



Sustainability Impact Report

2023

CAP AMERICA®



BRINGING QUALITY HEADWEAR TO THE WORLD

INTRODUCTION

About this Report

Cap America is proud to publish our first Sustainability Impact Report, sharing our environmental, social, and governance (ESG) performance in 2023. This report highlights Cap America’s commitment to our sustainability journey, detailing our progress to date.

The structure of this report outlines the most important impacts of our business across six material topics: Energy and Emissions, Sustainable Products and Materials, Community Engagement, Employee Engagement and Wellbeing, Ethics, and Compliance.

These topics were identified through review of our strategic plans, conversations with stakeholders, and research in relevant industry standards, customer commitments, and competitors. These material topics represent the current areas where we have the greatest impact. As we continue to advance our ESG impact, we look forward to sharing progress and ongoing efforts on these material topics.

For questions about this report, please contact: sustainability@capamerica.com

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LETTER FROM CEO

Dear Cap America Team, Customers, and Stakeholders,

I am delighted to present Cap America's inaugural Sustainability Impact Report for the year 2023, a testament to our commitment to creating positive change within our industry and beyond. As a leading quality headwear company, we understand the profound responsibility we hold to contribute meaningfully to both our community and the environment.

In our pursuit of excellence, we achieved significant milestones this year that reflect our dedication to our stakeholders, sustainability, and operational efficiency:

- ▶ I am proud to share that Cap America was recognized as the 11th top supplier in the industry by the Promotional Products Association International (PPAI). This achievement reflects the dedication and hard work of our entire team.
- ▶ We initiated a comprehensive materiality assessment to identify the most significant environmental, social, and governance aspects of our business. This assessment provided us with valuable insights that will guide our sustainability strategy moving forward.
- ▶ Our commitment to being a leader in the headwear industry and our community was underscored by the opening of a new warehouse, eliminating the need for employees to travel between locations. This not only enhances our operational efficiency but also aligns with our sustainability goals by reducing our carbon footprint.

In 2023, we embarked on an important sustainability journey, and this report showcases our commitment to transparency and accountability during every stage of our journey. We are determined to make a positive impact at the local, national, and global levels. From investing in local educational programs to reducing our carbon footprint, we strive to be a force for good in every aspect of our operations.

As we share this report, we recognize that our sustainability journey is just beginning. We are excited about the opportunities ahead and the positive contributions we can make to our industry, our community, and the world.

Thank you for your ongoing support, dedication, and commitment to making Cap America a company that not only excels in quality headwear but also leads the way in sustainability.

Best Regards,



Mark Gammon
CEO, Cap America



ABOUT CAP AMERICA

Cap America, located in Fredericktown, Missouri, is a family owned and operated business, providing quality headwear to the world since 1985. At Cap America, our primary focus is serving every distributor, decorator, and team dealer's aspirations and continuing to go above and beyond to assure satisfied customers. We strive to make the purchase of headwear a confident and easy experience and are committed to providing the best retail-inspired cap styles in the industry. We offer a wide variety of products to meet our customers' headwear needs - whether it be our high quality on field baseball caps in our CA Premium Line, one of our USA made custom Elite Knit beanies, a completely custom overseas design, or anything in between. We take pride in being a dedicated partner in headwear.

Our Mission:

Cap America's mission is to provide exceptional headwear and headwear decoration. We commit to exceeding expectations with our wide range of high-quality headwear, as well as our efficiency and expertise, ensuring a satisfying and confident experience for all customers as their trusted headwear partner.



2023 HIGHLIGHTS

Sustainability Plan

Cap America took great strides in 2023 to enhance our leadership and impact on sustainability in our industry. We completed a comprehensive materiality assessment to identify the most significant environmental, social, and governance aspects of our business. This assessment began Cap America's robust approach to developing a sustainability plan, with actions already underway in pursuit of continual improvement, including conducting a scope 1 and 2 greenhouse gas inventory to identify our emissions baseline for future reduction targets. Cap America conducted a solar feasibility study to evaluate our options to diversify our energy portfolio and reduce our reliance on fossil fuels in our operations. In 2024, we look forward to continuing to develop and enact our sustainability plan and strategies.

National Sporting Goods Association's Management Conference

In May of 2023, Cap America's sales team attended the National Sporting Goods Association's (NSGA) Management Conference and Dealer Summit. Cap America was proud to be a Silver Supporter of the event and happy to be a part of the success in fostering connections between retailers, team dealers, and brands alike from the sporting goods industry. The NSGA Management Conference provides opportunities for attendees to learn while inspiring confidence in their leadership abilities. It was a great opportunity to focus on developing leaders within organizations, enhancing, and improving the leaders and sharing vision for what goes into successful leadership. The speed networking sessions allow for one-on-one discussion for areas of improvement. Mark Gammon, CEO has the honor of serving on The Sporting Goods Industry Hall of Fame Committee.

Partnerships

- Partnership and annual donation to the Fredericktown Foundation
- Cap America's Camp Hope Give Back Program in benefit of Camp Hope
- Partnership with the United Organization of Madison County Christmas Project
- Member of the Madison County Caring Council
- Member of the Chamber of Commerce in Madison County
- Partnership and annual donation to the Madison County Salvation Army
- Annual donation to Marquand Zion School District
- Annual donation to Boy Scouts of America, Ozark Trailblazers District
- Annual donation to the Southeast Missouri Family Violence Council
- Partnership with Mineral Area College (MAC) Foundation and MAC Consortium
- Active participation with the Industry & Education Partnership, providing tours to local students

 <p>Completed materiality assessment, developed SUSTAINABILITY PLAN</p>	<p>11+ Community partnerships established</p>
 <p>Silver Supporter of National Sporting Goods Association's Management Conference and Dealer Summit</p>	
<p>11th Top Supplier in Industry (PPAI)</p>	 <p>Listed among Best Places to Work (PPAI Magazine)</p>

Awards

- Promotional Products Association International (PPAI) Top 100 Suppliers—Top 11th Supplier in the industry
- Advertising Specialty Institute's Top 40 Suppliers—Top 23rd supplier
- Nominated for PPAI's 2024 Pyramid Awards: Supplier Stars
- Premier Group's Annual Awards—Supplier Award High Sales Volume winner
- Promotional Products Association International PPAI Magazine—Listed among Best Places to Work
- IPU Top 11th Supplier Award

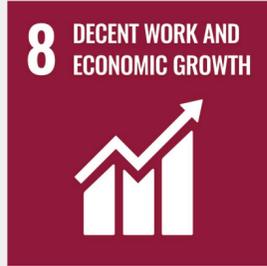
UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development provides a shared blueprint for peace and prosperity for people and the planet and was adopted in 2015 by all United Nations (UN) Member States. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for all countries to act in a global partnership. The SDGs recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth—all while tackling climate change and working to preserve our oceans and forests. The SDGs have been adopted by organizations globally, including many of our partners, as a framework for reporting impacts.

Cap America recognizes the importance of the UN SDGs and their call on governments, businesses, and community organizations to take action to address urgent problems facing our world today. We are proud to share how we are contributing to each SDG. To see which sustainable development goal relates to each topic, look for the correlating square SDG icon on the page.



UN SDGs featured in this report:

 <p>SDG 3 Good Health and Well-being</p> <p><i>Ensure healthy lives and promote well-being for all at all ages</i></p> <p>Find it in this report:</p> <ul style="list-style-type: none"> • Our People • Our Communities 	 <p>SDG 7 Affordable and Clean Energy</p> <p><i>Ensure access to affordable, reliable, sustainable and modern energy for all</i></p> <p>Find it in this report:</p> <ul style="list-style-type: none"> • Energy and Emissions 	 <p>SDG 8 Decent Work and Economic Growth</p> <p><i>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</i></p> <p>Find it in this report:</p> <ul style="list-style-type: none"> • Our People • Our Communities 	 <p>SDG 12 Responsible Consumption and Production</p> <p><i>Ensure sustainable consumption and production patterns</i></p> <p>Find it in this report:</p> <ul style="list-style-type: none"> • Sustainable Materials 	 <p>SDG 13 Climate Action</p> <p><i>Take urgent action to combat climate change and its impacts</i></p> <p>Find it in this report:</p> <ul style="list-style-type: none"> • Energy and Emissions 	 <p>SDG 16 Peace, Justice, and Strong Institutions</p> <p><i>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</i></p> <p>Find it in this report:</p> <ul style="list-style-type: none"> • Ethics • Compliance
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ENVIRONMENT



ENVIRONMENT

Cap America's environmental management approach is a coordinated effort overseen by our compliance team and facility maintenance department. Recognizing the importance of environmental responsibility, we recently initiated efforts to learn and apply more sustainable business practices. Part of these efforts include the creation of a stand-alone environmental policy that addresses energy and emissions, sustainable consumption, waste management, water consumption and discharge, customer health and safety, and employee training on the policy. The policy applies to all Cap America employees, facilities, and properties. Additionally, we have recently drafted our first sustainable procurement policy. This policy was created as a response to the increasing importance we put on sustainability and sustainable materials in our purchasing decisions. From a data management standpoint, we have determined key environmental metrics to begin monitoring our impacts and identify opportunities for improvement. Our compliance team, equipped with specialized training in ISO 14001 environmental management systems, plays a pivotal role in implementing and sustaining environmentally responsible practices. While it's early in the process, we are committed to proactively learning and implementing environmentally conscious practices, paving the way for a more sustainable future.

7 AFFORDABLE AND CLEAN ENERGY



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



ENERGY AND EMISSIONS

Cap America is actively working to enhance our energy efficiency and minimize our GHG emissions. We recently completed our first scope 1 and 2 GHG inventory, marking a major milestone in understanding our emissions impact. Scope 2 makes up most of our direct emissions, consisting solely of purchased electricity. We also conducted a scope 3 screening to determine the indirect emissions associated with our value chain – the first step to understanding our overall impact to prepare for our eventual reduction strategies.

Cap America conducted an energy audit to determine our energy impact and identify areas where energy efficiency can be improved. Alongside the audit, we have applied several energy-efficient measures in our start to reduce energy consumption and emissions. One initiative includes a comprehensive overhaul of the lighting systems at our main facility by replacing traditional fixtures with energy-efficient LED lights. We’ve also implemented motion sensor lights in our warehouse to optimize energy usage by activating illumination only when necessary. Additionally, we upgraded several of our HVAC units and nine of our embroidery machines to models that consume only half the electricity as the previous models. Lastly, as standard practice, Cap America employees turn off all computers, lights, and heating or air conditioning systems during off hours, ensuring responsible use of energy resources. These concerted efforts underscore our start to minimizing our environmental impact through thoughtful and strategic energy management. Looking forward, we plan to continue to make operational changes that favor energy efficiency practices and engage with our township and local utility company to fund and optimize renewable energy options for our community.

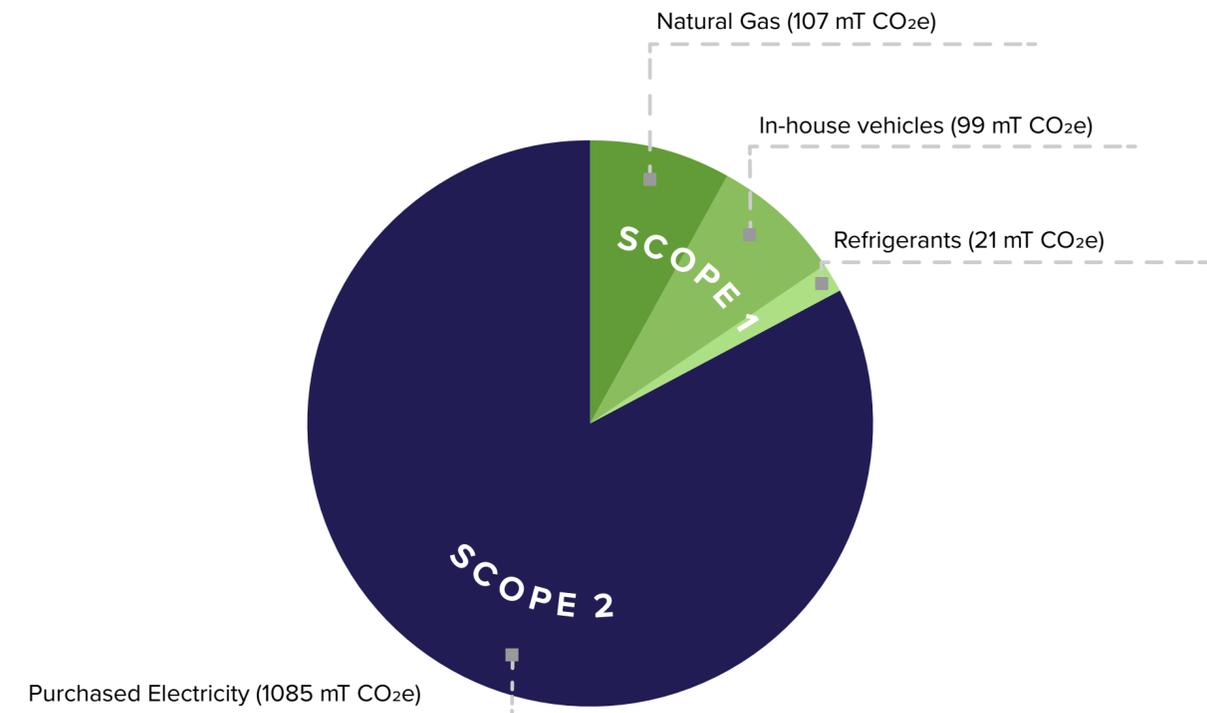
GHG Emissions 2023

	mT CO _{2e}
Scope 1	227
Scope 2 (location-based)	1085
Scope 2 (market-based)	1085
Total emissions	1312

Environmental Spotlight

In 2023, Cap America submitted to the Higg Facility Foundations, a crucial step towards our goal of completing the Higg FEM (Facility Environmental Module) assessment in 2024 to provide our external stakeholders with a credible, transparent evaluation of our environmental performance. This process considers factors such as our environmental management system, chemical and energy usage, water consumption, greenhouse gas (GHG) emissions, and waste management. In addition to the rigorous self-assessment, we have undergone an onsite verification process to ensure the accuracy and integrity of our data. This experience serves as a valuable learning opportunity, guiding us toward more sustainable practices and reinforcing our dedication to minimizing our ecological footprint. Through our engagement with Higg, we demonstrate a proactive stance in embracing transparent and accountable environmental management practices.

Scope 1 and 2 Breakdown



SUSTAINABLE PRODUCTS AND MATERIALS

In the apparel industry, sustainable products and materials are key aspects of environmental stewardship, and, at Cap America, we are committed to leading the way in responsible sourcing and production practices. Central to our approach is our sustainable procurement policy, which places a strong emphasis on partnering with suppliers who are committed to preventing adverse environmental impacts and hold certifications for sustainable paper and wood-based products. We believe that by selecting suppliers who are dedicated to protecting the environment and implementing sustainable sourcing practices, we can make a positive impact on both our industry and the planet.

Additionally, Cap America is actively advancing our sustainability journey through a series of waste reduction initiatives. Reducing waste encompasses the purchase of products that produce the least amount of waste, the efficiency of our operations to produce limited waste, and in-house procedures to prevent waste from going to a landfill. Furthermore, our work with customers to reduce measures showcase our dedication to reducing our environmental footprint and aligning our practices with sustainable business principles. Next, we are planning to conduct a waste audit to baseline our consumption data and better understand our impacts, and, from there, we will develop a targeted waste reduction plan. Additionally, our team is exploring options for using more sustainable packaging and expanding our recycled content materials usage.

Waste reduction initiatives:



We embrace recycling by placing conveniently located recycling boxes within our facilities



We reuse product boxes and polybags for packaging as much as possible



We are adopting an online software to curtail paper usage across our operations

Sustainable Products and Materials Spotlight

Cap America proudly offers a distinctive line of cap styles that demonstrate our commitment to sustainability. We offer a range of knit styles that contain 30-50% post-consumer recycled content and a classic cap made from Repreve®, which contains up to 1.8 recycled plastic bottles per cap. Furthermore, two of our standout styles are locally manufactured in the U.S., further amplifying our support of our local communities. Over the years, our portfolio of sustainable offerings has expanded significantly, and we remain steadfast in our commitment to further expanding and diversifying our sustainable product line.



Up to 1.8 recycled plastic bottles per cap



SOCIAL



SOCIAL

At Cap America, people are at the heart of what we do. We recognize that our employees are our most valuable strength and that our community is an integral part of our continued success. Therefore, we prioritize the well-being and development of our employees and community alike. Part of these efforts include our health and safety initiatives, from our hands-on health and safety committee to our daily exercises, robust employee benefits, and investments in continual education. From day one of employment, each employee is treated as an invaluable member of the team and is provided with many opportunities for personal and professional growth throughout their tenure at Cap America. We are dedicated to investing in our community from our numerous annual donations to volunteering our time. We are proud of the long-standing partnerships we hold within our community and strive each year to continue making Fredericktown and the wider Madison County an exceptional place to live and work.

3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



OUR PEOPLE

Engagement

Cap America’s continued success as a company is a direct result of our employees’ hard work, support, and dedication. From every employee’s first day, we are committed to making our employees feel valued and proud to be members of the Cap America team.

We value our employees’ insights and opinions and recognize when they go above and beyond to improve the workplace. Cap America established the Employee Committee, comprised of representatives from each department in the company, as a resource to stay in touch with employees’ needs and concerns and to also ensure employees remain fully informed on how Cap America is progressing. The Employee Committee allows for open dialogue between department representatives and management to discuss issues directly. Department representatives are changed annually to ensure all voices can be heard.

Cap America is honored to have been recognized for our efforts in fostering a positive work environment. We were named among the “Best Places To Work” in our industry by PPAI Magazine and named Top 11th Supplier on the PPAI Top 100 List, which evaluates employee happiness as part of its criteria.



Employee Benefits

Cap America’s benefits program includes:

- Medical Plan
- Dental and Vision Plan
- Life Insurance
- 401k Plan + Company Match
- Paid Holidays + Vacation
- Bereavement Leave
- Onsite Exercise Facility
- Anniversary Cards
- Annual Awards Ceremony
- Monthly Birthday Celebration
- Catered Dinners
- Christmas Club
- Referral Bonus
- Tuition Reimbursement and Scholarship Program
- Local Discounts

Anniversary Cards/Awards Ceremony:

Cap America employees are recognized for their commitment to the team and are presented with a gift card on their employment anniversary each year. Additionally, Cap America holds an annual Awards Ceremony to honor the employees who have been with Cap America for 5, 10, 15, 20, and 25+ years of service.

Local discounts:

Upon hire, Cap America gifts all employees an incentive card filled with discounts available through local merchants and retailers.



Cap America BBQ



HEALTH, SAFETY, AND WELL-BEING

At Cap America, we place high priority on the well-being of our employees and are dedicated to fostering a healthy and safe work environment. To maintain the safety of our workplace, Cap America has formed a Safety Committee comprised of employees that represent each department. The Safety Committee meets each month to discuss safety issues and conduct a full inspection of the facilities to ensure all machines and working areas meet safety standards and to immediately address any identified hazards.

Health and safety training, such as fire drills, tornado drills, hazardous communication, forklift operation, bloodborne pathogen, and CPR/first aid, is provided to employees to ensure they are equipped with the knowledge and tools needed to work safely in a manufacturing environment. Additional safety measures are in place, including mandatory twice daily stretching exercises and footwear and clothing requirements near machinery. Employees are expected to report all accidents, injuries, and sickness to a supervisor immediately—no matter how slight the incident—to ensure potential hazards are addressed.

While we aim to have zero job-related injuries, when injuries do occur, we provide our employees with the necessary time to rest and recover, which is reflected in our number of lost time and restricted duty days. The HR and Department Management addresses the causes of all injuries to avoid future incidents.

Safety Performance

	2023	2022
Total # of LTI	5	1
Total # of Lost Time or Restricted Duty Days	19	1
# of fatalities	0	0
Total # of Recordable Injuries	16	16
LTI Frequency Rate for Direct Workforce	1.55	0.28
LTI Severity Rate for Direct Workforce	0.31	0.06

Lost Time Injury (LTI)



TRAINING AND DEVELOPMENT

We are committed to encouraging employees to seek continuous education and training and creating opportunities for personal growth and professional development. At Cap America, we actively invest in our existing talent; We pride ourselves with the career progression paths we create for our employees and choose to promote internally whenever possible.

Cap America strives to set employees up for success with thorough training programs implemented for all employees beginning new roles. Every position has specific on-the-job training, separate from safety training, for two weeks to six months, depending on the job and task complexity. Where departments allow, cross-training is implemented for eligible employees to strengthen and enhance their skillset and to develop a more comprehensive understanding of company operations. In addition to training, new employees receive a 90-day performance review, and every employee receives an annual performance review. These reviews provide opportunities to acknowledge our employees' hard work and address areas for further growth and development.



Scholarship and Tuition Reimbursement Programs

Cap America encourages its employees and their dependents to invest in their education. We believe all individuals deserve the right to an education and strive to remove barriers for those seeking improvement opportunities. Cap America is proud to offer a College Assistance Program for both employees and their dependent children. Full-time employees enrolled in an undergraduate degree are eligible to partake in Cap America's tuition reimbursement program, which offers up to 100% reimbursement of out-of-pocket tuition expenses. Dependent children of employees are eligible to apply for Cap America's sponsored scholarship, providing funds for up to four years of an undergraduate degree.

Mineral Area Training Consortium

Cap America is a member of the Mineral Area Training Consortium, granting the consortium's resources to all Cap America employees at no cost. The consortium is a group of local businesses with similar training needs that comes together each year to apply for the Missouri One Start Customized Training Grant. The grant allows Mineral Area College to assess the group's training needs and create a training schedule based on those needs. Through Cap America's membership, employees have direct access to resources including workforce development services, Excel training, industrial training solutions, leadership and interpersonal skills training, advanced manufacturing lab training programs, apprenticeships, and more.



OUR COMMUNITY

As a major employer in Fredericktown and the greater Madison County, we make it a priority to actively contribute our time, talent, and resources to give back to our community. Cap America is a Premier Partner of the Madison County Chamber of Commerce—a designation that demonstrates our leadership and willingness to go above and beyond to support Madison County. Cap America’s Community Outreach Coordinator serves as a member of the Madison County Caring Council, a network of individuals from various companies and agencies that works to help meet the needs of the community. We care deeply about the well-being of our community and actively participate in and donate to local organizations to make where we live and work a better place.

One of the greatest joys of living and working in our small town is the opportunity to participate in events that bring our community together while creating cherished memories. Among our favorite events to be involved in is Madison County’s Miracle on Main Street, a festival of holiday cheer, good food, and fun games, and the Fredericktown Azalea Festival, a springtime arts and crafts fair where Cap America team members and their families pass out over 4,000 caps to our community. We help support local businesses and our employees alike with incentive cards that provide discounts to local merchants and retailers.

In June, Cap America was honored to be named the top 11th supplier in our industry by PPAI Media. We celebrated our achievement with our community near and far through an “11 Days of Giveaways” campaign.

COMMUNITY ENGAGEMENT

Community Partnerships

Cap America partners with and supports various organizations that have the potential for long-lasting impacts on the communities in which we live and work. We are proud to support our local schools and improve opportunities and the educational experience for our youth. Beyond providing monetary support to local schools, we welcome field trips and provide tours of our facilities to students. We also attend career days at area schools whenever possible. One of the ways we accomplish these tasks is through our membership of the local Industry & Education Partnership. We also strive to provide resources for students in need. One of the ways that Cap America does this is by providing over 100 backpacks for students through the Madison County Back to School Fair. Beyond investing in our youth, Cap America is proud to support organizations such as Camp Hope and Madison County Recovery Allies, providing resources to those who need them most.



Presenting donation to Project Graduation



Madison County Salvation Army

Cap America is proud to be a long-time supporter and active participant of the local [Salvation Army](#) chapter of Madison County. We contributed to their vital services including disaster response, social service programs, casework and counseling, and much more. We regularly partner with the Madison County Salvation Army to hold mobile food pantries in the fight against food insecurity. On 2023's Giving Tuesday, Cap America presented a donation to the Madison County Salvation Army in the form of \$20,000. In addition to regularly donating, Cap America employees get into the holiday spirit as volunteer bell ringers, fundraising on behalf of Salvation Army to give back to the community.



Fredericktown Foundation

The [Fredericktown Foundation's](#) mission is to assist the Fredericktown R-1 School District in facilitating state-of-the-art education environments. Through the foundation, local schools receive funding to improve students' experience with extracurriculars. Notable initiatives include providing stage curtains and lighting for middle school theater productions, the soccer field house constructed for the high school's soccer club, and the annual scholarship available to students. In 2023, Cap America donated \$200,000 to the Fredericktown Foundation, holding true to our promise to donate \$1 million to the foundation by 2030. We encourage individuals and organizations in our local community to support the Fredericktown Foundation and extended a friendly challenge to our community to donate \$500,000 over the next 10 years.



Marquand Zion School District

Cap America strongly believes that a solid educational foundation is essential to a thriving community. That is why we strive to support local educational programs whenever possible. On behalf of Cap America, Maria Weekley, Community Outreach Coordinator and Marquand Zion High School alumna, presents a yearly donation of \$25,000 to the [Marquand Zion School District](#). Previously donated funds supported lighting upgrades throughout the district classrooms to reduce utility costs and improve the quality of lighting for the students and staff.



United Organizations of Madison County Christmas Project

The Madison County Christmas Project helps relieve some of the struggle families encounter during the holiday season. Each year, on behalf of the project, Cap America employees provide gifts to over 50 children from the community. In 2023, Cap America partnered with local retailer The Crazy Wildflower to sell a Cap America limited edition festive knit, with proceeds of the sales benefiting the Madison County Christmas Project.

Camp Hope

[Camp Hope](#) is a retreat for military veterans wounded in the War on Terror with a mission to honor the fallen by helping the wounded. Camp Hope welcomes veterans to beautiful, rural Missouri and offers an abundance of activities rooted in nature to support healing and camaraderie. Cap America's Camp Hope Give Back program annually donates 5% of all proceeds of three patriotic-themed knit products, proudly made in the U.S., to Camp Hope. Cap America's Jon Page, Vice President of Production and U.S. Army combat veteran, and Cory Cissell, Vice President of Customer Experience, travelled to Camp Hope to present our 2023 donation of \$5,767. Cap America is proud to support our veterans and honor their service to our country.



Presenting donation to Camp Hope

Madison County Recovery Allies

[Madison County Recovery Allies \(MCRA\)](#) is a local non-profit organization that provides life-saving support services for those struggling with substance use and mental health issues. Their mission is to help break the cycle of addiction by improving access to substance use disorder treatment and recovery resources. Cap America donated \$50,000 to help MCRA add more Certified Peer Specialists and Recovery Report Specialists to their team and support the long-term plan to bring recovery housing to Madison County.



Southeast Missouri Family Violence Council

The [Southeast Missouri Family Violence Council](#) provides advocacy, support, education, and shelter to survivors of domestic violence, sexual violence, stalking, and teen dating violence. The organization's free services help victims break free from their abusers and provide resources for survivors to develop an independent, successful, and safe life. Cap America is proud to support the organization's invaluable services with an annual \$10,000 donation.



Mineral Area College Foundation

The [Mineral Area College](#) is a local community college in St. Francois County that provides quality, affordable education to residents. Cap America proudly supports the [Mineral Area College \(MAC\) Foundation](#), which exists to advance, promote, and support the growth and development of Mineral Area College and its students and staff. In October, Cap America made a \$25,000 donation to the Mineral Area College Enhancement Campaign, supporting equipment, education curriculum, and other improvements for career and technical programs at Mineral Area College.



Boy Scouts of America – Ozark Trailblazers District

The [Boy Scouts of America](#) program is designed to promote character, leadership, citizenship, and personal fitness in scouts of all genders. Cap America is proud to support the Ozark Trailblazers District, serving Madison County as well as St Francois, Ste. Genevieve, Iron, Reynolds, and Washington counties. In 2023, Cap America made a \$10,000 donation to the district to support students' registration fees and materials for an afterschool Cub Scout program at Fredericktown Intermediate school, removing financial barriers to allow more local youth to become Scouts.



Presenting donation to Boy Scouts of America



Presenting donation to Mineral Area College

GOVERNANCE



GOVERNANCE

Cap America has established a comprehensive organizational structure, led by our chairman and multi-disciplinary leadership team, to oversee governance at every level. As a member of the American Apparel and Footwear Association (AAFA), we stay informed about the latest textile industry policies, state and federal mandates, and geopolitical considerations to ensure that we meet all industry expectations and best practices and can plan for future industry changes. Additionally, we have undertaken an environmental health and safety assessment and a regulatory assessment through a third party to gain valuable insights into our impacts. This thorough evaluation enables us to identify areas for improvement and ensures compliance with regulatory policies. These assessments also serve as a foundation for continuous improvement within our organization.

Internally, Cap America's employee handbook serves as a guide to uphold high standards of conduct, and all employees sign it as part of the onboarding process. It addresses topics such as information security, complaints procedure, conflict of interest, and disciplinary measures. Furthermore, our Code of Conduct sets clear expectations for our suppliers and overseas factories, requiring their endorsement and communication to all employees. The Code of Conduct addresses child and forced labor, freedom of association, collective bargaining, and compliance with environmental, health, and safety laws and regulations. We conduct third-party social audits for our overseas factories, adhering to industry-recognized standards. We also utilize AAFA's guidance for assessing prospective new supplier social compliance, demonstrating a commitment to ethical business practices and transparency throughout our governance processes. Moving forward, we are excited to further develop our sustainability program by creating a committee dedicated to advancing our sustainability plan and formalizing our data management procedure.

16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



ETHICS

Cap America is committed to fostering a culture of integrity and responsibility. We are dedicated to upholding the highest ethical standards in our operations and require our management team to undergo annual ethics training. Recognizing the pivotal role of ethics in the workplace, we aim to integrate this training into the onboarding process for all employees, emphasizing its foundational importance from day one. Furthermore, we maintain a transparent and accessible approach to handling concerns, as all complaints are submitted and reviewed by our HR Department. HR's open-door policy empowers employees to voice their concerns, reinforcing our commitment to a workplace where ethical conduct is not just encouraged but embedded in every aspect of our operations.

- 100%** of employees have signed our employee handbook
- 100%** of suppliers have signed our Code of Conduct
- ZERO** confirmed ethics-related incidents or legal actions in 2023

COMPLIANCE

Compliance holds paramount importance at Cap America. Not only is it material to our suppliers, distributors, and customers, but internally, compliance is a significant topic and an area our company excels in. Our dedicated compliance team, consisting of two specialized staff and numerous employees across different departments, plays a crucial role in compliance development. This team oversees a broad spectrum of responsibilities including our Environmental, Health, and Safety (EHS) program, product testing and safety, ESG initiatives, overseas factories and domestic suppliers' compliance, and management of customer compliance requests. In alignment with federal and state regulations, such as those set by the Consumer Product Safety Commission, and adhering to Canadian standards, we ensure that our products meet rigorous testing requirements. Notably, we go a step further by choosing to conduct performance testing for our headwear, exemplifying our commitment to exceeding compliance standards and delivering products of the highest quality and safety to our customers. To enhance transparency, we provide product recall information, General Conformity Certificates, and Children's Product Certificates on our webpage, reinforcing our responsibility to open communication and accountability in compliance matters.

Compliance Spotlight

Gerald Pinkley is Cap America's recently promoted Vice President of Compliance. Since joining in 2019, Pinkley's leadership has been instrumental in shaping our market strategies and operational efficiencies, propelling the company's long-term growth. In his previous roles as Compliance Coordinator and Director of Compliance, Pinkley spearheaded advancements in ESG initiatives, driving progress in regulatory compliance, standardization, and transparent reporting. Noteworthy contributions include refining product safety protocols, conducting environmental impact assessments, and implementing sustainable practices to reduce the company's carbon footprint. Pinkley's collaborative efforts with the HR Department have fostered an inclusive workplace culture. As Vice President of Compliance, Pinkley will continue to lead Cap America's sustainability agenda, reinforcing the company's commitment to corporate responsibility and ethical governance.



Gerald Pinkley

CAP AMERICA®



BRINGING QUALITY HEADWEAR TO THE WORLD

THANK YOU.

If you have questions or would like to know more,
please contact us at: sustainability@capamerica.com