

Young & Young Trading Co. Limited
Fighting Against Forced Labour and Child Labour in Supply Chains

Modern Slavery Act Report Fiscal Year 2023



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YOUNG & YOUNG TRADING CO. LTD
(Subsidiary of Oriental Merchant Pty Ltd)

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1. Introduction

The Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) requires that businesses state actions they have taken during the fiscal year to prevent and reduce the risk of forced labour or child labour within their operations and supply chain.

This report for Young & Young Trading Co. Limited (“Young & Young”) referring to the 2023 fiscal year ending December 31, 2023, will describe the steps taken for the purpose of managing and monitoring its operations and supply chain compliance programs to meet the requirements of the Act.

Young & Young recognizes that forced labour and child labour are global issues. We commit that it is our responsibility to respect and protect the human rights of all people within our operations and our supply chain network. We also acknowledge that it is our duty to address and minimize the risks of modern slavery with proactive action which will include ongoing assessments and implementation of effective plans in our business model.

We expect our business partners and Suppliers (as well as their contractors, agents, subcontractors, sub-agents and labour agencies) to uphold these same principles within their operations and adhere to applicable human rights, employment standards laws, and the fight against forced labour and child labour.

2. Steps taken to prevent and reduce the risk of forced labour or child labour

With the Act in effect January 1, 2024, Young & Young has appointed select senior staff to lead our Human Rights Task Force to be trained to oversee and manage the requirements pertaining to respecting human rights and minimizing the risk of forced labour and child labour practices within our operations and global supply chain.

Young & Young has adopted a systematic approach to assess and address the risks of modern slavery by identifying and addressing two sectors in our operations, the internal risk and the supply chain risk.

1. Young & Young Internal Risk Assessment

Young & Young’s internal risk assessment focuses on control areas such as compliance with local labour laws, regulations and recruitment standards, and whether our corporate policies and procedures and working conditions address forced labour and child labour practices. For the Reporting Period, Young & Young has taken the following actions to assess and address the risks:

A. Review of Recruitment and Selection Policy

Young & Young performs pre-screening checks on potential employees including reference checks, right-to-work checks, and where applicable, education and professional qualification checks. Policy requirements mandate that applicants are recruited solely on their ability to meet the inherent requirements of the position, thus avoiding any unlawful discrimination, bias and forced labour.

The recruitment and selection procedures follow a streamlined process whereby standard contracts of employment which comply with the relevant requirements of the Canadian labour laws and Employment Standards Act of Ontario are issued to successful applicants. Our system of checks helps us navigate a range of potential issues such as exploitation of migrant workers and undocumented workers, and practices such as bonded labour and debt bondage.

Our systems have mitigated the modern slavery risks in our recruitment process. We do right-to-work checks and visa checks where applicable, market comparison for wages, and comparison to the regulatory minimum.

B. Review of Remuneration and Wage Review Guide

Young & Young's remuneration and wage review process seeks to recognize and reward fully and fairly the contributions of each of its staff toward the delivery the company's objectives.

Our remuneration strategy reflects individual and company performance, job responsibilities, and individual contribution. In relation to underpayment risks, a full audit of our payroll and employee database is undertaken to cross reference award particulars against wages paid.

In addition to our yearly audit, every payroll cycle, wages and timesheets are checked at multiple levels across management. Maintaining a fair remuneration guide reduces any risk of debt bondage and indentured servitude in our operations.

C. Review of Corporate Policies and Procedures

Young & Young's policies and procedures ensure we can identify and mitigate the risk of forced labour and child labour within our operations. We provide staff with ongoing policy training and keep them informed of new policies and changes to existing policies.

2. Young & Young Supply Chain Risk Assessment

During the Reporting Period and in preparation for this Statement, Young & Young developed a Human Rights & Environmental Responsibility Supplier Questionnaire to be completed by its Suppliers and service providers to ascertain their level of awareness of forced labour and child labour practices. The results of the questionnaire will assist us to evaluate the processes our Suppliers have implemented within their operations to mitigate the risks of modern slavery practices.

Our Human Rights & Environmental Responsibility Supplier Questionnaire along with our Supplier Code of Conduct will form part of the basis of our ongoing action plan by identifying the risks within our supply chain with answers to:

- What level of awareness of forced labour and child labour do our Suppliers and service providers demonstrate?
- Do our Suppliers and service providers share Young & Young's core business values against forced labour, slavery, human trafficking and child labour?
- Do our Suppliers have a modern slavery statement and policy in place and engage in Corporate Social Responsibility within their organization?

Working with our Suppliers to strengthen our collaborative policies against modern slavery and upholding the Supplier Code of Conduct will include education and ongoing reviews. Through continued awareness, communication, and training, we work towards minimizing the internal risk and supply chain risk of forced labour and child labour while integrating the importance of human rights as part of our corporate culture.

3. Young & Young Structure, Activities and Supply Chains

Young & Young is a Canadian private company, founded in 1958, with head office located at 328 Nantucket Boulevard, Scarborough, Ontario M1P 2P4. Young & Young operates as an Asian food importer, focusing on wholesale and distribution across Canada to all sectors of the food industry.

Our distribution reaches both the ethnic and Canadian market and includes grocery stores, retailers, wholesalers, restaurants, the food service sector, and food manufacturers. In 2022, Young & Young joined the Oriental Merchant Group of global companies which include operations in Australia, New Zealand, Europe & Canada.

Oversight of Young & Young's Human Rights Task Force is conducted at the senior management level to ensure our initiatives are effective and evolving as it is reviewed for its adequacy and effectiveness throughout the year.

Young & Young globally sources its food products with the majority of these goods being exported from different regions of Asia and North America. Warehousing of our products is centralized within Ontario.

4. Company policies and due diligence processes in relation to forced labour and child labour

Young & Young's approach to addressing the risk of forced labour and child labour is supported by our codes of conduct for colleagues and Suppliers, where we strive to uphold the rights of our customers, colleagues and team, as well as the many workers, including migrant and temporary labourers across Young & Young's supply chain.

Our supplier relationships are guided by our Supplier Code of Conduct which applies to both domestic and foreign producers and manufacturers that supply both goods and services, agents, brokers and other third parties (collectively "Suppliers") who conduct business with Young & Young.

It is with the understanding that our Suppliers are to share the Supplier Code of Conduct within their own supply chain of contractors, agents, sub-contractors and sub-agents, including any labour agencies who are involved in the provision of goods or performing services for Young & Young (collectively "Related Parties"). By entering into standard terms and conditions or other contractual agreements with Young & Young, Suppliers and Related Parties, accept the terms of the Supplier Code of Conduct and affirm compliance with its requirements as the minimum expectations and guidelines.

5. Risk of forced labour or child labour being used and the steps we have taken to assess and manage that risk

The exposure and risks of forced labour and child labour practices in the food industry is multifaceted. The enormity of the industry, which involves production, processing, packaging and distribution, makes it challenging to conduct a thorough and in-depth assessment.

As a food importer and distributor, we acknowledge that there may be inherent vulnerable areas where modern slavery could occur in some parts of our supply chain and operations. Further exposure to forced labour and child labour risks are heightened as our products are sourced from various regions with developing economies in Asia.

During the Reporting Period, Young & Young's due diligence process comprised of assessments in areas of risk which may contribute to forced labour and child labour practices. As this is an ongoing process, we will continue to take steps to identify and manage the risks in our operations and supply chain whereby working to minimize the risks of modern slavery. Our initial assessments focused primarily on two broad categories:

Category 1 - Our operations throughout Canada

- A. Labour, employment and recruiting practices
- B. Corporate policies and procedures relevant to modern slavery
- C. Occupational health and safety for our staff

Category 2 - Our supply chains

- A. Goods we purchase for Canadian distribution (sourced from local & international Suppliers)
- B. The goods we use and service providers we engage for our operations
- C. The Related Parties used by our Suppliers, in relation to the goods and services our Suppliers provide to Young & Young

6. Remediation of any forced labour or child labour

Suppliers are required to monitor the compliance of their operations with the terms of the Supplier Code of Conduct. Suppliers must share the Supplier Code of Conduct with any Related Parties, such as their contractors, agents, sub-contractors and sub-agents, including any labour agencies who are engaged to assist with providing goods or performing services for Young & Young.

Further, Suppliers are required to monitor Related Parties' compliance per the terms of the Supplier Code of Conduct and immediately disclose any known violations to our appointed task force representative for further investigation. Reports of forced labour or child labour incidents may also be received from third party audits, non-government organizations or media reports. With our established incident management and escalation plan, we ensure to respond effectively and on a timely basis.

Should a Supplier fail to comply with the Supplier Code of Conduct, Young & Young reserves the right to require corrective action. If a Supplier fails to implement corrective action or fails to

comply with the Supplier Code of Conduct, Young & Young may, at its sole discretion and without any further obligation to Suppliers, suspend or terminate, in whole or in part, its relationship with the Supplier. Serious or repeated violations by a Supplier may result in factories or Suppliers being delisted permanently.

7. Remediation of 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 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 labour or child labour in our activities and supply chains.

8. Training provided to employees on forced labour and child labour

Our Supplier Conduct Code & Modern Slavery Report, which are review and updated on a yearly basis, will form part of Young & Young's annual compliance training program by including a detailed explanation of Young & Young's position on human rights, that forced labour and child labour is not tolerated and what employees should do if they become aware of human rights issues. Where employees work directly with Suppliers, they are instructed to familiarize themselves with the Supplier Code of Conduct, and to ensure Suppliers understand what is expected of them and their Related Parties.

The scope of this training focuses on our policies and due diligence practices to address modern slavery, in addition to promoting awareness of our obligations under legislation, identifying key risk factors for human rights violations, reporting on human rights issues and our formal reporting requirements. Human rights training assists in preparing our employees to meet our collective responsibility to respect and protect the human rights of our customers, colleagues and employees, as well as the workers, including migrant and temporary workers, across our supply chain.

9. Effectiveness assessments to ensure that forced labour and child labour are not being used in our business and supply chains

To reduce and prevent the risk of forced and child labour within our operations and supply chains, we assess the effectiveness of our actions to continuously improve our human rights program. Young & Young has a governance structure that oversees the assessment and mitigation of forced labour and child labour risks. We acknowledge modern slavery is an ongoing issue that requires regular monitoring of our existing initiatives set out in this Statement.

As this is our first Statement, we have commenced developing a forced labour and child labour risk management framework and Risk Register to assess the effectiveness of the existing initiatives and we will continue to identify future areas for improvement. Insight drawn from the Risk Register will assist with immediate and long-term initiatives and the development of an

overall approach to mitigating modern slavery risks. Young & Young's forced labour and child labour risk management framework is structured around four pillars:

1. IDENTIFY

- Understand modern slavery risks which may impact Young & Young
- Clearly identify and define the risks across our operations and supply chain

2. ASSESS

- Conduct risk assessments to determine key risk indicators
- Assess whether existing systems are adequate to address risks identified

3. ENFORCEMENT

- Address key risk indicators through remedial actions
- Remedial actions developed in consultation with respective teams to ensure their practicality

4. MONITOR

- Monitor progress of remedial actions

10. Summary

Young & Young has commenced developing a forced labour and child labour Risk Register to keep track of the key risk indicators identified as a result of the internal risk assessments. The Risk Register will also allow us to identify gaps in our management processes and implement corrective action plans moving forward to lower modern slavery risks. In the next Reporting Period, our goal is to be able to assess the practicality of our initiatives, identify gaps in our risk assessment and incorporate reasonable changes.

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.

I have the authority to bind Young & Young Trading Co. Limited

"Rick Tsang"

Rick Tsang
President
Young & Young Trading Co. Limited
May 31, 2024