

2025 RESPONSIBILITY & IMPACT REPORT



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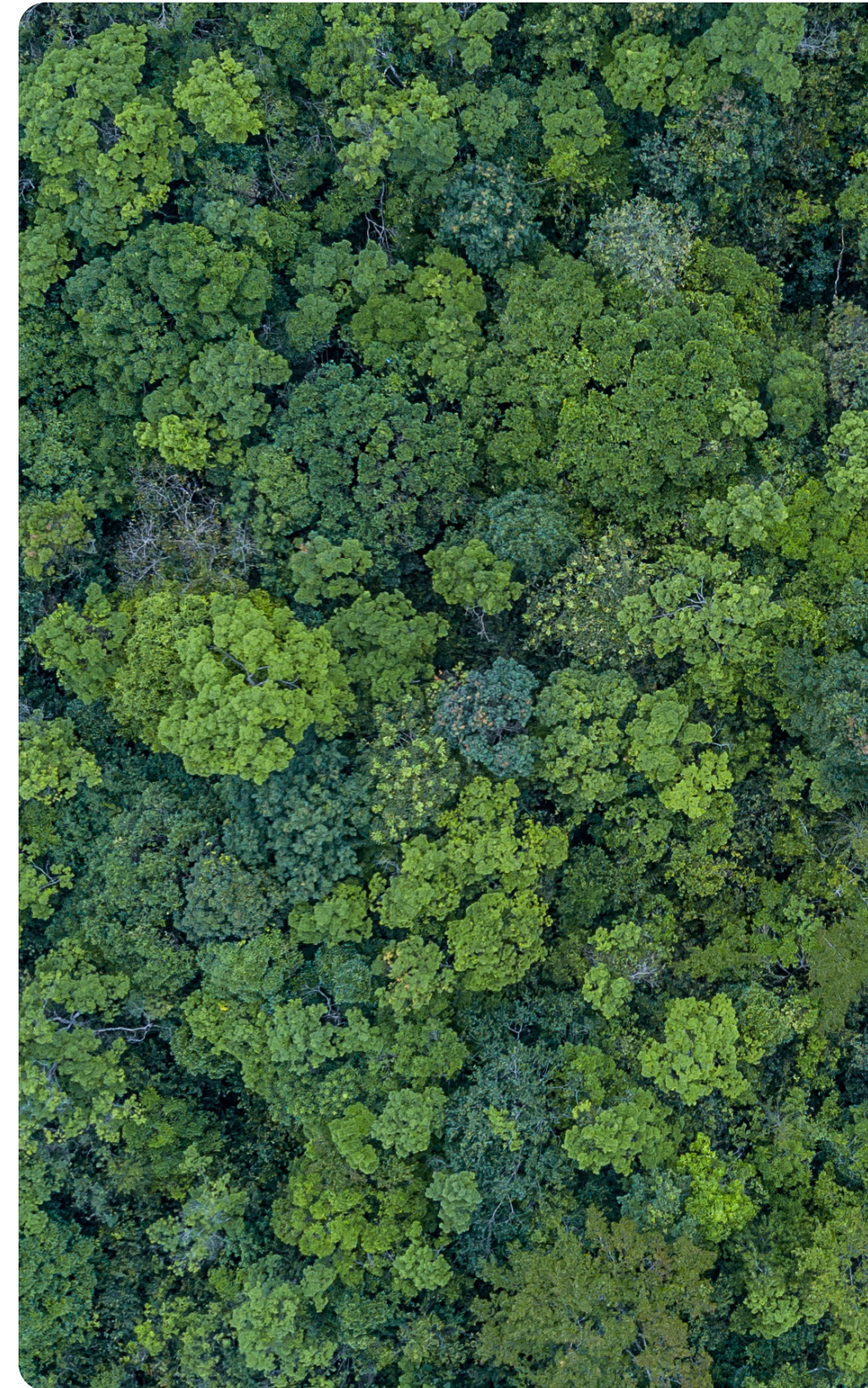
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Rooted in Quality. Built for Longevity. Committed to Community.

ABOUT THIS REPORT

Published January 2026

This Responsibility & Impact Report outlines how we approach responsibility across daily operations, long-term decision-making, and business growth. Like the river that gives our brand its name, our work continues to move forward steadily, shaped by intention, consistency, and care.

As a third-generation, family-owned company founded in New England, we take a long-term

view of how we operate. Decisions are made with durability, continuity, ethical standards, and people in mind, guided by the belief that building something lasting requires patience, accountability, and respect for those who make it possible.

Responsibility is not a standalone initiative. It is integrated across product design, sourcing, workplace culture, operational practices, and community engagement. This report highlights

progress made in 2025 and outlines focus areas for 2026 and beyond. Reporting covers January 1 through December 31, 2025, and includes U.S. operations and global manufacturing partners. Data is sourced from internal systems, supplier documentation, and third-party verification.

Our focus remains on measurable progress, transparency, and long-term impact.



Letter From Our President & CEO

Charles River Apparel was built to last. More than forty years ago, my grandfather, Walter, founded the business with a focus on quality, consistency, and long-term thinking. Those principles continue to guide how we operate today and how we plan for the future.

In 2025, I stepped into the role of President and CEO, proud to represent the third generation of family leadership. The past year brought meaningful change across the organization. Through that work, I am especially proud of the progress reflected in this report and the care taken in how we run the business day to day across product, partnerships, people, and community.

Responsibility at Charles River Apparel is not separate from how we operate. It shows

up in the decisions we make, the standards we set, and the relationships we build over time. This report reflects that approach, documenting both the progress we have made and the focus areas guiding us forward.

I am grateful to our team, partners, and customers who share our long-term perspective and values. Their trust and commitment make this work possible, and I am proud of the impact we continue to make together.

A handwritten signature in black ink that reads "Jason Lipsett".

Jason Lipsett
President & CEO
Charles River Apparel

From left to right: Walter Lipsett: Founder | Barry Lipsett: Senior Advisor | Jason Lipsett: President & CEO

OUR FRAMEWORK:

Charles River Cares

Charles River Cares is the umbrella under which our responsibility and impact efforts live. It reflects our belief that meaningful impact comes from consistency, accountability, and alignment with our values.

Our work is organized around four pillars:



PEOPLE

Supporting our team and workplace culture



PRODUCT

Designing durable, responsible apparel



PLANET

Reducing environmental impact across operations



COMMUNITY

Giving back through partnerships, donations, and service

Together, these pillars reflect where responsibility is most tangible within our business and where we believe our actions can have lasting impact. This framework helps ensure responsibility is integrated across our operations rather than treated as a separate initiative.



Governance & Oversight

Our governance structure is guided by senior leadership and cross-functional committees made up of experienced subject-matter experts across product, operations, people, and compliance. This combination of deep expertise and shared accountability ensures Environment, Social, and Governance (ESG)-related risks and priorities are thoughtfully evaluated and embedded into everyday business decisions.

SUSTAINABILITY COMMITTEE

In 2025, we formalized a Sustainability Committee to guide and coordinate efforts across the organization.

The committee is structured around three focus areas:

- People
- Product & Packaging
- Environment

Each subcommittee meets frequently with full-committee, with quarterly full-committee reviews to track progress, align with company objectives, and identify opportunities for improvement.

SAFETY COMMITTEE

We maintain an active Safety Committee focused on employee well-being, workplace safety, and compliance, including practiced safety guidelines, performance tracking, reporting, and the establishment of internal KPIs and goals.

CYBERSECURITY & DATA PROTECTION

Protecting data and operating with integrity are core to how we do business. Our approach combines mandatory training, clear policies, and ongoing monitoring to reduce risk and protect sensitive information.

2025 Highlights:

- Zero reported incidents of **data breaches, bribery, fraud, or illegal activity**
- **100% employee completion** of required cybersecurity training
- **Ongoing phishing awareness and simulation programs adopted** across the organization to strengthen employee readiness and risk prevention
- **100% of reported concerns** addressed in accordance with company policy

EcoVadis Assessment

EcoVadis provides a shared framework for evaluating and strengthening responsibility practices across People, Product, Planet, and Governance. We use the assessment to benchmark progress, formalize processes, and improve consistency across the organization.

In 2025, we completed our first EcoVadis assessment, earning a Bronze Medal on initial submission. Results confirmed strong alignment with existing operational and governance practices and provided clear guidance for strengthening documentation and tracking.

EcoVadis evaluates performance across Environment, Labor and Human Rights, Ethics, and Sustainable Procurement. Insights are used to improve internal systems, strengthen supplier oversight, and support year-over-year tracking.



PEOPLE

Investing in Our Crew



Our Core Values

Our values guide how we work, lead, and represent our brand every day. They are embedded across onboarding, performance reviews, leadership expectations, and company-wide engagement.

CARING

We support one another, prioritize wellbeing, and stay connected to the communities we serve.

INTEGRITY

We act responsibly, follow through on our commitments, and hold ourselves accountable.

PRIDE

We take pride in our people, our products, and the quality we stand behind every day.

GROWTH MINDSET

We believe in continuous learning, thoughtful improvement, and long-term progress.

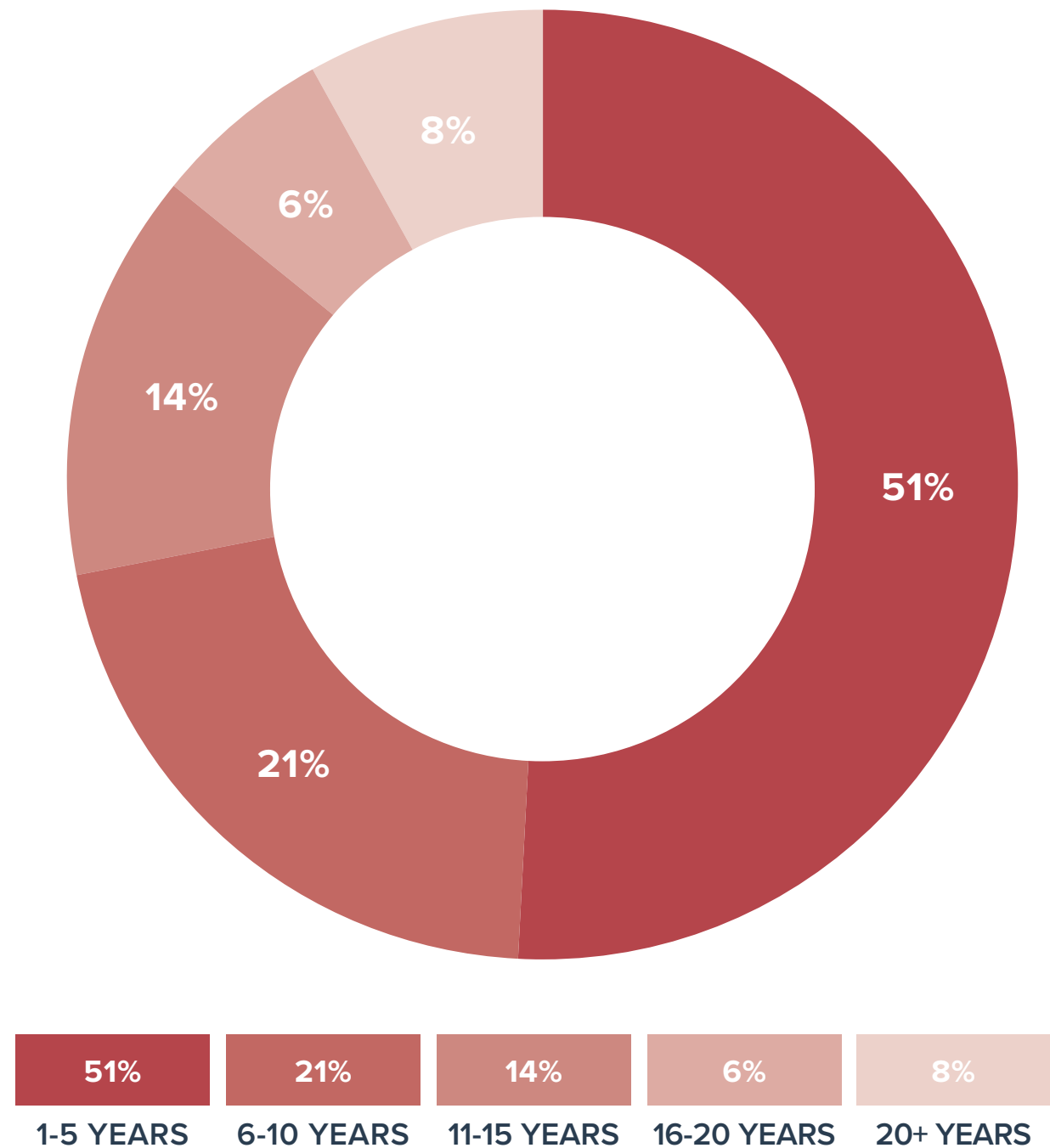
Our Approach

We believe long-term success begins with people. Our focus is on building a workplace grounded in stability, respect, and opportunity, where employees are supported, recognized, and encouraged to grow over time. Long tenure strengthens institutional knowledge, relationships, and culture, creating continuity for both our teams and our business.

More than one quarter of our workforce has been with us for over a decade.

Reflecting a culture shaped by retention, internal growth, and shared purpose.

YEARS OF SERVICE ACROSS OUR CREW



Employee Engagement & Recognition

We recognize long-term commitment while celebrating individual and team contributions.

- Anniversary bonus program beginning at five years, with milestone recognition through 30+ years
- Annual Power 10 and Sales Top Performer Awards
- Recognition programs that reinforce collaboration, tenure, and shared success



Workforce, Leadership & Inclusion

Leadership is shaped by experience, continuity, and mentorship, with many leaders having grown within the organization. We believe diverse perspectives strengthen collaboration and decision-making.



Workforce & Leadership Snapshot:

WORKFORCE COMPOSED OF
56% WOMEN AND 44% MEN

SUPERVISORY ROLES COMPOSED OF
62% WOMEN AND 38% MEN

DIVERSITY AND INCLUSION REFLECTED THROUGH A WORKFORCE SHAPED BY A WIDE RANGE OF **BACKGROUNDS, EXPERIENCES, AND PERSPECTIVES**

KEY POLICIES AND PERFORMANCE REVIEWS **AVAILABLE IN SPANISH** TO SUPPORT ACCESSIBILITY

Learning, Development & Ethical Conduct

We support continuous learning and uphold clear standards for ethical conduct across the organization.

- **Over 300 training hours** completed in 2025
- **100% completion of mandatory training**, including Respectful Workplace, Compliance, and Cybersecurity
- **98% of employees** received annual performance reviews
- Structured **30-60-90 day onboarding** feedback for new hires
- Tuition reimbursement and ongoing professional development support
- **Annual employee engagement survey** conducted in 2025, providing employee feedback that helps shape workplace priorities and continuous improvement

Safety

Maintaining a safe workplace is a core responsibility supported by training, monitoring, and performance tracking.

Low OSHA recordable rates, decreasing year over year

Workplace safety orientation for all new hires

Ongoing fire safety, evacuation, and emergency preparedness training

Company-paid First Aid, CPR, and AED certification, with over 25% of employees currently certified

Employee Wellbeing & Benefits

Our benefits support health, financial stability, and work-life balance.

- Confidential Employee Assistance Program available to employees and families
- Mental health, financial, legal, and work-life resources
- Medical, dental, and vision coverage
- Aflac supplemental insurance options
- Employer-supported retirement planning and financial wellness tools
- Paid time off, leave programs, and designated time for volunteer service
- Hybrid work policy supporting flexibility and balance
- Dog-friendly workplace
- Employee discounts on Charles River Apparel products
- Optional pet insurance



PRODUCT & SUPPLY CHAIN

Responsible by Design



Our Approach

Our approach to product responsibility is rooted in sustainability, ethical practices, and long-term thinking. We design apparel with intention, considering environmental impact, responsible material selection, and the people involved at every stage of production. Longevity remains central to this work, alongside a commitment to ethical sourcing, supplier accountability, and consistent oversight across our supply chain.

From design and testing to material selection and manufacturing partnerships, decisions are guided by durability, responsible practices, and thoughtful refinement. The goal is to create products that perform over time, are made with care, and are produced in ways that reflect our standards for quality, integrity, and responsibility.

Recycled Material Integration

Beginning in 2025, we committed to integrating recycled materials into 100% of new product development, embedding this standard at the beginning of the design process for every new style introduced from that point forward. In 2026, this work expands to long-standing core styles, focusing on transitioning existing products to alternative fibers while preserving the performance, durability, and quality our assortment is known for.

RECYCLED MATERIAL ADOPTION ACROSS STYLES

FALL 2025:

100%

of all new styles developed with recycled materials

2026 TARGET: Up to

30%

of active styles will be composed of recycled materials

This phased approach reflects the balance between maintaining long-standing core styles and advancing material transitions through new development and seasonal updates. Recycled materials include both branded fibers such as **REPREVE®**, **PrimaLoft®**, along with **verified non-branded polyester sourced from approved suppliers.**



Verification & Transparency

Recycled content claims are verified through established documentation and supplier validation processes, including **Global Recycled Standard certificates and supplier declarations** confirming material origin and recycled content. This documentation supports accurate sustainability communication, transparency, and EcoVadis reporting.



Long-Term Supplier Partnerships

Our supply chain is built on long-term partnerships rooted in trust, consistency, and shared standards. **Many of our manufacturing partners are family-owned businesses, with relationships spanning 13 to more than 30 years,** supporting transparency, ethical oversight, and continuous improvement across labor, safety, and environmental practices.

Responsible Manufacturing & Social Compliance

We maintain clear expectations for responsible manufacturing across our supply chain. 100% of active factory partners comply with our Vendor Manual and have signed our Code of Conduct, which outline standards for ethical conduct, labor practices, workplace safety, environmental responsibility, and regulatory compliance. All manufacturing partners also sign annual compliance agreements confirming ongoing alignment with these standards.



Social Audits & Oversight

Independent third-party social audits are required for 100% of our active factory partners. These audits assess labor conditions, health and safety practices, and compliance with applicable laws and standards. Approved audit frameworks include BSCI, WRAP, SMETA, and the Fair Labor Association.

Charles River Apparel is recognized as a Fair Labor Association (FLA) Level 1 company, reflecting our commitment to responsible sourcing and ongoing due diligence across our supply chain. Social audit results are reviewed and tracked internally to support transparency, consistency, and continuous improvement with our manufacturing partners.

Charles River Apparel participates in the Fair Labor Association (FLA) Collegiate Licensee Program, reinforcing our commitment to responsible sourcing, ethical labor practices, and ongoing due diligence across our supply chain.

100% of our factory partners have successfully passed required social audits and maintain active compliance status under their respective certification programs.



Durability Testing & Quality Assurance

Product longevity is supported by a structured, data-driven testing and quality assurance process. Each style is evaluated to ensure it meets performance expectations before entering the line.

Testing includes:

- Fabric performance, colorfastness, and abrasion resistance
- Construction and hardware durability
- Fit testing across multiple body types
- Real-world wear and performance evaluation

Manufacturing partners follow standardized quality protocols, with third-party and in-house inspections conducted prior to shipment to verify workmanship, durability, and consistency.

Product Safety

Product safety is a foundational requirement across our assortment. All products are developed and manufactured to meet applicable U.S. safety requirements and are supported by required testing, documentation, and annual supplier certifications.

All children's apparel styles comply with Consumer Product Safety Improvement Act (CPSIA) requirements and are supported by Children's Product Certificates, confirming compliance with applicable safety standards.

Across adult and youth products, we maintain responsible material and chemical standards. PFAS (per- and polyfluoroalkyl substances), a class of chemicals sometimes used in textile treatments for water and stain resistance, are not used in current product development or manufacturing. Any remaining discontinued PFAS inventory is in the process of being phased out, with a full transition to PFAS-free products planned by the end of 2026. All products comply with applicable state and federal regulations, and our material standards continue to evolve in line with regulatory guidance and best practices.

Product Longevity & Quality

Our product line is built around timeless silhouettes that remain in the assortment for years, often decades. Styles are refined through updates to fit, construction, and materials, allowing products to evolve while remaining dependable and familiar.

Legacy Styles by Years Active:

- 28% for 15+ years
- 22% for 20+ years

50% of legacy products have been active for more than 15 years.

DESIGN PRINCIPLES INCLUDE:



Durable materials selected for long-term performance



Elevated construction and reinforced components



Timeless silhouettes designed to carry across seasons



Reliable fit that supports comfort, longevity, and reduced returns



PLANET

Reducing Environmental Impact

Our Focus

Our environmental efforts focus on the areas we can measure and influence most directly: **facility operations, outbound shipping, waste systems, and employee engagement.**

Progress comes from consistent improvements, clearer tracking, and shared accountability across teams.

ENVIRONMENTAL FOCUS AREAS:

Climate Change Mitigation

Waste Management

Sustainable Development

Renewable Energy and Resource Efficiency

Environmental Education and Awareness

Waste & Recycling

We are focused on reducing waste at the source and improving recycling performance across our Sharon, Massachusetts facility.

We have partnered with Iron Mountain for more than 10 years to securely shred and recycle paper and materials.

2025 RECYCLING PERFORMANCE:

66 = **387** **116,830**
tons of cardboard and paper recycled trees preserved gallons of water saved

FACILITY UPDATES TO REDUCE WASTE AND IMPROVE RECYCLING INCLUDED:



Expanded recycling bins for paper, plastic, and cans throughout the building



Transition to BPI-certified compostable cups, plates, and utensils



Upgraded to Energy Star water dispensers, dispensing 1,364 gallons in 2025
(10,904 BOTTLES SAVED)



Shifted to UL Greenguard, UL Ecologo, and USDA BioBased certified facility cleaners

Textile Recycling

We partner with Shred-It for textile recycling in compliance with Massachusetts regulations that prohibit disposing of textiles in landfills. Recycled items often include decorated apparel with licensed logos, ensuring secure and responsible handling.



Packaging Improvements

We continue to refine our packaging to reduce waste, transition to more responsible materials, and avoid unnecessary excess through thoughtful, phased changes.

- Eliminated single-use plastic envelope mailers, replacing them with recyclable, compostable paper mailers made from more sustainable materials. Envelope mailers previously represented 46% of outbound packages in 2025, making this a meaningful reduction in single-use plastic.
- Expanded the use of recycled paper hangtags, phased in as existing inventory is responsibly used
- Adopted polybags with recycled content across applicable programs
- Applied a phased transition approach to improve material choices while minimizing waste from unused inventory

Shipping, Energy & Emissions

We work to reduce emissions across outbound logistics and facility operations through efficiency improvements and strategic partnerships.



Participation in the UPS Carbon Neutral Shipping Program since April 2023



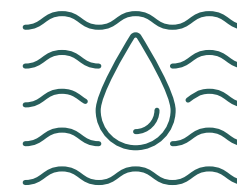
143.2 metric tons of CO₂e mitigated through certified offsets (UPS-managed) in 2025



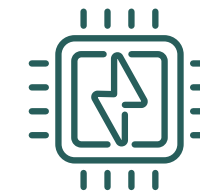
9% reduction in electricity consumption in 2025 compared to 2024



LED lighting and motion sensors throughout the facility



Seasonal thermostat optimization and water-saving aerators installed



Goal to replace remaining non-high-efficiency HVAC systems by 2029

RENEWABLE ENERGY:

In 2025, we launched a solar power generation project at our Sharon, Massachusetts facility. Estimated to supply approximately 85% of annual facility energy needs. Planning, design, and permitting phases completed in 2025. Completion Expected: September 2026

Environmental Education & Employee Engagement

We believe lasting environmental impact requires informed and engaged employees.

- Employee participation in Earth Day volunteer initiatives
- Nearly 2,200 volunteer hours contributed across 2024 and 2025
- Sustainability-focused training on product materials, packaging, and waste reduction
- Ongoing internal sustainability group initiatives and knowledge-sharing sessions



Performance Tracking & Transparency

Environmental performance is tracked through year-over-year data comparisons aligned with EcoVadis reporting and internal benchmarks.

Tracked metrics include:

- Recycling volumes (paper, cardboard, textiles, plastics)
- Energy consumption (electricity and gas)
- Facility-related Scope 1 and Scope 2 emissions improving material choices

This data supports continuous improvement, internal accountability, and transparent reporting. Current tracking focuses on facility operations and logistics. Scope 3 emissions remain an area of ongoing evaluation as data systems mature.

COMMUNITY

Committed to Giving Back



Our Approach to Community Investment

Our community engagement is guided by focus, longevity, and alignment with our values. Through Charles River Cares, we prioritize partnerships where our support can create sustained impact rather than one-time contributions.

We concentrate our giving across four core areas: health and human services, environmental conservation, disaster relief, and local community support. This approach allows us to build meaningful, multi-year relationships with organizations that share our commitment to stewardship, resilience, and care for people and place.

In addition to financial contributions, we emphasize product donations, employee volunteerism, and hands-on involvement —ensuring our impact is both measurable and personal.

Impact Highlights:



\$103,016
in charitable donations



OVER 80,000 APPAREL ITEMS

donated over the past five years



25+ CHARITABLE ORGANIZATIONS

supported through product donations, monetary contributions, and employee participation



2025 Community Partnerships in Action



PATRIOTS FOUNDATION

We proudly support the Patriots Foundation through event sponsorships, apparel donations, and employee volunteerism. In 2025, our team participated in the New England Patriots Winter Wonderland event, contributing products for children and families and volunteering on-site, while also supporting additional Foundation initiatives through sale-based givebacks.



ALL HANDS AND HEARTS

We partner with All Hands and Hearts to support disaster relief and rebuilding efforts around the world. In 2025, this partnership was activated through monetary donations and event-based givebacks, helping fund immediate response and long-term recovery in communities impacted by natural disasters.



CIRCLE OF HOPE

Circle of Hope is a long-standing community partner focused on supporting families in need. Through product donations and targeted giveback efforts, including our annual Warehouse Sale, we help provide essential apparel to individuals and families facing hardship.



PAN-MASS CHALLENGE

In 2025, we were an official sponsor of the Pan-Mass Challenge and PMC Unpaved, supporting cancer research and patient care. Our involvement includes apparel support, event participation, employee fundraising, and a deep personal and organizational connection to the mission.

2025 Community Partnerships in Action



AMERICAN RIVERS

We support American Rivers and their work to protect and restore rivers across the United States. Through collaborative programs and purpose-driven collections, our partnership helps fund conservation efforts and raise awareness around the importance of healthy rivers and responsible stewardship.



CHARLES RIVER WATERSHED ASSOCIATION

As a company rooted in New England, we maintain a close partnership with the Charles River Watershed Association. Our support includes corporate donations, employee volunteer participation, and ongoing engagement in initiatives that protect and restore the local watershed.



PETS AND PEOPLE FOUNDATION

We support the Pets and People Foundation through financial contributions that address urgent needs across animal welfare and human services. These contributions help fund programs focused on care, shelter, and community-based support.



PROMOTIONAL PRODUCTS EDUCATION FOUNDATION

We support workforce development within the promotional products industry through contributions to the Promotional Products Education Foundation. In 2025, this support helped fund scholarships and educational initiatives that advance learning, professional growth, and industry leadership.

Community Sale Giveback

Our bi-annual Warehouse Sales are designed to give back while extending the life of our products. A portion of proceeds from each sale is donated to nonprofit partners. In 2025, Warehouse Sale givebacks directly supported **All Hands and Hearts** and **Circle of Hope**, aligning product access with meaningful community impact.

Industry Events Giveback

In 2025, we integrated charitable giveback into select industry events by linking sample purchases to nonprofit support. These initiatives benefited Dress for Success, All Hands and Hearts, W.O. Smith Music School, and First Descents allowing each purchase to contribute directly to community impact while engaging industry partners.



Volunteerism & Employee Engagement

Giving back is an active part of our culture. Employees are encouraged to participate in volunteer initiatives that support our community partners and environmental efforts.

- Nearly **2,200 total volunteer hours** contributed across 2024 and 2025
- Employee participation **nearly doubled in 2025**
- **Annual Earth Day initiatives** with employees and families
- Corporate partnership with the **Charles River Watershed Association**



CHARLES RIVER APPAREL 2026 AND BEYOND

Our responsibility journey is ongoing. As we look toward 2026, we are building on what we've learned and setting clear priorities to deepen our impact across our people, products, planet and communities.

PEOPLE

- Continue fostering a **safe, flexible, and supportive workplace** that promotes physical, mental, and financial well-being
- Increase investment in **continuous learning, leadership development, and long-term career growth**
- Strengthen **employee engagement** by connecting work to purpose through inclusion, volunteerism, and community-focused initiatives

PLANET/ENVIRONMENT

- Complete the Sharon, Massachusetts solar installation, **supplying approximately 85% of annual facility energy needs**
- **Improve waste diversion and reduce landfill disposal** through expanded recycling initiatives
- Reduce Scope 1 and Scope 2 emissions, while advancing readiness to address Scope 3 through **improved tracking, reporting, and energy optimization**
- **Strengthen our climate strategy** by evaluating alignment with Science Based Targets initiative (SBTi) best practices, including feasibility, data readiness, and resource requirements

PRODUCT

- **Expand the use of verified recycled materials** across our assortment, integrating responsible material decisions from concept through design
- **Increase transparency** across our materials journey through stronger supplier partnerships, alignment with trusted standards, and improved traceability
- Use data and insight to guide product innovation that **reduces environmental impact while maintaining the performance, durability, and quality customers expect**
- EcoVadis Target advancement **from Bronze to Silver**

COMMUNITY

- Sustain and grow **charitable contributions and product donations** aligned with our mission
- **Deepen engagement in the communities** where we live and work through meaningful, locally rooted partnerships
- **Expand opportunities for employee participation** in community partnerships through volunteer programs, event-based givebacks, and hands-on engagement tied to our core nonprofit relationships



2025 Responsibility & Impact Report