

Report pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

1. Introduction

This document is the annual report (the “**Report**”) required under section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) and is submitted on behalf of the entities described below, each of which is a member of the Unimax Ltd. group of companies (collectively, the “**Unimax Group**” or “**we**”):

- Unimax Ltd.;
- Distribution Stox Inc.; and
- North Country Tire Distributors Ltd.

(each a “**Reporting Entity**” and collectively the “**Reporting Entities**”) for their respective fiscal years ending December 31, 2023.

Forced labour and child labour are contrary to our purpose, vision and values. We do not tolerate forced labour or child labour within our organization or those of our suppliers and subcontractors. We hold ourselves to the highest standards and expect employees, contractors and management of each Reporting Entity and its subsidiaries to act with integrity and comply with applicable laws and regulations at all times.

We are honest and trustworthy. We work as a team and promote respect and openness. To be recognized as a national leader in tire and mechanical services, we believe it is important that our supply chains and suppliers share the same values.

This Report describes the policies and procedures we have implemented and the steps we have taken to reduce the risk of forced labour and child labour in our operations and supply chains. In the event of non-compliance with any of these policies or procedures, we are committed to taking prompt and appropriate action to remedy the situation.

2. Our corporate structure

Unimax Ltd. is incorporated under the *Canada Business Corporations Act*. It wholly owns Distribution Stox Inc., which is also incorporated under the *Canada Business Corporations Act*. Distribution Stox Inc. owns 51% of North Country Tire Distributors Ltd., a company incorporated under the *Business Corporations Act* of the Province of Alberta. The head office of the Unimax Group is located in Boucherville, Quebec, Canada.

3. Our activities

The Unimax Group is a leader in tire distribution in Canada, serving a network of independent tire and mechanical shops across the country. We are a trusted partner to our customers and provide peace of mind through the distribution of recognized brands and competitive business solutions. The engagement and well-being of our employees is important to us. The Reporting Entities specialize in the distribution of passenger and light truck tires and, at the wholesale level, truck and commercial tires. Together, the Reporting Entities have 28 warehouses and employ over 550 people in Canada.

The Reporting Entities distribute over 48 recognized tire brands in Canada. A list of the tire brands distributed is available on the Reporting Entities' websites.

The Reporting Entities purchase tires only from recognized manufacturers with a global presence.

4. Our supply chains

In 2023, the sales of the top 10 tire manufacturers sourced by the Unimax Group represented 73% of our consolidated gross sales. The tires purchased from these suppliers came from many different countries.

Our supply chains are diverse and vary both operationally and geographically. We conducted a preliminary analysis of the potential risks in our supply chains for 2023.

The products of the top 10 tire manufacturers with which the Unimax Group does business come mainly from the following countries:

Japan	Poland	Cambodia
United States	Mexico	Czech Republic
Serbia	Finland	Ecuador
Malaysia	Germany	Portugal
China	Chile	Romania
France	Brazil	Slovakia
Hungary	Peru	South Africa
Italy	Costa Rica	South Korea
Canada	Vietnam	

5. Governance policies and due diligence processes

Unimax Ltd. adopted a Code of Ethics and Business Conduct on October 26, 2022. The Code sets out the obligations of officers or directors of the Reporting Entities

when they become aware of a violation of the laws in force in Canada. Potential or actual instances of forced labour or child labour are among the violations that officers and directors are required to report.

As part of the Code of Ethics and Business Conduct, employees are encouraged to speak with their supervisor, management, human resources or compliance personnel or make a report through our whistleblowing system if they encounter an instance of forced labour or child labour.

Under the Unimax Group whistleblowing policy, all employees, officers and directors of Reporting Entities are required to report any problematic situation involving the risk of forced labour or child labour in our supply chains. The policy sets out the whistleblowing process to be followed in such situations. It will be updated in 2024 to include specific provisions to combat forced labour and child labour, as well as an action plan.

Over the next year, the Unimax Group will create a committee to ensure that no child labour or forced labour is used in the operations and supply chains of the Unimax Group and its main suppliers.

The committee will analyze any alleged violations, risks or reports of child labour or forced labour. The committee will establish policies and procedures to prevent the use of forced labour and child labour and ensure that all relevant employees of the Unimax Group receive specific training. The committee will also prepare and oversee the annual report and submit it to the board of directors of each Reporting Entity for approval.

The Unimax Group will ensure that proper governance is in place and that policies and procedures are adopted to protect human rights in its operations. Finally, a code of conduct for the Group and its suppliers, a training program and a whistleblowing policy will be adopted and made available to employees in 2024.

The Unimax Group plans to engage external due diligence services when necessary to investigate a report of forced labour or child labour in its operations or supply chains.

As part of its operations, the Unimax Group occasionally uses employment agencies to recruit foreign workers who meet our hiring criteria, i.e., people over the age of 18. All employees recruited through these agencies are offered working conditions that comply with Canadian law. The Unimax Group confirms that the Reporting Entities only hire people in Canada who are 18 years of age or older.

6. Risks and steps taken to combat modern slavery

Many of the raw materials used in tire manufacturing can come from different regions of the world and are generally difficult to trace. The Unimax Group will take reasonable steps with its top 10 tire suppliers to determine, insofar as possible, where these raw materials come from.

Our procurement team will work closely with these top 10 suppliers to identify cases of forced labour or child labour wherever possible. We encourage our suppliers to adopt internal policies and procedures to identify and prevent the use of forced labour or child labour in their operations and among their suppliers, in order to reduce the risk of forced labour or child labour throughout our supply chains.

In addition, the Unimax Group is committed to being vigilant with other suppliers outside the tire manufacturing industry that may be using forced labour or child labour in their respective supply chains or those of their suppliers.

In 2024, the Unimax Group will amend its service and supply contracts to include clauses requiring suppliers to commit to complying with the Act, failing which their contracts will be terminated.

Some of the steps in the Unimax Group's action plan are still to be defined. Once adopted, the action plan will be reviewed annually to assess its effectiveness.

7. Measures taken to remediate any use of forced labour or child labour in 2023

The Reporting Entities did not identify any instances of the use of forced labour or child labour in their operations or supply chains in 2023, and therefore took no remediation measures during the year.

8. Measures taken to remediate the loss of income of the most vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour

As the Reporting Entities did not identify any cases of forced labour or child labour in 2023, no measures were taken to remediate the loss of income to the most vulnerable families resulting from any measure taken to eliminate the use of forced labour or child labour in our activities and supply chains.

9. Training provided to employees on forced labour and child labour

The Unimax Group's management team and purchasing managers understand the requirements of the Act. The Unimax Group is also committed to training its employees.

In 2024, the Unimax Group plans to implement a voluntary training course for its suppliers to raise awareness and help them understand, identify and assess risks related to the possible presence of forced labour and child labour in the tire manufacturing industry. The voluntary training course will be implemented by the purchasing team to target suppliers that are potentially more at risk due to the origin of their tires or the raw materials from which they are made. The training could be conducted by our Talent Management Department, our Purchasing Department or by employees involved in managing our supply chains.

The Unimax Group will establish and maintain a record of the training provided.

10. How we assess our effectiveness in ensuring that forced labour and child labour are not used in our activities and supply chains

Over the next few years, we will implement a due diligence process to ensure that new suppliers comply with the Act. We will also periodically review the information we have received from our suppliers in the past. This may take the form of a questionnaire to be completed to assess the risk of forced labour and child labour. The results of this due diligence process must be reported periodically to the committee referred to in section 5 above so that it can analyze the risks, take the necessary steps and decide whether or not to continue to do business with a supplier.

11. Our consultation and governance process

The parent company, Unimax Ltd., and the other Reporting Entities have reviewed their operations and supply chains in preparing this annual Report. Key departments of the Reporting Entities were consulted, including our Purchasing, Talent Management and Legal Departments, as well as our external legal advisors.

12. Approval

This annual Report was approved on April 11, 2024, by the board of directors of Unimax Ltd, the Reporting Entity that controls the other two Reporting Entities included in this annual Report.

13. Conclusion


Each Reporting Entity is committed to preventing and mitigating the risk of the use of forced labour or child labour at any stage of the sale or distribution of tires or other goods in Canada and in its supply chains. We will continue to periodically review our policies, procedures and practices to determine what improvements we can make to prevent and deter forced labour, child labour or other human rights violations.

14. 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 Reporting 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.

Dated this 6th day of May, 2024

Unimax Ltd.

By:  73432E5EB020455...
Jocelyn Bernard, Chairman of the Board of Directors
I have the authority to bind Unimax Ltd.