



FREEMARK APPAREL BRANDS INTERNATIONAL INC.

2024 REPORT ON BILL S-211, AN ACT TO ENACT THE FIGHTING
AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY
CHAINS ACT AND TO AMEND THE CUSTOMS TARIFF

For the period for January 1st 2023 to December 31st 2023

To the Minister of Public Safety and Emergency Preparedness of Canada:

Pursuant to the “Fighting Against Forced Labour and Child Labour in Supply Chains Act” (hereafter called the “Act”), please find enclosed our report for the year ended December 31, 2023 on the steps the entity has taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity.

Freemark Apparel Brands International Inc.

May 16, 2024

Montreal, Quebec, Canada

Introduction and Company Overview

Originally founded as a business in 2004, Freemark Apparel Brands International Inc. (hereafter called “FAB” or “the Company”) has established itself as a Canadian resource for the country's best retailers; having formed strategic partnerships with several leading, emerging, global brands. Scouring the globe in search of innovative design, strong supply chains and cutting-edge marketing - FAB is a storehouse of what's hot in fashion globally.

The Company is committed to servicing a strategic point of sale network that today encompasses the country's best independent boutiques, specialty chains, department stores and mass merchants. Through an alliance with top tier sales agencies located across Canada, FAB. offers excellence in customer service and industry expertise. FAB has become world class brand builders with expertise in not only Wholesale, but within Retail channels as well – Retail stores, Outlets, Ecommerce.

FAB. is dedicated to remaining innovative and fresh while staying focused on building world renowned brands for the North American market. The Company is committed to providing retailers with on-going advertising and marketing support, in addition to building awareness of its brands through consistent PR and advertising efforts - season after season.

FAB takes human rights very seriously and supports the protection of such rights throughout its supply chain. Any breach of such rights is viewed by our Company as unacceptable. We foster a culture where we work collaboratively with our suppliers and various partners and are committed to put this important matter at the forefront.

Structure, Activities and Supply Chains

The Company was incorporated under the Canada Business Corporations Act in 2020, and is held exclusively by Canadian citizens, directly or indirectly. We sell family apparel under the brands “Bench” and “FUBU” on a wholesale basis to retailers in Canada and the US, and direct to consumers in both those countries through our own website, and through the websites of retail partners.

Though we source a small quantity of products from Canada, most of our products are imported from Cambodia, the UK, China, Bangladesh, Pakistan and Vietnam.

Areas of Risk

In managing the risks of forced labour and child labour being used in our supply chain, we take into account physical proximity, and familiarity.

Work done nearby, whether it is elsewhere in Canada, or in our own photo studio, affords us visibility that strongly mitigates against such risks.

Work done or contracted for in the UK is further removed. However, our exclusive collaborator in the UK is a fellow brand owner with whom we have dealt for 7 years. Familiarity, and goal congruence strongly mitigate against the risks of forced labour and child labour. Moreover, a cursory understanding of the UK legal environment, and its proximity to Europe, provide additional comfort.

Work done in Asia, due to a lack of proximity and familiarity, provide the most risk for us. We employ on-the-ground agents to monitor compliance with a host of requirements, including our forced labour and child labour policies.

Policies and Procedure

a) Our Forced Labour and Child Labour Policies

I) Forced Labour

1. All employees shall work on a voluntary basis and not be subject to any physical, mental, or sexual exploitation, such as forced, bonded and indentured labor.
2. Employees shall not be subject to any forms of coercion, fraud, deception, or giving up control of their person to another for the purpose of such exploitation.
3. Employees shall not be mandated to work overtime hours or complete production quotas that result in a violation of legal working-hour requirements.
4. Employees shall maintain possession or have control of personal identity and travel documents.
5. Employees' freedom of movement shall not be restricted; nor shall employees be prevented from terminating employment.
6. Wages shall not be withheld except as mandated by law.
7. The Company and members of our supply chain shall only use employment agencies that are permitted by law to operate and shall ensure that recruitment of employees, whether directly or indirectly, is in compliance with applicable laws and regulations.
8. Employees shall not pay any fees or related costs incurred for the purpose of being hired or as a condition of employment. No such fees shall be deducted and withheld from wages or otherwise passed on to the employees.
9. The use of prison or convict labor is prohibited. This includes individuals on work-release or in rehabilitation programs in connection with sentencing.

II) Child Labour

1. All Employees shall be of at least legal age established by local law.

2. If the local law does not set a minimum age, Employees must be at least fourteen (14) years old.
3. Official and verifiable documentation of each Employee's date of birth, or a legally recognizable means of confirming each Employee's age, shall be maintained.
4. Employees under the age of eighteen (18) shall not
 - a) perform work at dangerous heights or in confined spaces;
 - b) work with hazardous substances, dangerous machinery, equipment and/or tools;
 - c) perform work that involves the manual handling or transport of heavy loads;
 - d) perform night work or other comparable activity.

B) Due Diligence Processes

During the reference year, for high-risk regions manufacturing contracts were monitored by our team of on-site agents. Their audit programs include, in addition to other quality control measures, compliance with our forced labour and child labour policies. These programs provide guidance on:

- audit scope and duration
- sample sizes
- qualitative and quantitative grading methodology
- follow up and remediation

During the reference year, one of our major customers updated their code of conduct, which includes provisions concerning forced labour and child labour. We reviewed the updated documentation supplied to us, and ensured that we remain in compliance.

During the reference year, we continued to monitor public and industry sources of information for problem regions, legal developments, and international stories that intersect with our forced labour and child labour policies.

Remedial Measures Taken

During the year, routine testing of one of our products indicated that a reportedly small quantity of cotton used in production appeared to come from Northern China, contrary to our agreed production specifications. Our policy against this source of fabric stems from reports that the Uyghur minority in the Xinjiang region is subject to forced labour (among other abuses).

The supplier in question, who has an otherwise good record and a good working relationship with the Company, agreed to make full restitution to us and our customer, and gave us satisfactory assurances that the problem would not recur.

No other incidents came to light, and therefore no other remediation actions were required.

Training Program

As part of on-the-job training, we make sure employees responsible for the supply chain are aware of industry standards and our policies on forced labour and child labour.

Effectiveness and Assessment

Our Supply Chain Director is responsible for monitoring the effectiveness of our procedures in maintaining our policies on forced labour and child labour.

APPROVAL AND ATTESTATION

In accordance with the requirements of the Act, and in particular section 11 thereof, we the undersigned attest that:

- as the board of directors, we have the authority to bind Freemark Apparel Brands International Inc., and
- we have reviewed the information contained in the report for the Company. Based on our knowledge, and having exercised reasonable diligence, we 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.

Victor Levis, CPA

Chief Executive Officer, and member of the board of directors

May 16, 2024



Michael Routtenberg, LLB

Co-President, and member of the board of directors

May 16, 2024


