

Fountain Tire Ltd. – Bill S-211 Report for 2024

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.

Introduction

This report is designed to facilitate compliance with the reporting obligations outlined in Bill S-211, also known as the Fighting Against Forced Labour and Child Labour in Supply Chains Act. The purpose of this act is to address the issue of forced labor and child labor in supply chains and to promote ethical sourcing practices among businesses operating in Canada. This is Fountain Tire's report on its efforts against using suppliers who participate in such practices.

Reporting Period

Fiscal Reporting Year 2024, Submitted June 7, 2025

Reporting Entity

Fountain Tire Supply is the entity responsible for supplying the majority (~85%) of the tire product that the Fountain Tire Limited group of companies sell and meets the definition of "entity" of which is required to submit a report.

It should be known that Fountain Tire Limited represents a group of companies (via partnerships), however, none of the individual partnerships meet the requirements of "entity" as indicated in Part 2, Section 9 of Bill S-211, therefore has no obligation to report individually.

Reporting Contact

Michael Fritz, Director Product and Pricing

Overview of Activities

In our inaugural reporting year, Fountain Tire Supply initiated a comprehensive review of our vendors, marking our first concerted effort in this area. Going forward, as we adopt new vendors, this has now become a key part of our vendor selection process. Our approach involves gaining insight into the production locations of our key suppliers and documenting their published statements regarding forced labor or child labor policies. Below is a matrix detailing our key tire suppliers, their production locations, and links to their published policies.

Vendor	ESG Statements or Positions	ESG Rating	Source	H.O. Location(s)	Factory Location(s)	Anti-Slavery Statement
Goodyear	https://corporate.goodyear.com/us/en/responsibility/esg.html	R1	Manufacturer	USA		Page 2: https://corporate.goodyear.com/content/dam/goodyear-reports/documents/responsibility/esg-reports/Goodyear%20RR_2022_data%20table_Sustainable%20Reporting.pdf BKT Sustainability Report.
BKT	https://www.bkt-tires.com/us/us/sustainability	G4	Manufacturer	India		Carlstar Global Human Rights Policy: https://www.carlstargroup.com/wp-content/uploads/2023/08/CSGO-IRR-645-Global-Human-Rights-Policy-Final-07.31.2023.pdf
Carlstar	https://www.carlstargroup.com/wp-content/uploads/2023/08/CSGO-IRR-645-Global-Human-Rights-Policy-Final-07.31.2023.pdf	G3	Manufacturer	USA		Continental Report - Page 29: https://cdn.continental.com/fileadmin/imported/sites/corporate/lineational/transparency/reports/AD_2023Sustainability%20Report%20EN_2023encontcontinental-sustainability-report-2022.pdf?file=1%2F6fwa%20a%20MQR%20C%20E%20Y%20T%20LMA%20a%20CXQX%20Y%20TYNISM%20MT%20S%20d%20UMYS%20M%20M%20w%20U%20A
Continental	https://www.continental.com/en/sustainability/	BB	Manufacturer	Germany	USA, European Union (Many); USA, Mexico, Brazil, Equador, R. South Africa, Malaysia, India, China, Thailand. This is only for Tires, and not automotive parts.	Human Rights The Company recognizes that governments have the primary responsibility to protect and protect human rights. The Company will work with governments and agencies to support and respect human rights within our sphere of influence. The Company will not tolerate human rights abuses and will not engage or be complicit in any activity that solicits or encourages human rights abuse. The Company will always strive to build trust, deliver mutual advantage and demonstrate respect for human dignity and rights in all relationships it enters into, including respect for cultures, customs and values of individuals and groups.
Dynatic Tire Inc	d/Waste Management: (I)We are compliant with the recycling and waste management (RTS, Quebec Recycling, etc.) (II)We've witnessed a 40% reduction in our product going to landfill. Our achievement target is currently set at 80%. (III)agreed recycling programs for materials like paper, plastics, and packaging materials. e/Energy Efficiency: (I)We have switched over our equipment to be 100% factory powered electric (forklifts, tire machines, etc.) (II)implemented energy saving measures within our warehouse, such as installing LED lighting, optimizing heating, ventilation, and air conditioning (HVAC) systems, and upgrading to energy-efficient equipment. e/Employee Awareness and Engagement: (I)We are continuously educating our employees about ESG principles and encouraging their active participation in sustainability efforts. We are fostering a culture of sustainability within our organization by hosting training sessions, promoting eco-friendly practices, and involving employees in decision-making related to sustainability initiatives. (II)Prioritizing fair labor practices by ensuring safe working conditions, providing competitive wages, offering employee benefits, and promoting diversity, inclusion, and equal opportunities within our workforce. (III)Promoting employee health and well-being through wellness programs, training, and development opportunities, and fostering a positive work culture.	51	Wholesaler	Canada	All over	
Kumho	c/Community Engagement: (I)We are actively engaging with local communities through initiatives such as educational programs, partnerships, and supporting local development projects to foster positive relationships and contributing to the community well-being. VENDORS: (I)We strive to ensure our vendors are implementing and practicing the following: e/Sustainable Materials: We discuss regularly with our vendors, the importance of the use of sustainable and eco-friendly materials in their manufacturing processes. This can include utilizing renewable resources, reducing the use of non-recyclable materials, or incorporating recycled materials in tire production. (II)Energy Efficiency: Implementing energy efficient practices and technologies, such as optimizing production processes, using energy efficient machinery, and adopting renewable energy sources, can help reduce the carbon footprint of tire factories. (III)Waste Management: The factories have implemented waste management systems to minimize waste generation, promote recycling and reuse of materials, and ensure proper disposal of hazardous substances. <i>Minds to Note: Rejection: Involvement with other external parties to ensure such as best labor conditions, material disclosure</i>	G4	Manufacturer	South Korea		Kumho Modern Slavery Statement: https://modernslaveryreport.gov.au/statements/files/634/bk8c5f10-456c-81c2-d610797853/ Sailun Modern Slavery Statement: https://en.sailungroup.com/files/Sailun%20Group%20Modern%20Slavery%20Position%20Statement.pdf https://en.sailungroup.com/portals/responsibility/index Titan Human Rights Policy: https://t22.q4cdn.com/694576905/files/doc_downloads/gowdors/2023/04/Titan-Human-Rights-Policy.pdf Toyo Human Rights Statement: https://www.toyotires-global.com/css/pdf/human_rights_en.pdf Yokohama Human Rights Document: https://www.y-yokohama.com/global/sustainability/information/backnumber_report/1/2023/wesr.pdf?ecspie_en.pdf Groupe Touchette Human Rights Statement: https://www.gtouchette.com/wp-content/uploads/2024/11/GT_Report_-_2023_ENG.pdf Section 4
Sailun Tire	https://ep.sailungroup.com/portals/responsibility/index	51	Manufacturer	China		
Titan	https://tir.titan-intl.com/CSG/default.aspx	45	Manufacturer	USA		
Toyo	https://www.toyotires-global.com/css/esg/	G9	Manufacturer	Japan		
Yokohama (Alliance, Primes, Galaxy, Treilleborg, Mitas, Goodyear)	https://www.y-yokohama.com/global/sustainability/information/backnumber_report/	82	Manufacturer	Japan		
DT Tire & NTD Canada (Groupe Touchette)	https://www.gtouchette.com/wp-content/uploads/2024/11/GT_Report_-_2023_ENG.pdf	?	Wholesaler	Canada		

The necessary data has been gathered through surveys and direct requests to vendors for relevant documentation. Fountain Tire has established criteria for evaluating new suppliers, ensuring alignment with our values and commitment to addressing child labor and forced labor practices. We take pride in our proactive stance, having historically partnered only with suppliers that uphold their own stringent codes of conduct, which prohibit such practices. As a result, we have not yet needed to compel any remedial actions from our existing suppliers.

Compliance with Reporting Obligations

1. *Disclosure of Due Diligence Measures:*

Fountain Tire evaluates all new suppliers to ascertain their policies regarding forced labor and child labor before finalizing any purchasing agreements for tires. Suppliers unable to provide a public policy or found to engage in such practices will not be considered. A periodic survey will be administered to our

supplier portfolio to ensure ongoing awareness of any new production facilities or updates to their supply chain policies.

2. Risk Assessment:

To mitigate risks, Fountain Tire Supply originally conducted surveys with suppliers to identify the primary production locations of their products. This information was overlaid with regions at elevated risk for forced labor, ensuring alignment with the companies' stated policies covering all tire-producing regions. Suppliers manufacturing from high-risk regions or those who use at-risk input materials are requested to submit their supply chain mappings to understand if their supply chain participates in forced or child labour practices.

3. Remediation Efforts:

Fountain Tire is fortunate to have no association with suppliers known to engage in child labor or forced labor practices.

4. Training and Capacity Building:

Due to the low-risk of its' purchasing habits, Fountain Tire Supply does not need to employ training programs or capacity-building initiatives aimed at educating employees, suppliers, and stakeholders on ethical sourcing practices and labor rights. Fountain Tire Supply will continue to assess the risk and employ such training when/if there becomes a need.

5. Collaboration and Engagement:

Fountain Tire Supply does not presently participate in any partnerships, collaborations, or industry initiatives aimed at addressing forced labor and child labor in the supply chain. We will continue to monitor our risk associated with these issues and will review on an annual basis to determine if we should engage in such groups in the future.

Challenges and Lessons Learned

Fountain Tire Supply has not encountered challenges related to poor labor practices with any suppliers.

Future Actions

Fountain Tire Supply commits to continually assessing vendor performance against regional and global labor standards, with regular reviews of the current supplier base and the inclusion of new suppliers. This ensures adherence to high sourcing standards worldwide.

Conclusion

Fountain Tire's longstanding commitment to sourcing from reputable suppliers has facilitated a seamless reporting process. We remain confident in our ongoing efforts to understand our vendors' manufacturing policies to refrain from supporting these inhumane practices.

Approval and Attestation

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.

Jason G. Herle, CEO Fountain Tire Ltd.

June 5, 2025

