



MODERN SLAVERY REPORT

INTRODUCTION

Bathica Corporation (“**Bathica**”) is a national distributor of products for the residential, commercial and industrial HVACR sectors.

Bathica has prepared and published this report in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c. 9 (the “**Act**”). This report describes the steps we have taken during the financial year ending December 31, 2025 (the “**Reporting Period**”) to identify, assess, and address modern slavery risks in our operations and supply chain.

ORGANIZATION

Structure

Bathica is a corporation incorporated under the laws of Ontario. Bathica was incorporated in December 2023. In February 2024, Bathica acquired the business assets of an arms’ length corporation, which assets included the name “Bathica” and form the basis of Bathica’s business today.

A related corporation, located in London, Ontario, provides certain centralized business support services to Bathica, including Payroll & Benefits, Legal, Audit, Tax, Accounts Payable, and IT Security and Operations.

Bathica employs 11 people (referred to as “**teammates**”), all of whom are based in Canada. Bathica teammates report to our Region Manager. Our Region Manager reports to our Vice-President, who reports to our President. Bathica subcontracts certain business functions to 3 individual subcontractors, located in the United States, France, and the Dominican Republic.

Bathica stores inventory in Canada and the United States in a combination of Bathica-operated warehouses and 3PL warehouses.

Activities

Bathica’s primary business is distribution of products for the residential, commercial and industrial HVACR sectors. Bathica’s customer base consists primarily of wholesale distributors and HVACR dealers and installers.

As part of its operations, Bathica imports products from outside Canada. During the Reporting Period, Bathica imported products from China, Indonesia, Thailand and the United States. During the Reporting Period, purchases from these countries represented 100% of our total annual spend for imported products.



Supply Chain

Bathica sources products from suppliers located within and outside Canada for sale primarily within Canada and the United States. During the Reporting Period, Bathica had 12 inventory suppliers. During the Reporting Period, our top 3 countries of supply, based on total annual spend, were China, Thailand, and Indonesia.

POLICIES AND DUE DILIGENCE PROCESSES

Bathica has various processes in place to address the risk of human rights violations and modern slavery within our operations and supply chain.

Code of Conduct

Our Code of Ethics and Conduct (the “**Code of Conduct**”) is the foundation of our culture. Our Code of Conduct applies to all persons employed by Bathica and is designed to create awareness of our legal and ethical expectations and to guide teammates to “do the right thing” in all aspects of our business.

The Code of Conduct contains the following statement in relation to forced labour and child labour.

[Bathica] does not tolerate forced labour or child labour in our operations or supply chain and takes active steps to ensure that our suppliers share this commitment. Each year, we communicate these expectations to each of our suppliers and require that they notify us if they become aware of forced labour or child labour in their operations or supply chains.

In addition, we rely on you [our teammates] to conduct the necessary and ongoing due diligence of our suppliers (both new and existing suppliers). You are also required to report any suspected instances of forced or child labour in our operations or supply chain.

[...]

If you suspect the presence of forced labour or child labour in a supplier’s operations or supply chain, contact [Bathica’s] legal department.

We require all teammates to certify that they have read and will comply with the Code of Conduct on an annual basis. Violations of the Code of Conduct result in appropriate corrective action, up to and including termination of employment for cause.

Policies

Bathica maintains a policy (a “**Standard Practice Instruction**”) on forced labour and child labour to establish controls for identifying and mitigating the risk of modern slavery in Bathica’s operations and supply chain, including the hiring of new teammates, the investigation and



reporting of known or suspected instances of modern slavery, training, due diligence, onboarding of new inventory suppliers, and the distribution of our annual compliance documents.

Hiring and Employment Practices

Bathica has implemented a number of controls in relation to recruitment and hiring. Prior to commencing employment with Bathica, all candidates must participate in an interview with their proposed manager, with certain positions requiring multiple interviews. As a condition of employment, all candidates must be legally entitled to work in Canada and must sign our Code of Conduct. All successful candidates receive a written offer of employment and are entered into our centralized human resources system prior to their start date. Payroll is administered by our National Payroll & Benefits group in accordance with applicable legislation.

Health & Safety

Bathica is committed to promoting and ensuring the health, safety, and wellness of our teammates. This has led to “No one at Bathica gets hurt” becoming a strategic priority for our organization. Bathica has implemented this priority through a series of Standard Practice Instructions which outline controls and requirements to maintain teammate, customer, and visitor safety and to comply with all applicable laws, including provincial occupational health and safety legislation, regulations, rules, and standards.

Bathica teammates receive training on safe working conditions and are required to report workplace accidents, unsafe working conditions, unsafe practices, violence in the workplace, or any attempt, threat, or suspicion of violence, bullying or harassment. Teammates may do so pursuant to our internal reporting process or by calling or emailing Teammate Support Services, an anonymous forum for reporting known or suspected violations of Bathica’s Code of Conduct or standard practice instructions.

Supplier Due Diligence

During the Reporting Period, Bathica undertook a due diligence process whereby all inventory suppliers received a compliance document setting out Bathica’s requirements with respect to modern slavery, including that the supplier not use child labour or forced labour in their own operations, that the supplier take reasonable steps to ensure that there are no activities, practices, or conduct that constitute child labour or forced labour in their operations or supply chain, and that the supplier maintain, keep up to date, and enforce their own policies and procedures to ensure that there is no child labour or forced labour in their operations or supply chain. Suppliers are required to certify the truth and accuracy of the statements contained in the compliance document in relation to their own organization. The compliance document also requires that suppliers maintain documentation necessary to evidence compliance with these requirements and to make such documentation available to Bathica upon request. This due diligence process is carried out annually by Bathica’s Supply Chain Manager, with the assistance of Bathica’s Legal team.



RISK ASSESSMENT AND MANAGEMENT

During the Reporting Period, the main area of risk identified was the supply chain for products that Bathica purchases for resale. To mitigate this risk, Bathica implemented the supplier due diligence process outlined above.

A secondary area of risk is Bathica's supply chain for goods and services that are used within our business and for which we contract with third parties, including property management services (waste management, pest control, security, cleaning), IT goods and services (hardware, software, services), office goods and services, and financial services. We have identified this as an area requiring further examination and, if necessary, corrective action.

REMEDATION MEASURES

During the Reporting Period, we did not identify the existence of forced labour or child labour in our operations or supply chain. As a consequence, we have not undertaken any remediation activities or activities aimed at addressing the losses suffered by those who have lost their income as a result of actions taken by Bathica to eliminate forced labour or child labour from our supply chain.

TRAINING

In addition to incorporating the topic of modern slavery into our Code of Conduct, Bathica has developed a specialized teammate training module on forced labour and child labour. The training provides an overview of Canada's approach to modern slavery, including the key elements of the Act, describes Bathica's risk mitigation efforts, and provides recommendations on how Bathica teammates can assist in identifying and mitigating forced labour and child labour within our business. The training was developed internally and takes the form of an interactive online course with assessments incorporated at various sections to evaluate the participant's understanding of the material. The training is available to all Bathica teammates and is mandatory for certain roles, including leadership and teammates involved in vendor selection and/or purchasing.

ASSESSING EFFECTIVENESS

During the Reporting Period, there were no reported instances of forced labour or child labour within Bathica's operations. If Bathica were to receive a report of forced labour or child labour within its operations, Bathica would immediately investigate the matter with the assistance of the Legal and/or Audit team, as appropriate. If forced labour or child labour were found to have occurred, Bathica would act swiftly to remove the teammate from harm, provide the teammate with post-removal assistance, and take disciplinary action against any teammate(s) determined to have employed forced labour or child labour practices.

During the Reporting Period, Bathica did not identify any instances of forced labour or child labour within its supply chain. If such instances were found to exist, Bathica would take immediate action to address the situation with the supplier, confirm that corrective measures have been taken to

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prevent the continuation of forced labour or child labour and, if the supplier failed to take such corrective measures, cease doing business with the supplier.

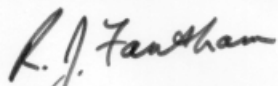
Bathica is committed to expanding and improving its approach to identifying and mitigating the risk of forced labour and child labour within its operations and supply chain. In 2026, Bathica's priorities in relation to modern slavery include:

- continuing to conduct due diligence on existing and prospective suppliers;
- incorporating modern slavery risk identification mechanisms into our supplier onboarding process; and
- incorporating the modern slavery requirements directly into our supplier, distribution, and reseller agreements.

ATTESTATION

In accordance with the requirements of the Modern Slavery 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.

This report has been approved by the Board of Directors of Bathica Corporation on April 23, 2026.



Rick Fantham, President

I have the authority to bind Bathica Corporation.

April 23, 2026