

Fighting Against Forced Labour and Child Labour in Supply Chains Act

Fiscal 2025

*Report pursuant to the Fighting Against
Forced and Child Labour in Supply Chains
Act.*

Alliance Designer Products Inc.

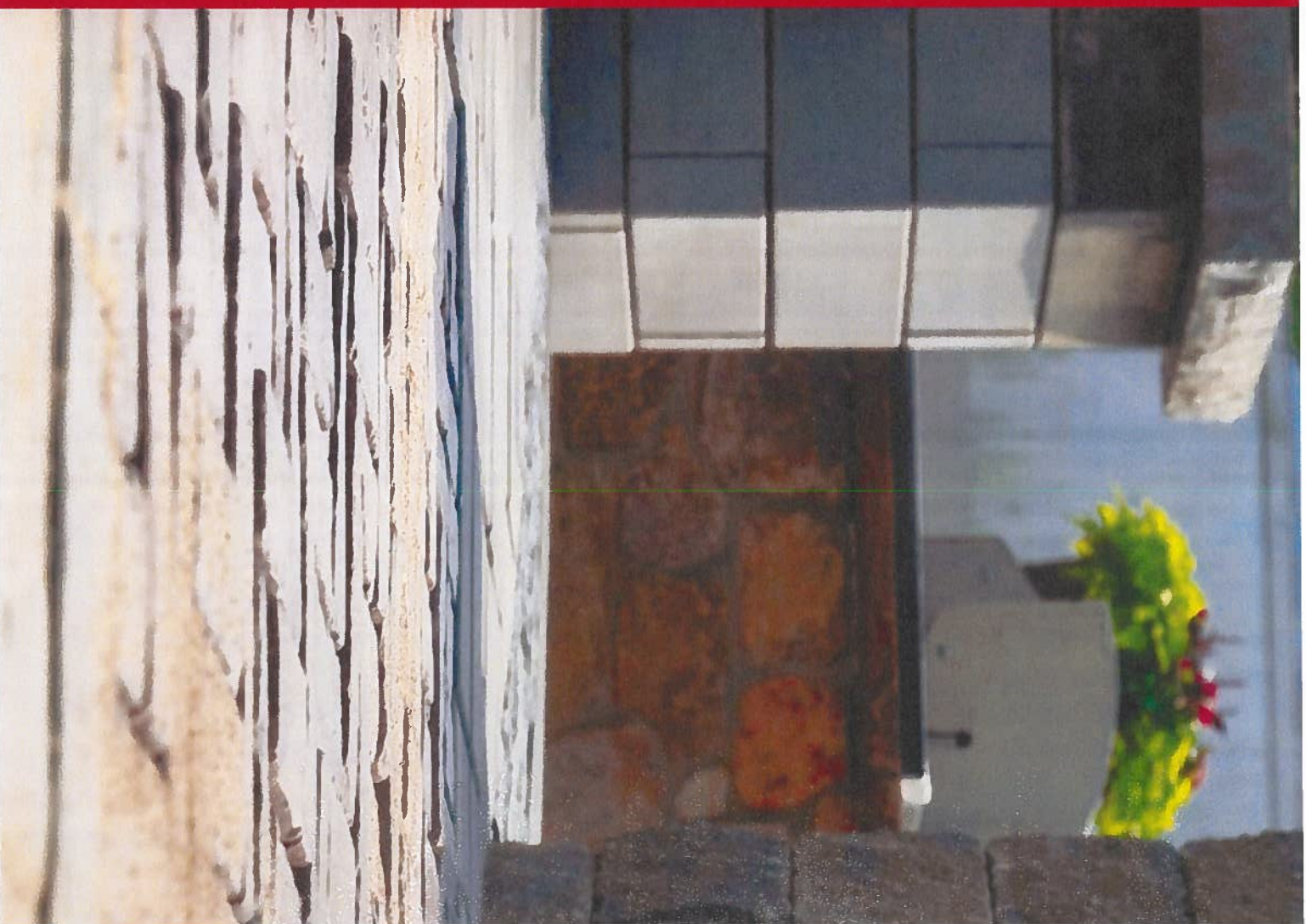


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Introduction

This is Alliance Designer Products Inc.'s ("Alliance Gator") report prepared in accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* ("Supply Chains Act"). This report outlines information and efforts relating to addressing forced and child labour within our business, operations, and supply chain for the financial year ending December 31, 2025.

We understand that the risks of forced and child labour persist within global supply chains, specifically in regions and sectors where effective monitoring is difficult. We acknowledge our responsibility to respect human rights and take meaningful steps to identify, prevent, and mitigate risks within our organization. We are committed to enhancing transparency and working with our partners to support ethical business practices.

The terms "Alliance Designer Products Inc USA," "Alliance Designer Products B.V," "Alliance Gator," "we," and "our" refer to Alliance Designer Products Inc, and its subsidiary entities collectively.

LOOKING AHEAD

We recognize the importance of addressing and mitigating risks related to forced and child labour within our business, practices, and supply chain. As we begin this journey, we are focused on expanding our understanding and strengthening our approach over time. Our goal is to enhance transparency and continually develop the policies and practices that support long-term, responsible business operations.

2025 REPORT APPROVAL

In accordance with the requirements of the Supply Chains Act, specifically section 11, we attest to have reviewed the information contained in this report for Alliance Designer Products Inc. Based on our knowledge, and having exercised reasonable diligence, we attest that the information in the report is true, accurate, and complete in all material respects for the purposes of the Supply Chains Act's requirements for the reporting year 2025.

Steve Walborn



Annual Report

OUR STRUCTURE

We are a leading Canadian company in the hardscape industry, offering a portfolio of high-quality products. The corporation is owned by a private equity firm, Wynnchurch Capital Partners.

Our Canadian entity owns two entities:

- 1. Alliance Designer Products B.V.**, incorporated under the Dutch Civil Code and based in the Netherlands, which is responsible for sales and marketing activities across Europe.
- 2. Alliance Designer Products USA Inc.**, incorporated under the Delaware General Corporation Law and based in the United States. This entity is currently inactive and does not conduct business operations.

As of December 31, 2025, we employ 87 individuals. Within Canada, 52 employees support our head office, research and development (R&D), manufacturing and production, marketing, sales, and administrative functions. Through Alliance Designer Products Inc, we employ 31 individuals focused on sales and marketing in the United States. In Europe, we have four individuals focused on sales, employed under Alliance Designer Products B.V.

Figure 1 *Our corporate structure* illustrates the inter-corporate organization as of December 31, 2025, and remains current as of May 31, 2026.

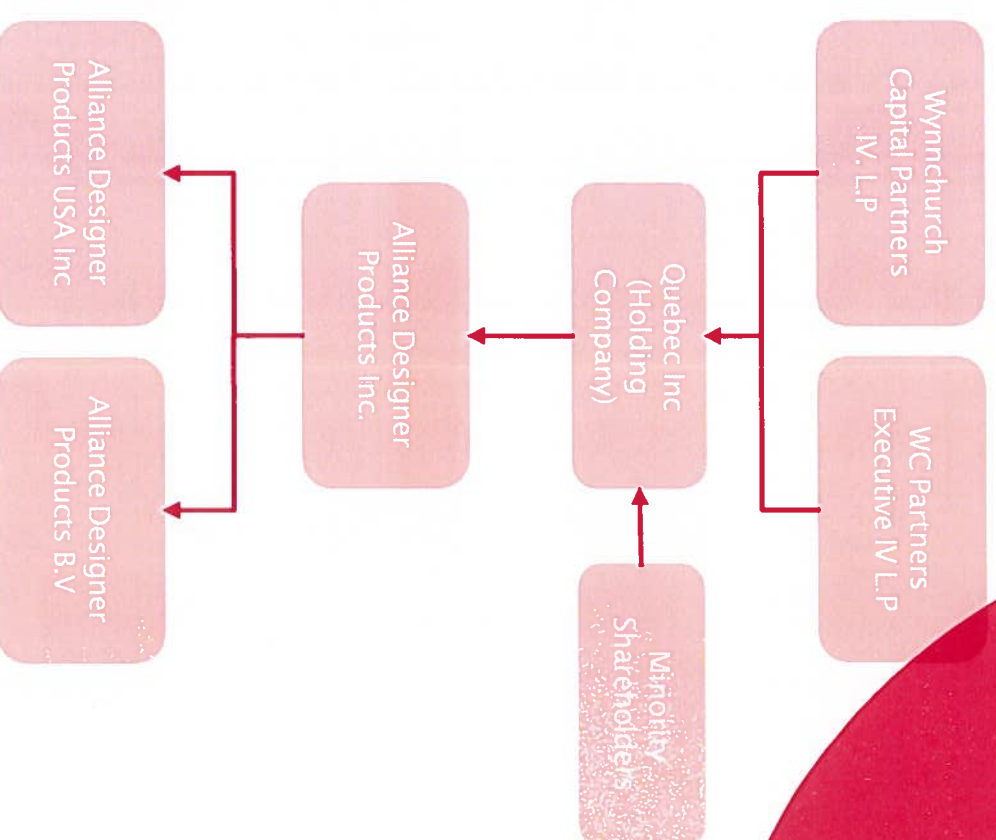


Figure 1: *Our corporate structure*

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OUR ACTIVITIES

Our primary business activities consist of R&D and manufacturing of polymeric sand, which represents approximately 75% of our total annual sales. The R&D team operating out of our lab are required to take a health and safety training during their onboarding process. This training covers regulatory requirements, proper product handling, safe equipment use, and laboratory rules and safety protocols. Safety equipment provided to lab employees include personal protective equipment and safety infrastructure to mitigate occupational risks relating to laboratory environments. Employees in other departments also receive training related to the transportation of hazardous materials.

Our organization engages a third-party recruitment agency to support labour needs associated with the production of our goods at our manufacturing facility in Quebec during peak season. We maintain an established working relationship with the agency and regular communication to meet operational needs. At this stage, we have not yet implemented a formal labour risk assessment or due-diligence process related to recruitment practices. In the coming year, we plan to develop an introduce policies and supporting communications that outlines our expectations regarding forced and child labour and support greater alignment with the Act.

We have expanded our operations to include the distribution and sale of a diversified range of hardscaping-related finished goods to contractors and end consumers, which represents the remaining 25% of sales. These finished goods include nails, sealers, cleaning solutions, artificial turf, geo-grids, geo-textiles, plastic edging, pallets, and plastic bags, among other items relating to hardscaping and are imported from India, China, Japan, South Korea, and Vietnam.

Our products are sold internationally, with the United States comprising the majority of our sales at approximately 85%. Domestic sales within Canada account for 10% while exports to the European markets contribute an additional 5% of total sales.

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OUR SUPPLY CHAIN

We manage both upstream and downstream components of our supply chain, overseeing key operational phases including sourcing and procuring to the movement of raw materials and finished goods. We currently have approximately 100 active suppliers, with our materials primarily sourced from Canada and the United States, as well as several countries across Asia, including South Korea, Taiwan, Vietnam, China, and India (refer to Table 1: *Our Products and Source Location*).

Our direct suppliers operate across North America, Europe, and Asia.

The raw materials used in our polymeric sand are identified, validated, and approved by our R&D team. These materials are largely procured from suppliers located in China, India, and Vietnam. Prior to establishing a commercial relationship with a new supplier in Asia, we conduct on-site visits to understand their operational practices and identify any potential risks, including those involving forced and child labour.

In North America, we work with three categories of suppliers: product manufacturers, distributors, and contract manufacturers.

We maintain close relationships with these suppliers to ensure effective oversight of the first tier of our supply chain.

These suppliers coordinate the delivery of raw materials and sand from their source locations to our manufacturing facility. Expectations related to product quality and delivery standards are communicated through ongoing engagement with our suppliers.

To support the movement of goods to our clients in North America and Europe, we engage third-party logistics providers. This includes a North American logistics broker responsible for coordinating domestic and cross-border shipments between Canada and the United States. We also engage a global shipping and logistics partner that facilitates the international transport of finished goods to our clients in Europe.

All purchase orders are issued through our head office and managed through our Enterprise Resource Planning (ERP) system, which maintains high-level supplier details, order history, sales, and related documentation to support procurement activities.

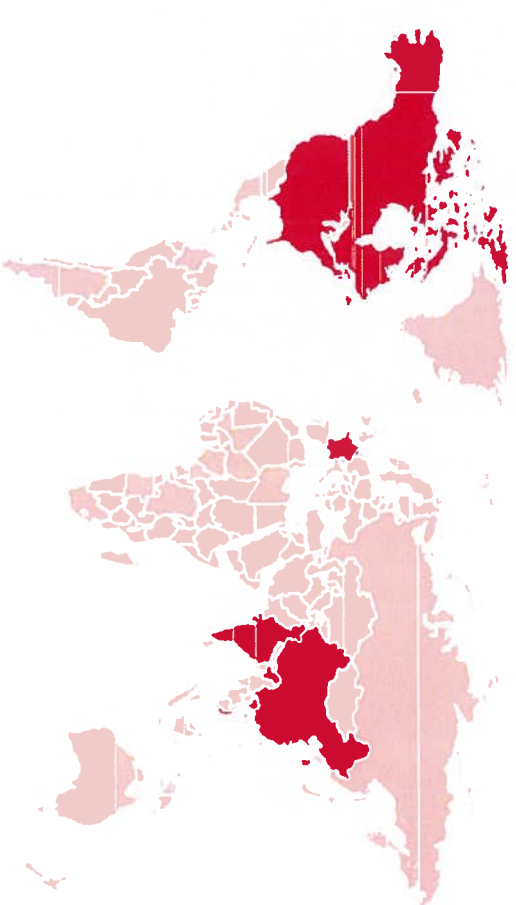


Figure 2: Regional map of our direct supplier locations

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OUR POLICIES AND DUE DILIGENCE PROCESSES

We are committed to providing our customers with high-quality products, and our due diligence process includes in-person assessments of prospective suppliers in Asia prior to establishing a business relationship. While most North American manufacturers have been visited, formal in-person assessments are not routinely conducted, and North American distributors are not currently subject to on-site visits, as it is expected they perform the appropriate due diligence and quality control with their upstream suppliers. Our contract suppliers are visited on-site, and we maintain close operational collaboration, including a regular physical presence at their facilities.

Our in-person assessments take a risk-based approach, taking into account geographic location, supplier type, operational criticality, and historical performance to determine if the supplier is subject to our assessment. The assessment is typically conducted during supplier visits by the Alliance Gator Products Research and Development Manager and is broad in scope, covering general company information, quality management certifications, such as ISO 9001, manufacturing practices, worker amenities (including on-site nurseries, healthcare programs, transportation, or dormitories), labour practices, health and safety practices, such as working hours, production schedules, and access to safety equipment.

While only a portion of the assessment focuses on working conditions, including instances of child labour, it serves as an initial step in identifying potential human rights, forced and child labour risks, or safety risks, and in determining whether a supplier's practices align with our expectations and standards.

In May 2025, we introduced a high-level supplier form specifically for suppliers in Asia that outlines the suppliers' understanding of the Supply Chains Act and includes a declaration confirming the absence of forced and child labour within their facility.

We currently communicate directly with suppliers outlining our expectations and standards. In the next fiscal year, we have identified this as a priority area to develop documentation including a supplier code of conduct, procurement policy, and other governance materials to support a more comprehensive and structured compliance framework.

As we advance our understanding of ethical and responsible supply chain practices, we are taking steps to integrate human rights and labour rights considerations into our existing policies, procedures, and daily operations, while also developing new policies and procedures to support our ongoing efforts. We recognize this as an ongoing journey, and we are committed to making steady, meaningful progress over time.

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OUR UNDERSTANDING, REMEDIATION, AND MITIGATION OF RISK

UNDERSTANDING MODERN SLAVERY RISKS

We recognize that forced and child labour can occur across a wide range of countries and industries, and that these risks are not limited by geography or sector. Such risks may also exist beyond an organization's own operations or workforce. We acknowledge the important role that legislation plays in supporting organizations to identify, address, and mitigate the risks associated with forced and child labour.

Within the context of our business and operations, we recognize that the potential risk of forced and child labour lies primarily within our supply chain rather than within our organization. We believe that suppliers located in Asia present a relatively higher potential risk due to differing regulatory requirements, varying levels of enforcement and differences in labour laws.

In October 2025, we engaged a third party to assess our current policies, procedures, and methodologies, specifically those related to forced and child labour and our risk-management practices. This assessment identified key opportunities for improvement that will guide our enhancements over the next fiscal year and beyond.

In 2026, we plan to conduct a supplier mapping exercise and risk assessment of our supplier base. We are also committed to promoting ethical practices across our supply chain and will expand our current on-site assessment approach by introducing a self-assessment process for all suppliers, which will be conducted on an ongoing basis.

MANAGEMENT, MITIGATION, AND REMEDIATION

We have developed a preliminary understanding of where heightened risks of forced and child labour may exist within our supply chain. As noted, we believe there is increased potential risk among suppliers located in countries in Asia due to differing regulatory requirements and local labour laws. To help mitigate these risks, we complete an initial in-person visits to these suppliers to better understand their practices and assess potential areas of concern. We also require these suppliers to complete a form, which we developed and requires suppliers to declare the absence of forced and child labour within their facilities and confirm their understanding of the Supply Chains Act.

To date, we have not identified any incidents within our supply chain requiring remediation, nor have we been made aware of any unintended consequences of our actions on vulnerable families. While no remediation measures have been necessary, we recognize these risks related to forced and child labour may still exist within our supply chain, and we are at the early stages of developing documentation and monitoring approaches to identify and mitigate these risks.

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As we continue to enhance our risk-management and mitigation practices, we remain mindful of the potential unintended impacts that efforts to address forced and child labour may have on individuals who rely on certain forms of employment for their livelihood. Ensuring that our actions are ethical and considerate of the well-being of affected and vulnerable populations is a priority as our practices evolve.

TRAINING

To reinforce our commitment to identifying, preventing, and mitigating risks of forced and child labour in our operations and supply chains, we delivered mandatory one-hour training session facilitated by an external third-party. Participation was required for key personnel across the organization, including members of the executive team, the R&D manager and designated staff, and the logistics manager.

The training provided an overview Canada's SCA, an introduction on the concepts and indicators of forced and child labour and an overview on how these risks may affect our organization. Participants were also presented with sector-specific case studies, as well as a summary of similar legislation in other jurisdictions, to contextualize global regulatory expectations. The session encouraged engagement and discussion of our organization's obligations under the SCA

In 2026, we will review and update the training materials to incorporate the policies, procedures and processes developed during the year to address forced and child labour in our supply chains. The updated training will also include a brief knowledge-check assessment consisting of five-questions to confirm participants' understanding of the SCA. At minimum, the same individuals who completed the 2025 training will be required to complete the updated training.

COMMITMENT TO CONTINUOUS IMPROVEMENT

Looking ahead, we recognize that we are at the early stages of our journey to understand and address the risks of forced and child labour within our operations, business activities, and supply chain. During the 2025 financial year, we undertook several foundational activities to deepen our awareness of these risks and their potential implications for our organizations.

In response to the requirements of the SCA, we engaged an external third-party to assess our current state against the Act's obligations and to provide prioritized recommendations and a roadmap for improvement. This assessment has given our team greater clarity on the steps needed to align our practices with the legislation and has helped us begin establishing the systems required for responsible supply chain management.

We acknowledge that preventing and addressing forced and child labour risks in an ongoing long-term effort requiring continuous learning, monitoring and refinement. As we build our capabilities in this area, we understand that meaningful progress will come through steady incremental advancement rather than immediate full alignment. We remain committed to conducting our business in a manner that support the mitigation of these risks and will continue to strengthen our awareness, practices, and overall approach over time.

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