

A man and a woman are shown from the chest up, wearing winter clothing. The man on the left is wearing a dark grey jacket over a dark sweater and a white collared shirt. The woman on the right is wearing a dark cap, a dark top, and a grey and white herringbone patterned jacket. They are both looking towards the camera with neutral expressions. The background is a dark, solid color.

# 2023 Corporate Social Responsibility Report

 GIII Apparel Group

# Morris Goldfarb,

*Chairman and CEO*

As a global leader in fashion, we believe that Corporate Social Responsibility (CSR) is an essential part of doing business. With a core expertise in design, sourcing, marketing, and distribution across a portfolio of over 30 owned & licensed global brands, commitment to our growing CSR agenda is evident among our leadership and across the Company.

We are proud of our past accomplishments to protect the world around us, ensure safe and fair conditions in our supply chain, build a great workplace for our own associates, and invest in our communities.

This year, we have further accelerated our progress. I am pleased to share this first-ever report which provides more details on our efforts across all of our businesses. In this report, we will also share more about our European-based brands' strategies, which they are executing against.

As we look to the coming year, the leadership team and I are committed to continuing this work while also developing our go-forward strategy. I look forward to sharing our plans in the near future.

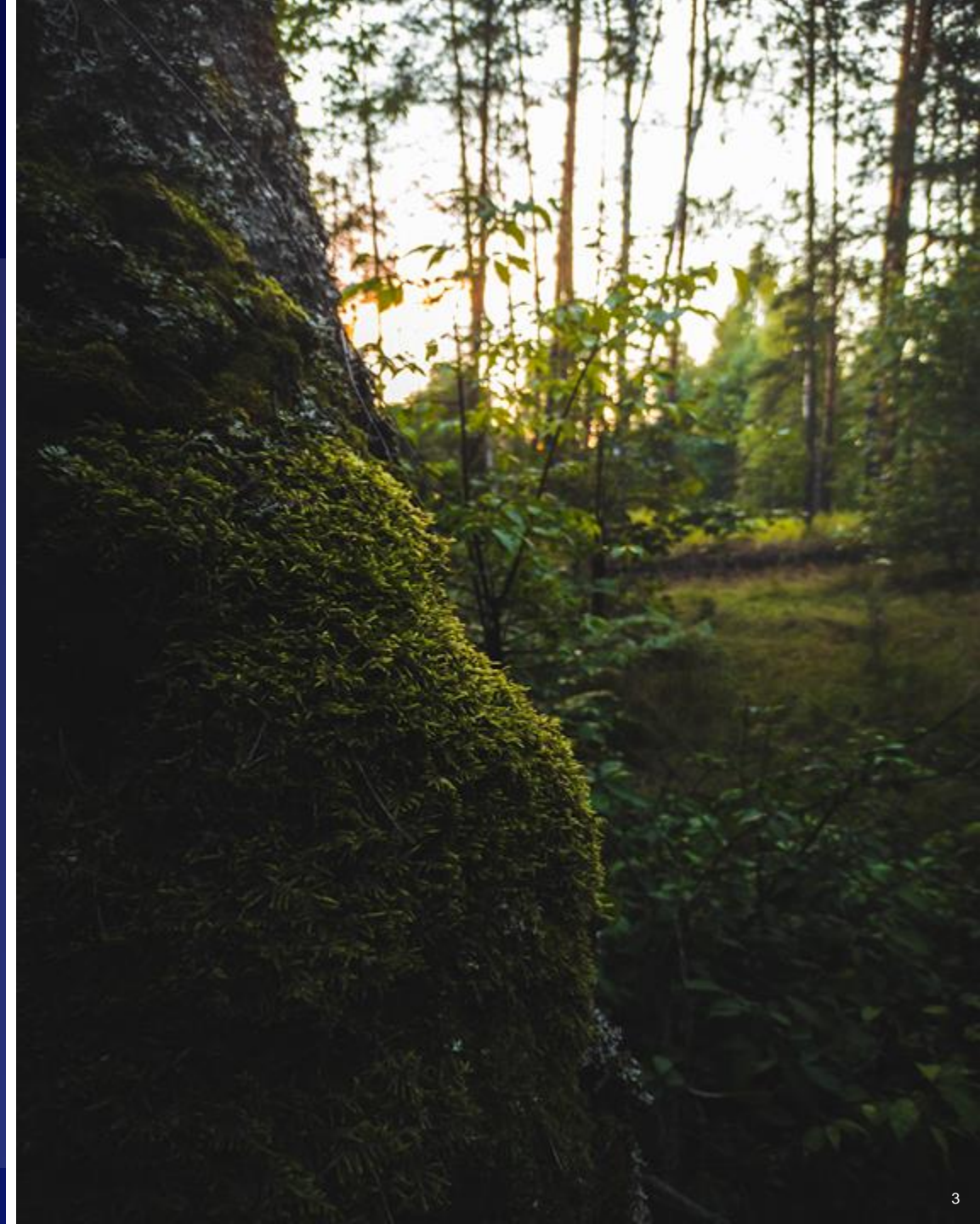


A handwritten signature in black ink that reads "Morris Goldfarb". The signature is written in a cursive, flowing style.



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# Sustainability

# Sustainability Overview

We strive to protect the world around us and to ensure safe and fair conditions for the people who work in our supply chains.

Today, our program is driven by a range of long-standing key initiatives with an eye toward the future. These include:

- Broad Supply Chain Management (Slide 6)
- Vendor Code of Conduct (Slide 7)
- Supplier Audit, Testing & Assessment Programs (Slides 8-9)
- Vendor Training and Improvement (Slide 10)
- Environmental Management (Slides 11-14)
  - Supplier Facilities
  - Chemicals
  - Materials
  - Circularity

We are building on these programs by developing an enhanced go-forward Corporate Sustainability Strategy. (Slide 15)





# Supply Chain Management

Our significant in-house Sourcing and Supply Chain Organization, with over 400 associates, manages our best-in-class manufacturing partners across China, Southeast Asia, the Middle East, Central/Eastern Europe, Central/South America, and the United States.

Key Operational Areas Include:



**Sourcing  
Leaders**

**Audit  
Team**

**Supplier  
Relationship  
Managers**

**Compliance  
Monitoring  
Team**

# Vendor Code of Conduct

Our Vendor Code of Conduct\* sets forth the social and environmental requirements that all G-III's vendors and factories must agree to and meet in order to do business with the Company.

## Select Requirements



Maintain robust health and safety programs, fair wages, working hours, compensation, and benefits



Prevent child labor, forced or compulsory labor, human trafficking, unfair and/or harsh disciplinary practices, harassment, and abuse



Comply with all applicable laws and regulations



Ensure freedom of association, the right to collective bargaining, and non-discrimination



Recognize and avoid corruption and unsolicited payments



Continually mitigate negative impacts on the environment

## Compliance Monitoring

The Internal Compliance Monitoring team, based in the regions where we source our products, regularly performs audits and conducts factory document reviews to assess full compliance with our Vendor Code of Conduct, which is aligned with industry standards.

\*Available on g-iii.com <https://www.giii.com/vendor-code-of-conduct>

SUSTAINABILITY

# Supplier Audit, Testing & Assessment Programs

Our vendors share our commitment to environmental and social responsibility. We expect them to consistently meet our Vendor Code of Conduct and continue to comply as our standards evolve.

## G-III AUDITS

Our Internal Compliance Monitoring Program audits our Tier 1\* suppliers to ensure our requirements and those of our various distribution partners, brands, and regions are met.

We work closely with the supplier to develop and implement strategies that align with our standards. We follow up on all audits to ensure that any adverse findings are immediately addressed through formalized Corrective Action Plans. In rare cases where a supplier shows egregious noncompliance, we typically pause business until adequate actions are taken.

\* Tier 1 - Includes suppliers involved in manufacturing, assembly or finishing of final products





# Supplier Audit, Testing & Assessment Programs: Enhanced Tools

We are members of several industry-leading organizations and work with other third parties to advance our auditing programs and enhance tools. We have begun applying the following resources in our global compliance program.



## Social & Labor Convergence Program

A non-profit multi-stakeholder initiative with industry-wide shared standards that aim to eliminate audit fatigue in global supply chains. Through our membership, we have increased the effectiveness of our audits and collected additional performance data from our suppliers while freeing up internal resources to better assist factories in addressing their most pressing issues.



## Sustainable Apparel Coalition (SAC)

A non-profit alliance made up of over 150 brands, retailers, manufacturers, NGOs, academics, and industry associations. In 2022, G-III joined the SAC, which enables us to align our programs with others in the industry. It also fosters collaboration and sharing of tools and resources to streamline our social and environmental programs and improve vendor performance.



## Oritain

This third-party testing platform measures the natural intrinsic properties of a product to verify its origin, enabling us to identify the exact source of our cotton and ensure it does not originate from regions with high risk for forced labor.

## Higg FEM

We are implementing the SAC Higg Facility Environmental Module (Higg FEM) across our Tier 1 and 2\* supplier factories. This tool provides us with greater insight into their environmental performance and facilitates the identification of opportunities for improvement in energy, water, and chemical management.

\*Tier 2 - Includes suppliers involved in wet-processing, mills, trim facilities, and tanneries

# Vendor Training & Improvement

Based on the evolving social and environmental landscape, we continuously enhance our own performance and leverage our scale to encourage suppliers to improve their environmental, social, and governance programs. We hold regular training sessions to educate partners on the requirements in our Vendor Code of Conduct and our compliance and audit expectations. These sessions help to raise supplier knowledge and improve their management systems.

## SELECT G-III VENDOR TRAINING PROGRAMS

- Our chemical management program raises awareness about prohibited substances and compliance verification
- Annual Cotton Compliance Monitoring training sessions educate our internal staff and factories about our requirements and procedures for tracing the origin of cotton and ensuring its ethical sourcing
- Together with our licensing brand partners, G-III actively engages in programs on topics such as worker well-being, career enhancement, environmental management, and animal welfare



# Environmental Management – Supplier Facilities

We work with our suppliers to reduce the negative environmental impacts in our supply chain, including air and greenhouse gas emissions, water use, and waste generation. We do this by monitoring and measuring performance, verifying compliance, and helping our suppliers enhance their overall capabilities.



## Monitoring and Measurement

- Collect verified Higg FEM assessments to measure and track improvements



## Compliance Verification

- Ensure adherence with our Vendor Code of Conduct and laws and regulations through on-site audits
- Verify that measures to correct non-compliance are implemented and adequate preventive actions are completed



## Enhance Supplier Capabilities and Performance

- Hold annual or semi-annual training sessions to ensure suppliers are up-to-date on developments and best practices in the environmental sustainability arena
- Support the creation of vendors' internal management systems to monitor facility environmental impacts
- Require a facility environmental representative at the manager level or higher



# Environmental Management – Chemicals

We are committed to making safer products and creating a healthier workplace by preventing the use of restricted substances and ensuring chemical management compliance at our Tier 1 supplier facilities.

## OUR CHEMICAL MANAGEMENT PROGRAM INCLUDES:

- Restricted Substances List (RSL)
- Additional restrictions based on:
  - Local and regional regulations
  - Licensor requirements
  - Customer requirements
- Onsite audits to ensure chemicals at Tier 1 suppliers are safely handled, stored properly, and disposed of legally
- Product testing procedures for banned and restricted substances using preferred laboratories
- Ongoing improvements based on developments in product safety



# Environmental Management – Materials

G-III seeks out more sustainable materials to reduce carbon emissions, water use, toxins, and overall resource consumption across significant portions of our supply chain through:

## Sustainable Materials



- Successfully introducing recycled synthetic fibers certified by the Global Recycled Standard or the Recycled Claim Standard into a growing number of products
- Incorporating and increasing the use of certified and organic cotton fibers

## Ambitious Targets



- 100% recycled materials for all synthetic fibers by 2030
- KARL LAGERFELD has committed to setting science-based targets to achieve net zero greenhouse gas emissions by 2050

## Innovative Materials



- Building relationships with mills to significantly increase the use of preferred materials
- Working closely with our mills to source more fibers made with environmentally preferred processes

We continue to gain experience with alternative materials and are working to expand these programs across the Company.

# Environmental Management – Circularity

In the fashion industry, there is growing recognition that the traditional life cycle of garments cannot be sustained, and that we need to extend the use of materials and products. G-III's commitment to building high quality fashion that lasts and that our customers will keep or resell, is central to the principles of a circular economy.

In addition to our 2030 corporate target to transition our synthetic materials to 100% recycled sources, we are working on a number of other programs to foster circularity in our business:

1. Increasing recycled, organic, and/or natural fibers
2. Creating high-quality, fashionable products customers want to keep or resell
3. Offering repair services to extend garment life
4. Working with our retail partners to seek solutions for unsold product to avoid unnecessary destruction

## SPOTLIGHT: VILEBREQUIN

Currently Vilebrequin\*, our premier European swimwear brand is:

- On track to using 80% recycled or organic materials in their collections by the end of 2023
- Offering a range of repair services, from minor replacement of drawstrings to full refurbishments that prolong the life of the swimsuits and reduce the brand's impact on the environment

We continue to look for ways that our other brands can bring forward similar value to consumers.

\*<https://www.vilebrequin.com/us/en/our-commitment>

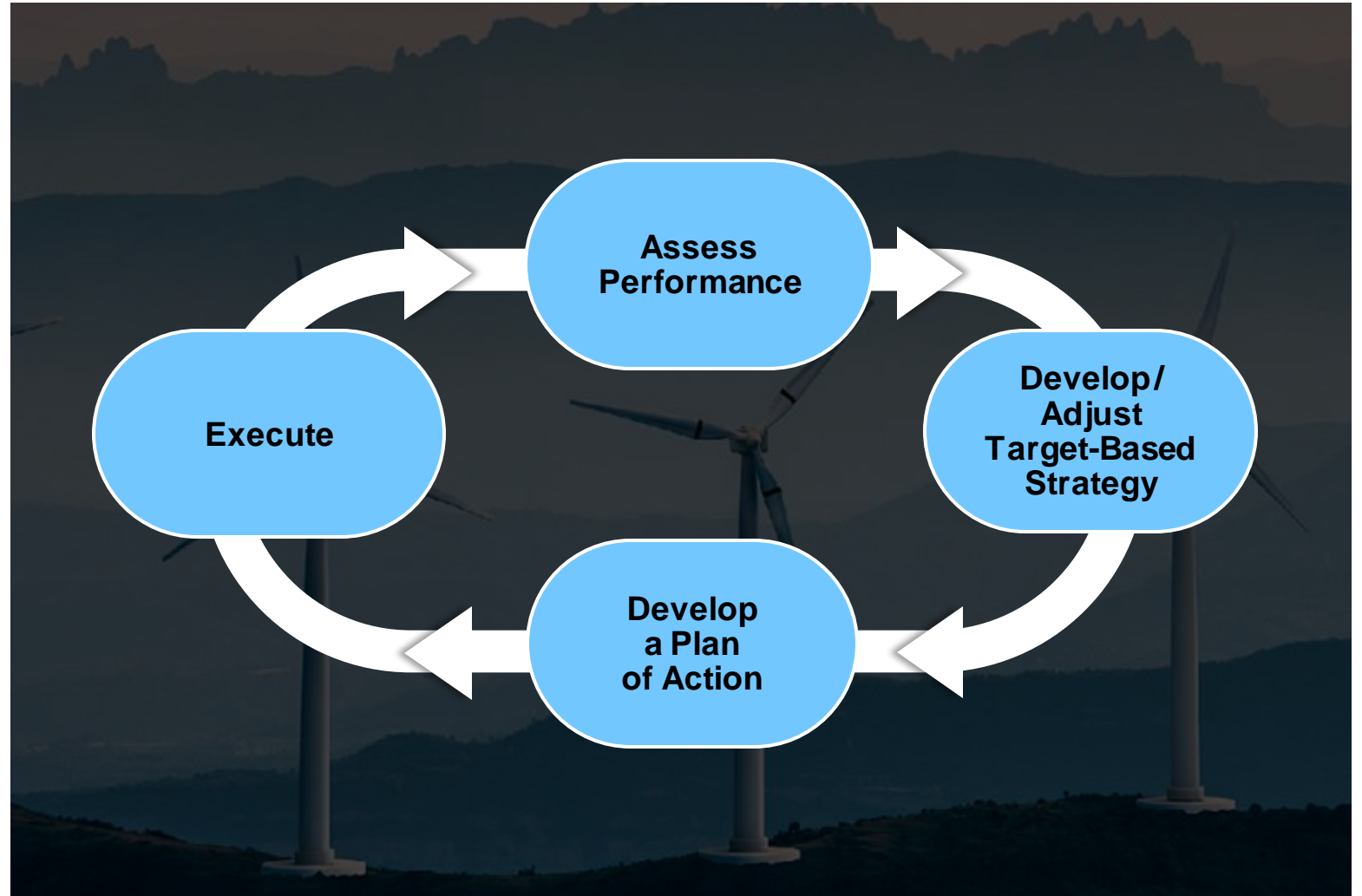


# New Corporate Sustainability Strategy

## Our Progress Continues

We have a good foundation in place, which we are now building upon with the support of our Board of Directors, Leadership Team, Internal Task Force, industry groups, and external consultants.

We are in the process of further evaluating our current programs and developing our new Corporate Sustainability Strategy. This will allow us to embark on our journey towards future achievements.



A photograph of a modern office lounge with three people sitting on grey modular sofas at small round tables, each working on a laptop. The room has a light-colored wall with vertical slats and several large, white, circular pendant lights. The overall atmosphere is professional and collaborative.

# Our People, DE&I, and Philanthropy

# Our People

G-III's people drive our business. Through our proactive recruiting, we have been able to bring in best-in-class talent. We continuously work to foster a stronger, more engaging workplace through our passion for what we make, our pride in our partnerships, our accountability, and our entrepreneurial spirit.

## Key Programs Include:

- Providing training on the topics and issues that are important to our associates
- Policies, procedures, and practices covering matters including safety, advancement, discrimination, and harassment
- We are an Equal Opportunity Employer with procedures and resources that ensure compliance with labor and employment laws
- Lunch and Learn programs facilitated by our leadership to expand associate opportunities for continuous learning and development
- Investing in new HR systems to enhance our recruitment process and talent retention

3,600

full-time  
associates

1,100

part-time  
associates





# Diversity, Equity, & Inclusion

Diversity, equity, and inclusion are at the heart of G-III's values. We strive to create a workplace with opportunities for all.

Our commitment to diversity and our progress extends beyond our business:

- Founding member of the Social Justice Center at the Fashion Institute of Technology, offering meaningful support and services for BIPOC students to succeed in the creative industries
- Continue our dedication to the United Negro College Fund (UNCF) by sponsoring two student internships
- Support the Fashion Scholarship Fund – a national nonprofit association dedicated to supporting, nurturing, and honoring the future of fashion with assistance to students from diverse backgrounds

We are proud of the progress we have made and intend to continue to build on this foundation in the coming years.

> 40%

of leadership identify as women\*

> 71%

of workforce identify as women\*\*

43%

of Board of Directors identify as women or have diverse backgrounds\*\*\*

\* Based on associates at the Vice President level and above at G-III's corporate offices on Jan 31, 2023

\*\* Based on associates at G-III's corporate offices on Jan 31, 2023

\*\*\*Based on Board of Directors elected at the June 2023 Annual Shareholder Meeting

# Philanthropy

- G-III has a longstanding commitment to philanthropy and supporting communities in which we live and serve. In addition to our support for the Social Justice Center at the Fashion Institute of Technology, we maximize our impact through partnerships with various charitable organizations
- To further support our communities and our culture of giving, we have an internal associate committee to actively develop and execute charitable initiatives across our organization

## Our Pillars

- Education
- Children & Families
- Diversity
- Homelessness
- Environment

## Key Partners

- Ronald McDonald House
- Women in Need (WIN)
- Delivering Good
- Hetrick Martin Institute
- City Harvest

## How We Partner

- Financial contributions to signature programs
- In-kind donations
- Senior advisement to help charitable organizations
- Volunteerism

# Brand Highlights



# KARL LAGERFELD

KARL LAGERFELD has created KARL CARES, its sustainability strategy, which reflects the maison's commitment to building a more responsible future of fashion. Focused on three core pillars — people, planet and partners— the strategy is rooted in tangible targets and underscores the brand's purpose to be the best version of itself.

In 2019, KARL LAGERFELD was one of the first signatories of the Fashion Pact, a global sustainability initiative seeking to transform the fashion industry through objectives in three areas: climate, biodiversity, and ocean protection.

"You cannot intrinsically care about people unless you care about the planet and how you work, live, and treat each other. At KARL LAGERFELD, we are a group of like-minded people working passionately together, and our team has fully embraced the idea of caring."

- Pier Paolo Righi  
CEO, KARL LAGERFELD



## Sustainability Vision and Ambitions

KARL CARES focuses on three pillars: PEOPLE, PLANET, and PARTNERS.

- Caring for PEOPLE means we aim to offer safe, healthy, and fair working conditions for the workers in our value chain
- Caring for the PLANET means meeting the Fashion Pact goals, focusing on addressing global warming, restoring biodiversity, and protecting the oceans. This includes a commitment to setting science-based targets to achieve net-zero GHG emissions by 2050
- Caring for our PARTNERS means we drive positive impact by engaging and empowering our associates, communities, customers, and partners to work together in the pursuit of more conscious decisions
- Since 2021, KARL LAGERFELD has partnered with supermodel, activist, and Karl's close friend, Amber Valletta, as its Sustainability Ambassador. From collection concept to design, production, and distribution, Amber's valued expertise helps to guide the KARL LAGERFELD team in creating a more holistic, sustainable business for a brighter future



## 2023 Achievements

Our sustainability journey is ongoing, and we celebrate all the steps along the way. Here are highlights of our most recent achievements:

- We have joined the Sustainable Apparel Coalition, one of the main industry initiatives to drive meaningful changes
- Transparency is an integral part of the KARL CARES roadmap. In 2023, for the first time, we published all Tier One suppliers on the [Open Supply Hub](#) website
- We have created and published a Material Benchmark which defines what we consider as more sustainable materials
- We have been certified for key industry standards, including GOTS, OCS, GRS, and RCS
- We are defining the baselines of our SCOPE 1, 2, & 3 emissions as per the GHG Protocol

“Sustainability is an ever-evolving goal. As we learn more about the human impact on the planet and develop new technologies that can mitigate those effects, we’re metaphorically building the boat as we sail it.

We don’t have all the answers, but each time we make a business decision, we ask ourselves whether we can do it in a more responsible and sustainable way. We’re focusing efforts where we know we can make a big and measurable difference.”

- Roland Herlory  
CEO, Vilebrequin

\*Preferred materials - A fiber or raw material that delivers consistently reduced impacts and increased benefits for climate, nature, and people compared to the conventional equivalent, through a holistic approach to transforming production systems.



## Responsible supply chain

Since the beginning, sustainability has been a natural consequence of our commitment to quality design and production. Today, it informs every aspect of our business, from the materials we purchase and the suppliers we choose to work with, to the logistics and transportation processes. We have taken it upon ourselves to rethink the way we move our products and supplies around the world.

- Most of our fabric suppliers are situated within a maximum distance of 2,200 km from our central warehouse to help us tread more lightly when it comes to our carbon footprint
- To shorten our transit circuits, we keep more than 90% of our production within the European Mediterranean zone, closer to our main markets



## Fabrics – Wear responsibly

We are all about recycled or organic fibers, especially recycled fibers that give newfound purpose to the plastic pollution collected from our oceans every day. Five years ago, we chose to progressively eliminate virgin plastics from our manufacturing process.

- We use 100% recycled fabrics (polyester or polyamide) in our core category men’s swimwear
- Over 80% of our total production in 2023 was made with preferred materials\*



## Reparability – Think green, be circular

We are constantly finding ways to breathe new life into pre-loved garments so that they do not end up in landfills. We believe that quality and responsibility go hand in hand. While we manufacture our garments to stand up to even the most daring of surf sessions, it is only natural for clothes to suffer wear and tear over time. That is why we offer the Vilebrequin Repair Services to mend anything from snags in the net lining to damaged waistbands.

- Implemented Vilebrequin Repair Service for men’s swim shorts

“I am proud of the progress we have made in our sustainability efforts and am committed to continuing this important work as we enter the next phase of our CSR strategy.”

A handwritten signature in white ink, reading "Morris Goldfarb".

MORRIS GOLDFARB  
CHAIRMAN AND  
CEO





GIII Apparel Group