



**FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT
JOINT ANNUAL REPORT FISCAL YEAR 2024**

130355 CANADA INC.

And the controlling entity

BATH FITTER HOLDINGS INC.

1. Introduction

This report is prepared by Bath Fitter Holdings Inc. ("BFH") jointly with 130355 Canada Inc. ("CanCo"), (BFH and CanCo referred to collectively as the "Companies") in compliance with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") and covers the financial year ending December 31, 2024.

2. Structure, Activities and Supply Chains

The Bath Fitter® group of companies specializes in the manufacturing, design, sale and installation of custom bath and shower solutions for residential and commercial markets. Since 1984, the Bath Fitter® group of companies has been providing one-day bathroom remodeling services, offering seamless acrylic bathtub liners, shower enclosures and wall systems designed to fit over existing fixtures, as well as free standing bathtubs and showers.

Bath Fitter® products are made in the United States and Canada and sold through an extensive network of more than 230 corporate-owned and franchised Bath Fitter® retail branches across North America, England and Ireland.

More specifically, CanCo is a manufacturer of Bath Fitter® products. It owns and operates a manufacturing facility in Saint-Eustache, Quebec. CanCo has a single customer, Bath Fitter Manufacturing Inc. ("BFM"), an affiliate, to whom it provides contract manufacturing services.

CanCo and BFM products are then resold by (A) another affiliate, Bath Fitter Distributing Inc. ("BFD"), to a network of Canadian -based (i) Bath Fitter® bathroom remodeling services branches owned and operated by BFD and (ii) independently owned and operated Bath Fitter® bathroom remodeling services franchises, and (B) by another affiliate, Bath Fitter Franchising inc ("BFF"), to a network of US-based (i) Bath Fitter® bathroom remodeling services branches owned and operated by affiliates of CanCo and BFM and (ii) independently owned and operated Bath Fitter® bathroom remodeling services franchises.

While BFM and BFD were reporting entities in the report for the fiscal year ended 2023, they did not meet the legal requirements set out under the Act for fiscal year 2024.

BFH is a holding company and the ultimate parent company in the corporate group. It is the controlling entity for CanCo and does not engage in any operational business activities of its own.

As part of its supply chain, Bath Fitter® imports certain finished goods from Chinese suppliers, including goods such as shower doors, grab bars, shower rods, drains and overflows. Bath Fitter® also purchases products made in China through Canadian and American suppliers, such as raw materials, adhesives, plumbing accessories, shower doors and plumbing accessories.



3. Policies and Due Diligence Processes

While formal supplier oversight mechanisms and comprehensive supply chain management policies are still under development, we have initiated a phased and structured approach aimed at strengthening risk identification and management throughout our supply chain.

As part of our evolving due diligence framework, we continue to focus on supply chain mapping and the identification of critical suppliers, with particular attention to those operating in jurisdictions with elevated risks of forced labour. Our current practices include desktop research using publicly available data and, where feasible, facility visits—either by our team or by independent third-party auditors—to gain firsthand insights. These visits, including to suppliers based in China, are planned to occur no less frequently than every five (5) years and are accompanied by the completion of audit questionnaires.

Our priority remains the assessment of risks associated with both direct and indirect suppliers in China, from whom we source a variety of finished goods including shower doors, grab bars, shower rods, drains and overflows, as well as raw materials and components such as adhesives and plumbing accessories.

We require and have received from our suppliers located in China written confirmation in the form of an attestation confirming the products we import and their subcomponents are not being made in the region of Xinjiang and/or are not made using forced labor.

We also continue to monitor any potential forced labour-related risks associated with products that move across the U.S.-Canada border, particularly those that may pose a risk of customs delays or disruption to our business continuity.

In support of our ongoing efforts to enhance supply chain oversight, we have initiated engagement with external legal counsel to inform the development of key governance tools, including a Supply Chain Management Policy. These discussions are also helping to guide the design of employee training programs aimed at increasing internal awareness and capability in addressing human rights risks in procurement practices.

Through these steps, we continue to advance toward a more structured, ethical, and sustainable supply chain governance framework, grounded in continuous improvement and informed by expert guidance.

4. Forced Labour and Child Labour Risks

Our vertically integrated model—spanning manufacturing, sales, and installation—provides us with a higher degree of control over our operations, workforce, and direct suppliers, and reduces reliance on third-party subcontractors and intermediaries which are often more difficult to monitor.

By overseeing more stages of our product lifecycle internally, we are better positioned to standardize labour practices, enforce internal codes of conduct and implement consistent oversight across our operations. With direct ownership of manufacturing facilities in Quebec and Tennessee, we benefit from jurisdictions with strong labour protections, helping to mitigate the risk of forced and child labour within our core operations.

However, risks remain in segments of our broader supply chain, particularly in the sourcing of certain raw materials. While we have not identified any specific instances of forced labour, we recognize the areas of vulnerability in our supply chain, including geographic exposure in regions where some of our supply chain partners operate, raw material traceability difficulties due to complex and opaque global supply chains for some of our inputs (plastics, acrylics and adhesives), and limited visibility into our suppliers' upstream practices.

As we move toward more robust supply chain governance, addressing these issues remains a key focus of our risk mitigation strategy.

5. Remediation Measures

During the reporting period, we did not identify or become aware of any instances involving forced labor or child labor within our supply chain. As a result, no remediation measures were required in this regard and there have been no actions required to address potential income loss for vulnerable families that might otherwise be affected by such remediation.



6. Employee Training

We currently provide internal guidance and issue-specific instruction to employees in procurement roles. This includes raising awareness of relevant legal obligations and offering practical direction on how to identify and address potential red flags within supplier relationships. As part of our continuous improvement efforts, we are actively exploring the development of a more structured training module, informed by consultations with external legal counsel, that will form part of a broader compliance framework.

We hope to implement a formal training program in the next fiscal year, in parallel with the adoption of the supply management policy referred to in Section 3 above. We expect the policy will serve as a foundation for educating and empowering employees to combat forced and child labor effectively within our supply chain and better define the company's position and expectations in connection with forced and child labor mitigation processes.

7. Assessing Effectiveness

To evaluate the effectiveness of the measures undertaken to prevent and reduce the risk of forced and child labour in our supply chain, we have focused on building a foundational understanding of our supply chain of our risk exposure. Our program remains in the developmental phase but we are making progress by increasing internal awareness, improving supplier data collection and initiating discussions towards the adoption in 2025 of more structured governance tools, including policy development and training. Looking ahead, we also intend on adopting initial formal performance metrics to assess the impact of our measures, such as tracking training completion rates and establishing procedures for reviewing supplier practices and escalating red flags, even if informally applied.

8. Approval and Certification

This report, for the financial year ending December 31, 2024, was approved by the Board of Directors of Bath Fitters Holdings Inc., on May 29, 2025 pursuant to paragraph 11 (4)(b)(ii) of the Act.

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 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 indicated above. I have the authority to bind each of the reporting entities named herein.

E-SIGNED by Glenn Cotton
on 2025-05-29 19:19:36 GMT

Full name: Glenn Cotton
Title: President and CEO

