

TAKE ON LIFE WITH YOUR OWN TWO HANDS™

2021 Corporate Responsibility Tear Sheet



MESSAGE FROM THE CEO

At Duluth Trading Company, our mission has long been grounded in the belief that "there's got to be a better way." A better way in how we build our products, tell our stories and treat our neighbors, customers and employees. We see the world for what it could be, and for what it should be – then we roll up our sleeves to make it exactly that.

Today, I am pleased to share with you an overview of how we are putting our values to work and detail our ongoing commitment to the environmental, social and governance priorities that matter to our company. This tear sheet showcases where we delivered, how we are progressing and the ways we plan to grow.

• **Our commitment to sustainability** is brought to life through the choices and investments we make – from the durability and lifecycle in the design of our products to the environmental efficiency of our supply chain and manufacturing partners to our day-to-day operations and outputs. In 2021, we recycled over 2,000 tons of packaging in our retail stores and fulfillment centers, kept over 50,000 product units out of landfills and kicked off a partnership with Better Cotton Initiative to improve traceability and sustainable practices in cotton production.

• **We are a people-first organization,** and as such we are constantly investing in programs to meet the needs of our current and future employees including hybrid work schedules, twelve weeks of paid parental leave, unlimited paid time off for salaried employees and a company-sponsored healthcare plan. We recognize that our employees are at the center of our values and aim to shape and extend opportunities for all. We are proud to report a 25% internal promotion rate since 2019.

• **Workplace diversity is important to us,** and we value a respectful and supportive culture. At every level of our operation, employees participate in diversity, equity and inclusion training. We have also launched Employee Resource Groups (ERG) such as our Multicultural Employee group and our Women in Leadership group.

• **Together, we invest in our communities.** Duluth Trading has a long-standing commitment to giving back. We seek to empower a hands-on lifestyle for generations to come. We align with organizations that do just that – from makers to conservationists.

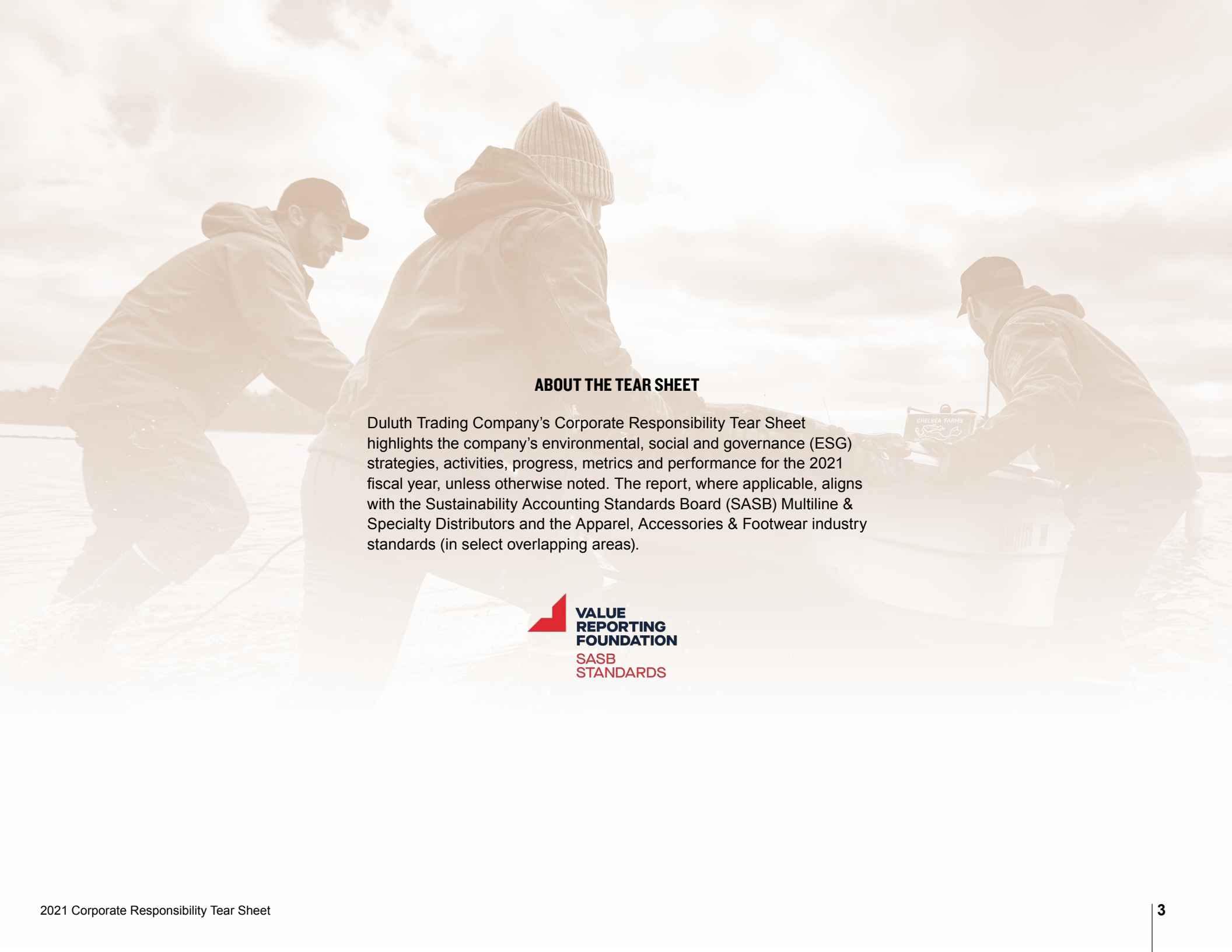
• **We understand we have work to do** and strive for continuous improvement. With guidance from our ESG Steering Committee and Board of Directors, our approach to reporting is to be straightforward and realistic and not overstate or obscure where we are in our process.

As we demonstrate on the pages that follow, our responsibility goes beyond our own business. I am proud of the initiatives we have pursued and the meaningful progress our team has made.

We know we still have steps to take – and we welcome your feedback along the way.



Sam Sato
President and CEO



ABOUT THE TEAR SHEET

Duluth Trading Company's Corporate Responsibility Tear Sheet highlights the company's environmental, social and governance (ESG) strategies, activities, progress, metrics and performance for the 2021 fiscal year, unless otherwise noted. The report, where applicable, aligns with the Sustainability Accounting Standards Board (SASB) Multiline & Specialty Distributors and the Apparel, Accessories & Footwear industry standards (in select overlapping areas).

VALUE REPORTING FOUNDATION
SASB STANDARDS

About Duluth Trading Co.

Here at Duluth Trading Co., we aim to help everyone take on life with their own two hands by developing high-quality, solution-based apparel that people can count on to get the job done. Our company was founded on the shores of Lake Superior in Duluth, MN, and each and every day we strive to give our customers the best experience possible by building our product to our “Superior Standard” of quality and providing outstanding customer service under our “No Bull Guarantee.”

Take on life with your own two hands – make a difference every step of the way.

Building. Crafting. Working. Living. At Duluth Trading, it isn’t about what you do, it’s about how you do it. With a belief that the right way to live is to do it hands-on – to never be afraid to step up to a challenge and build a legacy for those who follow.

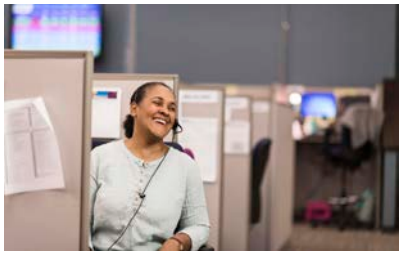
So we’re rolling up our sleeves and taking on the challenge of further building environmental, social and governance considerations into our business: taking steps to minimize our environmental footprint, promoting equity in our business and helping to build our community to secure a future for those who seek a hands-on way of life.

Sustainability Accounting Standards Board (SASB) Index

SASB Activity Metrics

General Accounting Metric Disclosures	Unit of Measure	SASB Code	Disclosure
Number of: (1) retail locations and (2) distribution centers	Quantitative	CG-MR-000.A	(1) 65 (2) 3
Total area of: (1) retail space and (2) distribution centers	Quantitative (sq. ft. or sq. meters)	CG-MR-000.B	(1) 994,000 (2) 665,000

A SNAPSHOT OF OUR GROWTH



REMOTE CONTACT CENTER (CC) OPERATIONS



3 FULFILLMENT CENTERS



1,106 FULL-TIME, 1,905 PART-TIME AND FLEXIBLE EMPLOYEES



65 RETAIL STORES



$698,584 REVENUE (IN THOUSANDS)



SUSTAINABILITY

A hands-on approach to sustainability.

Stewardship: *The careful and responsible management of something entrusted to one's care. Merriam-Webster.com, 2022*

Here at Duluth Trading Co. we recognize that this earth we're so lucky to call home doesn't belong to us – it's merely been entrusted to our care until the next generation takes over. So we make decisions through that lens, striving to reduce our environmental impact and improve the earth's future.

We don't make throwaway products. That means our customers get more life from their purchases, and in turn less waste ends up in a landfill. We promote product circularity in our outlet stores. We seek consistent improvements by keeping an eye on eco-friendly technology and potential sustainability partners.

As with any true stewardship, our quest is ever continuing.

DULUTH TRADING CO.
SUPERIOR STANDARD™

SUPERIOR STANDARD

Our determination to build better means that we strive to make long-lasting, durable products. We stay true to our DNA by focusing attention on features that strive to extend the life of the product – features like abrasion resistance and triple stitching. Our standards set us apart from the competition with integrity in every stitch.



ORGANIC & RECYCLED MATERIALS

We strive to increase the use of organic and recycled materials in our products without sacrificing quality and durability:

- Products that contain organic materials represent approximately 2.3% of net sales
- Products that contain recycled materials represent more than 2% of net sales



PRODUCTION IMPACT

We are making strides to include renewable and recycled materials in our product labeling and packaging components.

- All our consumer-facing outbound corrugate is recyclable and contains at least 79% recycled material.
- In 2021, we recycled over 2,000 tons in our retail stores and fulfillment centers.
- In 2022, we are partnering with our supplier to switch from 100% virgin poly to a 57% recycled poly for our bags. In addition, we are partnering with an organization to improve recycling instruction labels on our bags to give our customers better information.



GIVING PRODUCTS A SECOND LIFE

We aim to find ways to increase product circulation by diverting gently used returns from landfills into our outlet locations.

- Ozone sanitizing technology allows us to clean and resell returned goods. In 2021, we used this technology to keep over 50,000 units out of the landfill.
- In 2021, we sold 68,000 units in our outlet inventory that were discontinued or returned goods.



PARTNERSHIPS

We are committed to improving cotton farming practices globally with Better Cotton™ to help cotton communities survive and thrive, while protecting and restoring the environment.

Topic	Metric/Discussion
Greenhouse Gas Emissions	
Environmental Policy	Under consideration.
Carbon footprint reduction and energy efficiency initiatives	• In process of retrofitting owned and leased buildings to at least 75% LED lighting. Completed 5 store retrofits in 2021. • New builds use LED lighting, including SLC and DBQ. Belleville is over 50% LED.
Scope 1 Emissions[1]*	1,569.52 metric tons CO2 equivalent (mt CO2e). 296,136 therms of gas were consumed company-wide (70 locations) for calendar year 2021.
per site	22.42 mt CO2e
per sq. ft.	.001 mt CO2e
Scope 2 Emissions[2]*	7,248 mt CO2e.
per site	103.6 mt CO2e
per sq. ft.	.004 mt CO2e
Value chain carbon footprint reduction efforts (Scope 3)[3]*	• 50% of top tier branded apparel factories have an environmental certification • 40% of top tier branded apparel mills environmentally certified • 90% of the top tier branded apparel factories and 5% of mills have a social certification

[1]Scope 1 emissions are those generated directly by the company on-site with owned/operated property, plant and equipment, such as through a boiler or vehicle fleet. Calculated using the EPA's eGRID location-based emissions factors.

[2]Scope 2 emissions are those created indirectly through purchased electricity from a utility. This is a location-based measurement calculated using the EPA's 2020 eGRID location-based emissions factors.

[3]Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain such as business travel, transport, distribution, etc.

* All information is based on estimates based on available information from third parties and providers. Duluth does not guarantee accuracy or completeness of this information, and such information is subject to limitations inherent to estimates, extrapolations and third-party data.

Greenhouse Gas Emissions & Energy Management

Topic	Metric/Discussion
Energy	
Total energy consumed* [CG-MR-130a.1]	61,275 Gigajoules (GJ) 17,021,093 kWh of electricity procured company-wide (70 locations) for calendar year 2021
per site	875.4 GJ
per sq. ft.	.035 GJ
Percentage grid electricity [CG-MR-130a.1]	100%
Percentage renewable [CG-MR-130a.1]	0%

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Solid Waste

Topic	Metric/Discussion	
Solid Waste Management*		
	2021	**2020**
Waste Generation (tons)	4,143	3,582
Waste Diverted from Landfill (tons)	2,206	1,809
Diverted Rate (%)	53%	50%
tons per site	31.5	25.5
tons per sq. ft.	0.001	0.001



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Environmental Impact of the Supply Chain

Topic	Accounting Metric	Category	SASB Code	Disclosure or Location
Energy Management in Retail Stores & Fulfillment Centers	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	Quantitative	CG-MR-130a.1	(1) 61,275 Gigajoules (2) 100% (3) 0%
Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	Quantitative	CG-MR-410a.1	We currently do not track this information.

Topic	Metric/Discussion
Material and Product Testing Protocol	Duluth Trading Co. has established a testing program to monitor compliance with performance standards and applicable regulatory and legislative requirements. Basic test packages have been developed for materials, trims and finished products. Fiber content and care instructions must be labeled in compliance with United States Federal Trade Commission regulations.
Responsible Sourcing	Duluth Trading Co. is committed to complying with federal laws and regulations requiring disclosure of the use of conflict minerals in our products, and we expect our suppliers to abide by these regulations by responsibly sourcing and reporting in accordance with our supplier agreement.
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement [CG-AA-430a.1]	We currently do not track this information.
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 (branded apparel vendors) that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment [CG-AA-430a.2]	(1) For our top tier branded apparel suppliers, 43% of factories and mills have an environmental certification. (2) We currently do not track this information.

Management of Chemicals in Products

Topic	Metric/Discussion
Chemical Management	We strive to make products safe and regulatory compliant from initial concept to manufacturing to delivery into our customers' homes. Our team works closely with product creation and manufacturing partners to implement product standards in an effort to meet or exceed regulatory requirements and customer expectations. Compliance with our restricted substance list (RSL) is mandatory for our manufacturing partners per our partner agreements and is monitored through our RSL Testing Programs.
Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products [CG-MR-410a.2] [CG-AA-250a.2]	Duluth Trading Co. manages risks and/or hazards associated with chemicals in products by contractually requiring its suppliers to comply with its RSL to reduce the use of hazardous substances in its supply chain. In addition, Duluth Trading Co. requires testing of vendors and suppliers to comply and stay current with developing changes regarding applicable regulations.
Discussion of processes to maintain compliance with restricted substances regulations [CG-AA-250a.1]	We require testing to comply with various regulations such as the Consumer Product Safety Improvement Act, General Conformity Certificate for adult products and Children's Product Certificate for children's products. We require testing to monitor compliance with restricted substance regulations.

Sustainability Accounting Standards Board (SASB) Index

SASB Activity Metrics

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HUMANITY

Doing better by our people, so they can do better for our customers.

Helping people “do” lives deep within Duluth Trading Co.’s soul. Whatever you want to do. Whatever you need to do. Whatever you know darn well will enrich the lives of the folks around you. That’s why we believe in respecting each and every member of the Duluth team as the individuals they are: treated with respect and dignity, given the opportunity to achieve their dreams and provided with the tools to go after them.

From fair compensation to inclusive talent recruitment, we think this is the better way to treat people, because it empowers our most valuable assets with the tools to become the best version of themselves.

Human Capital Management

Topic	Metric/Discussion
Talent Recruitment	People are the most important part of the Duluth Trading Co. family. We are focused on crafting meaningful stories about our company and culture to assist our recruiting team in building effective and diverse talent pipelines to meet the needs of the business. In 2021, we partnered with Circa, a diversity recruitment technology solution, to connect our Talent Success Team with over 20,000 community-based organizations and 600+ local employment and diversity sites. In addition to our partnership with Circa, we have entered into a relationship with Appcast, a global provider of recruitment advertising technology. By leveraging their job ad exchange solution, we have access to their network of 10,000+ job, consumer, social and diversity sites. Our recruiting team completed the AIRS Certified Diversity and Inclusion recruiter course. The course is designed to give recruiters the knowledge to create an effective plan for locating and building talent pipelines, including diverse and underrepresented groups.
Employee Training and Development	Duluth Trading Co.'s investment in training and development has consistently increased since 2017. We are committed to the continued development of our employees and creating a path for continued growth in the organization. Our investment is driving results. Since 2019, Duluth Trading Co. has averaged an internal promotion rate of 25% for open, exempt positions. In addition to continual product and operational training, we invest in the development of our employees. Examples include training sessions from industry experts on leadership, diversity, equity and inclusion, and mental health and well-being.
Employee Training and Development	Our open-door policy is the true foundation for employee engagement. We always welcome the opportunity to listen, learn and support our fellow employees. We conduct an employee engagement survey annually. Participation in this voluntary survey is open to Duluth Trading Co. employees for feedback on topics like communication, culture and collaboration. Results are shared with employees to develop actionable steps to strengthen overall employee engagement at Duluth and inform improvements for benefits and communication strategies.

Topic	Metric/Discussion
Employee Compensation, Benefits and Well-Being	Duluth Trading Co. is committed to providing equitable and competitive compensation and ensuring compliance with local and federal minimum wage laws. We do this by reviewing compensation across all areas of the business, scoping our data by functional area (ex. Fulfillment Centers, Retail Stores, Headquarters and Customer Care), department, peer level and individual teams. We take an extra step to review compensation of our organization by leveraging market data sets. In addition to equitable and competitive compensation, we are committed to providing benefits that empower our employees to live a more hands-on way of life. We do this by providing tools and resources to help employees make the best decisions regarding the health and well-being of their families by offering multiple medical plans, including partially employer-funded Health Reimbursement and Health Savings Accounts. We pay for 100% of the premiums for full-time employees' Short Term and Long-Term Disability, Basic Life Insurance, and Accidental Death & Dismemberment Insurance. As the needs of our employees change, we strive to support them with perks, including flexible work schedules, a hybrid office environment, generous PTO policies and expanded parental leave for full-time employees as well as mental health resources for all employees. We aim to support our employees in their financial goals by offering a 401(k) plan that includes an employer match of up to 4% and an Employee Stock Purchase Program where eligible employees can purchase Duluth stock at a 15% discount.
Employee Health and Safety	We understand that culture focused on the safety and responsibility of the individual and team is a prerequisite for continued growth and innovation. Therefore, we take employee and customer safety very seriously. We have designed programs that comply with regulations and added safety training to our onboarding process. Whether onsite at one of our fulfillment centers, in our retail stores or at headquarters, continual dialogue and trainings are offered on topics such as: • Management of physical health through safe lifting techniques, use of tools like box cutters, lift truck certification, blood-borne pathogen awareness and cleanup. • Regular audits of safety and security checklists onsite at retail stores and fulfillment centers. • COVID-19 Health and Hygiene Plans inclusive of enhanced cleaning procedures, regular communication and resources for support. Work-related incident statistics are shared at least quarterly with company leadership to identify trends and discuss action plans. This data includes: • Incidents by site • OSHA recordable claims data • Incident type (e.g. lift/trip/fall; struck by) • Year-over-year comparison of incident frequency and type Additionally, select summary-level information is shared on a quarterly basis with the Audit Committee of the Board of Directors.

Labor Practices & Employee Diversity

Topic	Accounting Metric	Category	SASB Code	Disclosure or Location
Labor Practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	Quantitative	CG-MR-310a.1	We do not disclose this at this time.
	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Quantitative	CG-MR-310a.3	$0. We include information regarding material legal proceedings in our 10-K filings, Item 3, Legal Proceedings. We are not presently party to any legal proceedings the resolution of which we believe would have a material adverse effect on our business, financial condition, operating results or cash flows.
Collective Bargaining	As of January 30, 2022, we employed 1,106 full-time and 1,905 part-time and flexible part-time employees, 1,636 of whom were employed at our retail stores. Due to seasonal needs, the number of employees, particularly part-time employees, fluctuates. A labor union does not represent our employees.			

Labor Conditions in the Supply Chain

Topic	Metric/Discussion
Suppliers	
Supplier Principles	As a member of the global community, Duluth Trading Co. takes an interest in the standards of our suppliers throughout the world. While we do not own or operate any manufacturing facilities, it's our belief that higher-quality work environments lead to higher-quality products. As we depend upon independent third-party suppliers for the manufacture of our merchandise, we cannot control all of the various factors that might impact timely and effective procurement of supplies of product from our third-party suppliers and delivery of merchandise to our customers. Accordingly, we have outlined certain principles in our Supplier Code of Conduct that articulate our minimum expectations for the businesses in our supply chain. The principles in place across our supply chain are designed to uphold workplace safety, respect human rights and improve the lives of workers.



Topic	Metric/Discussion			
Diversity and Inclusion Efforts	In a world that’s forever changing, we believe our pursuit of innovation, inclusion and a sense of belonging is what has made Duluth Trading Co. so successful. We aim to foster a culture of inclusion by making diversity, equity and inclusion part of our everyday conversation and frequently review our policies, programs and practices to identify ways to be more inclusive and equitable. We value diversity in our workforce because different perspectives strengthen our creativity and problem-solving. We are committed to creating an environment where our employees, customers and communities feel a genuine sense of belonging. Since 2021, all full-time and part-time Duluth employees participate in diversity, equity and inclusion training. We continue to offer employees education and guided conversations on a variety of topics, including anti-racism, anti-discrimination and inclusive leadership behaviors. Furthermore, we launched our first two Employee Resource Groups to provide support for our employees. The Multicultural Employee Resource Group and Women in Leadership Employee Resource Group are employee-led teams focused on our employees, customers and communities.			
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Quantitative	CG-MR-310a.1	We are focused on our diversity, equity and inclusion efforts and will provide additional insights in the future.
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Quantitative	CG-MR-310a.2	$0



COMMUNITY

Taking on life with our own two hands – and giving back in three ways.

As a company, we're a fortunate group. Our hard work has been rewarded by growth and profitability and a solid business future. In short, we're living the dream. Part of that dream has always been helping your neighbor and the next generation get a fair shake at their dream too. So, we're doing just that. We're not just here to sell clothes and gear, we're here to empower hands-on people through philanthropy and community engagement.

To do this, we're partnering with organizations that provide accessibility and opportunities for individuals in three areas:

- Trades and Youth Education
- Makers and Creators
- Trail and Stream Conservation

HERE'S HOW DULUTH GIVES BACK

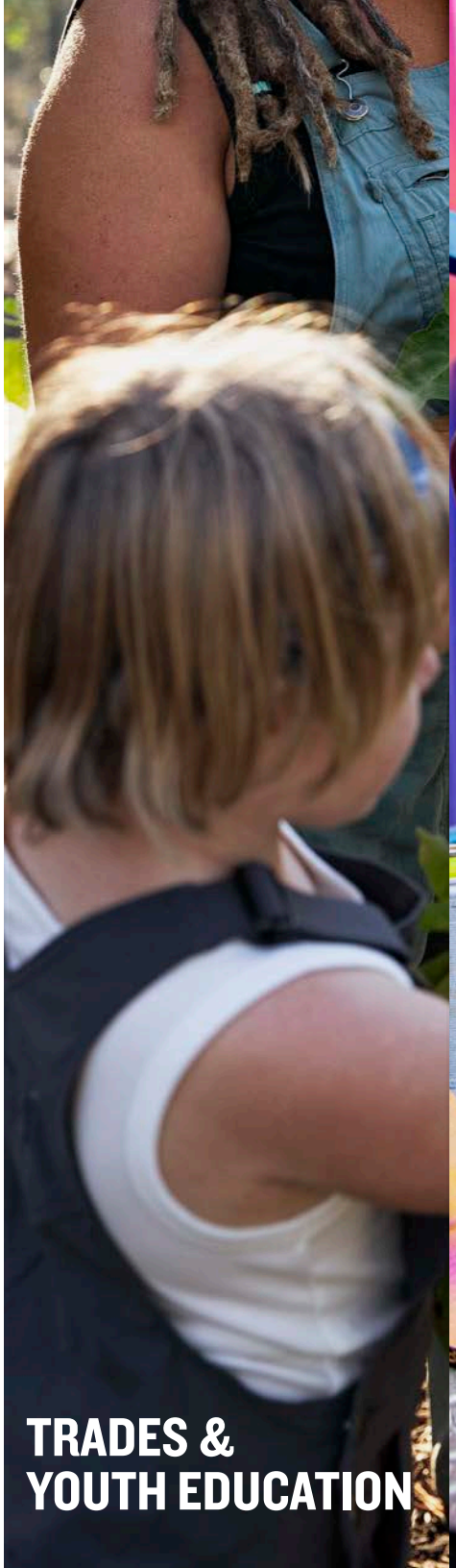
We raised over $700,000 for charitable organizations in 2020 and 2021.

AMERICAN CANCER SOCIETY
AMERICAN CRAFT COUNCIL
AMERICAN RED CROSS
FEEDING AMERICA
OPERATION FRESH START

We are proud to partner with organizations that focus on conservation efforts.

ICE AGE TRAIL ALLIANCE
OFFICIAL APPAREL OF NATIONAL TRAILS DAY

2021 Corporate Responsibility Tear Sheet



TRADES & YOUTH EDUCATION



MAKERS & CREATORS



TRAIL & STREAM CONSERVATION



GOVERNANCE

Here's to honest work.

We want to keep our words simple, our agreements fair and uncomplicated and our standards of personal and corporate integrity high. So we've laid out our governance policy in that spirit. We've also built in the means to find our mistakes, correct course and build ourselves into a better organization when we find ourselves lacking.



POLICIES

CODE OF BUSINESS CONDUCT AND ETHICS

WHISTLEBLOWER POLICY

DATA SECURITY AND CUSTOMER PRIVACY

ESG STEWARDSHIP AT DULUTH TRADING CO.

As we seek to incorporate environmental, social and governance principles into our business as day-to-day operations, we formed a cross-functional steering committee that represents our employees, customers and products. Leadership of our ESG Program starts with our SVP Chief Financial Officer, SVP of Customer Experience, SVP of Talent, DE&I, and Retail Operations and the SVP of Product Development, Merchandising and Inventory and cascades to every area of the business.

The ESG Steering Committee's responsibilities include overseeing Duluth Trading Co.'s long-term strategy regarding environmental and social matters as they pertain to our business operations and engagement with associates, customers, suppliers and communities. The Nominating and Governance Committee of our Board of Directors oversees the ESG Steering Committee's progress on a periodic basis.

Board

The Nominating and Governance Committee assists the Board of Directors in identifying, screening and recruiting qualified individuals to become board members as well as developing and recommending corporate governance policies, including overseeing initiatives pertaining to ESG efforts.

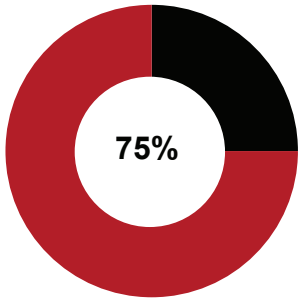
Data Privacy and Information Security

Topic	Metric/Discussion
Data Privacy and Information Security	
Data Privacy and Information Security Oversight	In the normal course of business, we often collect, retain and transmit customer personal information, employee personal information and other sensitive and confidential information. The protection of customer and employee information and our intellectual property from potential threats is vitally important. Our Audit Committee of the Board of Directors is charged with oversight of the cybersecurity practices as described in its charter: • Review technology landscape, competitive assessment and roadmap for future development. • Review cybersecurity and other information technology (IT) risks, controls and procedures, including high-level review of strategy to mitigate cybersecurity risks and potential breaches and plan to respond to data breaches. • Review cyber insurance policies to ensure appropriate coverage and that all insurance terms and conditions are met. • Provide an IT risk assessment report to the Board of Directors on an annual basis, including systems and processes relating to cybersecurity.
Data Privacy and Information Security Risk Mitigation [CG-MR-230a.1]	We continually evaluate and upgrade our information systems, security measures and practices to combat ever-evolving cyber risks and to comply with our legal and regulatory obligations. We provide cybersecurity awareness training around phishing, social engineering and other cyber risks to our employees in an effort to give our workforce the skills to detect, avoid and report cyber threats. Despite our risk management efforts, our facilities and systems and those of our third-party service providers may be subject to increasingly complex cyber risks, including cyber extortion, data breaches, unauthorized access, denial of service, vendor or employee misconduct, ransomware and other malicious software and data exfiltration. Should a risk event occur, we have trained and practiced our Incident Response Plan to quickly mitigate the impact of the attack.
Description of approach to identifying and addressing data security risks [CG-MR-230a.1]	See Annual Report (Item 1A – Risk Factors) for more information.
(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected [CG-MR-230a.2]	(1) 0 (2) 0 (3) 0 Duluth Trading Co. has not experienced a reportable data breach to its knowledge.



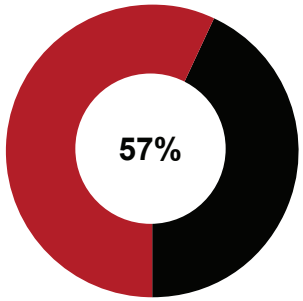
BOARD STRUCTURE

INDEPENDENCE



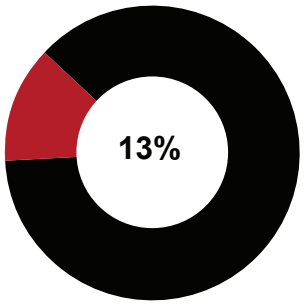
- Independent
- Non-Independent

INDUSTRY EXPERTISE



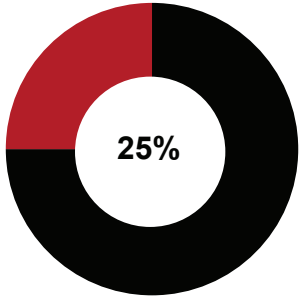
- Industry Expert
- Non-Industry Expert

ETHNIC DIVERSITY



- Diverse
- White

GENDER DIVERSITY



- Female
- Male



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