

Fighting Against Forced Labour and Child Labour in Supply Chains Act Background

Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act"), mandates certain government institutions and private-sector entities to report on the measures taken to prevent and reduce the risk associated with forced labour and child labour within their operations and supply chains. The objective of this legislation is to advance Canada's commitment to combat forced labour and child labour on an international scale through the establishment of reporting obligations.

In accordance with the Act, Carquest Canada LTD¹² must report on the steps it has taken during the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods both within Canada and internationally or of goods imported into Canada by the entity. In addition to filing the report with the Canadian government, the company must ensure that the report is accessible to the public, including being prominently displayed on its website.

Business Structure, Activities and Supply Chain Risks

Advance Auto Parts, Inc., Carquest Canada LTD's parent corporation, is a corporation in the Retail Trade sector. The company is a leading automotive aftermarket parts provider serving both professional installers and do-it-yourself customers ("DIY"). As of December 28, 2024, the company operated 4,788 stores primarily under the trade names "Advance Auto Parts" and "Carquest" and 934 independent stores.

As of December 28, 2024, Carquest had 281 stores, including 149 stores in Canada. These stores are generally located in freestanding buildings with a primary focus on professional customers but also serve DIY customers.

As of December 28, 2024, Advance Auto had 4,639 stores located across 48 U.S. states and two U.S. territories, and 149 stores were located across six Canadian provinces.

As of December 28, 2024, the company employed approximately 33,200 full-time team members and 29,600 part-time team members.

¹ Advance Auto Parts, Inc. is the parent company for Carquest Canada LTD. Throughout this report, "Advance Auto" "Carquest" or the "Company" may be used interchangeably.

The company is not listed on the Canadian stock exchange, although it has a place of business in Canada, does business in Canada, and has assets in Canada. It has at least \$20 million in assets for at least two of its most recent financial years. It has generated at least \$40 million in revenue for at least two of its most recent financial years. It employs approximately 1,800 employees in Canada.

The company does not produce goods. The company sells goods within Canada. The company imports into Canada goods produced outside of Canada. The company does not control any entity engaged in producing goods in Canada or outside Canada or importing into Canada goods produced outside Canada.

The supply chain consists of a network of distribution centers, hubs, stores and branches that enable the company to provide same-day or next-day availability to our customers.

The company sources the products sold from a wide variety of domestic and international suppliers. In 2024, the company purchased merchandise from over 634 vendors.

The company has identified parts of the activities and supply chains carrying a risk of forced labour or child labour being used, and it will continue striving to identify emerging risks. Based on the nature of the business and where it operates, the risks of forced labour and child labour are generally related to retail operations for Carquest Canada. Specifically, the risks are related to the potential activities of suppliers or their subcontractors, particularly in countries at higher risk for human rights abuses, such as China. About 75% of the products sold in the company's stores or branches are "direct import," or sourced from common suppliers used by Advance Auto in our US-based operations. The rest of the products are purchased from distributors or manufacturers locally sourced in Canada.

Annual Report

This report is filed for the financial reporting year December 31, 2023 to December 28, 2024. It is an individual report for Carquest. The company is subject to reporting requirements under supply chain legislation in another jurisdiction (California, USA).

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Advance Stores Company, Inc.

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In the reporting fiscal year, Advance Auto and its subsidiaries, have taken the following steps to prevent and reduce the risk that forced labour or child labour is used in any step of the production of goods imported into Canada for resale.

Developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in the activities and supply chains. Specifically, the company uses a third party to conduct a social and safety audit prior to engaging Direct Import Suppliers operating in countries that could be at higher risk for human rights abuses.

Auditing. For Direct Import Suppliers who are subject to and pass due diligence protocols, the company conducts a social and safety audit at least every two years. These audits are conducted by an independent third party. Audits are typically announced prior to commencement at a supplier location. However, the company reserves the right to audit without notice, and suppliers are required to provide access to the auditors within 30 minutes of their arrival.

Developing and implementing anti-forced labour and/or child labour contractual clauses. The Master Purchasing Agreement ("MPA") requires the company's goods for resale suppliers to ensure products they sell to the company comply with all applicable laws, which would include laws relating to human trafficking and slavery. The company's [Supplier Code of Conduct](#) also states our expectation that suppliers respect human rights.

Developing and implementing anti-forced labour and/or child labour standards, codes of conduct and/or other compliance checklists. The company communicates its expectations regarding slavery and human trafficking in its [Code of Ethics](#) and [Supplier Code](#).

Developing and implementing grievance mechanisms. The company offers multiple methods for individuals to report an actual or potential violation of the [Code of Ethics](#), [Supplier Code](#), Corporate Standards, or relevant laws or regulations. The company promptly and thoroughly investigates all complaints of human rights violations.

The company has not identified any forced labour or child labour in its activities and supply chains. Because the company has not identified any forced labour or child labour

occurrences, it has not taken any measures to remediate. Additionally, the company has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour.

Additional Activities

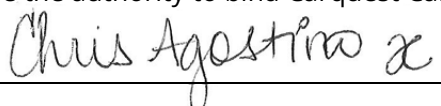
The company has policies and due diligence processes in place related to forced labour and/or child labour. As described above, the company has a Code of Ethics and Supplier Code of Conduct and has a due diligence process in place for targeted suppliers.

While the company does not have specific policies and procedures in place to assess the effectiveness in ensuring that forced labour and child labour are not being used in the activities or supply chains, the company is comfortable that practices involving Direct Import Supplier due diligence and audits, noted above, accomplish this objective.

Advance Auto requires its team members to follow the [Code of Ethics](#), which covers human rights, and the company requires training on the Code for new hires and then annually.

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.

Chris Agostino President, Carquest Canada May 28, 2025	I have the authority to bind Carquest Canada, LTD. 
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