



## FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

### JOINT ANNUAL REPORT FISCAL YEAR 2025

**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, 2025.

#### **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 mostly across North America.

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.

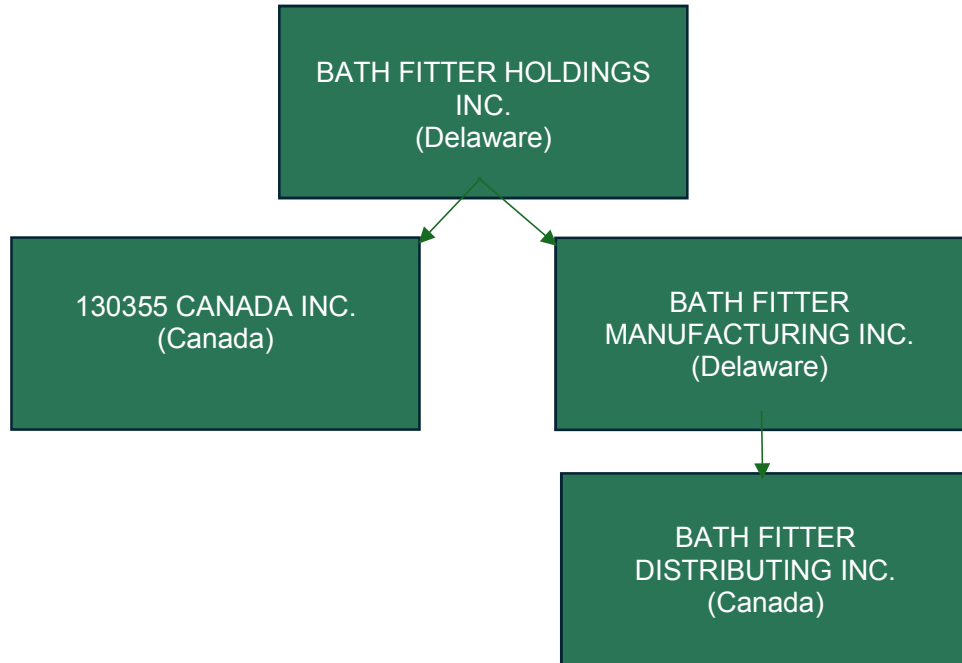
BFM is also a manufacturer of Bath Fitter® products which it sells to BFD along with those manufactured by CanCo. Its manufacturing facility is located in Springfield, Tennessee and it has no place of business in Canada. It is a reporting entity hereunder as it controls BFD.

CanCo and BFM products are resold by (A) 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 an 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 not reporting entities in the report for the fiscal year ended 2024 because they did not meet the legal requirements set out under the Act for fiscal year 2024, they now meet those legal requirements for fiscal year 2025.

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 and shower doors.

### 3. Policies and Due Diligence Processes

The Companies continued advancing the multi-year development of formal supply-chain governance mechanisms initiated in 2024. During the 2025 reporting year, the Companies made the following progress:

#### *New steps initiated in 2025 (to be implemented in 2026):*

- **Drafted a Supply Chain Management Policy**, outlining responsibilities, due diligence expectations, supplier oversight requirements, and escalation procedures.
- **Drafted a Supplier Code of Conduct**, articulating supplier obligations with respect to labour standards, human rights protections, and ethical sourcing expectations.
- **Drafted Forced Labour and Child Labour Contractual Clauses**, to be integrated into all new and renewed supplier agreements beginning in 2026.
- **Strengthened the Terms of a Forced Labour and Child Labour Attestation**, to be signed by our major and suppliers identified as representing elevated risk.

### ***Ongoing due diligence activities:***

- Initiated development of a **structured training program** for relevant supply chain, procurement, and sourcing personnel, with rollout planned for 2026.
- Continued mapping supply chain risk areas, with a focus on suppliers operating in jurisdictions associated with elevated forced labour concerns.
- Began developing a schedule of facility visits—conducted either directly or by qualified third-party auditors—for key suppliers, including suppliers located in China, at intervals not exceeding five years.
- Continued prioritizing direct engagement with suppliers to enhance visibility into upstream sourcing practices.

## **4. Forced Labour and Child Labour Risks**

Our vertically integrated model—encompassing manufacturing, sales, and installation—provides a higher level 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, as in prior years, certain risks persist within supply chain segments involving:

- Globally sourced raw materials and components,
- finished goods originating from China, and
- upstream suppliers where supply chain transparency may be limited.

While the Companies did not identify any instances of forced labour or child labour during the 2025 reporting year, they continued to focus on areas with heightened exposure to geopolitical, regulatory, or opaque-sourcing risks.

## **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.

As no instances were identified, 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. Supplier Attestations**

During 2025, we obtained written attestations from some of our primary and suppliers identified as presenting elevated risk, confirming that:

- goods and subcomponents are not manufactured in the Xinjiang region, and
- goods are not produced using forced labour or child labour.

These attestations extend and further formalize the supplier attestation framework initiated in 2024.

## **7. Employee Training**

During 2025, we began developing a **structured training curriculum** for procurement and supply chain personnel, with formal implementation planned for 2026. This training will support:

- enhanced recognition of forced labour risk indicators,
- compliance with new internal policies (Supply Chain Management Policy, Supplier Code of Conduct),

- improved supplier oversight and escalation protocols.

Until the full implementation of the new program, we continued to provide internal guidance and targeted instructions to employees engaged in procurement functions.

## **8. Assessing Effectiveness**

Our forced labour and child labour risk-management program remains in an expansion and formalization phase. Progress during the 2025 reporting year included:

- advancing policy development,
- strengthening supplier attestation processes,
- preparing contractual clauses to formalize supplier obligations, and
- developing structured employee training materials.

Beginning in 2026, with the implementation of these new governance tools, we expect to begin measuring effectiveness through:

- tracking training completion rates,
- monitoring supplier adherence to the Supplier Code of Conduct,
- evaluating the impact of the Supply Chain Management Policy, and
- establishing escalation and review procedures for supplier red flags.

## **9. Approval and Certification**

This report, for the financial year ending December 31, 2025, was approved by the Board of Directors of Bath Fitter Holdings Inc., on April 17, 2026, 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 2026-04-22 13:53:40 GMT

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Full name: Glenn Cotton  
Title: President and CEO