

Forced Labour and Child Labour in Supply Chains Report Financial Year 2025

1. ABOUT THIS REPORT

This report relates to the financial year ending June 30, 2025 (the “**Reference Period**”). It is published by Groupe Touchette Inc. (the “**Company**”) in compliance with Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”).

References in this report to “Groupe Touchette”, “Company”, “we”, “our” and similar terms are to Groupe Touchette Inc. and to those who work for it.

2. PREVENTING AND REDUCING RISKS OF FORCED LABOUR AND CHILD LABOUR

Groupe Touchette is committed to conducting its business in a manner that safeguards the health, safety, and human rights of its employees, customers, the public and other stakeholders, as well as the environment and the Company’s business integrity.

To follow through on our commitment, we have identified key actions to improve our practices on a continuous basis while ensuring that they are adapted to our reality.

As such, Groupe Touchette has taken the following steps during the Reference Period to prevent and reduce the risk of forced labour and child labour occurring in our activities and supply chains:

- We continued requiring that our supplier either sign our supplier code of conduct (the “**Supplier Code of Conduct**”) or demonstrate that they do not engage in the use of child labour or forced labour.
- We continued the implementation of the following policies and procedures : (i) our human rights and working conditions policy (the “**Human Rights Policy**”) to promote the protection of human rights and fair working conditions; (ii) our sustainable procurement policy (the “**Sustainable Procurement Policy**”) to foster responsible behaviour throughout our supply chain; (iii) our business ethics policy (the “**Business Ethics Policy**”) to encourage the highest standards of business ethics and compliance; and (iv) our standard operating procedure regarding ethical working conditions (the “**Standard Operating Procedure**”) to ensure a standardized and equitable hiring, professional development and compensation process.

Details of the above actions are set out in this report.

3. ABOUT US & OUR SUPPLY CHAIN

Groupe Touchette is a leading Canadian-owned tire distributor with more than 40 years of experience. The Company specializes in value-added tire distribution services to

manufacturers, dealers, and independent customers.

Headquartered in Montreal (Québec, Canada), Groupe Touchette operates more than 50 distribution centres, with over 1,500 employees, from St Johns, Nova Scotia, to Victoria, British Columbia. Our solid structure allows us to deliver our products efficiently throughout most Canadian largest cities.

3.1 Our Supply Chain

Groupe Touchette's end-to-end supply chain is comprised of suppliers based throughout the world that provide a wide range of products and services related to the development, manufacturing, marketing, and distribution of tires for most applications. Groupe Touchette strives to do business with reputable suppliers committed to our ethical standards and business practices. Groupe Touchette expects its suppliers to act in a manner compatible with standards that contribute to Groupe Touchette's outstanding reputation.

Our main suppliers, accounting for more than 70% of our purchases, are well established and reputed business partners with whom we have built a long-standing business relationship. Those suppliers are mainly located in North America, Europe and Japan, with supply chains extending across North America, South America, Europe, Africa and Asia. We also acknowledge that a very small portion of the products sourced by our suppliers may originate from higher-risk countries. Therefore, we maintain ongoing communication with our suppliers to ensure that human rights risks are managed appropriately.

Our main suppliers share our values and objectives in combating forced and child labour and, to further this collective effort, have put in place policies and procedures showing strong social engagement, including prohibition of human rights abuses and violations.

4. POLICIES AND DUE DILIGENCE PROCESSES

During the Reference Period, Groupe Touchette worked on implementing its policies. In the next financial year, we plan to review and consolidate our policies into a single code of ethics to facilitate compliance by all stakeholders.

4.1 Human Rights Policy

Our Human Rights Policy underscores our commitment to promoting respect for human rights and maintaining fair working conditions. This policy outlines Groupe Touchette's stance on important issues such as child labour, wages and benefits, working hours, modern slavery, ethical recruitment, freedom of association and collective bargaining, non-discrimination, women's rights, diversity, equity and inclusion, rights of minorities, the environment and forced evictions, as well as workers' rights. Among other things, Groupe Touchette's Human Rights Policy reiterates our commitment to strictly prohibit any use of child labour and to implement measures to prevent modern slavery within our operations and supply chain.

4.2 Sustainable Procurement Policy

Our Sustainable Procurement Policy applies to all Groupe Touchette employees involved in the procurement process, including department heads, procurement officers, and financial personnel, and covers all purchases made on behalf of the Company, whether for goods, services, or equipment. The policy addresses key issues including human rights, compensation and social protection, workplace safety, and the sourcing of raw materials. For instance, it stipulates that Groupe Touchette must ensure that its suppliers take measures to guarantee that all their employees are hired voluntarily and compensated fairly, which specifically includes the requirement that employment statuses, pay rates, pay slips, and employment contracts are duly documented by our suppliers.

4.3 Supplier Code of Conduct

Our Supplier Code of Conduct is communicated to our direct suppliers and applies to our entire supply chain including our suppliers, distributors, agents, consultants, entrepreneurs, sub-contractors, business partners and service providers. Our Supplier Code of Conduct explicitly requires suppliers to demonstrate that they do not engage in the use of child labour or forced labour, to have proper policies in place and to take adequate measures, including exercising due diligence, to prevent human rights risks in their operations and supply chains.

In addition to addressing key issues such as forced labour and child labour, working hours and compensation, freedom of association and collective bargaining, health and safety, women's rights, conflict minerals and ethical sourcing, our Supplier Code of Conduct will require suppliers to comply with all applicable local labour and employment laws and regulations in the jurisdictions where they operate, as well as international human rights principles. Also, it requires suppliers to implement a grievance mechanism by which all employees can report any workplace complaints or concerns.

During the Reference Period, all suppliers (Tier 1 and Tier 2) have either signed our Supplier Code of Conduct or, for those who declined, demonstrated that their own internal policies have commitments that are equivalent to those provided in our Supplier Code of Conduct.

4.4 Business Ethics Policy

Our Business Ethics Policy reaffirms our commitment to maintaining the highest standards of ethics and compliance in our business conduct, particularly with respect to anti-corruption and anti-money laundering, fair competition and anti-trust, and conflict of interest. The Business Ethics Policy stipulates, among other things, that our suppliers will be subject to regular inspections and audits. It also encourages our employees to report any violations of the policy and assures them protection against retaliation for such reporting.

4.5 Standard Operating Procedure

Groupe Touchette has adopted its Standard Operating Procedure to clearly document its recruitment and hiring process, as well as the measures to be taken to ensure fair treatment of both internal and external human resources. The Standard Operating Procedure outlines the distribution of responsibilities among the various representatives of Groupe Touchette during the recruitment and hiring process and addresses the process of evaluating employee compensation with the aim of ensuring fairness and objectivity in the compensation criteria.

4.6 Code of Ethics

Our Code of Ethics applies to all our employees, and we hold our customers and suppliers to the same ethical standards. Groupe Touchette's Code of Ethics details our approach to oversee and structure many corporate ethical aspects of our operations, such as ensuring the respect of labour laws, maintaining a healthy and safe work environment, preventing any form of violence, discrimination or harassment, and supporting whistleblowing.

In addition, our Code of Ethics has been updated after the end of the Reference Period to emphasize our zero-tolerance policy towards forced labour and child labour. The Code of Ethics, as amended, states that our employees must not tolerate the use of factories or production facilities where forced or child labour is used, or outsource the manufacture of products to direct or indirect suppliers who engage in such practices or use such facilities.

4.7 Employee Guide

Groupe Touchette favours a work environment where employees can feel free to share ideas, ask questions and share concerns. To that end, Groupe Touchette has implemented an Employee Guide that emphasizes the well-being of its staff, enabling them to thrive in the best possible environment. The Employee Guide provides our employees with a hotline allowing them to ask any questions and report any concerns, behaviour or incidents, to which our Governance service undertakes to respond within 24 hours.

5. RISK ASSESSMENT & REMEDIATION MEASURES

Many of our suppliers are substantive, well reputed companies with which Groupe Touchette has had regular and close dealings over a long period. Groupe Touchette has historically relied on long-term supplier relationships and ongoing communication to support responsible sourcing. We have been working towards implementing a more formal process for identifying and assessing forced labour and child labour risks in our activities and supply chains.

Following the end of the Reference Period, Groupe Touchette has set milestones to begin assessing the risks of forced labour and child labour within our operations and our supply chain. This includes the development of a questionnaire that will be sent to suppliers, as well as a risk analysis framework to identify higher-risk business partners.

While we acknowledge that potential forced labour or child labour risks exist in the supply

chain of certain products we use (e.g.: rubber, alloys, steel, etc.), we seek to work with long term suppliers who share our commitment to respecting human rights. However, we do not supervise or control our suppliers and despite our intention to take increased actions to ensure our entire supply chain is free of any forced labour or child labour, there may nonetheless remain a risk of human rights abuse on products we source from third parties where we may not have complete visibility.

Given that Groupe Touchette has not identified any instances of forced labour and child labour in its activities and supply chains, no measures were taken to remediate such instances or to remediate the loss of income to the most vulnerable families that may result from measures taken to eliminate the use of forced labour and child labour.

6. TRAINING AND CAPABILITY BUILDING

Groupe Touchette recognizes the importance of employee training as an essential component in preventing and reducing the risks of forced labour and child labour. Following the end of the Reference Period, we began planning the implementation of new training and awareness initiatives to ensure our employees understand and abide by our policies and procedures with respect to forced labour and child labour. Those initiatives will be rolled out in the financial year 2027 and they include:

- The implementation of our “Learning Management System”, which will both be used to onboard new employees and provide continuous learning for existing employees
- The implementation of annual reviews and training of our governance related policies

7. ASSESSING THE EFFECTIVENESS OF OUR APPROACH

Recognizing the inherent complexity in assessing the effectiveness of our actions to reduce the risk that forced labour or child labour is used in our supply chain, we acknowledge the importance of evaluating and disclosing our progress in mitigating human rights risks.

We have recently initiated the review of our policies and procedures to mitigate the risk of forced labour and child labour within our operations and supply chain, and we are committed to taking the necessary steps to assess their effectiveness in the near future.

8. APPROVAL AND ATTESTATION

This report was approved by the Board of Directors of Groupe Touchette Inc. on May 27, 2026 pursuant to subparagraph 11(4)(a) of the Act and constitutes Groupe Touchette’s report for the financial year ending June 30, 2025.

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 Groupe Touchette Inc. 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 indicated above.



I have the authority to bind Groupe Touchette Inc.

(s) Nicolas Touchette

Full name: Nicolas Touchette

Title: CEO

Date: May 27, 2026