

ORIENTAL MERCHANT

PTY LTD

ABN 34 007 368 925

**MODERN
SLAVERY
STATEMENT**

2023



Your Asian Food Specialist

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1 MESSAGE FROM THE CEO

This is Oriental Merchant Pty Ltd's fourth Modern Slavery Statement made in compliance with the requirements of the *Modern Slavery Act 2018 (Cth)* with respect to the reporting period 1st January 2023 to 31st December 2023.

Oriental Merchant is a quality-driven importer and distributor of Asian food and ingredients. It is committed to minimizing the possibility of Modern Slavery risks emerging in its operations.

The company recognises that commercial and logistical circumstances change in the global environment and therefore strives to ensure that its risk management processes remain suitable for a changing international setting.

This statement was approved by the Board of Directors of Oriental Merchant Pty Ltd on 24 June 2024.

Bernard Yiu



Chief Executive Officer
24 June 2024

2 STRUCTURE, OPERATIONS AND SUPPLY CHAIN

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 pastes, condiments and seasonings, instant noodles, snacks and ready-to-drink beverages, frozen seafood products, as well as frozen ready-to-eat foods and frozen ready-to-cook foods.

Each year, Oriental Merchant imports thousands of containers of Asian food products into Australia for distribution through its extensive warehousing and supply chain capabilities.

Through warehouses and offices in Victoria, New South Wales, Queensland and Western Australia, 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 Australia's major supermarket chains and other independent retailers. Oriental Merchant supplies to more than 95 per cent of Asian grocery retailers in Australia. It currently employs 284 people in Australia.

The company also operates globally through a wholly owned subsidiary in New Zealand and affiliated companies in the Netherlands, Canada, United Kingdom and an office in Japan. A similar range of food products to that distributed in Australia is sold through this international network.

Oriental Merchant sources food products only from manufacturers and suppliers duly registered with the applicable local health authority in the country of origin and who comply with Oriental Merchant's Approved Supplier Program requirements.

A list of countries from which it sources its products is provided here:

- China
- South Korea
- Japan
- Hong Kong
- Laos
- Taiwan
- Cambodia
- Thailand
- Vietnam
- Malaysia
- Singapore
- Philippines
- Indonesia
- Australia
- USA
- Germany
- Netherlands

3 POTENTIAL MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAIN

The worldwide food, agriculture and fisheries systems are highly diverse and complex. Accordingly, Oriental Merchant recognises that parts of its supply chain and operations may be vulnerable to modern slavery practices depending on their geographic location and product category.

Oriental Merchant has identified three areas in its operations and supply chain where potential risks may arise:

- a its own labour, employment and recruitment practices
- b the practices and behaviour of local and international product suppliers
- c the service providers engaged by the company

4 ACTIONS TAKEN TO ASSESS AND ADDRESS THE RISKS

A Oriental Merchant Internal Risk Assessment

Oriental Merchant took the following actions to manage potential modern slavery risks in its internal operations:

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.

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. Staff Awareness of Oriental Merchant's Modern Slavery Policy

The company continued to make employees aware of modern slavery practices and how to report any suspected instances of modern slavery through its Whistle-blower Policy mechanism.

Modern Slavery posters were developed for display in the company's common areas such as the lunchroom. These posters provided information on indicators of modern slavery and informed of the company's commitment to eliminating the risks of modern slavery in its operations and supply chain, as well as the company's reporting obligations under Australian law. The posters were also prepared in Chinese for enhanced understanding among employees for whom English is a second language.

Induction training for new employees now not only provides information on employee wages, employment conditions, rights and entitlements, but also raises awareness on topics relating to workplace behaviours and modern slavery practices.

B Oriental Merchant Supply Chain Risk Assessment

Oriental Merchant uses its Approved Supplier Program that provides for food safety and compliance with relevant legislation as the foundation of its management of modern slavery risks. In particular, the Supplier Questionnaire provided to its suppliers and service providers is used to assess suppliers' awareness of modern slavery risks and actions taken to minimise those risks. The company's suppliers and service providers were made aware of the Ethical Trading Initiative (ETI) Base Code of the International Labour Organisation through the Supplier Questionnaire. The company continued to encourage its suppliers and service providers to take steps to comply with the provisions of the ETI Base Code.

In addition, the company monitored the Global Slavery Index's estimates of the countries with the highest prevalence of modern slavery and other commercial sources to determine whether there were any risks to which particular attention should be paid.

Oriental Merchant has begun negotiating with new suppliers to include Modern Slavery clauses in supplier contracts. These clauses require the supplier to take reasonable steps to assess, address, and reduce any risks of modern slavery in its supply chains or in any part of its operations.

When existing supplier contracts come due for review or renewal, negotiations include the inclusion of Modern Slavery clauses in the new contracts.

5 ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

Oriental Merchant established The Modern Slavery Focus Group so that the company would provide a coherent and comprehensive response to the risk of modern slavery practices arising in its operations.

The Modern Slavery Focus Group had regard to the following in measuring 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 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
- Assessment of the number of suppliers who are willing to accept amendments to supplier contracts regarding modern slavery provisions

- Reports in the Global Slavery Index's estimates of the countries with the highest prevalence of modern slavery

While acknowledging there are limitations to the company's reach, the company found no areas where specific concerns arose that might raise concerns that its program might not been effective in making the company aware where there might be modern slavery risks in its supply chain.

6 CONSULTATION

Oriental Merchant made its affiliated companies aware of the company's modern slavery obligations and the company's actions to assess and address modern slavery risks in its operations. Compliance with the company's practices was acknowledged. The company will continue to direct its affiliated companies with regard to the company's policies.

A draft of this Statement was circulated to the heads of the affiliated companies for review prior to final approval by the Board. The final approved Statement will be provided to the affiliated companies.

7 MOVING FORWARD

Oriental Merchant is committed to acting ethically and with integrity in all its business dealings and relationships and to minimising the risks of modern slavery in its operations and supply chain. Over the course of 2024,

(a) The company will deliver ongoing education to its employees to raise awareness and increase their understanding of modern slavery risks. As well, Oriental Merchant will continue to impress on suppliers the importance Oriental Merchant places on its anti-modern slavery policies and practices. Specifically, the company will negotiate with new suppliers, and progressively with existing suppliers when contracts are renewed, for the inclusion of specific clauses that require the supplier to take reasonable steps to assess, address and reduce any risks of modern slavery in its supply chains or in any part of its operations.

(b) The Modern Slavery Focus Group will:

- Continue to provide employees with ongoing training to increase awareness and understanding of the risks and consequences of modern slavery
- Identify and review high-risk suppliers and implement measures to address their modern slavery risks. Enhanced due diligence will be applied when dealing with suppliers in these categories. This may include incorporating Modern Slavery clauses in supplier contracts and/or applying a minimum standard supplier code of business conduct.

- Review and refine its Supplier Risk Assessment Framework to allow for effective assessment of suppliers for modern slavery risks, and their classification as either low, medium, or high risk.
- Focus on assessing suppliers who are considered high risk based upon their product category and jurisdiction.
- Review and update the Supplier Questionnaire for additional risk assessment and allow for better evaluation of Questionnaire response data
- Work on the best approach to measuring the effectiveness of the company's actions