

# ESG Data & Facts

## Fiscal 2021

In this document, Destination XL Group, Inc. (“DXLG”) provides additional ESG (“Environmental, Social and Governance”) data and facts. We have collected many data points for the first time. 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.

### 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. Rather than delegating to a committee of the Board, at this time, the full Board executes this responsibility during their regularly scheduled meetings. 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 2021	% of total
<b>Total energy use</b>	<b>41,543</b>	<b>100%</b>
<b>Fuels</b>	<b>11,003</b>	<b>26%</b>
Natural Gas	10,986	26%
Diesel	17	<1%
<b>Purchased Electricity</b>	<b>30,540</b>	<b>74%</b>
<b>Energy Intensity</b> (MWh per million USD sales)	<b>82.3</b>	

Direct Energy Use by Facility Type (in Therms)	FY 2021	% of total
<b>Total energy use</b>	<b>374,845</b>	<b>100%</b>
Corporate office and distribution center	81,506	22%
Retail Stores	293,339	78%

<b>Electricity Use by Facility Type</b> (in MWh)	<b>FY 2021</b>	<b>% of total</b>
<b>Total electricity use</b>	<b>30,540</b>	<b>100%</b>
Corporate office and distribution center	2,477	8%
Retail Stores	28,063	92%
<b>Electricity Intensity</b> (MWh per million USD sales)	<b>60.5</b>	

### **Greenhouse Gas (“GHG”) Emissions**

<b>GHG Emissions</b> (in Metric Tons CO2eq)	<b>FY 2021</b>	<b>% of total</b>
<b>Total Scope 1 and 2 Emissions</b>	<b>12,844</b>	<b>100%</b>
<b>Scope 1 Emissions</b>	<b>2,035</b>	<b>16%</b>
Natural Gas	1,991	15%
Diesel	4	<1%
Refrigerants <sup>1</sup>	40	<1%
<b>Scope 2 Emissions<sup>2</sup></b>	<b>10,808</b>	<b>84%</b>
<b>GHG Intensity</b> (Metric tons CO2eq per million USD sales)	<b>25.4</b>	

The GHG figures in the above table cover all DXLG operations with the exception of overseas offices which were omitted due to their small size, and include 311 retail and outlet stores that were opened at any time during fiscal 2021 as well as the corporate office and distribution center (which the latter two together constitute the “Canton Facility”). The data includes diesel, natural gas and electricity use. Data on refrigerant leakages was only available for the Canton Facility but not for stores. 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 two stores, 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

<sup>1</sup> Note that GHG emissions from refrigerant leakages only relate to our Facility in Canton, MA. Store-level data for refrigerants is currently not available and was thus omitted.

<sup>2</sup> Location-based

electricity mix that includes approximately 42% 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. In fiscal 2020 and 2021, we have realized noticeable energy savings by adapting heating and lighting to lower occupancy levels driven by the COVID-19 pandemic. When replacing equipment under our control, such as HVAC units or conveyor motors, we take environmental performance into account. In fiscal 2019, we completed the conversion of all lighting in our Canton Facility to dimmable LED fixtures.

### **GHG Emissions from Transport and Logistics**

DXLG does not own any vehicles, but we lease one van at the Canton Facility<sup>3</sup>. 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.

## **Water and Waste & Recycling**

### **Water Use**

Water withdrawal at the Canton Facility totaled 477,257 gallons in fiscal 2021. 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.

<b>Water Use</b> (in gal)	<b>FY 2021</b>
<b>Water withdrawn</b>	477,257
<b>Water consumed</b>	~ 2%
<b>Water discharged</b>	~ 98%

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

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<sup>3</sup> We currently do not track GHG emissions from this van, which has limited usage.

## **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 put 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.

<b>Waste Generation and Disposition</b> (in kilopounds)	<b>FY 2021</b>
<b>Total waste generated</b>	<b>1,576</b>
Cardboard	1,400
Office Paper	22
Other	154
<b>Waste diversion rate</b>	<b>95%</b>
<b>Total waste diverted</b>	<b>1,492</b>
Recycled	1,422
Other	70
<b>Total waste disposed</b>	<b>84</b>
Incinerated (w/ energy recovery)	74
Landfilled	10

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

In conjunction with the companies in our supply chain, we have introduced an initiative to substitute conventional polybags with an alternative bag made from recycled plastics. Based on our latest available order data (as of May 31, 2022 for the fiscal 2022 year-to-date period), approximately 36% of our units are shipped in polybags made from recycled plastics.

## Our Employees

### Diversity, Equity and Inclusion (“DEI”)

#### ***Normalizing the Brand Initiative***

We are committed to inclusivity, acceptance, and equality. In 2017, DXLG introduced ‘Normalizing the Brand’, a program to foster DEI across all our operations. The program brings awareness to unconscious bias and focuses on ensuring that the composition of our organization looks and feels like the world we live in and serve. A cross-functional committee helps steer and further develop this program. We have introduced a women’s leadership group, hosted a number of events and included DEI-related questions in our 2021 associate engagement survey for the first time. We are continuing to work towards gathering additional DEI metrics and benchmarks.

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.

#### ***DEI Data – Board of Directors (as of May 9, 2022)***

FY 2021	Board Members	%
<b>Total Number</b>	7	100%
<b>Gender</b>		
Male	4	57%
Female	3	43%
Other	0	0%
<b>Race/Ethnicity</b>		
Hispanic/Latino	1	14%
White	6	86%
<b>Age</b>		
30-50 years old	0	0%
Over 50 years old	7	100%

**DEI Data – Employees (as of May 9, 2022)**

FY 2021	All employees	%	Executives and Senior Managers	%
<b>Total Number</b>	1,367	100%	12	100%
<b>Gender</b>				
Male	642	47%	8	67%
Female	725	53%	4	33%
Other	--	0%	--	0%
<b>Race/Ethnicity</b>				
American Indian or Alaskan Native	10	1%	--	0%
Asian	29	2%	1	8%
Black or African American	286	21%	--	0%
Hispanic/Latino	159	12%	--	0%
Native Hawaiian or Other Pacific Islander	15	1%	--	0%
Two or More Races	45	3%	--	0%
Unknown	11	1%	--	0%
White	812	59%	11	92%
<b>Age</b>				
Under 30 years old	293	21%	--	0%
30-50 years old	587	43%	4	33%
Over 50 years old	487	36%	8	67%

**DEI Data – Employees by Function (as of May 9, 2022)**

FY 2021	Representation by Function							
	Corporate Functions	%	Distribution Center	%	Store Leadership	%	Store Associates	%
<b>Total Number</b>	284	100%	111	100%	296	100%	665	100%
<b>Gender</b>								
Male	87	31%	62	56%	138	47%	347	52%
Female	197	69%	49	44%	158	53%	318	48%
Other	--	0%	--	0%	--	0%	--	0%
<b>Race/Ethnicity</b>								
American Indian or Alaskan Native	--	0%	--	0%	1	0%	9	1%
Asian	10	4%	2	2%	6	2%	10	2%
Black or African American	16	6%	59	53%	62	21%	149	22%

Hispanic/Latino	16	6%	14	13%	27	9%	102	15%
Native Hawaiian or Other Pacific Islander	3	1%	3	3%	2	1%	7	1%
Two or More Races	8	3%	2	2%	8	3%	27	4%
Unknown	3	1%		0%		0%	7	1%
White	228	80%	31	28%	190	64%	354	53%
<b>Age</b>								
Under 30 years old	40	14%	20	18%	18	6%	215	32%
30-50 years old	125	44%	38	34%	153	52%	268	40%
Over 50 years old	119	42%	53	48%	125	42%	182	27%

**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 trainings 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 on box cutter safety, chemical inventory and first aid.

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.

Fiscal Year	2019	2020	2021
Fatalities	0	0	0
Occupational Disease	2	5	6
Injuries/Incidents	36	34	39

## 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:

- 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 approximately 10 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.

### ***Employee Engagement & Satisfaction***

DXLG is tracking associate engagement using a company-wide survey. We ask 13 questions on perceived engagement and satisfaction across all of our functions at the home office. The overall response rate in fiscal 2021 was 72%.



## 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 and our Vendor Manual define our expectations of our suppliers, and all of 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 Elevate, a global leader in supply chain assessment, and instituted 4-Pillar audits of our supply chain factories.

Beyond the code of conduct, the private label vendor manual addresses additional issues, including our requirements on:

- Freedom of association and collective bargaining
- Compensation and benefits
- Forced labor
- Child labor
- Health & Safety
- Hours of Labor
- Discipline harassment and abuse
- Discrimination

Through collaboration with Elevate, 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 vendors are audited annually by a third party to our code of conduct, the ERSA standard or an equivalent, and includes a business ethics audit. Factories classified as 'yellow' or 'red' in our traffic light system are audited more frequently. Currently, this applies to one factory in order to assess the progress this vendor is making on social compliance.

Country Risk Rating	FY 2021	
	Number of factories	Share of Purchase Spend
Factories in 'low risk' countries	7	21%
Factories in 'medium risk' countries	9	67%
Factories in 'high risk' countries	6	12%
<b>Total tier-1 private label factories</b>	<b>22</b>	<b>100%</b>

Note: Data is limited to our tier-1 private label factories.

Vendor Risk Rating	FY 2021	
	Number of factories	Share of Purchase Spend
Factories classified as 'Green'	21	97%
Factories classified as 'Yellow'	1	3%
Factories classified as 'Red'	0	0%
<b>Total tier-1 private label factories</b>	<b>22</b>	<b>100%</b>

Note: Data is limited to our tier-1 private label factories.

Factories by Audit Status	FY 2021	
	Number of factories	Share of Purchase Spend
Audit current	16	56%
Audit overdue	6	44%
<b>Total tier-1 private label factories</b>	<b>22</b>	<b>100%</b>

Note: Data is limited to our private label business.

Audit Findings	FY 2020-21*
Number of priority non-conformances identified	22
<b>Priority non-conformance rate</b>	<b>1.16</b>

Note: Data is limited to our tier-1 private label factories. All priority non-conformances are discussed with suppliers and addressed in a timely manner through a corrective action plan.

\*The COVID-19 pandemic has challenged the previously defined audit schedules. We have worked

closely with our suppliers to overcome adversities induced by the pandemic and in select cases have accepted alternative audit schemes and virtual audits. This number includes select audits conducted in fiscal 2020.

<b>Environmental Management Systems (“EMS”)</b>	<b>FY 2021</b>
<b>Share of factories with certified EMS</b>	<b>24%</b>
<b>Share of USD volume procured from EMS certified factories</b>	<b>14%</b>

Note: Data is limited to our tier-1 private label factories.

<b>Factories with the Higg Facility Environmental Module (“FEM”)</b>	<b>FY 2021</b>
<b>Number of factories with Higg FEM</b>	<b>8</b>
<b>% of factories with Higg FEM</b>	<b>36%</b>
<b>% of USD volume procured from factories with Higg FEM</b>	<b>46%</b>

Note: Data is limited to our tier-1 private label factories.

### ***Conflict Minerals***

We have confirmed with our vendors and suppliers that no DXLG product in fiscal 2021 contained the conflict minerals tin, tantalum, tungsten and/or gold, per the U.S. Dodd-Frank Act.

## Business Ethics and Compliance

### Business Ethics & Compliance

We have adopted a Code of Business Conduct and Ethics for our associates and a Code of Ethics for Directors, Officers and Financial Professionals (the latter of which is posted on our website). 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. 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 Hot-line***

Any employee can report instances of non-conformance with the Code of Conduct, Associate Handbook or other concern to the Business Abuse Hot-line. In fiscal year 2021, there were 5 such calls to the Business Abuse Hot-line. 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 2021, DXLG has not been levied any fines due to violations of anti-bribery, anti-corruption, or anti-competitive standards.

### 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 in 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.