



FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

JOINT ANNUAL REPORT FISCAL YEAR 2023

**130355 CANADA INC.
BATH FITTER DISTRIBUTING INC.**

And the controlling entities

**BATH FITTER MANUFACTURING INC.
BATH FITTER HOLDINGS INC.**

1. Introduction

This report is prepared by Bath Fitter Holdings Inc. ("BFH") jointly with 130355 Canada Inc. ("CanCo"), Bath Fitter Distributing Inc. ("BFD") and Bath Fitter Manufacturing Inc. ("BFM") (CanCo and BFD referred to collectively as the "Companies" and all of the reporting companies are referred to collectively as "we", "us" or the "reporting entities") 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, 2023.

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, 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 retail stores across North America, England and Ireland.

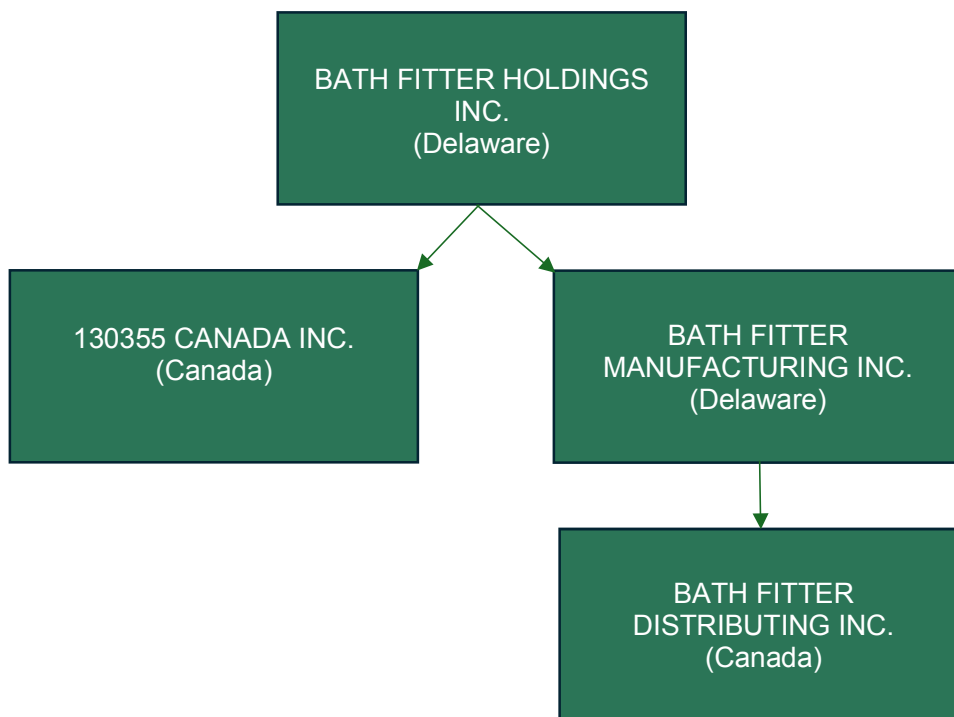
More specifically, CanCo is a manufacturer of Bath Fitter® products. It owns and operates a manufacturing facility in Saint-Eustache, Quebec. CanCo has a single customer, BFM, to whom it provides contract manufacturing services.

BFM is also a manufacturer of Bath Fitter® products which it sells to BFD along with those manufactured by CanCo. Its manufacturing facility is located in Springfield, Tennessee and it has no place of business in Canada. It is a reporting entity hereunder as it controls BFD.

BFD resells products manufactured by CanCo and BFM to a network of Canadian- and 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.

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

The following chart provides an excerpted and simplified representation of how the Companies are structured within the group and indicates for each reporting entity their jurisdiction of incorporation or formation. Each arrow denotes a wholly owned (100%) interest.



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

Although we have yet to implement formal supplier oversight processes and supply chain management policies, we have begun a structured approach aimed at enhancing risk assessment and management within our supply chain.

Our current due diligence and supplier oversight process focusses on mapping our supply chain partners and on identifying our most critical suppliers, assessing whether they operate in regions with known labour risks, and evaluating their impact on our business. We conduct preliminary research using publicly available information. When feasible, but no less frequently than every five (5) years, we or an independent auditor will visit supplier facilities in China to gain deeper insights into their operations and complete an audit questionnaire.

Our priority is to assess the risks related to our direct and indirect suppliers located in China, from which we import finished goods such as shower doors, grab bars, shower rods, drains and overflows, as well as raw materials, adhesives and plumbing accessories.

We have also analyzed our supply chain with respect to products that cross the US-Canada border and that can be critical in terms of potential business disruption in the unlikely event such products were to be held at customs for reasons relating to forced labour.

To support our efforts towards establishing a more efficient oversight and due diligence process in our supply chain, we have also started to explore potential ways in which external advisers can assist with compliance and to proactively build more ethical and sustainable practices in our business.

4. Forced Labour and Child Labour Risks

Our vertically integrated supply chain, encompassing manufacturing, sales and installation, provides greater control over our operations, suppliers and workforce. It allows us to have direct oversight over all stages of production, reduce reliance on third-party subcontractors and standardize our labour practices. Owning our manufacturing facilities in Quebec and Tennessee where labour standards and regulations are more stringent also help mitigate the risks associated with forced labour and child labour.

Nonetheless, such risks can still arise in various parts of our supply chain, particularly in the sourcing of certain goods and raw materials used in our finished products. While we are not aware of any specific instances occurring in our supply chain, below are the areas of vulnerability that we have identified:

A. Geographical Risks:

Our supply chain extends into countries where, according to certain [publicly available information](#), risks of forced labour and child labour can exist as a result of weak labour laws, poor enforcement and poor government response to combat modern slavery.

B. Raw Material Sourcing

The global supply chains for materials like plastics, acrylic and adhesives are complex and often opaque, making it difficult to trace the exact origin of raw materials or the conditions under which they are produced. These products which may be sourced from global suppliers where commitments to ethical sourcing practices may not exist which can result in a potential for forced labour in upstream supply chains.

C. Supplier Relationships and lack of transparency:

Monitoring activities of our supply partners and their respective supply chains and tracing the origins of materials and the conditions under which products are made may be challenging due in some cases to the lack of transparency at the sourcing end of our supply chains.

5. Remediation Measures

We have not identified or become aware of any instances involving forced labor or child labor within our supply chain during this reporting period and as such, we have not undertaken any remediation measures concerning these issues during this time.

There have been no actions required to address potential income loss for vulnerable families that might arise from efforts to eliminate forced or child labor practices.

6. Employee Training

While we have not yet adopted formal employee training sessions with respect to forced and child labor, we do provide internal training and guidance, as appropriate, about the applicable forced labor laws to our employees working in supply chain management and we hope to implement a formal training program in the near future.

7. Assessing Effectiveness


Assessing the effectiveness of forced labor and child labor supply chain measures in the absence of a formal structure has proven to be a revelatory exercise that provides us with valuable insights that will certainly drive improvement over time. By reviewing our existing documentation and practices related to supply chain risks and management and soliciting feedback from employees, suppliers, and other stakeholders on ways to enhance the effectiveness of proposed measures we hope to ensure that forced labour and child labour practices are not taking place in our business and supply chains. This endeavour is a work in progress.

8. Approval and Certification

This report, for the financial year ending December 31, 2023, was approved by the Board of Directors of Bath Fitter Holdings Inc., on [April 22, 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 2025-04-23 15:01:37 GMT

Full name: Glenn Cotton

Title: President and CEO