

Annual Report on Forced Labour and Child Labour

Company Name: Action Car and Truck Accessories Inc

Reporting Period: 2025

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Executive Summary

Action Car and Truck Accessories is dedicated to ethical business practices, ensuring that our operations and supply chain are free from forced labour and child labour. Over the past financial year, we have made substantial advancements in our policies and processes, enhanced our risk assessment capabilities, and addressed any identified issues. This report fulfills the legal requirements outlined in the Act, detailing our efforts and reaffirming our ongoing commitment to ethical business practices.

Company Structure, Activities and Supply Chains

Action Car and Truck Accessories is Canada's only national automotive accessory retailer and distributor, offering a wide range of aftermarket accessories for trucks, SUVs, and vans through 44 retail stores and distribution centres across Canada.

In terms of our structure, Action Car and Truck Accessories operates as a retail chain with a centralized wholesale distribution system. The company has a head office that oversees its operations, including purchasing, marketing, and logistics, while its retail stores serve as points of sale and installation centers for customers.

As for its activities, Action Car and Truck Accessories is primarily engaged in the retail, fleet and wholesale distribution of automotive accessories. The company offers a diverse range of products, including truck bed covers, running boards, floor mats, and lighting accessories, among others. It also provides installation services for these products, ensuring that customers can customize their vehicles to meet their needs and preferences.

In terms of its supply chains, Action Car and Truck Accessories sources its products from a variety of suppliers, including manufacturers and distributors both domestically and internationally. Our supply chain spans several countries, including key suppliers in Canada, United States, Taiwan, China and Germany. The company works closely with its suppliers to ensure that products meet its quality standards and are delivered in a timely manner to meet customer demand.

Overall, Action Car and Truck Accessories is a well-established company with a strong presence in the automotive aftermarket accessories industry in Canada, offering a wide range of products and services to meet the needs of its customers.

Policies and Due Diligence Processes

We have implemented comprehensive policies aimed at preventing forced labour and child labour. These internal policies include:

Policy 2.1 – Code of Business Conduct: Addresses "Compliance with Laws, Rules and Regulations," "Discrimination and Harassment," "Health and Safety," and "Reporting any Illegal or Unethical Behaviour."

Policy 2.17 – Workplace Anti-Violence Policy: Commits to "providing a safe and healthy work environment free from violence, threats of violence, harassment, intimidation, and disruptive behaviour for all our employees."

Policy 2.18 – Workplace Anti-Harassment Policy: Emphasizes our commitment to “building and preserving a safe, productive, and healthy working environment for our employees based on mutual respect.”

Forced and Child Labour Policy - Establishes Action Car and Truck Accessories' commitment to preventing forced labour and child labour within its operations and supply chain. The policy outlines supplier expectations, reporting requirements, and the process for addressing identified concerns.

Action Car and Truck Accessories conducts supplier due diligence through supplier certifications, ongoing business relationships, risk-based assessments, and periodic supplier site visits and reviews where appropriate.

Supplier Certification Program - Action requires suppliers, vendors, and subcontractors to certify their commitment to complying with applicable labour laws and to refrain from the use of forced labour and child labour. Supplier certifications are maintained as part of Action's supplier onboarding and review processes.

Risk Assessment and Management

Our risk assessment process involves:

- Risk Mapping: Identifying high-risk areas within our supply chains.
- Supplier Reviews: Conducting periodic supplier reviews and site visits, where appropriate, to support compliance and risk assessment activities.
- Risk Mitigation: Implementing corrective actions where necessary.

Action Car and Truck Accessories has identified manufacturing and subcontracted labour as potential risk areas for forced labour and child labour. To assess and manage these risks, the company conducts periodic supplier reviews and site visits where appropriate, provides targeted training, and has established clear policies with mechanisms for promptly reporting and addressing violations.

Remediation Measures

To date Action has not had to conduct any Remediation Measures. In the event of identifying forced labour or child labour, we will work closely with suppliers to address and rectify issues. We have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

Training and Awareness Programs:

At Action Car and Truck Accessories, we recognize the importance of preventing and eliminating forced labour and child labour in all aspects of our operations and supply chain. In alignment with the requirements of Bill S-211, we have developed robust training and awareness programs to ensure our team is educated, engaged, and accountable.

We have launched a mandatory interactive training course for all employees, designed in-house with reference to globally recognized sources. The course consists of four modules covering:

1. **Forced Labour and Human Trafficking**

2. **Child Labour**
3. **Action's Supplier Certification Program**
4. **Action's Forced and Child Labour Policy**

The course takes approximately 20 minutes to complete and includes periodic knowledge checks, culminating in a final 10-question quiz. To date, 248 Active employees have completed the training, achieving an average quiz score of 94%, reflecting strong engagement and comprehension.

These programs are administered and tracked through our internal learning management platform, the Action Academy. This system allows us to monitor completion rates and ensure company-wide compliance. Training completion is a component of employee onboarding and ongoing awareness efforts, underscoring our commitment to ethical labour practices.

Additionally, our Supplier Certification Program—highlighted in the training—requires all vendors, suppliers, and subcontractors to formally commit to avoiding the use of forced or child labour. This reinforces our standards throughout our extended value chain.

Assessing Effectiveness

We assess our effectiveness in ensuring that forced labour and child labour are not used in our business and supply chains through a comprehensive evaluation process, which includes:

- **Performance Metrics:** Tracking compliance rates and on-site review results.
- **Feedback Mechanisms:** Collecting and analyzing feedback from employees, and suppliers to identify potential issues and areas for improvement.
- **Training and Education:** Evaluating the effectiveness of training programs provided to employees on identifying and preventing forced labour and child labour.
- **Continuous Improvement:** Regularly updating our policies and processes based on assessment results.

During the reporting period:

- No instances of forced labour or child labour were identified within Action's operations
- No supplier-related concerns involving forced labour or child labour were reported
- 248 employees completed mandatory training with an average quiz score of 94%
- No corrective actions related to forced labour or child labour were required

Conclusion

Action Car and Truck Accessories remains steadfast in its commitment to ethical conduct and the prevention of forced labour and child labour in its operations and supply chain. By implementing robust due diligence processes, enforcing a strict code of conduct, providing training and awareness programs, and introducing new initiatives like the interactive Training Course, Action Car and Truck Accessories demonstrates its dedication to upholding high standards of social responsibility.

This report showcases Action Car and Truck Accessories' proactive approach to addressing these critical issues and its ongoing efforts to create a fair and ethical business environment.

Approval and Attestation

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act), and in particular section 11 thereof, I, in the capacity of Chief Financial Officer, attest that I have reviewed the information contained in the report on behalf of the governing body of the entity 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 within this report.

Dated in the City of Moncton, New Brunswick, this 29th day of May, 2026.



Beverley Thomas, Chief Financial Officer

I have the authority to bind Action Car and Truck Accessories Inc.