

July 19, 2011

To our valued school partners:

The purpose of this note is to share some exciting news about another milestone we've achieved in our mission to become the world's most socially responsible student apparel company.

Recently, I was in New York giving a speech on corporate social responsibility to the Global Ethical Sourcing Conference, and I had the opportunity to meet a number of professionals from Intertek (one of the world's largest and most respected "Supply Chain Management" monitoring and qualification firms). I am pleased to announce that we have partnered with Intertek on their *Think Green Initiative*.

The purpose of the *Think Green Initiative (TGI)* is to create the world's first standardized environmental sustainability performance scorecard for supplier facilities. It is essentially an environmental sustainability assessment tool that allows qualified environmental auditors to rate suppliers' environmental practices against a total of eight environmental modules. This scorecard not only gives a detailed analysis on a facility's environmental performance, but also provides guidance for achieving better eco-efficiency and identifying cost saving opportunities through implementing environmental best practices. The tool shows how a supplier facility is performing today, and more importantly, what further improvements can be made over time to meet the sustainability requirements of tomorrow's employees, communities, investors, and customers.

When I returned from New York, I was so excited about this initiative that I contacted the owner of one of our supplier facilities in Cairo, Egypt, which manufactures our R.J. McCarthy polo. The owner immediately shared our enthusiasm for the project, and agreed to have his facility assessed. As well, he promised that upon completion of the assessment, we would work together to make further environmental improvements over time.

Today, I received a preliminary report from Intertek that outlines the results of this assessment on this facility. Our factory scored an impressive 81% against the criteria used in the *Think Green Initiative*, which is rated in the "high performance" category: this means the factory demonstrates a serious readiness to manage and monitor its environmental footprint. In the words of one of our auditors, "*it is an extremely impressive facility that is doing many of the right things for the environment – in general it is clearly one of the leaders in terms of environmental management*".

This is a definite success, but by no means do I consider our work to be complete. Far from it. With this positive assessment of our Cairo facility, we now have an accurate baseline with which to make even further improvements over the next five plus years.

I wanted to report this exciting development to all of our school partners as further concrete demonstration of the continued work and progress that R.J. McCarthy is making against its mission of becoming the world's most socially responsible student apparel company. Two years ago we chose this exciting new mission, and we continue to make further strides in the right direction.

We are also very proud that our CSR mission and achievements continue to be a strong differentiator for our company. No other student apparel company is doing what we are doing, and our employees and schools feel a real sense of pride knowing that within our industry we are leading the way on CSR. Our leadership will once again be recognized at the upcoming Canadian Global Ethical Sourcing Conference

in Montreal this November where we have been invited to speak and participate in a panel outlining our work with Intertek's *Think Green Initiative*. .

For continuing updates on our progress, please check <http://www.rjmccarthy.com/09SchoolUniform/SocialResponsibility2010.html>. For more information on Intertek's *Think Green Initiative* please check <http://www.thinkgreeninitiative.com/>.

As always, I would be interested in hearing any feedback or further ideas you may have. Thank you for your continued support.

John Kelleher