

Modern Slavery Report

Fighting Against Forced Labour and Child Labour in Supply Chains

Kohler Canada Co.

FINANCIAL YEAR 2023

MODERN SLAVERY REPORT

Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act"), which establishes reporting requirements in relation to forced and child labour matters, came into force on January 1, 2024. The Act requires certain entities to submit an annual report on the steps the entity has taken during its 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 in Canada or elsewhere by the entity or of goods imported into Canada by the entity. The report must be approved by the company's governing body and subsequently submitted to the Minister of Public Safety and Emergency Preparedness by May 31 of every year.

Kohler Canada Co. (also "the Company") is subject to the reporting obligation under the Act and is filing this report for its financial year ending December 31, 2023. The Company's parent company, Kohler Co., commenced work on this topic in 2023 by conducting an internal assessment. The work resulted in the publication of a Human Rights Policy statement on the Company parent website. Other relevant activities conducted by the Company are discussed below.

Subsection 11(3)(a) Structure, activities and supply chains

Kohler Canada Co. is an entity incorporated under the Canada Business Corporations Act and is a registered entity in Nova Scotia, Canada. It manufactures gelcoat and acrylic bathtubs, showers and tub/showers, and shower receptor products for the Canadian and other markets and offers a store for product sales in British Columbia.

Kohler Canada Co. is an indirect subsidiary of Kohler Co. which has corporate headquarters in the United States of America. Kohler Co. is a recognized global leader in kitchen and bath design. Likewise, its diversity of products leads the way in craftsmanship and innovation. As of December 31, 2023, Kohler Co. had over 38,000 associates world-wide and the Kohler Canada Co. workforce numbered 200 associates. Kohler Co.'s website is available [here](#). The Company is subject to and has implemented the policies and procedures of Kohler Co.

Suppliers are considered an integral part of our business and are therefore a critical link to the fulfilment of our mission. Kohler Canada Co. related suppliers are primarily based in Asia and North America. As further discussed below, the Kohler Co. Supplier Conducting Business page provides materials and requirements for how all suppliers are expected to conduct business. Lack of adherence to supplier requirements may lead to termination of the relationship (see [here](#)).

Section 11(3)(b) Policies and due diligence processes

In 2023, Kohler Co. published a new Human Rights Policy statement (“Policy”). The Policy was developed by an internal team of associates representing key business functions and is administered by the Kohler Co. Corporate Vice President - Compliance and Ethics. The Policy outlines the Company’s commitment to upholding the principles enshrined in internationally recognized human rights standards including the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work. The Policy prohibits the employment of individuals in violation of applicable local minimum age laws as well as the use of forced labour, slave labour, or labour resulting from human trafficking in its operations and in its supply chain.

The Policy was approved by company senior leadership before publication and will undergo periodic review. The Policy is publicly available on Kohler Co.’s website ([here](#)) and applies to all facilities and associates worldwide, including those in Canada. In developing a Human Rights Policy statement, multiple frameworks were reviewed including the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct, the United Nations Guiding Principles on Business & Human Rights. The human rights due diligence frameworks directly inform our developing strategy on the topic of responsible supply chain as well as the Kohler Co. annual sustainability report ([here](#)).

We strive to do business with organizations that are true partners in the work of ensuring that human rights are upheld and respected, and who share our values and high ethical standards. All suppliers are required to adhere to a [Supplier Code of Conduct](#), which details our guidelines and expectations for areas including:

- Ethics, business integrity, and anti-corruption,
- Health and safety,
- Environmental management, and
- Labor and human rights.

Registered suppliers agree to adhere to our Supplier Code of Conduct or to an equivalent or stricter code.

All potential suppliers registering in the Company’s Supplier Management Platform are screened for human rights and forced labour risk. High risk suppliers are further assessed with a self-assessment and if needed, a social audit via a third party.

In the previous financial year, Kohler Co. took initiative to assess human rights risks in its activities and supply chains. That assessment was inclusive of Kohler Canada Co. and included the following activities:

- Beginning formal assessment of risks, both with internal and external support.
- Identifying practices in the organization’s activities and supply chains that potentially increase the risk of forced labour and/or child labour.

- Developing an action plan for addressing any identified issues.
- Engaging with suppliers on the issue and reinforcing the requirement that they have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains.
- Training of associates on issues related to modern slavery.

Section 11(3)(c) Forced labour and child labour risks

Based on the geographic locations of some suppliers, the risk assessment process indicated that forced and child labour risks have the potential to be present at various stages of the Company's supply chain. Kohler Co.'s policy addresses this by requiring suppliers to adhere to laws prohibiting forced and child labour.

Despite these risks, Kohler Canada Co. has not identified any specific known or confirmed occurrences of forced or child labour or other human rights abuses within its supply chain.

Section 11(3)(d) – Remediation measures

Kohler Canada Co. has not identified any confirmed instances of forced or child labour, so no remediation measures have been taken.

Section 11(3)(e) – Remediation of loss of income

Kohler Canada Co. has not identified any loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities, and so no measures have been taken to remediate loss of income that result from measures taken.

Section 11(3)(f) – Training

In 2023, Kohler Co. developed and implemented training on human rights specific to modern slavery that addressed child and forced labour. The training was mandatory for all associates, including Kohler Canada Co., and covered the following topics:

- The Company's standards regarding compliance with laws and regulations governing human rights.
- Areas of potential human rights risk along the Company's supply chain.
- The avenues available to report any concerns or known violations of human rights, including through a third-party anonymous reporting tool.

Section 11(3)(g) – Assessing effectiveness

Kohler Canada Co. has not taken action to assess the effectiveness of its Human Rights due diligence process at this time.

Director Attestation

This report was approved by the Board of Directors of Kohler Canada Co. for the financial year ending December 31, 2023, in accordance with subparagraph 11(4)(a) of the Fighting Against Forced Labour and Child Labour in 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 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.

Jodi L. Peper
Director of Kohler Canada Co.
May 29, 2024

DocuSigned by:

Jodi Peper

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I have the authority to bind Kohler Canada Co.