

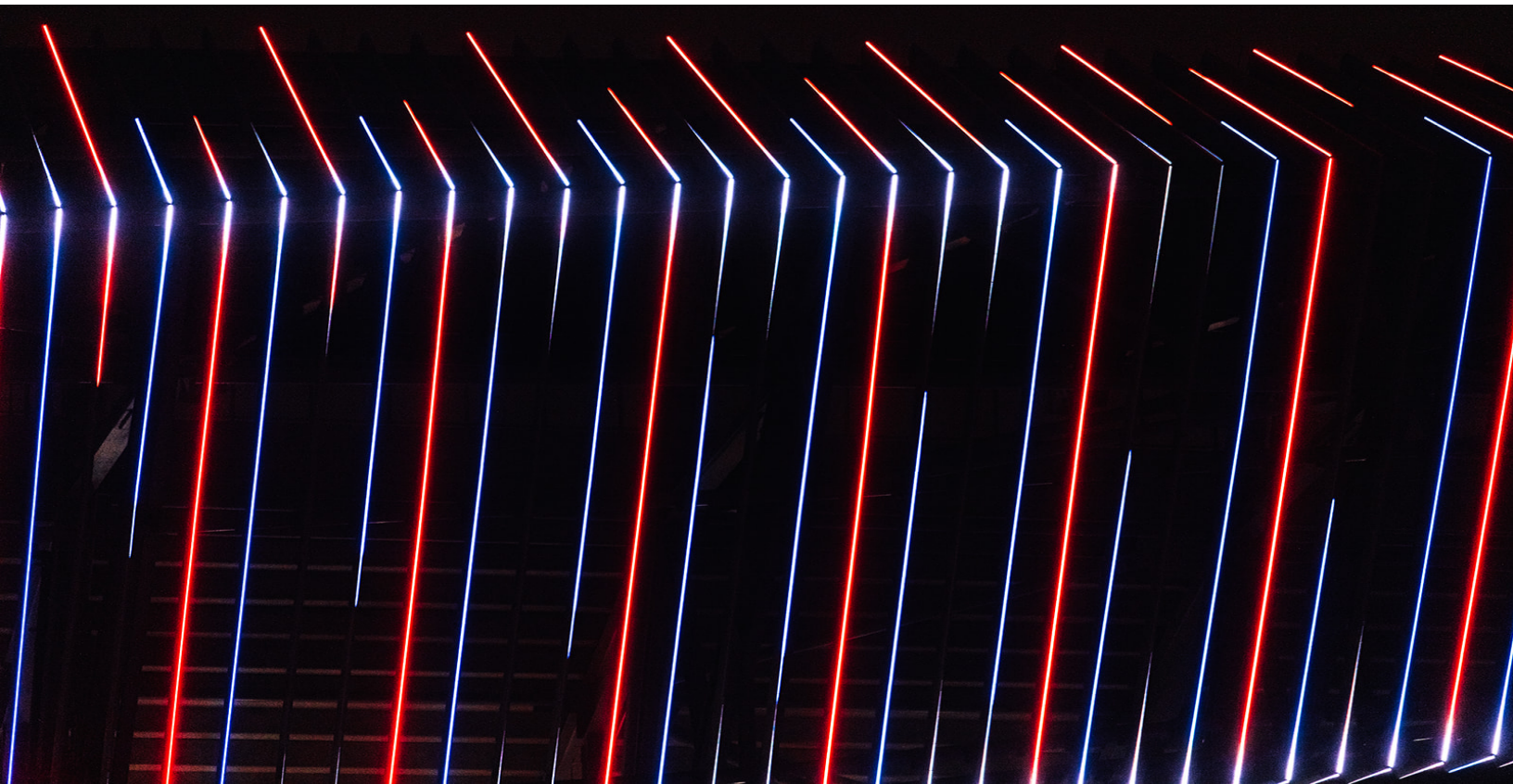


SACO Technologies Inc.

6000 Trans Canada Route
Montreal, QC, H4T 1X9
Canada

ANNUAL REPORT

FIGHTING AGAINST FORCED LABOR AND
CHILD LABOR IN SUPPLY CHAINS ACT



Reporting Entity:
SACO Technologies Inc.

Reporting Period:
July 01, 2024 to June 30, 2025

Date of Report:
May 28, 2026



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INTRODUCTION TO THE ACT

Forced labour can be found in every country and every sector. The [International Labour Organization](#) estimates that there are approximately 27.6 million victims of forced labour worldwide, including 17.3 million in the private economy, and that 160 million children are engaged in child labour globally. Forced labour and child labour risks occur primarily through the global supply chains of businesses, and there is a real and continuing risk that goods imported into and distributed in Canada were produced, in whole or in part, by exploited workers. Entities and government institutions doing business in Canada have an ongoing responsibility to ensure that exploitative practices are addressed and progressively eradicated from their supply chains. SACO will continue to monitor any issues arising under the Act in compliance with the Government of Canada's evolving regulations, including the Updated Guidance for Entities published by Public Safety Canada on December 19, 2025 in preparation for the 2026 reporting cycle.

The measures introduced through former [Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff](#) (the Act), aim to increase industry awareness and transparency and drive businesses to improve practices.

SACO'S RESPONSIBILITY

As a leader in the development, design, and manufacture of LED solid-state lighting and media solutions, SACO plays a role in promoting human rights and responsible business practices. We recognize that risks of forced labor and child labor exist and acknowledge that understanding and managing these risks requires a collaborative approach with our suppliers, our workforce, and other external stakeholders.

Forced labor and child labor are contrary to our Purpose, Vision, and Values. We do not tolerate forced labor or child labor in our organization or in those of our suppliers, and subcontractors. We hold ourselves to the highest standards, and expect our directors, officers, team members, suppliers, and subsidiaries to act with integrity and comply with the laws, regulations and rules that apply to SACO in the jurisdictions where we operate. If instances arise where these expectations are not met, we will respond in an appropriate manner.

This report outlines SACO's continuing governance processes, the measures we have continued to implement and strengthen during the 2025 fiscal year, and the further actions we are committed to taking in fiscal 2026 and beyond to prevent and mitigate the risks of forced labor and child labor across the supply chain we utilize and the practices and educational efforts we deploy within our organization.



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1. STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

SACO is a pioneer company dedicated to advancing solid-state LED technology in applications with lighting and media. We combine integrated technology, design, and manufacturing to supply high-quality video lighting fixtures and media elements for commercial, retail, and specialty niche market applications. SACO is an innovative manufacturer with marketing/sales efforts throughout the world.

Our engineers spent countless hours devising a program to optimize the potential of LED technology which was the cornerstone in the development of the [SMARTVISION®](#) and [SHOCKWAVE](#) Solid State systems introduced in 1996.

As an innovator, SACO brings unequal expertise to the understanding and creation of high- performance LED Light sources, Media, and Video applications. SACO's state of the art technology, strong commitment to research and development, over 30 years of industry experience, and success in markets throughout the world have earned SACO its place as the worldwide leader in the production of Solid State lighting and LED video systems. SACO is continually improving durability, quality and reliability of its products, while maintaining a state-of-the-art design adaptable to today's dynamic environment. SACO has become the technological leader and preferred brand name in both indoor and outdoor LED solid-state lighting and media solutions. This is possible due to SACO's corporate vision and commitment to innovation, quality, reliability, flexibility and a customer first attitude.

In addition to cutting edge R&D and manufacturing capabilities, SACO has further structured the company in order to offer a full menu of products and services to serve all levels of the market.

SACO accomplished this through its four main product and service Labs:





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Building upon our success with our LED video lighting fixtures and media solid-state LED video screens, SACO is committed to producing affordable, high performance, energy efficient lighting and media products for indoor and outdoor use. We have a vast offering of innovative solutions for virtually any lighting or media application.

SACO's Technology has worldwide recognition from Leading Edge LED manufacturers including design and Engineering support. Working with world-renowned artists, SACO is constantly pushing the boundaries of architectural and sustainable designs that are unique to each project with cutting edge technology.

SACO maintains its high level of service and fast response via a strong worldwide partner network. With Corporate offices located in North America, Europe and the Middle East, SACO ensures that all clients receive immediate, local attention.

SACO's mission is to provide our clients with the most comprehensive and dependable integration of Design, Engineering, Products and Support program available in the global marketplace.

SUPPLY CHAINS: From an operational perspective, we source electronic and mechanical components for the build of our products and outsource circuit board assembly and sheet metal machining fabrication with final assembly at our headquarters in Montreal, Quebec. The supply chain team at SACO sources via a diverse range of suppliers globally for electronic components, raw materials, finished products, and any subcontracted production for our projects worldwide. Consistent with Public Safety Canada's December 2025 guidance update, which refocused this section on goods and suppliers, we continue to map our supply chain to include our direct suppliers and, increasingly, sub-tier suppliers of raw materials. This mapping exercise is an ongoing program rather than a point-in-time activity, with particular emphasis on tracing components in higher-risk categories (electronics, semiconductors and metals) to their country of origin. SACO has also assessed, on a continuing basis, whether any of its activities may qualify as "very minor dealings" under the clarified guidance, and continues to document this assessment annually.

2. POLICIES AND DUE DILIGENCE PROCESS

We believe that good governance is the essential foundation of a respectful and inclusive corporate culture that earns trust from and builds value for all our stakeholders. We also realize that respecting human rights is a shared responsibility of all organizations regardless of where they operate globally.

INTERNAL POLICIES:

We have implemented comprehensive internal policies across all departments to ensure ethical labor practices:

- Anti-Harassment
- Human Rights
- No Forced Labor
- No Child Labor
- Working Conditions
- Non-Discrimination and Equal Opportunities
- Workplace Health and Safety Standards



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DUE DILIGENCE IN RELATION TO FORCED LABOR AND CHILD LABOR:

We conducted a detailed review of our top 22 suppliers by dollar spend during the last fiscal year. This accounts for over 88% of procurement fulfillment.

THIS INCLUDED:

Location Analysis: Evaluating the geographic locations of suppliers to assess the risk of forced and child labor based on the country's labor practices.

Risk Assessment: Countries with a high incidence of forced or child labor were flagged for additional scrutiny.

Policy Review: Obtaining and reviewing suppliers' policies against forced and child labor, including their Business Partner Code of Conduct and Ethics. This involved direct communication with suppliers to obtain and verify their compliance with our standards.

Supply Chain Mapping: Mapping our supply chain to understand the sources of raw materials and the labor practices of sub-suppliers.

3. RISK ASSESSMENT AND MANAGEMENT IN RELATION TO FORCED LABOR AND CHILD LABOR

Country Risk Evaluation: We classified supplier countries based on their risk levels concerning forced and child labor. High-risk countries were identified using data from international labor organizations and human rights reports.

SUPPLIER RISK ANALYSIS:

- Suppliers located in high-risk countries are flagged and prioritized
- Regular monitoring and assessment of labor practices
- Interviews with workers and management to verify compliance
- Audits whenever possible

4. MEASURES TAKEN TO ADDRESS AND PREVENT FORCED AND CHILD LABOUR

SUPPLIER ENGAGEMENT:

Policy Enforcement: We communicated our expectations and standards to all suppliers, requiring them to adhere to our Business Partner Code of Conduct and Ethics.

Completing reviews of supplier operations and practices as part of our supplier assessment program prior to supplier selection

Incorporating audit rights and anti-forced labor and anti-child labor clauses into our contract templates

Suppliers ethical labor practices and the importance of complying with international labor standards are reviewed and assessment of each suppliers' practices are reviewed.

INTERNAL ACTIONS:

Recruitment Firm Compliance: Ensured all recruitment firms provide policies that guarantee at-will employment and prevent forced labor.

Internal Control Processes: Implemented stringent controls in manufacturing, procurement, and HR to uphold labor standards.

5. TRAINING PROVIDED

Understanding and complying with the Code of Business Conduct and Business Ethics is a requirement at SACO Technologies Inc. Our onboarding programs for our team members include training on our Code of Business Conduct and Business Ethics, our Values, and a collection of supporting Human Resource and Safety Policies. We require these team members to review and sign off on our employment handbook containing these policies and offer a range of values training programs throughout the year. We also require our suppliers to review our Business Partner Code of Conduct and Ethics. As part of our Compliance program in 2026 and beyond, we are continuing to integrate and expand training for our team members and suppliers on our position against forced labor and child labor, in line with Public Safety Canada's updated guidance issued in December 2025.

6. EFFECTIVENESS ASSESSMENT

We measure the effectiveness of our efforts through:

- Regular Audits: Annual audits and spot checks of high-risk suppliers
- Feedback Mechanisms: Collecting feedback from employees and suppliers on the effectiveness of our policies
- Third-Party Verification: Engaging external auditors to verify compliance



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7. ANY MEASURES TAKEN TO REMEDIATE ANY FORCED LABOR OR CHILD LABOR:

To date, there have been no identified or reported instances of forced labor or child labor in our activities and supply chain.

8. REMEDIATION OF LOSS OF INCOME TO THE MOST VULNERABLE FAMILIES THAT RESULTS FROM ANY MEASURE TAKEN TO ELIMINATE THE USE OF FORCED LABOR OR CHILD LABOR IN ITS ACTIVITIES AND SUPPLY CHAINS:

To date there have been no identified or reported instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labor or child labor in our activities and supply chains.

CONCLUSION:

SACO Technologies Inc. remains dedicated to maintaining ethical labor practices throughout our supply chain and within our internal operations. We do not view compliance with the Act as a one-time exercise: SACO is committed to continuing to monitor any issues arising under the Act, to evolving its program of measures in line with the Government of Canada's guidance, and to demonstrating measurable, year-over-year progress in the prevention and mitigation of forced labor and child labor risks. Our continuing assessment and monitoring processes have not identified any instances of forced or child labor in our activities or supply chains during the reporting period. We remain committed to continuous improvement, transparency, and ongoing engagement with our suppliers, employees and external stakeholders in our continuing efforts to prevent forced and child labor.

This report is publicly available on our website and has been submitted to Public Safety Canada, a Government of Canada body in accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act.



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APPROVAL AND ATTESTATION:

"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."

- **FULL NAME:** Linda Eytcheson
- **TITLE:** Chief Operating Officer
- **DATE:** 28th of May, 2026

"I, Linda Eytcheson, have the authority to bind SACO Technologies Inc.

Linda Eytcheson

(Signature)