

Fountain Tire Ltd. – Bill S-211 Report for 2023

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 2023, Submitted May 31, 2024

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 has initiated a comprehensive review of our vendors, marking our first concerted effort in this area. 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.

				Country Risk (Global Slavery Index)		
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	77	Manufacturer	USA	USA, Luxembourg, Japan	Page 2: https://corporate.goodyear.com/content/dam/goodyear-corp/documents/responsibility/esg-reports/Goodyear%20CRR_2022_data%20table_Sustainable%20Sourcing.pdf
BKT	https://www.bkt-tires.com/us/us/sustainability	73	Manufacturer	India	India	BKT Sustainability Report:
Carlstar	N/A	63	Manufacturer	USA	USA, China	Carlstar Global Human Rights Policy: https://www.carlstargroup.com/wp-content/uploads/2023/08/CSGP-HR-645-Global-Human-Rights-Policy-Final-07.31.2023.pdf
Continental	https://www.continental.com/en/sustainability/	81	Manufacturer	Germany	European Union (Many); USA, Mexico, Brazil, Equador, R. South Africa, Malaysia, India, China, Thailand. This is only for Tires, and not automotive parts.	Continental Report - Page 29: https://cdn.continental.com/fileadmin/imported/sites/corporate/international/english/hubpages/40_20sustainability/60_20reports_20_26_20principles/continental-sustainability-report-2022.pdf?_gl=1*87h6yq*_ga*MzQ5NTczNzI3LjE2OTYzOTEzMDA.*_ga_CXY4Q1X5VZ*MTY5NjM5MTI5OS4xLjEuMTY5NjM5MTMxMC4wLjIuMA..
Kumho	https://www.kumhotire.com/en/company/sustainableList.do	67	Manufacturer	South Korea	South Korea, China, Vietnam, USA	Kumho Modern Slavery Statement: https://modernslaveryregister.gov.au/statements/file/6342b182-5f10-45c6-81c2-4eb9b970053f/
Sailun Tire	https://en.sailungroup.com/portal/responsibility/index	50	Manufacturer	China	Cambodia, Vietnam, China	Sailun Modern Slavery Statement: https://en.sailungroup.com/file/Sailun%20Group%20Modern%20Slavery%20Position%20Statement.pdf https://en.sailungroup.com/portal/responsibility/index
Titan	https://ir.titan-intl.com/ESG/default.aspx	53	Manufacturer	USA	USA, Brazil, Russia, Thailand	Titan Human Rights policy: https://s22.g4cdn.com/694576905/files/doc_downloads/govdocs/2021/04/Titan-Human-Rights-Policy.pdf
Toyo	https://www.toyotires-global.com/csr/esg/	84	Manufacturer	Japan	Japan, USA, China, Malaysia	Toyo Human Rights statement: https://www.toyotires-global.com/csr/pdf/human_rights_en.pdf
Yokohama (Alliance, Primex, Galaxy, Trelleborg, Mitas)	https://www.y-yokohama.com/global/sustainability/information/backnumber_report/	90	Manufacturer	Japan	Japan, USA, Thailand, Philippines, China	Yokohama Human Rights Document: https://www.y-yokohama.com/global/sustainability/information/backnumber/pdf/2022/web_pdf/people_en.pdf

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 needed to compel any remedial actions from our existing suppliers.

Compliance with Reporting Obligations

1. Disclosure of Due Diligence Measures:

Beginning in 2024, Fountain Tire will evaluate 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. An annual 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 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 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

While this marks the inaugural year of officially collecting suppliers' positions on child labor and forced labor practices, Fountain Tire's longstanding commitment to sourcing from reputable suppliers has facilitated a seamless reporting process. We remain confident in our efforts 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.



"I have the authority to bind Fountain Tire Ltd."