



It is with great pride and a deep sense of responsibility that we present this report detailing our commitment and efforts to prevent forced labor within our supply chain. At Lids Canada Inc we recognize the gravity of the global challenge posed by forced labor and its impact on human rights. Our commitment to ethical business practices extends beyond mere compliance—it is a cornerstone of our identity.

In this report, we will share the comprehensive measures we have implemented to identify, assess, and mitigate the risk of forced labor in our supply chain. By embracing transparency, accountability, and collaboration, we aim to set a standard for responsible business conduct that goes beyond mere compliance with regulations. Our journey towards eradicating forced labor is not just a corporate obligation but a moral imperative that we embrace wholeheartedly.

As you delve into the pages of this report, we invite you to join us on this journey of continuous improvement and ethical leadership. Together, we can create a supply chain ecosystem that stands as a beacon of fairness, dignity, and respect for all. Thank you for your interest in our commitment to preventing forced labor, and we look forward to your engagement and support in this critical endeavor.

Scope of Report

Lids Canada Inc is making this submission as a single report: 715645313RT0001.

Our business is the premier source in Canada for the biggest sports fans to shop officially licensed sports apparel, merchandise, and everything in between. We offer sports fans a vast selection of merchandise from jerseys and shirts to hats and accessories representing their favourite teams and leagues across the NFL, MLB, NBA, NHL and NCAA.

Our Vision:

The destination for fans and athletes to show their pride and passion in sport and style.

Our Mission:

Deliver a positive experience for our customers by offering great products and quality service with pride, passion, and fun.

Our Core Values:

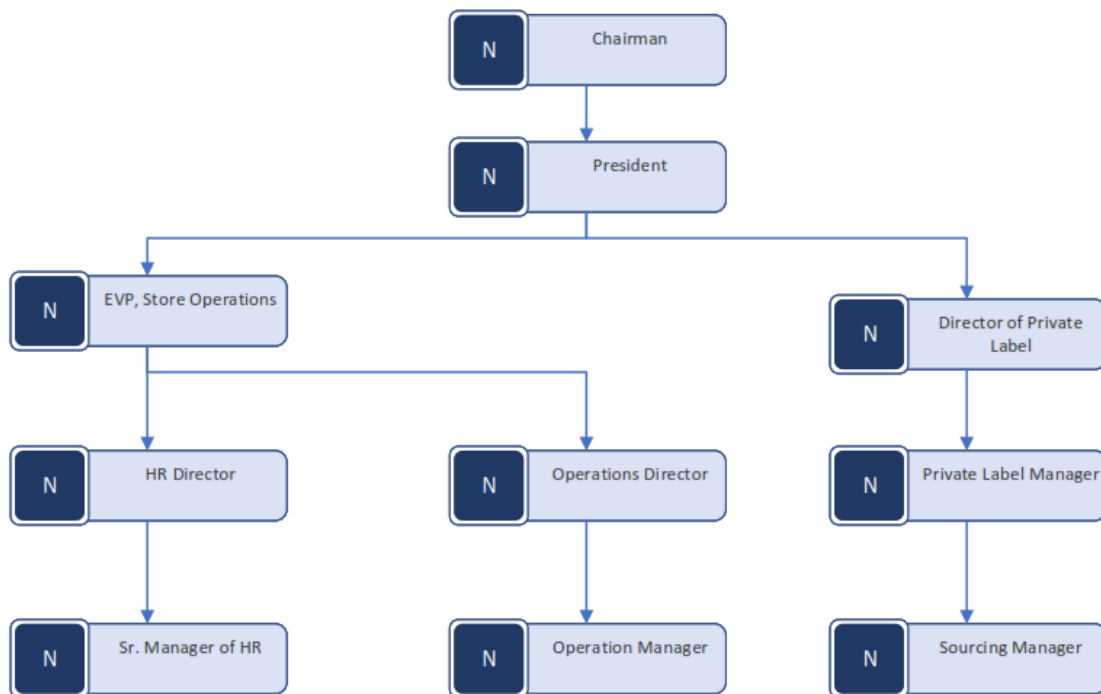
Our Core Values are those we were most passionate about! In an ever-changing world, they remain constant. They are not descriptions of the work we do or strategies we employ to accomplish our mission. Instead they underlie our work, how we interact with each other, and what strategies we use to fulfill our mission.





Structure

LIDS Sports Group, operating within Lids Holdings, Inc., is a leading North American omni-channel sports licensed retailer comprised of the LIDS retail headwear stores and the Locker Room by LIDS specialty fan retail chain. Operating out of Indianapolis, the retail businesses make up more than 1,100 mall-based, airport, street level and factory outlet locations nationwide, and in Canada and Puerto Rico. There are a total of 8,240 employees: 1,013 represent Canada and 7,227 represent outside of Canada.





Supply Chain and Due Diligence

At the core of Lids Canadas' manufacturing sustainability strategy lies our commitment to upholding human rights and protecting the environment. We strive to ensure that the people who make our products are treated with dignity and respect.

A factor of our Sustainability commitment, we conduct labour risk assessments for any potential supplier that performs manufacturing of apparel, headwear, or other products. Once validated, Private Label Suppliers undergo periodic assessments against the Code of Conduct.

The assessments are managed by both Lids' sourcing team as well as independent third-party contracted and trained by our sourcing team.

Private Label Suppliers are required to sign an Annual Compliance Commitment Certification, certifying compliance with the Workplace Code of Conduct, maintain records that are sufficiently detailed to substantiate compliance with applicable anti-slavery and human trafficking laws.

The assessments conducted for the Private Label Supplier are expected to provide all documentation demonstrating their compliance with our Code of Conduct. The information allows our sourcing teams as well as our third-party partner to monitor those details as well as conduct interviews with the respective personnel as it relates to Forced Labour or Child Labour.

If the sourcing team or third-party identify Lids' Code of Conduct or local law violations, we require the supplier to identify the root cause of the violations and implement a Corrective Action Plan (CAP). The CAP is to outline a short-term action plan, which will include preventative measures to ensure compliance in the long term.

The intent to this approach is to ensure:

- Immediate actions to remove risks to any worker's well-being in the short term.
- Create preventive actions to avoid the re-occurrence of the like issue in future.

Additionally, the monitoring conducted for the Private Label Supplier results in a scorecard maintained by Lids and the third party with recommendations for improvements. If a less than fair scorecard is issued an additional audit will be assessed within a short time frame to determine if any improvements have been implemented.



In the event the supplier cannot demonstrate satisfactory resolution, or the Private Label Supplier refuses the monitoring audit, Lids reserves the right to act, which could result in termination of the business relationship. We do promote a partnership with our suppliers, allowing our third party to assist in providing additional outlines or guides in the monitoring process which would include but not limit:

- The Rights of Freedom of Association and Collective Bargaining
- No Discrimination
- Occupational Health and Safety
- No Child or Bonded Labour
- Ethical Business Behaviour

Tracing and maintaining visibility to our supply chain and providing transparency to how we are addressing potential upstream risks, responsible business practices while ensuring that workers who manufacture Lids' products are treated fairly and respectfully.

Over the past many years, we have channeled resources into assessing and mitigating the potential labor and human rights risk in our cotton supply chain at Lids. Since cotton is the majority commodity in our Lids Brands products, our Product Traceability work is focused on mitigating risk in cotton procurement. As part of this, we are a supporter of the Responsible Sourcing Network (RSN) Yarn Ethically and Sustainably Sourced (YESS). RSN's YESS program helps yarn spinners and textile mills build risk identification and mitigation systems for forced labor in the cotton supply chain.

We have not identified any evidence amongst our Private Label Suppliers of the risk associated to Forced Labour or Child Labour. We will continue to maintain the current measures with expansion of policies if deemed necessary.

Lids has implemented many procedures to monitor potential risk areas within our business and supply chain as part of our ongoing business practices. Our supplier program conducts a thorough risk assessment in advance of onboarding new Private Label Suppliers involved in the production of apparel, headwear, or other products on behalf of Lids.

Lids is committed to supporting the objectives of the Acts and sets high standards in acting ethically and with integrity in its business and commercial relationships.



Lid's employees, partners including Private Label Suppliers are obligated to comply with Lids' Code of Conduct. Ethical sourcing stands as a cornerstone of our operations. Recognizing the significance of responsible practices within the fashion industry, we have meticulously developed our own Code of Conduct, applicable to all licensed and unlicensed products. This code outlines stringent guidelines and standards aimed at ensuring the fair treatment of workers. Key details to the Code of Conduct include but are not limited to:

- Employment Relationship:
 - Employers shall adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labour and social laws and regulations.
- Forced Labour:
 - There shall be no use of forced labour, including prison labour, indentured labour, bonded labour or other forms of forced labour.
- Child Labour:
 - No person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher.

Certain Lids subsidiaries are affiliated with the Fair Labor Association ("FLA") who also monitors Workplace Code of Conduct, as set of global factory working condition standards developed by the International Labor Organization ("ILO").

On an annual basis, the FLA conducts a comprehensive, programmatic evaluation, including an evaluation of Lids' supplier monitoring program, and provides feedback to Lids on areas for improvement. Lids strives to incorporate the FLA's feedback into our sustainability team's work.

The sustainability team is trained on human trafficking and slavery laws and related matters. In addition, selected associates and management directly involved in the Lids supply chain and procurement functions receive training on the Workplace Code of Conduct, which includes a review of the forced labor code element and benchmarks, the characteristics of forced labor and human trafficking, and actions to take in response to a suspicion of the presence of forced labor at a Private Label Supplier facility. Lids conducts training on an annual basis.

Lids conducts training on our Workplace Code of Conduct during the Private Label Supplier onboarding process as well as annually in conjunction with our auditing process. The sustainability team deploys additional training to third-party agents and other partners along our supply chain as needed.

All Lids employees are expected to conduct business in a legal and ethical manner. In addition, employees and management who support Lids' supply chain and procurement functions are expected to follow procedures regarding notification of suspected slavery and human trafficking. Failure to comply with these requirements may result in disciplinary action.



The sustainability team provides Lids' employees and supplier partners with a grievance channel email address for reporting of any violations of Lids' Workplace Code of Conduct, including any instances of forced labor. Any reports submitted via this grievance channel are received and appropriately addressed directly by the sustainability team.

At Lids Canada Inc., we remain steadfast in our commitment to ethical sourcing and supply chain integrity. Through rigorous monitoring, supplier engagement and continuous improvement initiatives, we have implemented robust measures to prevent the scourge of forced labour from infiltrating our supply chain.

As detailed in this report, our efforts encompass comprehensive supplier vetting processes, ongoing audits, and partnerships with credible third-party organizations to ensure compliance with internationally recognized labor standards. Furthermore, we recognize the importance of transparency and accountability, which is why we are dedicated to openly sharing our progress and challenges.

At the heart of Lids' manufacturing sustainability strategy is our respect for human rights and the environment. We strive to ensure that the people who make our products are treated with dignity and respect, and that we foster the health and well-being of our planet. We are taking marked steps to mitigate and prevent negative impacts on both.

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 of the entity or entities listed above. Based on my knowledge, 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 report year listed above.

Greg Cox

SVP, Finance

5/20/2024

A handwritten signature in black ink, appearing to read "Greg D. Cox", is written over the typed name.

"I have the authority to bind Lids Canada Inc."