



Fighting Against Forced Labour and Child Labour in Supply Chains Act (Bill S-211)

Reporting Year: January 1st – December 31st, 2023

Overview:

On January 1, 2024, the Fighting Against Forced Labor and Child Labor in Supply Chains Act (Bill S-211) went into effect in Canada. Under the law, entities involved in producing, selling, or distributing goods in Canada, importing goods into Canada, or controlling an entity engaged in any of these activities and meeting certain financial thresholds are subject to disclosing the steps taken to prevent and reduce the risk that forced labor or child labor is used by them or in their supply chains. The law's purpose is to increase industry awareness and transparency and drive businesses to improve practices.

Entity Identification Information:

The following joint report provides information pertaining to actions S&S Activewear, LLC (S&S) and SNS Activewear Canada Inc. (S&S Canada) have taken to prevent and reduce the risk of forced labor or child labor in our supply chains. S&S Activewear is subject to complying with the California Transparency in Supply Chains Act (SB 657) (effective January 1st, 2012) and the following information will overlap with the reporting requirements for SB 657.

S&S Activewear and S&S Canada are engaged in the distribution and sale of goods in Canada, although we do not manufacture or import any goods. We operate within the following industries/sectors: wholesale and retail trade, transportation and warehousing, distribution, and e-commerce. S&S Activewear is based in Bolingbrook, IL, USA, and S&S Canada is based in Montreal, Canada.

About Us:

S&S Activewear is a wholesale distributor of imprintable apparel and accessories with a product line consisting of 78 total brands across 43 suppliers. We operate 14 total facilities across the United States, Puerto Rico, and Canada. S&S Activewear's Canadian facilities are in Toronto, Vancouver, and Calgary, and our subsidiary, S&S Canada, is based out of Montreal. S&S Canada is a wholesale distributor of imprintable apparel and accessories with a product line consisting of 30 brands across 19 suppliers. S&S Activewear and S&S Canada are e-commerce-based businesses, and we source our merchandise directly from suppliers who source materials, cut and sew, and dye their products in several countries.

S&S Activewear and S&S Canada are led by our Board of Directors and our Executive Leadership Team. We employ approximately 2,623 individuals across S&S Activewear and its subsidiaries including S&S Canada, and in 2023* sold over 433M goods company wide.

**Reported for Jan 1 – Dec 31, 2023.*

Our Actions Against Forced Labor and Child Labor:

At S&S Activewear and S&S Canada, we seek to work with suppliers that share our commitment to responsible business conduct. Our **Supplier Code of Conduct** (“the Code”) outlines S&S Activewear and S&S Canada’s expectations and guidelines with respect to responsible sourcing including human rights, health and safety, business ethics and the development of a diverse and sustainable supply chain. We have embedded several policies against forced labor and child labor within our Supplier Code of Conduct and reissued the Code in 2023. These policies include but are not limited to:

- No forced labor or trafficked persons are being used in any part of our business or in our supply chain.
- Business partners must not use forced labor or child labor, whether in the form of prison labor, indentured labor, bonded labor, or otherwise.
- No employee may be compelled to work through force or intimidation of any form, or as a means of political coercion or as punishment for holding or expressing political views.

Through the implementation of this Supplier Code of Conduct S&S expects its suppliers to share this commitment to fair, just, and ethical treatment of employees and meet specific minimum requirements. In the event of a non-compliance issue, suppliers are required to investigate promptly and work with S&S and other partners to aptly remedy and mitigate the issue.

Additionally, in 2023 we published two statements pertaining to forced labor and human rights to reinforce our ongoing efforts to identify, mitigate, prevent, and remedy human trafficking, slavery, servitude, forced, compulsory, or involuntary labor, and the Worst Forms of Child Labor (as defined by International Labor Organization (“ILO”) standards) in our supply chain and our own operations.

1. **S&S Activewear Human Rights Statement of Principles** outlines our policies regarding several other labor and human rights issues such as a positive work environment, diversity and inclusion, privacy, and safety and security.
2. **S&S Activewear Statement on Forced Labor, Human Trafficking, and Modern Slavery** highlights the specific human rights policies outlined in our Supplier Code of Conduct (discussed in the next section).

As our business continues to grow, we look to improve our procedures to identify, prevent, and mitigate human rights violations.

**“Suppliers” refers to our third-party brand partners that provide finished goods for sale and or distribution in exchange for compensation.*

Our Policies Against Forced Labor and Child Labor:

S&S Activewear and S&S Canada’s Board of Directors are working on Sustainability throughout the company and have begun tracking, monitoring, and reporting on topics that we have identified as material to our business. Employee health & safety standards are a primary focus within our Sustainability efforts. As such, the policies outlined below are the initial steps we’ve taken to identify human welfare and labor rights issues within our supply chain.

1. **Child Labor:** S&S Activewear and S&S Canada do not tolerate any form of child labor in our supply chain. We expect our Suppliers to prevent child labor in their operations and encourage our

Suppliers to participate in industry efforts aimed at the elimination of such practices wherever they exist in the supply chain. Supplier efforts to prevent child labor shall include, but are not limited to:

- a. Ensure all workers meet the applicable legal minimum age requirements or are at least 15 years of age, whichever is greater. If the minimum legal age is higher under local law, the higher age applies.
 - b. Have a rigorous age verification procedure that includes maintaining copies of official government-authenticated documentation for every worker and confirmation of the worker's date of birth. In countries where official proof-of-age documents, birth certificates, or government-issued IDs are not available, the Supplier shall employ independent and reliable means for determining workers' age. In countries where no reliable documentation exists, the Supplier shall implement a recruitment system that appropriately assesses the age of potential workers.
 - c. Take all necessary precautions to ensure that young/juvenile workers, under the age of 18, are protected from working conditions that could pose a danger to their health, safety, or development (this includes restrictions on night work, any job function considered hazardous, etc.).
 - d. Obtain necessary legal approvals (permits/medical check-up records, etc.) for all young/juvenile workers.
 - e. Have the required tracking system for all young/juvenile workers (e.g. young worker register).
 - f. Comply with all education-related government programs.
2. **Forced Labor:** S&S Activewear and S&S Canada do not tolerate any form of abusive or illegal labor in our supply chain such as forced labor or human trafficking. We require that all labor in its supply chain be voluntary and that workers are allowed freedom of movement. Supplier efforts to prevent forced labor shall include but are not limited to:
- a. No use of involuntary labor of any kind, including prison labor, debt bondage, slave labor, or forced labor by governments.
 - b. Ensure all overtime is voluntary.
 - c. Ensure that if entrances are guarded for security reasons, workers shall have free egress at all times.
 - d. Not employ tactics to prevent workers from leaving at will, such as withholding salary as a "year-end bonus" or charging a penalty when workers terminate their contract, or by withholding any personal identification documents such as IDs and passports.
 - e. Ensure that beyond reasonable restrictions, workers can move freely within the facility to use the toilets, drink water, and take designated breaks.
 - f. Ensure that workers are allowed to leave freely at the end of the shift or during the shift under extenuating circumstances like illness or family emergencies.
3. **Humane Treatment:** Supplier efforts to ensure humane treatment shall include but are not limited to:
- a. Treat all workers with respect and dignity.
 - b. Not use corporal punishment or any other form of physical or psychological coercion.
 - c. Not use physical corporal punishment, force that causes bodily harm or pain, or other forms of physical contact to punish or coerce workers.

- d. Not engage in or permit psychological coercion or any other form of non-physical abuse, including threats of violence, sexual harassment, screaming, or other verbal abuse.
- e. Have a policy that clarifies and standardizes discipline. Disciplinary actions and processes shall consist of an escalating series of actions, starting with warnings, followed by disciplinary actions (e.g. from verbal warning, written notice, to suspension and termination).
- f. Maintain written records of disciplinary actions taken. Discipline, either in policy or in practice, shall meet applicable laws and requirements of this Code.
- g. Formally communicate with workers the rules and disciplinary processes at the time of hire.

Assessing Risk of Forced Labor and Child Labor in Supply Chains:

As stated by Public Safety Canada “Forced labour can be found in every country and every sector. The International Labour Organization estimates that there are approximately 27.6 million victims of forced labour worldwide, including 17.3 million in the private economy. Forced labour and child labour risks occur primarily through the global supply chains of businesses. There is a risk that goods imported into and distributed in Canada were produced with forced labour or child labour. Entities and government institutions doing business in Canada have a responsibility to ensure that exploitative practices are addressed and eradicated from their supply chains.”

S&S Activewear and S&S Canada recognize forced labor can be found in every industry and is a growing threat to human welfare and labor rights. Forced labor is knowingly practiced in many regions; specifically, any cotton from the Xinjiang Uyghur Autonomous Region (XUAR) in China and Uzbekistan is likely to have been created using forced labor. This is based on a region wide Withhold Release Order on products made by forced or slave labor in Xinjiang region, issued by US Customs and Border Protection. We continue to monitor the situation closely and expect our suppliers to report any potential risks immediately.

Mitigating and Remediating Risk of Forced Labor and Child Labor in Supply Chains:

In the spirit of continuous improvement, S&S and S&S Canada are working with and supporting our Suppliers to meet, and when possible, exceed, responsible business conduct. We require our Suppliers and business partners to communicate and enforce the Code within their organizations and throughout their supply chain by adopting efficient management systems, policies, procedures, and training to uphold the standards set forth in our Code within their own business operations.

S&S and S&S Canada maintain the right to take action, including on-site inspections of the supplier’s facilities and review of any applicable books, records, certifications and other documentation in order to assess compliance with this Code. It is the expectation of S&S and S&S Canada that our Suppliers will take timely corrective actions to remedy any identified noncompliance. Suppliers should provide employees and their business partners with access to adequate reporting channels to raise legal or ethical issues or concerns, including reports of a violation of this Code, without fear of retaliation, including opportunities for anonymous reporting. S&S reserves the right to discontinue business with any supplier who fails to adhere to this Code.

1. **Grievance Channels and Retaliation:** Suppliers shall implement and maintain programs that ensure confidentiality, anonymity, and protection of supplier and employee whistleblowers.

Suppliers should have a communications process for their personnel to be able to raise any concerns without fear of retaliation. S&S expects Suppliers to provide grievance mechanisms that are transparent, responsive, anonymous, unbiased, and confidential to workers and other parties across the supply chain. Worker grievance channels and retaliation requirements include but are not limited to the following:

- a. Workers know of and have access to grievance mechanisms which allow for anonymous reporting. Reported concerns and violations are addressed in a timely manner and follow a clearly outlined process.
- b. Workers who speak up in good faith are protected from retribution, retaliation, and reprisal.
- c. Grievances and management action are well documented.
- d. S&S is promptly notified if any concerns or violations are reported through the grievance mechanism that are in direct violation of this Supplier Code of Conduct.

2. Supply Chain Transparency: S&S believes in upholding ethical and responsible sourcing. As such, suppliers are requested to:

- a. Sign a Certification Regarding Forced Labor.
- b. Obtain and provide signed Certifications Regarding Forced Labor from all suppliers.
- c. Obtain and share origin source information updates on a regular, ongoing basis.
- d. Have on-site inspectors at supplier and partner facilities.
- e. Implement a program to validate fiber and material origin such as testing or document tracing exercises to ensure raw materials are not linked to human rights violations.
- f. Provide fiber testing results to S&S on a regular, ongoing basis.
- g. Conduct regular facility and supplier audits and share results with S&S on a regular, ongoing basis.
- h. Have a formal corrective action process in place, including documentation, and share any corrective action plans with S&S in a timely manner.
- i. Allow S&S representatives or agents unrestricted access to its' facilities, workers for interviews, and the review of relevant records at all times, regardless of whether advance notice is provided.

In the event that a sourcing issue is discovered regarding forced labor, suppliers are required to:

1. Immediately notify S&S of the issue and goods impacted.
2. Where improvements are required, suppliers are to work with suppliers and partner facilities to identify and correct issues.
3. In cases of continued uncorrected actions, supplier(s) are to hold partner facilities accountable and take appropriate mitigating action up to and including terminating the relationship.

In 2023, one of S&S Activewear's brand partners received test results showing traces of cotton produced in Xinjiang, China. As expected, the brand partner notified S&S Activewear and took appropriate steps, including quarantining the inventory in question and terminated the relationship with its supplier. S&S Activewear and S&S Canada will continue to monitor any potential forced labor and child labor violations and will remediate any violations within our supply chain activities accordingly.

Currently, S&S Activewear and S&S Canada do not provide formal training to employees on forced labor and child labor., and we have not yet assessed our effectiveness in preventing and reducing risks of forced labor and child labor in our supply chain activities.

Closing

We recognize the importance of distributing our products in a legal, ethical, and responsible manner consistent with the highest standards. We expect the same from our suppliers, and we focus on building long-term partnerships with strategic suppliers who demonstrate a commitment to engaging their workers and providing safe working conditions. This includes working to combat the risks of forced and child labor. We are growing our business responsibly through relationships with suppliers who seek to uphold our standards of sustainability and human rights, product excellence, and compliance with local laws. We look forward to continually evolving the strength of our policies and procedures to protect human welfare and labor rights.

Attestation:

The Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Directors of S&S Activewear, LLC.


In my capacity as a Director of S&S Activewear, LLC, and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Full name: Miller F. Myers

Title: Chief Executive Officer

Date: May 1, 2024

Signature: 

I have the authority to bind S&S Activewear, LLC (S&S) and SNS Activewear Canada Inc.