

ORIENTAL MERCHANT

PTY LTD

ABN 34 007 368 925

**MODERN
SLAVERY
STATEMENT**

2022



Your Asian Food Specialist

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1 MESSAGE FROM THE CEO

Oriental Merchant Pty Ltd is committed to addressing and eliminating the risk of modern slavery in its operations and supply chain through collaborative action.

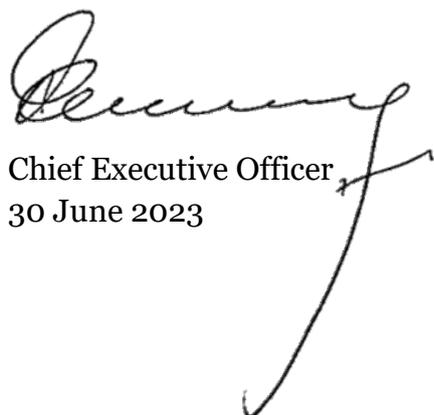
Oriental Merchant issues its third Modern Slavery Statement in accordance with the *Modern Slavery Act 2018 (Cth)* for the reporting period 1 January 2022 to 31 December 2022.

The company takes necessary measures and operates with a collaborative purpose to address potential modern slavery risks in its operations and supply chains. In Australia and globally, Oriental Merchant acknowledges the issue in the food industry and is committed to constantly improving its processes for identifying, preventing, and mitigating modern slavery risks in its operations and supply chains.

It recognises that businesses can play an important role in enhancing and supporting the understanding and dissolution of modern slavery and promoting respect for human rights.

This statement was approved by the Board of Directors of Oriental Merchant Pty Ltd on 30 June 2023.

Bernard Yiu



Chief Executive Officer
30 June 2023

2 STRUCTURE, OPERATIONS AND SUPPLY CHAIN

Oriental Merchant began as a wholesaler and importer in 1990 and has grown to become a leading distribution company specializing in the wholesale, distribution, and marketing of authentic Asian foods throughout Australia. Oriental Merchant has since expanded its operations globally, distributing and marketing Asian food products in New Zealand, the United Kingdom, Europe, and Canada.

In Australia, Oriental Merchant currently employs 268 people. The company distributes through warehouses and offices in Victoria, New South Wales, Queensland, and Western Australia, and operates globally through warehouses and offices in New Zealand, the Netherlands, Canada, and offices in the United Kingdom and Japan, with operations centralized in its head office in Melbourne.

Oriental Merchant is a quality-driven importer and distributor of Asian food and ingredients, providing a diverse range of authentic Asian foods to the Australian market, such as rice, noodles, sauces and condiments, instant noodles, snacks and ready-to-drink beverages, as well as frozen ready-to-eat foods and frozen ready-to-cook foods.



Through its global sourcing capabilities, Oriental Merchant delivers food products from certified suppliers who offer trustworthy Asian food brands that are in demand.

Oriental Merchant aims to offer effective marketing solutions to its suppliers, retailers, and business partners to further educate consumers, demystify authentic Asian cuisines and increase customer retention, as well as retail solutions to increase brand visibility and consumer offtake in stores.

Each year, Oriental Merchant imports thousands of containers of quality Asian food products for distribution in Australia, demonstrating its extensive warehousing and supply chain capabilities. The company has built one of the strongest supply chains in the industry, ensuring consistent supply and on-time delivery across the country. The company is proud to supply to some of Australia's most recognizable brands, including Woolworths, Coles, Metcash, and other independent retailers. Oriental Merchant supplies to more than 95 per cent of Asian grocery retailers in Australia.

3 POTENTIAL MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAIN

The worldwide food, agriculture, and fisheries systems are highly complex and nuanced. Oriental Merchant, as a global player, recognises that parts of its supply chain and operations may be vulnerable to modern slavery practices, especially when some of its products are being sourced from various geographic regions in Asia and the Pacific with developing economies, poor governance, weak rule of law or poverty.

During the reporting period, Oriental Merchant continued with its assessments to identify potential risks in the following areas within its operations and supply chains:

- a) Labour, employment, and recruitment practices
- b) Corporate policies and procedures concerning modern slavery
- c) Goods purchased from local and international suppliers for distribution across Australia
- d) The company's service providers engaged for its operations

4 ACTIONS TAKEN TO ASSESS AND ADDRESS THE RISKS

A. Oriental Merchant Internal Risk Assessment

Oriental Merchant continued to review the following measures to ensure consistent proactive attention to address and manage potential modern slavery risks:

I. Review of Recruitment and Selection Procedures

The company reviewed its recruitment and selection procedures to ensure compliance with Australian employment and labour laws and regulations. Its processes in place ensure that modern slavery, forced labour or human trafficking is not occurring in the company's recruitment process.

II. Review of Remuneration and Salary review guide

The company undertook a remuneration and salary review and implemented a wage increase for employees to recognise their work performance fairly and competitively. The remuneration strategy considered general market conditions, individual and company performance, job responsibilities, and individual contribution.

III. Review of Corporate Policies and Procedures and implementation of new policies

During the reporting period, the Company implemented an Ethical Sourcing Policy, in part to reflect its efforts in preventing and mitigating modern slavery. The Policy sets out the company's commitment to acting ethically and with integrity in all its business dealings, as well as specifying the social and labour standards it expects its suppliers and service providers to support. Suppliers and service providers are expected to complete a periodic Self-Assessment Questionnaire (Supplier Questionnaire) on working and environmental conditions and labour practices in locations where they operate.

The company also reviewed its existing policies to ensure a safe and non-discriminatory workplace.

The company's Modern Slavery Policy and the lodging of annual Modern Slavery Statements raised its employees' awareness of the risks of modern slavery practices in the company's operations and supply chain. Any suspected instances of modern slavery may be reported through its Whistle-blower Policy mechanism.

Upon commencement of employment, employees undergo an induction training which highlights the importance of the following matters relevant to tackling modern slavery:

- Occupational Health and Safety
- Workplace Bullying
- Personal Harassment

Employees are made aware of these policies and the appropriate grievance procedures. Oriental Merchant is dedicated to offering a safe and confidential environment by fostering a culture where employees are encouraged to raise any workplace issues they may have.

During the reporting period when COVID-19 continued to impact its local and global teams and supply chain, Oriental Merchant has prioritised the health, safety and well-being of its employees. This will remain a continued area of focus.

B. Oriental Merchant Supply Chain Risk Assessment

Oriental Merchant monitors its suppliers to ensure that it is reducing the risks of modern slavery in its supply chain. The Supplier Questionnaire provided to its suppliers and service providers is used to assess their awareness and knowledge of modern slavery.

COVID-19 ongoing issues continued to impact Oriental Merchant's supply chain especially its suppliers located in China which was subject to a strict Zero-Covid policy during the reporting period. This hampered opportunities for site visits to assess modern slavery risks.

During the reporting period, the company's suppliers and service providers were made aware of the Ethical Trading Initiative (ETI) Base Code through the Supplier Questionnaire. The ETI Base Code is founded on the conventions of the International Labour Organisation and is an internationally recognised code of labour practice. The company encourages its suppliers and service providers to take steps to comply with the nine provisions of the ETI Base Code:

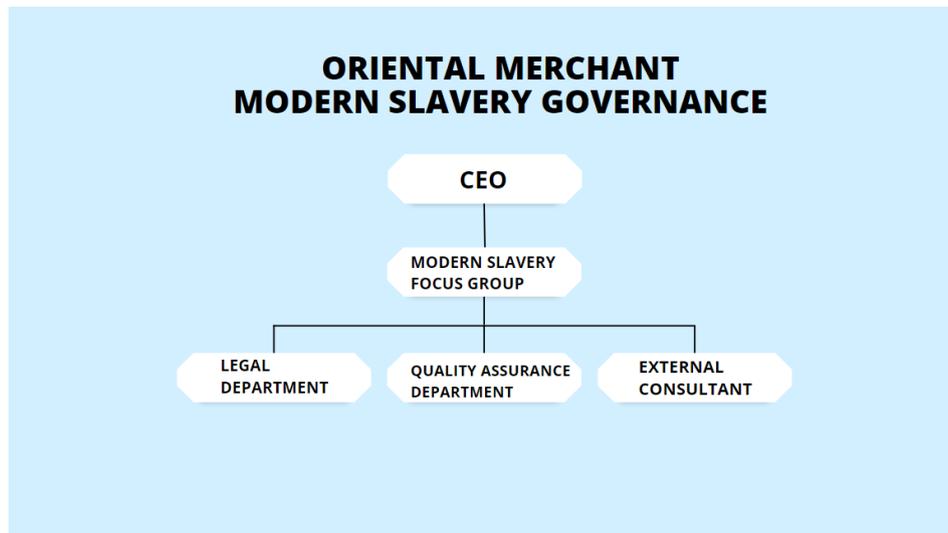


Source: <https://www.ethicaltrade.org/eti-base-code>

The company aims to drive higher levels of awareness of modern slavery risks amongst its suppliers.

5 ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

Oriental Merchant established a Modern Slavery Focus Group during the reporting period consisting of members of the Legal and Quality Assurance teams as well as an external consultant. The Modern Slavery Focus Group reports to the Chief Executive Officer (CEO).



The role of the Focus Group, in addition to the preparation of the company’s Modern Slavery Statement, is to mitigate modern slavery risks in the company’s operations and supply chain. The Focus Group evaluates responses to the Supplier Questionnaire to assess compliance with Oriental Merchant’s Ethical Sourcing and Modern Slavery policies.

During the reporting period, the responses to the Supplier Questionnaire revealed a high level of awareness of modern slavery risks across the company’s supply chain and indicated efforts by suppliers to screen for potential modern slavery risks.

The Modern Slavery Focus Group has regard to the following in assessing the effectiveness of the company’s actions in minimising modern slavery risks:

- Analysis of the responses to the Supplier Questionnaire to understand where there have been improvements or downturns compared to the previous reporting period
- Assessment of the number and nature of any reported incidents received under its Modern Slavery policy or other relevant policies e.g., the Whistle-blower Policy
- Assessment of the number of suppliers who are aware of the ETI Base Code and who are taking steps to comply with its provisions

6 CONSULTATION

Oriental Merchant consulted with its overseas subsidiaries in the preparation of this Statement. Its overseas subsidiaries were asked to assess the impact of the company's Modern Slavery Policy on their activities and to revert with any issues that should be considered in the preparation of this Statement. No breaches of modern slavery have been reported to date from the overseas subsidiaries.

Oriental Merchant's overseas subsidiaries are:

- Oriental Merchant (NZ) Limited located in New Zealand
- Oriental Merchant (Europe) Ltd located in the Netherlands
- Young & Young Trading Co. Ltd located in Canada (acquired in 2022)
- Lekiu Distributors Ltd located in Canada (acquired in 2019)

The recently acquired subsidiaries have been made aware of the company's modern slavery obligations and the company's actions to assess and address modern slavery risks in its operations. The company will continue to collaborate with its subsidiaries to enhance its ability to identify and address potential modern slavery risks.

7 MOVING FORWARD

Oriental Merchant will continue to ensure that its employees are made aware of and acknowledge its Modern Slavery Policy and Modern Slavery Statement which underlie the company's commitment to acting ethically and with integrity in all its business dealings and relationships to minimise the risks of modern slavery in its operations and supply chain.

During the reporting period, the company continued to review and update internal management processes relying on the data outlined in internal risk assessments to minimise modern slavery risks. The company will continue to deliver education to its various business units and employees to reinforce the importance of modern slavery risks. By providing access to crucial information on modern slavery, employees can acknowledge their obligations under the company's policies.

As for supply chain risks, Oriental Merchant will continue to enhance its risk assessments to identify areas where modern slavery risks may arise. Oriental Merchant regularly reviews its Approved Supplier Program to screen for modern slavery risks and monitors the Global Slavery Index's estimates of the countries with the highest prevalence of modern slavery. Oriental Merchant will continue to engage with its suppliers and service providers by reviewing and improving its Supplier Questionnaire to ensure its effectiveness and suitability.

The Modern Slavery Focus Group intends to:

- Make available modern slavery resources to its business units, especially in the areas of procurement and recruitment. It aims to facilitate access to resources to identify and address modern slavery risks in the supply chain
- Make employees aware that any modern slavery complaints will be protected under its Whistle-blower Policy
- Review high-risk suppliers and implement measures to address their modern slavery risks. This may include incorporating modern slavery clauses in supplier contracts and/or applying a minimum standard supplier code of conduct.
- Develop a structured risk assessment framework that includes risk identification, risk analysis, risk evaluation and risk treatment.