
| Male | 97 | 33% | 53 | 57% | 134 | 45% | 388 | 52% |
| Female | 193 | 67% | 40 | 43% | 167 | 55% | 355 | 47% |
| Other | | 0% | | 0% | | 0% | 10 | 1% |
| Race | | | | | | | | |
| American Indian or Alaskan Native | | 0% | | 0% | 1 | 0% | 9 | 1% |
| Asian | 12 | 4% | 1 | 1% | 4 | 1% | 12 | 2% |
| Black or African American | 13 | 4% | 56 | 60% | 61 | 20% | 184 | 24% |
| Hispanic/Latino | 15 | 5% | 12 | 13% | 30 | 10% | 120 | 16% |
| Native Hawaiian or Other Pacific Islander | 3 | 1% | 1 | 1% | 2 | 1% | 7 | 1% |
| Two or More Races | 7 | 2% | 1 | 1% | 6 | 2% | 25 | 3% |
| Unknown | 7 | 2% | 1 | 1% | 12 | 4% | 8 | 1% |
| White | 233 | 80% | 21 | 23% | 185 | 61% | 388 | 52% |
| Age | | | | | | | | |
| Under 30 years old | 38 | 13% | 5 | 5% | 9 | 3% | 239 | 32% |
| 30-50 years old | 112 | 39% | 35 | 38% | 139 | 46% | 289 | 38% |
| Over 50 years old | 140 | 48% | 53 | 57% | 153 | 51% | 225 | 30% |

Health & Safety

Occupational Health & Safety Management

DXLG strives to provide a safe work environment that prevents injuries and keeps associates healthy. This commitment is outlined in the DXLG Safety Policy which applies to all associates. For each facility type, specific health & safety guidelines and policies help employees stay safe. We conduct regular safety training and evacuation drills and distribute a safety newsletter at our Canton Facility. The Safety Committee reviews health and safety conditions and suggests improvements to management.

For store operations, the Retail Safety Training Booklet and safety checklists spell out specific procedures and expectations for this environment, for example box cutter safety, chemical inventory, first aid and the importance of our associates' safety in the event of workplace violence.

For suppliers, health & safety requirements are specified in the Vendor Manual and the Elevate Responsible Sourcing Standard. Depending on the location of the sites and risk, DXLG may also require Building, Fire, Electrical and/or Safety Assessments, which focus on risks associated with building structures.

Health & Safety Data

We routinely track and report health & safety data to OSHA. This data covers all our operations, including the Canton Facility as well as stores. The Company is continually looking for training opportunities it can provide to reduce the incidence rate within its stores. There were no fatalities in any year reported below:

| | FY 2023 | FY 2022 | FY 2021 | FY 2020 |
|--|-------------------|---------|---------|---------|
| Incidence Rate⁵: | | | | |
| Canton Facility | 1.00 | 0.58 | -- | 0.82 |
| Stores | 2.66 | 2.93 | 2.55 | 4.74 |
| Total recordable cases | 2.10 | 2.21 | 1.67 | 3.39 |
| OSHA rate for 'Clothing Stores' | 1.50 ⁶ | | | |

Employee Training & Engagement

Employee Training

DXLG supports employees with bespoke training and development programs that enable them to develop skills they need to succeed. These programs include:

⁵ Number of injuries and illnesses * 200,000/Employee hours worked = Incidence Rate. There were no fatalities in any period. The prior years have been recalculated to agree to OSHA's definition of "recordable claims" calculated on actual hours worked.

The 200,000 figure in the formula represents the number of hours 100 employees working 40 hours per week, 50 weeks per year would work, and provides the standard base for calculating incidence rate for an entire year.

⁶ Based on NAICS code 4481, incidence rates of nonfatal occupational injuries and illnesses, 2022. As calculated on the same basis as described in footnote 5 above.

- Specific on-the-job training for new store managers
- Regional Sales Manager (RSM) mentorship program
- DXL Women's leadership group
- DXLG Mentor Program, which, each year, pairs up to approximately 20 mentees with mentors for one-year
- Leadership Coaching supported by a digital platform
- Lunch, Learn and Lead events

In addition, DXLG provides broad access to a Learning Management System as well as to Leadercast, an external learning platform.

Responsible Supply Chain Management

Our Expectations

We expect our values and principles to be maintained throughout our business, including our supply chain. Our Vendor Code of Conduct, together with our Vendor Manual, define our expectations of our suppliers, and all our suppliers are required to agree to this code of conduct in writing to do business with us.

In fiscal 2019, we became a member of a leading ethical trade service provider to increase our social, environmental and ethical sustainability, and we participate in their Ethical Trade Audit platform. In fiscal 2020, we retained LRQA, formerly Elevate, a global leader in supply chain assessment, and instituted 4-Pillar audits of our supply chain factories. Beginning in fiscal 2023, we have retained LRQA to also perform environmental assessment audits.

The Vendor Code of Conduct addresses our requirements on:

- Anti-Corruption, Freedom of association and collective bargaining
- Compensation and benefits
- Forced labor
- Child labor
- Human Trafficking
- Social Responsibility and Compliance Audits
- Environmental Policy
- Women's Issues
- Health & Safety
- Hours of Labor
- Discipline harassment and abuse
- Discrimination

A copy of our Vendor Code of Conduct, which was most recently amended in June 2024, is available on our investor relations website under Corporate Governance – Charters and Policies at <https://investor.dxl.com/>.

Through collaboration with LRQA, we are pursuing what we call a “5-Pillar Audit”, which includes traceability of both raw materials and the equipment used to produce finished goods. We take seriously the US Customs Border Protection (“CBP”) Withhold Release Order on Products Made in Xinjiang region of China released on January 13, 2021 and will be responsive to any inquiries. In response to the problems in Xinjiang, we developed a Compliance Certificate of Traceability for our cotton vendors.

Social and Environmental Compliance

We work closely with our tier-1, 2 and 3 vendors to understand and improve social and environmental performance throughout our supply chain. We follow a risk-based approach that takes into account country risk as well as individual vendor risk, a measure that is based on a vendor’s past environmental and social performance, as well as other factors.

All tier-1 and tier-2 vendors are audited annually by a third party to our Vendor Code of Conduct, the ERSA standard or an equivalent, and includes a business ethics audit. During fiscal 2023, we were able to expand the external reporting of our tier-2 vendors to include 38 mills. Comparable information for fiscal 2021 for our tier-2 vendors is not available. The following discussion does not include our tier-3 vendors for any period:

| Supplier Information | FY 2023 | FY 2022 | FY 2021 |
|---------------------------------|-----------|-----------|-----------|
| Vendor factories (tier-1) | 22 | 21 | 22 |
| Mills (tier-2) | 38 | 16 | -- |
| Total factories in scope | 60 | 37 | 22 |

Country Risk

The following table summarizes the risk by country for all tier-1 and tier-2 as of fiscal 2023. Over the past two years, the Company has been able to expand its auditing and reporting to include its tier-2 factories. In addition to the increase in tier-2 factories, many of which are in high-risk countries, we also experienced a shift in country risk in fiscal 2023, with Vietnam moving from “low to “high” and Bangladesh moving from “medium” to “high.”

According to LRQA’s published “*Supply chain ESG global risk outlook 2024*”⁷, globally, nearly half of the sourcing regions the company analyzed in 2023 showed higher overall supply chain risk than in 2022.

⁷ Refer to the Company’s website: <https://www.lrq.com/en/resources/supply-chain-esg-global-risk-outlook-2024/>

| Country Risk Rating ⁸ | FY 2023 ⁽¹⁾ | | FY 2022 | | FY2021 | |
|---------------------------------------|------------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|
| | Number of factories | Share of Purchase Spend | Number of factories | Share of Purchase Spend | Number of factories | Share of Purchase Spend |
| Factories in 'low risk' countries | - | - | 7 | 26% | 7 | 21% |
| Factories in 'medium risk' countries | 3 | 0.5% | 15 | 58% | 9 | 67% |
| Factories in 'high risk' countries | 57 | 99.5% | 15 | 16% | 6 | 12% |
| Factories in 'extreme risk' countries | - | - | - | - | - | - |
| Total | 60 | 100.0% | 37 | 100% | 22 | 100% |

Vendor Audits

In accordance with our Vendor Manual, our vendors must achieve an audit score of C or better. For those vendors that receive a D rating, they are provided with a remediation period to resolve all critical issues identified. At which time, the Company will make a decision to either audit the non-compliance or perform a complete full audit. The eight vendors that received a D-rating in fiscal 2023 were all tier-2 vendors. Of the eight vendors, six are in the process or have completed remediation and two no longer work with the Company.

Social Audits

The following discussion is a summary of the results of the social audits conducted during fiscal 2023. As discussed above, our program continues to expand, with 52 of our tier-1 and tier-2 having an annual audit and increase of 49% as compared to fiscal 2022.

| Vendors by Audit Status | FY 2023 | | FY 2022 | |
|--|-------------------|-------------------------|-------------------|-------------------------|
| | Number of vendors | Share of Purchase Spend | Number of vendors | Share of Purchase Spend |
| Audit current | 52 | 98% | 35 | 84% |
| Audit overdue or new vendor ⁹ | 8 | 2% | 2 | 16% |
| Total | 60 | 100% | 37 | 100% |

⁸ Country Risk is provided by LRQA and is based on their geography ESG risk ratings, which consists of a comprehensive overview of the highest-risk regions against more than 38 critical ESG metrics. These metrics are categorized under LRQA's five supply chain pillar categories: labor, health and safety, environment, business ethics, and management systems.

⁹ Represents a combination of either new vendors with initial audits not yet completed or existing vendors for which no audit was scheduled because the business relationship was expected to end during the fiscal year.

| Vendor Audit - Risk Rating ¹⁰ | FY 2023 | | FY 2022 | |
|--|-------------------|-------------------------|-------------------|-------------------------|
| | Number of vendors | Share of Purchase Spend | Number of vendors | Share of Purchase Spend |
| SOCIAL | | | | |
| A | 7 | 7% | 5 | 5% |
| B | 23 | 47% | 19 | 58% |
| C | 12 | 41% | 7 | 31% |
| D | 8 | 1% | - | - |
| Other ¹¹ | 2 | 2% | - | - |
| Audit overdue or new vendor ⁷ | 8 | 2% | 6 | 6% |
| Total | 60 | 100% | 37 | 100% |

| Audit Findings | FY 2023 | FY 2022 |
|--|---------|---------|
| Number of priority non-conformances identified | 22 | 13 |
| Priority non-conformance rate | 0.42 | 0.33 |

| Audit Findings and Corrective Actions completed by Topic for Fiscal 2023 | # of priority non-conformances identified | % corrected through corrective action ¹² |
|--|---|---|
| # of priority LABOR non-conformances | 8 | 88% |
| # of priority HEALTH & SAFETY non-conformances | 10 | 80% |
| # of priority BUSINESS ETHICS non-conformances | 4 | 75% |
| # of priority MGMT SYSTEMS non-conformances | - | - |
| # of OTHER priority non-conformances | - | - |
| Total | 22 | 82% |

Environmental Audits

In fiscal 2023, we started performing environmental audits for our tier-1 factories, in addition to our existing social audits. Through the end of fiscal 2023, we had completed 13 audits and expect that by the end fiscal 2024 all our tier-1 factories will have completed an environmental audit.

¹⁰ The grading system used by LRQA is based on a grading system: A(91-100), B(71-90), C(51-69) and D(50 or below).

¹¹ Represents new vendors with current audits performed but not administered by us. Using a pass/fail metric, both vendors received a “pass” and will cycle onto our audit schedule in fiscal 2024.

¹² Represents percentage of non-conformances that have been resolved or are currently in the process of remediation but are expected to be resolved in accordance with the Company’s guidelines and timeframes.

The following are the results of our initial 13 audits that were completed by the end of fiscal 2023:

| Vendor Audit - Risk Rating | FY 2023 | |
|----------------------------|-------------------|-------------------------|
| | Number of vendors | Share of Purchase Spend |
| ENVIRONMENTAL | | |
| A | 7 | 31% |
| B | 5 | 32% |
| C | 1 | 7% |
| D | - | - |
| Total | 13 | 70% |

Each environmental audit consisted of a review for non-compliance in the following areas:

- Transparency and Business Integrity
- Permit and Management systems
- GHG Emissions and ODS
- Water and Wastewater
- Air Emissions
- Solid Waste
- Restricted Substances.

There were no incidences of priority non-conformance identified in these initial 12 tier-1 audits.

Environmental Management Systems

| Environmental Management Systems (“EMS”)* | FY 2023 | FY 2022 |
|---|---------|---------|
| Share of factories with certified EMS | 22% | 25% |
| Share of USD volume procured from EMS certified factories | 24% | 26% |

Note: Data for fiscal 2023 captures both tier-1 and tier 2 private-label factories. Fiscal 2022 was limited to our tier-1 private label factories.

Conflict Minerals

We have confirmed with our vendors and suppliers that no DXLG product in fiscal 2023 contained the conflict minerals tin, tantalum, tungsten and/or gold, per the U.S. Dodd-Frank Act.

New Vendors and Suppliers

A new vendor or supplier is first evaluated based on a number of criteria that includes, among other things, a risk assessment, product quality, speed to market, skill set, appropriate machinery, social programs for workers and sustainability efforts. A new vendor or supplier must also provide us with its most recent security, social and, beginning in fiscal 2023, environmental audits as well as a completed conflict mineral questionnaire. If a new vendor or supplier does not have a current audit that the Company can rely upon, we will request an audit be completed by LRQA prior to our accepting the new vendor or supplier.

Business Ethics and Compliance

Business Ethics & Compliance

We have a Code of Business Conduct and Ethics for our associates, a Code of Ethics for Directors, Officers and Financial Professionals and a Human Rights policy. In addition, the DXLG Associate Handbook details the conduct expected from all associates on a broad range of issues, including compliance with laws, anti-discrimination, anti-harassment, equal opportunity policies, as well as policies on pay, sick leave, personal time and safety.

The General Counsel of the Company currently serves as the Company's Compliance Officer and reports to the Chief Executive Officer. It is the responsibility of every people leader to ensure their teams adhere to the Code of Conduct and Business Ethics and the procedures outlined in the employee handbook.

Associates are required to sign a receipt of acknowledgement anytime any changes to the Associate Handbook are made, but at least annually. In addition, associates must also sign the Company's Anti-Harassment Policy. Also, annually, we require our associates to sign off on the Company's Code of Business Conduct and Ethics and our Board to sign off on the Code of Ethics for Directors, Officers and Financial Professionals.

DXLG provides ad hoc training to the exposed functions, such as the Global Sourcing team, including on the Foreign Corrupt Practices Act (which includes anti-corruption and anti-bribery matters).

Our Business Abuse Hotline

Any employee can report instances of non-conformance with the Code of Conduct, Associate Handbook or other concern to the Business Abuse Hotline. In fiscal year 2023, there were 10 such calls to the Business Abuse Hotline. Any call to the hotline may be made anonymously. All complaints were internally reviewed, and appropriate action was taken to resolve the respective issue.

Any material fines or legal proceedings would be detailed in our annual filings with the Securities and Exchange Commission. In fiscal 2023, DXLG was not levied any fines due to violations of anti-bribery, anti-corruption, or anti-competitive standards.

Regulatory Compliance with Labeling and Marketing

During fiscal 2023, the Company did not receive any notices of violations for non-conformance with regulatory labeling and/or marketing codes.

During fiscal 2023, the Company had no legal and regulatory fines, settlements, or enforcement actions associated with false, deceptive, or unfair marketing, labelling and advertising.

Lobbying and Political Advocacy

While DXLG may from time to time participate in the political process to further our interests, DXLG has not made any donations for political purposes or paid any lobbyists in fiscal 2023, fiscal 2022 or fiscal 2021, beyond trade association membership fees.

Key Trade Association Memberships include the National Retail Federation and the American Apparel & Footwear Association (AAFA), including active participation in the majority of AAFA's committees, subcommittees, councils and working groups, such as the Social Responsibility Committee, the Environmental Committee, and the Forced Labor Working Group.

Philanthropy

Partners in Hope

We have partnered with St. Jude Children's Research Hospital for more than 17 years, with our associates and customers raising over \$19.0 million dollars since 2005. In 2017, we made a pledge to raise \$12 million in ten years, and through May 2023 we have fulfilled \$11.7 million of this pledge. The money raised has helped to support the families of St. Jude as well as fund cancer research. In the past, DXL has funded initiatives like the Light Microscopy Center, a shared resource lab on the St. Jude campus where researchers find cures to life-threatening pediatric diseases.

Our associates support St. Jude in several ways, including spending time with patients and their families at the hospital. Every September, DXL associates nationwide participate in the St. Jude Walk/Run to End Childhood Cancer, with DXL being named top team in 2019. In all, DXL has helped to raise over \$1.0 million in the last 9 years of the Walk/Run event.

In addition to the annual Walk/Run event, our associates participate throughout the year in campaigns, events, and have the ability to donate directly to St. Jude through payroll deductions. Visit our website for more information regarding our partnership with St. Jude: <https://www.dxl.com/st-jude/cat320030>.

Good360

For almost ten years, we have worked with Good360, a global leader in product philanthropy and purposeful giving, working with some of the world's large corporations to source essential goods and distribute them throughout their network of diverse nonprofits. Sample merchandise and any excess inventory is donated, on average, twice a year.

Volunteer/Community Involvement

The Company encourages associates to take an active part in civic affairs and worthy charitable activities. One paid day of volunteer service time is granted per fiscal year for eligible associates to voluntarily participate in volunteer service activities for 501(c)-(3) community service organizations that serve the needs of the community and support the personal interests of our associates.