



2023 NEW BALANCE HUMAN TRAFFICKING AND MODERN SLAVERY STATEMENT

The New Balance Human Trafficking and Modern Slavery Statement is issued in response to the reporting requirements of the California Transparency in Supply Chains Act of 2010 (SB 657), the United Kingdom (UK) Modern Slavery Act of 2015, the Australia Modern Slavery Act of 2018 and the Canada Supply Chains Act. In addition, New Balance intends for this statement to help inform consumers, suppliers and other stakeholders of the Company's efforts to identify and manage risks, as well as remedy any reported incidents of human trafficking, modern slavery and child labor in our global supply chain. This statement was developed in consultation with relevant entities we own and control and covers the policies, programs and activities for New Balance Athletics, Inc. and its affiliates implemented during the year ending December 31, 2023. To access previous annual statements, please see the [archive](#) on our website.

For more information on New Balance and our commitment to Responsible Leadership, including our social and environmental programs and performance, please click [here](#).

NEW BALANCE BUSINESS AND SUPPLY CHAIN

New Balance Athletics, Inc., including its affiliates (New Balance), is a privately-owned athletic footwear, apparel and sporting goods company headquartered in Boston, MA with over 10,000 associates globally. Associated brands under New Balance include NB Team Sports, Warrior and Brine. New Balance sells products to consumers through owned and licensed retail stores and e-commerce, as well as through global wholesale markets, distributors and licensees.¹

In 2023, New Balance sourced products from 162 Tier One contract manufacturers located in 28 countries. New Balance publishes twice annually the names and addresses of [Tier One suppliers](#) organized by country and product type with details on supplier group name, number of workers, percent of workers who are female, number of foreign migrant workers and whether the supplier has a collective bargaining agreement. In addition to working with contract manufacturers, in 2023 New Balance owned and operated six manufacturing facilities in the United States, one facility in the United Kingdom and one in Mexico². To increase our supply chain transparency, we also publish the lists of our [Tier Two strategic material suppliers and subcontractors](#), and the [suppliers of our global licensees](#).

¹ For the purposes of this disclosure, New Balance conducts business in California, Australia, Canada and the UK and brings in annual "gross receipts" worldwide that exceed \$100 million US, \$100 million AUS, \$40 million CAN and annual turnover of more than £36 million.

² Including factories manufacturing New Balance, Warrior and Brine products.



RESPONSIBLE LEADERSHIP: POLICIES AND GOVERNANCE

STANDARDS

New Balance is committed to doing business with manufacturers and suppliers that share our commitment to uphold fundamental human rights and abide by the standards in our [Supplier Code of Conduct](#) (Code). The Code is available in 42 languages and is based on the Universal Declaration of Human Rights and the International Labor Organization (ILO's) Core Conventions. The Code incorporates strict requirements related to child labor, human trafficking and slavery, including but not limited to:

- Working conditions, including hours worked and freedom of movement;
- Workplace health and safety;
- Prohibition of child labor;
- Prohibition of forced labor, including prison labor, indentured labor or debt-bonded labor; and
- Maintaining a workplace free of discrimination and harassment.

New Balance also publishes a [Supplier Standards Manual](#), which provides suppliers and stakeholders with detailed guidance on how to implement each element of the Code. The latest version of the Manual was published in 2023 and covers key requirements designed to protect against human trafficking, including voluntary employment, freedom of movement and elimination of recruitment fees. New Balance considers forced labor and child labor violations zero-tolerance issues, which require immediate and thorough remediation to start or continue doing business with the Company. Recruitment fees are also a zero-tolerance issue for New Balance and workers in our supply chain may not pay any fees, expenses or deposits in exchange for employment. Our Supplier Standards Manual provides suppliers with additional clarity on our requirements to protect against child labor and forced labor, including procedures to remediate the loss of income that may result from any measures taken to eliminate the use of forced labor or child labor in our supply chain.

New Balance suppliers are also required to comply with and declare that the raw materials, components and finished products supplied to New Balance comply with the [New Balance Restricted Substances Manual](#), which includes regional sourcing and material restrictions linked to forced labor and other risks. We have also been a member of the Customs Trade Partnership Against Terrorism (CTPAT) program since 2006, which requires that we maintain the integrity of our supply chain and have a documented social compliance program to ensure our products are not manufactured with forced, imprisoned, indentured or child labor.

Additionally, New Balance pledges to uphold the highest standards in the Company's owned manufacturing facilities and for New Balance associates globally. The



Company's commitment to employee health, safety and development, as well as ethical recruitment and hiring, is reflected in the Company's policies and practices and in accordance with national and international law. As stated in our [Code of Business Ethics and Conduct](#), all New Balance associates have a responsibility to uphold and promote compliance with the New Balance Supplier Code of Conduct.

GOVERNANCE

Our Risk Committee is comprised of senior leaders from across the Company, including the President and Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO), Chief Human Resources Officer (CHRO), General Counsel and Senior Director of Global Risk Management. The Committee oversees New Balance environmental, social and governance (ESG) activities, including strategy, policies, practices and programs that the Company implements to address the risks of human trafficking and slavery in the Company's supply chain. The Vice President of Responsible Leadership reports to the General Counsel and meets with the Committee at least twice per year. The Vice President of Responsible Leadership, while independent from product development and sourcing, is also a member of the Company's Value Chain Leadership Team (VCLT), a cross-functional group of executives with responsibility across the supply chain. VCLT meetings regularly review New Balance environmental, health and safety, and labor practices in owned and contract manufacturers.

INDUSTRY COLLABORATIONS

We continue to work with other brands and external stakeholders and participate in industry initiatives to identify and tackle forced labor risks in the supply chain. New Balance is an accredited member of the Fair Labor Association (FLA) and our most recent Reaccreditation Report can be found [here](#). New Balance is also a signatory to the [AAFA/FLA Apparel and Footwear Industry Commitment to Responsible Recruitment](#). The commitment reinforces our work with suppliers that employ migrant workers to create conditions so that:

- No workers pay for their job;
- Workers receive a timely refund of fees and costs paid to obtain or maintain their job;
- Workers retain control of their travel documents and have full freedom of movement; and
- All workers are informed, in a language they understand, of the basic terms of their employment before leaving their country of origin.



RISK ASSESSMENT

New Balance conducts regular risk assessments of our supply chain, utilizing intelligence from a wide variety of sources, including reports from the U.S. government, the Social Responsibility Committee of the American Apparel & Footwear Association (AAFA), the Fair Labor Association, press reports, public reports from advocacy groups that focus on human rights violations and other private resources. Using data from the US Department of State (Trafficking in Persons Report) and US Department of Labor (List of Goods Produced by Child Labor or Forced Labor), as well as supplier information and industry non-governmental organization (NGO) reports, we identified the following regions in our Tier One and strategic Tier Two supply chain as highest risk for forced and/or child labor: Cambodia, China, India, Indonesia, Jordan, Mexico, Pakistan, Taiwan (ROC), Thailand, Turkey and Vietnam. We recognize that human trafficking and slavery risks are higher in footwear and apparel factories that employ migrant workers, and thus we developed an additional assessment tool to evaluate those factories. Moreover, we continue to map our supply chain further upstream to identify potential risks linked to raw materials sourcing. In 2023, we launched a traceability program to map our entire supply chain and began tracing the provenance of recycled polyester used in our top 10 footwear styles before expanding to all our products.

The Countering America's Adversaries through Sanctions Act (CAATSA), passed in 2017, declared that products manufactured wholly or in part by North Korean nationals, including outside of North Korea, are automatically deemed to have been made with forced labor and are, therefore, prohibited from entry into the United States. Our Supplier Standards Manual prohibits the manufacture of New Balance products in a facility employing North Korean labor.

New Balance continues to monitor the reports of forced labor in the Xinjiang Uyghur Autonomous Region (XUAR) of China in the apparel supply chain. New Balance does not have any manufacturers of finished products nor any nominated material suppliers in the XUAR, and as directed by U.S. regulation and advisories, our policies state that suppliers may not source or manufacture products for New Balance in the XUAR.

In addition to our on-site due diligence and monitoring, we scan all our suppliers monthly against relevant government, web and media sources for potential issues relating to forced labor, child labor and other violations, and work with our suppliers to ensure these are remediated.



SUPPLIER AUDITS: DUE DILIGENCE, MONITORING AND REMEDIATION

AUDITS

Suppliers seeking to do business with New Balance must sign a supply agreement that includes the obligation to abide by our appended Supplier Code of Conduct, Supplier Standards Manual and undergo a compliance inspection (audit) or independently verified self-assessment before production orders can be placed. Compliance audits are conducted by members of the NB Responsible Leadership team or qualified third-party auditors and consist in verification of supplier performance against the Code³. In addition to a physical site inspection, our audits include interviews with supplier management and confidential employee interviews. We aim to audit all our Tier One suppliers on an annual basis, with limited exceptions for low-risk suppliers. In 2023 the New Balance Responsible Leadership team audited about 80% of our Tier One suppliers.

The New Balance compliance monitoring program also includes auditing of strategic subcontractors to measure performance against zero tolerance issues, including forced labor and child labor. In 2023, we audited 76% of our Tier Two subcontractors.

If a supplier employs migrant labor, New Balance may conduct an additional assessment to evaluate potential forced labor risks and practices. Through our affiliation with the Fair Labor Association and the ILO/IFC Better Work Program, their organizations also conduct independent assessments of certain suppliers, which we review.

We track our supplier audit findings to identify trends and emergent risks and assess the effectiveness of our program. Our top 10 issue types for audits conducted in 2023 did not include child or forced labor.

REMEDIATION

In cases where noncompliance issues are found, suppliers must complete a Corrective Action Plan (CAP). For new suppliers, verification of corrective actions is required before orders can be placed. Existing suppliers must also implement a CAP and our team works with them to improve workplace practices. New Balance's preferred approach is to continue working with suppliers to improve and remedy conditions rather than to terminate the business relationship. By staying engaged, we seek to improve the lives of those impacted, as well as help to change industry practices. However, if compliance violations are serious or persistent, New Balance may terminate the business relationship.

³ In 2023, New Balance suppliers were assessed using the NB Sprint Audit tool or through the Converged Assessment Framework from SLCP.



In 2019, we set out to work with our strategic Tier Two suppliers to ensure they adhere to our commitment to responsible recruitment. As of 2023 our strategic Tier Two suppliers had adopted policies to ensure their workers do not pay recruitment fees. We continue to expand our work in this area, supporting suppliers and closely monitoring any reports or audit findings that identify potential forced labor issues and their remediation.

THIRD-PARTY GRIEVANCES

In addition to our supplier monitoring program, workers in our supply chain have access to confidential grievance mechanisms. In 2023 we had third-party operated worker hotlines in our strategic sourcing countries of China, Vietnam and Indonesia. In addition, any worker or third party can contact our corporate office directly through the New Balance email address listed on the Supplier Code of Conduct. Concerned parties can also reach out to our Responsible Leadership team during audits or other factory visits or use third-party grievance mechanisms, such as the Fair Labor Association's third-party complaint process.

In 2023, New Balance did not receive any third-party complaints through worker hotlines or grievance mechanisms involving allegations of forced labor or child labor.

TRAINING AND AWARENESS RAISING

The New Balance Responsible Leadership team is comprised of approximately 20 staff members located around the world who manage and implement the New Balance supplier compliance program. Team members regularly visit New Balance suppliers to audit factories, help suppliers to implement remediation plans and provide trainings to improve supplier self-management capabilities. In 2023, New Balance conducted regional supplier workshops in Cambodia, China, Indonesia, Vietnam and Thailand, as well as remote workshops for suppliers based in other regions, which covered additional training on zero tolerance issues, including forced labor. New Balance also continued a web-based ethical recruitment training initiative for factory workers at several suppliers. Over 900 factory workers participated in this training in 2023.

In 2023, a cohort of New Balance associates across the Company participated in sustainability training that included awareness raising on the most salient social and labor concerns in the apparel and footwear industry, including forced labor and modern slavery. Each year, the New Balance Responsible Leadership team conducts annual refresher training on the Global Responsible Leadership program for select New Balance associates working in sourcing, development, operations and/or human resource roles globally.



This statement was reviewed and approved by the Board of Directors of New Balance Athletic Shoes (UK) Limited, New Balance Australia Pty. Ltd., New Balance Canada, Inc. on May 10, 2024.

A handwritten signature in black ink, appearing to read 'Joe Preston'.

Joe Preston
President & CEO, New Balance Athletics, Inc.
Director, New Balance Athletic Shoes (UK) Limited
May 10, 2024

A handwritten signature in black ink, appearing to read 'Darren Tucker'.

Darren Tucker
Vice President, Asia & Pacific
Director, New Balance Australia Pty. Ltd.
May 10, 2024

A handwritten signature in black ink, appearing to read 'Paul Gauron'.

Paul Gauron
Vice President, New Balance Canada, Inc.
May 10, 2024