



# Canadian Tire Corporation, Limited

## 2025 Forced Labour and Child Labour Report

March 23, 2026

## Introduction

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act) requires companies to explain how they address the risk of forced labour and child labour in their supply chains. This 2025 Forced Labour and Child Labour Report (the Report) is the joint report being filed by Canadian Tire Corporation, Limited and its applicable subsidiaries<sup>1,2</sup> (collectively, CTC or the Company, unless the context requires otherwise), in accordance with Section 11(2)(b) of the Act. The activities described in this Report pertain to the fiscal year beginning on December 29, 2024, and ending on January 3, 2026.

CTC and its group of companies are committed to reducing the risk of forced labour and child labour being used in their supply chains. While CTC's global supply chain is critical to its ability to deliver Canadians durable, safe and value-driven products, it is also essential to understand the scope of its social impacts. CTC does not own or operate the manufacturing facilities that produce the products sold at its retail locations, but it is important to the Company that its vendors uphold responsible sourcing standards that ensure their employees operate in a safe environment, are paid a fair wage and are treated with respect and dignity. CTC is committed to working with vendors to achieve continuous improvements in upholding human rights across the globe.

## Steps to prevent and reduce risks of forced labour and child labour

### (a) Structure, activities and supply chains

The Company operates one of the largest retail networks in Canada, with over 1,400 stores operated by CTC and independent Canadian Tire Associate Dealers (Dealers) and franchisees, and more than 275 gas bars operated by independent retailers (the Dealers, franchisees and independent retailers being collectively referred to as Franchise Holders). In 2025, CTC had consolidated revenues of over \$16 billion, and as of the end of the fiscal year, CTC employed nearly 12,000 full-time employees and over 17,000 part-time employees.<sup>3</sup>

CTC and the Franchise Holders operate stores under the following banners:

- Canadian Tire
- PartSource
- Party City
- Pro Hockey Life
- Canadian Tire Gas+<sup>4</sup>
- SportChek
- Sports Experts
- Atmosphere
- Hockey Experts
- Sports Rousseau / L'Entrepôt du Hockey
- Mark's / L'Équipeur / Mark's WorkPro / L'Équipeur Pro

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<sup>1</sup> Entities included within the scope of this joint report are Canadian Tire Corporation, Limited, Mark's Work Wearhouse Ltd., FGL Sports Ltd., and INA International Ltd.

<sup>2</sup> On May 31, 2025, the Company sold its Helly Hansen business to Kontoor Brands, Inc. As such, the activities of the Helly Hansen business have not been included in this Report.

<sup>3</sup> These figures refer to permanent employees, and do not include the employees of Franchise Holders.

<sup>4</sup> Certain gas bars are branded as Petro-Canada.

The product assortment offered across CTC’s banners varies widely, and includes automotive, gardening, sports, apparel and home décor. CTC sources merchandise globally, and operates retail sourcing offices abroad, including in Bangladesh, Hong Kong, Vietnam and China. CTC is also supported by third-party sourcing service providers in India and Mexico. These operations provide access to foreign manufacturers and import sourcing support.

CTC’s supply chain function is responsible for managing the flow of products between vendors, supply chain service providers, distribution centres and stores operating across Canada. The Company works with a global network of over 2,200 owned brand and national brand merchandise vendors in 83 countries to bring products to store shelves. In 2025, the top ten countries from which the Company sourced (based on dollar value) were:<sup>5</sup>

- China
- Canada
- United States of America
- Vietnam
- Mexico
- Bangladesh
- Cambodia
- Malaysia
- Taiwan
- Israel

In leveraging a global supply chain, CTC imported over 233 million merchandise units into Canada in the year.

## **(b) Policies and due diligence processes**

The [CTC Code of Conduct](#) addresses topics such as providing a healthy, safe workplace and fair hours and wages to CTC’s employees, supported by the activities of the Triangle Ethics Office.<sup>6</sup>

The [CTC Supplier Code of Business Conduct](#) (the Supplier Code) outline the standards to which vendors are expected to adhere, covering topics including forced labour and child labour. All merchandise vendors are expected to either sign the Supplier Code or provide a copy of their internal code of conduct that meets or exceeds CTC’s standards.

CTC’s global sourcing network is comprised of a series of suppliers, each of which plays a role in the sourcing, production and manufacturing of products before they arrive on store shelves. The factories that supply finished goods directly to CTC are referred to as Tier 1 suppliers, and the legal entity with which CTC deals directly and that owns or contracts with that Tier 1 supplier is referred to as a vendor. Tier 1 suppliers acquire inputs from other suppliers, which are considered Tier 2 suppliers, and so on. As the Company has the most visibility and influence over its Tier 1 suppliers, it is currently focused on advancing responsible sourcing efforts at this level of its supply chain.

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<sup>5</sup> Where possible, we determine source country based on country of origin data, however this information is not always available. In those instances, we rely on the FOB location. For more information about the countries we source from, please refer to the annual ESG Report available on the CTC’s website.

<sup>6</sup> While the majority of the Company’s subsidiaries are bound by the standards set forth in the Code of Conduct, CT Real Estate Investment Trust maintains its own codes of conduct.

CTC applies a risk-based approach to managing its supply chain and deploys compliance mechanisms proportionate to the risk. As a retailer that sells both owned brand products (products sold under private label brands that are designed internally and manufactured for CTC) and national brand products (third-party products that are designed and manufactured outside of the Company's control and sold by multiple retailers), CTC more actively manages sourcing risk in connection with the production of its owned brand products, and generally looks to, and relies upon, the efforts made by the Company's national brand vendors to address sourcing risks within their respective supply chains. For both owned brands and national brands, in the event of a complaint or ongoing concern, CTC is committed to conducting an appropriate investigation.

As part of the Company's commitment to increasing transparency within its supply chain, CTC discloses a Supplier List on its [website](#), outlining the names and addresses of all active Tier 1 owned brand apparel, footwear and accessories supplier factories.

Unless otherwise noted, the balance of this Report discusses risk mitigation activities related to CTC's owned brand supply chain.

### *Responsible sourcing risk assessment process*

With respect to the Company's supply chain, CTC has a dedicated Responsible Sourcing team that regularly assesses ongoing and emerging risks. The Responsible Sourcing team annually reviews country-related risk exposure, leveraging [amfori's](#) ESG Risk Compass data and internal purchase volumes of products across all banners. It also relies on the International Trade Union Confederation (ITUC) Global Rights Index, the International Labour Organization (ILO) fatal occupational injury rates, and the Walk Free Global Slavery Index. In addition, the team monitors current events and industry publications, and integrates changes in risk exposures into the assessment process. In response to the assessment and changes in CTC's risk profile (either the risk associated with the country or the purchase volumes from the country), the Responsible Sourcing team may implement additional mitigation measures such as seeking alternative suppliers in lower-risk countries or increasing the monitoring of audits and vendor engagements in higher-risk countries.

CTC is also a member of numerous industry associations, such as the Retail Council of Canada's (RCC) Responsible Sourcing Committee, the Retail Industry Leaders Association's (RILA) Responsible Sourcing Committee, the American Apparel & Footwear Association (AAFA), Nirapon and amfori, all of which support the Responsible Sourcing team's ongoing awareness of current and emerging risks, as well as industry trends and best practices.

### *Vendor selection and factory capability assessments*

One way in which CTC mitigates responsible sourcing risks, including those related to forced and child labour, is through rigorous vendor selection. CTC favours sophisticated vendors that maintain ISO 9000, ISO 14000, Six Sigma, Lean or 5S standards. The initial onboarding process includes reviewing the ownership structure, business model and relevant certifications of the potential vendor. In addition, before production

commences, an in-person factory inspection is conducted, and the vendor must provide or complete a valid social compliance factory audit, which covers prohibitions on the use of forced and child labour among other human rights matters.

All audits leveraged by CTC, whether prior to production commencing or on an ongoing basis, are conducted by third-party auditors, with the majority completed against the amfori Business Social Compliance Initiative (BSCI) standards which align with the standards in the Supplier Code. CTC also accepts similar third-party audit standards, such as the following audits that were accepted in 2025 in place of an amfori BSCI audit (collectively referred to as shared audits):

- Sedex Members Ethical Trade Audit (SMETA)
- Social Accountability International (SA8000)
- Worldwide Responsible Accredited Production (WRAP)
- Social & Labour Convergence Program (SLCP)
- Better Work
- Ethical Supply Chain Program (ESCP)
- Retail Ethical Sourcing Assessment (RESA)
- ELEVATE Responsible Sourcing Assessment (ERSA)
- UL Responsible Business Alliance (RBA) and Responsible Sourcing Workplace Assessment (RSWA)
- Workplace Conditions Assessment (WCA)
- Bureau Veritas (BV)
- Veriflora

In jurisdictions with access restrictions or where local auditors are limited, the Company uses its discretion to rely upon virtual audits performed by recognized third-party auditors.

### *Ongoing factory audits*

Throughout the relationship with a vendor (with respect to both owned brands and national brands), CTC performs regular risk assessments to determine the appropriate level of monitoring. Factors include whether the vendor manufactures owned brand products, the regions in which the vendor operates, the stringency of local laws, the product assortment being manufactured, and results from past audits. Based on the results of the risk assessment, Tier 1 owned brand suppliers are audited on a periodic basis for compliance against the Supplier Code (generally, at least every two years). Where a non-conformance is identified, CTC's Responsible Sourcing team works with the vendor and factory management to develop a corrective action plan. Actions may include worker remediation, increased documentation to verify that policies and procedures are executed consistently, photo or video documentation of physical changes to buildings or equipment, termination of an abusive employee, or the cessation of the business relationship with the factory. All corrective action plans are verified by follow-up audits and/or appropriate third-party confirmation. In 2025, CTC assessed 1,638 audits of factories manufacturing owned brand products across 28 countries. The Company also manages and mitigates risk of non-conformance with the Supplier Code by relying on worker helplines and grievance mechanisms, as well as periodic on-site presence on factory floors.

### (c) Forced labour and child labour risks

In 2025, CTC identified the following three categories as priority risk areas:

PRIORITY RISK AREA	2025 ACTIVITIES
<p><b>Migrant workers</b> Migrant workers are vulnerable to exploitative practices, including: mandatory recruitment fees that increase their risk of debt bondage; having their passports retained by their employers, limiting their freedom of movement; and being subject to threats of violence or deportation. These practices are more prevalent in jurisdictions where labour laws are weak or not enforced, and can be found in various countries, sectors and stages of the supply chain. Migrant worker vulnerability also increases in connection with local and neighbouring conflict.</p>	<p>Through its risk assessment process, CTC is aware of product categories and source countries where migrant workers are more prevalent. When working with vendors operating in these risk areas, additional auditing measures are taken to ensure migrant workers are treated fairly and with respect.</p>
<p><b>Recruitment fees</b> When workers are charged recruitment fees, they often turn to borrowing money in order to secure their employment. This debt is then paid back through wage deductions, and the interest rates charged can often amount to over a year’s wages.</p>	<p>CTC’s Supplier Code does not allow for worker-paid recruitment fees. In 2025, recruitment fees were discovered at one Tier 1 owned brand supplier. CTC worked with the factory management to establish “No Fee” policies going forward. CTC continues to work with factory management to ensure historical fees paid by workers are repaid, consistent with ILO guidance.</p>
<p><b>Visibility beyond Tier 1</b> The Company has the most visibility and influence over its Tier 1 suppliers, but transparency beyond Tier 1 continues to be a challenge. This lack of visibility creates a persistent risk that the suppliers beyond Tier 1 may be using practices that are in violation of our values and the Supplier Code.</p>	<p>With over 2,200 vendors, mapping CTC’s supply chain beyond Tier 1 is a challenging undertaking. Through its risk assessment process, CTC has identified higher risks within its owned brand apparel and footwear supply chains and focused efforts to mitigate these risks. Additionally, high risk raw materials (e.g., cotton) have been prioritized to improve visibility through enhanced mapping, documentation, and in some cases, by nominating specific raw materials suppliers (e.g., CottonConnect).</p>

### (d) Remediation measures

Where a non-conformance is identified through a vendor audit, helpline report or by any other means, CTC’s Responsible Sourcing team works with the vendor and factory management to validate and assess the non-conformance, and develop a corrective action plan. All corrective action plans are verified by follow-up audits and/or appropriate third-party confirmation.

## **(e) Remediation of loss of income**

CTC has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in the Company's activities and supply chains.

## **(f) Training**

CTC deploys a Responsible Sourcing e-learning module that reviews the Company's responsible sourcing process, the standards of the Supplier Code, the role that employees play in recognizing potential risks to global sourcing, and includes case studies to aid employees in understanding their accountabilities. This training is generally completed on an annual basis by all CTC employees in the Merchandising, Product Design and Development, Branding, Sourcing and Product Quality Assurance teams up to the VP level who interact with vendors and factories. Training is also available to all employees in Canada on a voluntary basis to enable and encourage a better understanding of vendor standards and how to identify and prevent non-conformance with the Supplier Code.

In addition, in 2025, in-person training was received by the Sourcing and Product Quality Assurance teams located in CTC's retail sourcing offices in Asia. The content of the training included information related to identifying recruitment fees (a priority risk area for CTC), auditing processes and audit content (including forced labour and child labour), how to report a non-conformance, and remediation and continuous improvement processes with factories.

## **(g) Assessing effectiveness**

The primary method to assess the effectiveness of CTC's responsible sourcing efforts is the results of the Company's regular vendor audits, the number of non-conformances, and the rate of non-conformances. As described above, where a non-conformance is identified through a vendor audit, helpline report or by any other means, CTC's Responsible Sourcing team works with the vendor and factory management to validate and assess the non-conformance, and develop a corrective action plan. All corrective action plans are verified by follow-up audits and/or appropriate third-party confirmation.

CTC also aims for 100% of its Tier 1 owned brand suppliers to have a valid audit. As of the end of fiscal 2025, 97% of CTC's Tier 1 owned brand suppliers had a valid audit, with the remainder of audits either in progress, or incomplete due to supplier locations where qualified third-party auditors are limited.

These measures to assess the effectiveness of CTC's responsible sourcing efforts are shared with the Brand and Corporate Responsibility Committee of the Board on an annual basis.

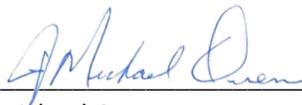
## **Additional information**

Additional information regarding CTC's responsible sourcing practices, including risks related to forced labour and child labour, can be found in the annual ESG Report available on [CTC's website](#).

## Approval and Attestation

The Report was approved by the Board of Directors of Canadian Tire Corporation, Limited in accordance with Section 11(4)(b)(ii) of the Act.

In accordance with the requirements of the Act, and in particular Section 11 thereof, we attest that we have reviewed the information contained in the report on behalf of the governing body of the entities listed above. Based on our knowledge, and having exercised reasonable diligence, we 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.



**J. Michael Owens**

Chairman of the Board

I have the authority to bind Canadian Tire Corporation, Limited



**Greg Hicks**

President and Chief Executive Officer

I have the authority to bind Canadian Tire Corporation, Limited