



Fighting Against Forced Labour and Child Labour in Supply Chains Act

2023 REPORT

Maxxis International – Canada and the Fighting Against Forced Labour and Child Labour in Supply Chains Act

For decades, Maxxis International – Canada has been dedicated to providing tires riders and drivers can trust for quality and performance. Because responsible corporate citizenship is part of our mandate, we have always strived to operate ethically and honestly.

This is our first annual report pursuant to Canada's new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act"). As an importer and distributor of goods imported into Canada, this report covers steps we have taken in the previous financial year (ending December 31, 2023) to prevent and reduce the risk that forced labour or child labour is used by us or in our supply chains. There are no other legislations under which we report on this subject.

Maxxis International – Canada structure, activities, and supply chains

Maxxis International – Canada is incorporated under the laws of the Province of New Brunswick, and we have no subsidiaries. Certain corporate functions are carried out by Maxxis International – USA, our North American head office, which is located in Georgia, USA. Our global parent company, Maxxis International, is headquartered in Taiwan.

Maxxis International – Canada operates only the one facility located in Brampton, Ontario. This Canadian head office functions as our sales office, warehouse and distribution centre. We also operate an online e-commerce website. In 2023, our team comprised of 27 full and part-time employees.

Being primarily a tire distributor, the significant bulk of our customers are North American original equipment manufacturers (OEMs) in the automotive industry. Our online e-commerce website offers a modest selection of both tire and non-tire products.

Maxxis International – Canada does not manufacture any of the goods we warehouse or distribute. We purchase and import nearly all of our products from overseas manufacturing facilities (also known as our Tier 1 suppliers) under our Maxxis International global parent organization. Some of these factories have been producing the tire products we carry since our inception.

Tier 1 suppliers of our tire products receive raw and processed materials, such as carbon black, rubber, steel, etc., from suppliers deeper in the supply chain (Tier 2). Tier 2 suppliers and facilities in turn source their materials from Tier 3 suppliers, or directly from primary suppliers like farms or mines. In 2023, all of our tire products were produced from 3 Maxxis International overseas factories, each located in different countries.

Our non-tire products are nearly all purchased from the same Tier 1 suppliers, who in turn purchased the finished goods from their Tier 1 suppliers who manufactured the goods. Unlike our tire products, Maxxis International – Canada does not have any direct relationship with manufacturing facilities producing these non-tire products.

Maxxis International – Canada’s commitments, policies, and due diligence procedures

Maxxis International – Canada believes that maintaining the highest level of conduct, with fair and honest standards in all aspects of business, is the cornerstone of our success. As ambassadors for the Maxxis brand, we model ethical behaviour in all business dealings by living according to our values, summarized in T.I.R.E.S.

Teamwork – A coordinated effort by partners to achieve a goal

Integrity – A firm understanding of and commitment to an ethical code

Responsibility – A state of absolute accountability

Enthusiasm – An outward expression of passion for an idea

Service – A contribution of one for the benefit of others

Maxxis International – Canada’s Code of Conduct ensures we will conduct business with integrity and comply with all applicable laws in a manner that excludes consideration of personal advantage or gain. Forced labour and child labour would therefore not be condoned in our own operations, or those of our suppliers.

The commitment to integrity and ethics at our parent company and Tier 1 suppliers within Maxxis International includes the sourcing, producing, and distribution of tires. Maxxis

International requires their suppliers to comply with social responsibility and integrity management standards. Contracts with suppliers found not to be in compliance will be terminated and the supplier shall be rejected for business permanently. In addition, Maxxis International is a member of various relevant sustainable and ethical business standard organizations, such as the Global Platform for Sustainable Natural Rubber (GPSNR). These memberships are voluntary, and only companies which commit to the social, environmental and economic sustainability of the global natural rubber value chain are eligible for membership.

As a key supplier to North American automotive OEMs, Maxxis International – Canada regularly confirms with our Tier 1 tire suppliers that their manufacturing operations and supply chains continue to commit to and be in compliance with internationally recognized human rights and labour standards. We also regularly receive confirmation from our Tier 1 tire suppliers regarding raw materials being responsibly sourced.

Risks, management, and remediation of forced labour or child labour

Maxxis International – Canada, as part of our commitment to ethical business practices, expects our suppliers to hold themselves to the same standards for responsible citizenship in refusing to participate or support forced labour and child labour within their operations and their supply chains.

In 2023, Maxxis International – Canada did not assess for risks specifically related to forced labour or child labour in our operations or our supply chains. However, in 2023, Maxxis International – Canada did request for and receive confirmations from our tire product suppliers that there is no forced labour or child labour in their operations or their supply chains.

Measures taken to remediate instances of forced labour or child labour

In 2023, Maxxis International – Canada did not identify any instances of forced labour or child labour in our operations and supply chains. As such, no remediation regarding this area was undertaken in 2023.

Measures taken to remediate the loss of income to the most vulnerable families

In 2023, Maxxis International – Canada did not identify any loss of income to the most vulnerable families resulting from measures we took to eliminate the use of forced

labour or child labour in our operations and supply chains. As such, no remediation regarding this area was undertaken in 2023.

Employee training on forced labour and child labour

Maxxis International – Canada’s Code of Conduct commits all employees to conducting all of our functions with integrity, fairness and honesty. Forced labour and child labour would therefore not be condoned in our operations, or within our supply chain.

Assessing effectiveness for managing risks and remediation of forced labour and child labour

Maxxis International – Canada recognizes that there is always room for improvement in relation to corporate citizenship. This is also true regarding implementing our own measurable policies and procedures to specifically address risk identification, assessment and management of forced labour and child labour within our operations and our supply chains.

In 2023, there were no explicit assessments to monitor Maxxis International – Canada’s effectiveness at ensuring there is no forced labour or child labour in our operations or supply chains.

Our parent company, Maxxis International, continues to host several communication channels to receive any complaints or reports of forced labour or child labour within their operations.

STATEMENT OF APPROVAL

This report has been approved by the undersigned, who acts as the governing body for Maxxis International - Canada.

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.

I have the authority to bind Maxxis International - Canada.

A handwritten signature in cursive script that reads "Steve Hu".

Steve Hu
Director of Operations, Maxxis International - Canada
Date: May 31, 2024