

Branded Custom Sportswear, Inc. Statement on Forced Labor, Human Trafficking and Modern Slavery

This document reflects Branded Custom Sportswear, Inc.'s compliance with the California Transparency in Supply Chains Act, and Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Background

Branded Customer Sportswear Inc. (BCS) is an authorized licensee of Nike, Inc. USA, providing collegiate apparel, headwear, and accessories to many retail outlets, bookstores, and other retailers. Our products are manufactured by our long-term contracted, Tier I suppliers. As a Nike licensee, BCS and our contracted suppliers are held responsible for compliance with our [Workplace Code of Conduct](#), and Nike's [Code of Conduct and Code Leadership Standards \(CLS\)](#).

BCS also works with other internal and external stakeholders, such as the Fair Labor Association (FLA) and Better Work Programme, to monitor and maintain safe and compliant supply chains. At BCS, we uphold the principles of human rights across all operations and hold all our contracted suppliers to the same principles. We are committed to conducting our business activities in alignment with ethical, legal, and sustainable practices in every aspect. All BCS products are imported through C-TPAT certified shipping partners and our contracted suppliers are dedicated to actively reducing the potential for modern slavery and human trafficking within their supply chains, engaging their employees, promoting environmental responsibility, and offering fair and safe work conditions.

BCS discloses all contracted Tier I suppliers used to manufacture and decorate our products. The complete list can be found [here](#) or on the [Open Supply Hub](#) website. These resources are updated at least annually.

Verification

To ensure suppliers meet our strict compliance standards, BCS continuously monitors and enhances our systems to detect and mitigate supply chain vulnerabilities, including those related to forced and child labor. Before establishing a new relationship with a supplier, a comprehensive assessment against our Workplace Code of Conduct, Nike's Code of Conduct and Code Leadership Standards is conducted. These standards include our expectations for ethical labor and recruitment practices, social, health, safety, and environmental performance throughout a supplier's business relationship with BCS. Additionally, BCS utilizes reports made available by sources like the U.S. Department of Labor, the U.S. Department of State, and other country-related risk assessments to evaluate the risk of forced labor, child labor, and human trafficking. This country risk assessment encompasses information and findings from both independent internal evaluations and external third-party reports.

BCS nurtures an environment for continuous improvement within our supply chain. We utilize industry tools such as the Social & Labor Convergence Program and the Sustainable Apparel Coalition's Higg Facility Environmental Module (FEM) to assess each facility. In the event a supplier is found to violate any applicable laws, regulations, or standards described in our Code of Conduct or Nike's Code and CLS, BCS will work closely with the supplier and independent, external monitoring organizations, such as Better Work Programme and the Fair Labor Association, utilizing developed and available tools to help support remediation and capacity-building efforts. The supplier will be held responsible for improving their performance and remediating any findings against a timebound Corrective Action Plan (CAP).

Auditing

The independent, external monitoring organizations and tools mentioned above are used to assess our contracted suppliers' performance. We conduct regular audits of the facilities and management systems of our contracted suppliers, which are monitored on a schedule, based on their performance level. All manufacturers must receive an independent third-party audit at least once every 12 months. These assessments may be announced or unannounced and take place before our business relationship begins and on an ongoing basis. These audits are structured to gauge compliance with our Workplace Code of



Conduct, Nike's Code and Code Leadership Standards, and applicable laws and regulations. Our third party audits assess the risks of forced and child labor, including the employment of vulnerable groups such as foreign migrant workers, interns, and temporary workers. Moreover, supplier policies and management systems are reviewed to identify high-risk practices, such as recruitment fee payments, restrictions on freedom of movement, retention of worker documentation, and inadequate disclosure of employment terms before departure from their home countries.

Remediation and Effectiveness

In collaboration with Nike, FLA, Better Work Programme, and more, BCS continuously seeks to improve our approach to evaluating working conditions within our supply chain. We are dedicated to supporting the capabilities of our suppliers through ongoing efforts. Through the assessment process, BCS actively engages with suppliers to develop and evaluate programs that ensure modern slavery and human trafficking in any form are not found in our supply chain. When alerted to violations, we investigate, and when applicable, collaborate with other stakeholders and external organizations to drive remediation efforts.

In the event that BCS is made aware of an issue of non-compliance within our supply chain, a thorough investigation is conducted immediately. Management systems are reviewed and root cause analysis is conducted to ensure all necessary corrective actions are sustainable. If a supplier continues to be noncompliant, BCS will take necessary steps, up to and including termination of our relationship with the supplier.

Certification

Operating as a Nike, Inc. licensee, BCS mandates that our own employees as well as our contracted suppliers follow our Workplace Code of Conduct, in addition to the standards outlined in Nike's Code of Conduct and Code Leadership Standards. We also promote adherence to the Fair Labor Association's [Principles of Fair Labor and Responsible Sourcing and Production](#), and all applicable laws, rules, and regulations. Contracts with our suppliers include specific provisions addressing and prohibiting forced labor, child labor, and human trafficking in any form.

Accountability & Training

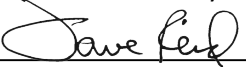
BCS conducts ongoing training to understand the patterns and impacts of forced labor within our supply chain. Risk assessments are conducted for all factories to determine the level of risk and potential for human trafficking and modern slavery at each facility, measuring data to influence sourcing decisions. Training is provided to staff directly involved in the management of our contracted suppliers to educate employees on human rights, forced labor, child labor, human trafficking, and otherwise. BCS's in-house Compliance team participates in these year-round trainings and webinars, and is responsible for ensuring that all relevant stakeholders, such as employees and upper-level management involved with global sourcing, receive relevant training.

Branded Custom Sportswear, Inc. will continue working with industry experts, internal and external stakeholders, organizations, such as Nike, the FLA and Better Work Programme, to evaluate and eliminate the risks related to human trafficking and child and forced labor with our supply chain.

This statement is for the period of January 1, 2023 to December 31, 2023.

In accordance with the requirements of the aforementioned Acts, and in particular section 11 of the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act, I attest that I have reviewed the information contained herein. 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.

I have the authority to bind Branded Custom Sportswear, Inc.



Dave Reid, Chief Executive Officer