

Spring 2022

Richloom's ESG statement

As a third-generation family business, Richloom believes that our choices reflect our values. Responsibility is a fundamental guiding principle for our family and our business. To that end, we take seriously our responsibility towards the families who work with us and the communities we operate within worldwide. Considering the threats posed to our communities by climate change, Richloom must place environmentally and socially responsible practices at the center of the company's mission. Recognizing that our sustainability commitment is a living document that will change, grow, and improve as the world evolves, Richloom is committed to becoming a better global citizen.

Even as we look toward the future, we are proud of what Richloom has already accomplished. In the United States, we are recycling our way to lower emissions. At our facilities in the Carolinas, over 75% of the corrugated cardboard used for retail packaging, tubes and shipping samples is recycled. In addition, we reuse pallets, tubes, yarn cones, and we encourage customers to recycle memos once the design process is complete. We have reduced our energy consumption by over 30% in the last 5 years by switching all lighting to LED as well as installing motion sensors turning off lights in inactive locations .

At Richloom Weaving in High Point, NC nearly all of our production process, from fiber to finished fabric, is completed in the Southeast – the majority within a 100-mile radius of the mill itself. We have nearly zero yarn waste; every yarn purchased ends up woven into a fabric. Over 90% of the yarns we use are solution-dyed, virtually using no water during the manufacturing process of both yarn and fabric.

Our design and production teams are actively researching every aspect of the manufacturing process. The partners we work with overseas must actively align with our mindset of being socially and environmentally conscious, provide a fair wage, and utilize more efficient power sources. Our Marketing team has grown our digital library exponentially over the past 2 years to drastically reduce the number of books for sampling fabrics. Since 2018, our Contract division has held Leader Status from MindClick, which rates the environmental health performance of manufacturers and their products.

We understand the challenges the textile industry faces in reducing its impact on the environment and feel confident we can continue to adopt impactful initiatives:

- o We are committed to growing our sustainable product offering by 5% in 2022 with a goal of an additional 5% annually thereafter: weaving with more recycled yarns, increasing the number of solution-dyed yarns used, and adopting a more environmentally friendly C0 finish.
- o Continue to leverage our leadership in product design and sourcing to press our supplier partners for sustainable solutions and products.
- o In late 2022, we are instituting a memo return policy at our Distribution Center in Clinton, SC, to encourage customers to return samples once the design process is complete.
- o We are working towards an annual 5% elimination of material waste at all Richloom locations worldwide.
- o As part of the family's philanthropic initiative, Richloom will also be looking at programs where we can further have a beneficial impact on our communities through charity work and social repair.

Another challenge for the textile and home furnishing industry is the vocabulary used to define what environmental and social practices are being instituted. For Richloom, the below key terms are the fundamental building blocks to our mission:

Sustainability: Describes practices which meet current needs, while also preserving resources for future generations. Sustainable practices acknowledge that economic growth is dependent on the health of our communities and the natural world. Sustainable textile production must consider water use, energy use, greenhouse gas emissions, material use, waste streams, reuse and repair.

How is Richloom a “Good Global Citizen?”: As a family-owned company with a global footprint, Richloom is committed to improving our global impact by steadily decreasing practices which harm the environment and our communities. This includes reducing waste, reducing consumption of fossil fuels, investing in clean energy, upholding standards in labor practices, honest business practices, and giving back to our local communities.

Social Responsibility: The commitment to the wellbeing of people and society. Along with profits, socially responsible companies value the health of communities and the planet.

Recycled Fiber: Yarns produced from waste (pre or post-consumer). Recycled fibers reduce landfill waste and significantly reduce our consumption of virgin resources. Unfortunately, the production process has a larger carbon footprint than standard manufacturing processes. Blended fibers are particularly difficult to process. Many polyester yarns are now made of recycled plastic bottles, which is significantly reducing waste in our landfills and oceans.

Carbon Footprint: A measure of the impact that human activities have on the amount of greenhouse gases produced directly or indirectly.

Environmental Social Governance (ESG): A framework through which a company or corporation evaluates its social and environmental performance according to self-defined metrics.