

FORM OF ANNUAL REPORT

Introduction

SASE Company LLC is committed to preventing the occurrence of forced labour and child labour in our operations and supply chains. We do not tolerate child labour, forced labour or any other form of slavery and we expect that our suppliers share our commitment to ethical and responsible business practices and support our values.

This report (the "Report") has been prepared pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") and outlines the actions we have taken during the year ended **December 31**, 2023, to prevent and reduce the risk of forced labour or child labour occurring in our business.

The use of the words "we", "us" and "our" refers to SASE Company LLC.

Our Structure and Business

SASE Company LLC is a subsidiary of SASE Intermediate Holdings, Inc. D/B/A SBG Holdings, LLC. We are backed by a private equity group, Charger Investment Partners, and are incorporated in Kent, WA and headquartered in Rockford, TN. We have locations in Canada, the USA, UK, and South Korea, with a workforce of 185, including 31 in Canada.

The Nature and types of activities undertaken are direct sales to industrial flooring contractors of concrete grinding and polishing equipment, tooling, and supplies throughout Canada. All products are saleable and fully assembled prior to arriving in Canada.

Our Supply Chains

We have approximately 50 suppliers of products manufactured in 6 different countries: US, Canada, South Korea, Germany, UK & China.

Our goods consist of:

- Diamond tooling sourced from So. Korea.
- Grinding equipment sourced from United States.
- Dust extractors sourced from Canada.
- Tungsten cutters sourced from China.
- Concrete repair products and chemicals and dyes sourced from United States.

Many products are private labeled for SASE and we hold the trademarks names and some of the patents.

Arrangements with our suppliers are all done through Purchase Orders issued by our purchasing department.

Arrangements with our customers are usually call-in verbal orders to Customer Service.

Our Policies and Due Diligence Processes

We do not yet have any specific forced labour or child labour policies or diligence processes in place. We do plan to develop such policies and processes by Summer 2025.

Risks of Forced Labour and Child Labour in our Business and Supply Chains

The risk of forced and child labour in our supply chains is very low. Over 75% of our products and components are manufactured in the United States and South Korea in facilities owned and operated by us. The components used in our equipment are sourced in the United States from reputable companies that we visit frequently. We only employ legal and of-age workers and we have proper hiring procedures in place. A few items, such as the tungsten cutters, are produced and imported to the United States from China which we recognize might be of higher risk. Members of our executive team have visited the facility in China and did not identify any signs of forced or child labour. However, as outlined above, we plan to implement further policies and diligence processes that will assist us in better determining risk.

Measures Taken to Remediate Forced or Child Labour, the Loss of Income to the Most Vulnerable Families that Result from any Measures taken to Eliminate the Use of Forced or Child Labour in our Activities or Supply Chains

No remediation measures were taken, as no forced or child labour was identified in the fiscal year. Should a future complaint be made, an internal team would investigate. At minimum, this team would consist of the Plant Manager, VP of Supply Chain, VP of Operations, and the Global Director of Human Capital who is responsible for overseeing any necessary remediation efforts.

Remediation efforts could consist of corrective action plans such as making a formal apology, the repayment of recruitment fees or the cost of remediation efforts, terminating supplier relationships, increased diligence or audit procedures, increased visibility at lower levels of the supply chain; providing support or training to suppliers to improve their ability to recognize and eliminate forced and child labour in their operations and supply chains; verifying grievance mechanisms, evaluating the degree of leverage an entity has over its supply chain and its ability to influence change, and discussing whether there was any collaboration with stakeholders, peers or industry bodies.

Employee Training

As this is a new regulation, no training was provided to employees on forced labour and child labour. In 2024, the topic will be addressed in an Anti Forced Labour Policy to be distributed to all employees, organization-wide, who will be required to sign acknowledgement of receipt and understanding.

Measuring Our Effectiveness

No actions have been taken to assess the effectiveness our measures to preventing and reducing risks of forced labour and child labour in our activities and supply chains.

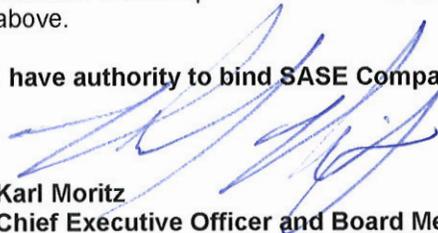
Board approval

The Report was approved pursuant to subparagraph 11(4)(a).

In my capacity as Global Director of Human Capital for SASE Holdings, LLC, and not in my personal capacity, I make this attestation in accordance with the requirements 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 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.

I have authority to bind SASE Company LLC:



**Karl Moritz
Chief Executive Officer and Board Member
May 8, 2024**

Schedule A Company Structure

