

**ORIENTAL MERCHANT
PTY LTD**

ABN 34 007 368 925

**MODERN
SLAVERY
STATEMENT
2020**



Your Asian Food Specialist

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1. STATEMENT BY THE CEO

Oriental Merchant came from humble beginnings as an Asian grocer. Today, we are one of the world's leading distributors of Asian food products and condiments.

Our success in the industry stems from a simple guiding principle of educating and demystifying Asian cuisine and making it more accessible to everyone across the globe. We strive to become the leading Asian food supplier globally by introducing authentic Asian ingredients and quality Asian branded food products to our mainstream and ethnic retailers and food service customers through strong marketing and supply chain solutions.

This Statement has been prepared to meet our reporting requirements under the Modern Slavery Act 2018 (Cth). It demonstrates our commitment to addressing modern slavery and outlines the steps we have taken to assess and minimise the risk of modern slavery occurring in our operations and supply chain for the calendar year January - December 2020 (Reporting Period).

As modern slavery is an issue that is of global prevalence, Oriental Merchant is committed to conducting ongoing assessments of its operations and supply chain for potential modern slavery risks and implementing effective plans to minimise such risks beyond the Reporting Period.

This statement was approved by the Board of Directors of Oriental Merchant Pty Ltd on 30 June 2021.

Bernard Yiu



Chief Executive Officer
30 June 2021



2. STRUCTURE, OPERATIONS AND SUPPLY CHAIN

AUGUST 22, 2019

Oriental Merchant was formed in 1990 as a business concentrating on the wholesale, distribution and marketing of authentic Asian groceries throughout Australia. Today, Oriental Merchant has grown its global presence across Australia, New Zealand, United Kingdom, Europe and Canada as a leading global Asian food distributor.

Oriental Merchant currently employs 265 staff in Australia. With its operations centralised in its head office in Melbourne, Oriental Merchant distributes through its warehouses and offices in Victoria, New South Wales, Queensland and Western Australia. It operates globally through its warehouses and offices in New Zealand, the Netherlands, Canada, and through offices in the United Kingdom and Japan.

We are a highly professional importer and distributor of Asian food and ingredients, offering a very comprehensive range of Asian food products including rice, noodles, sauces and condiments, instant noodles, snacks and ready to drink beverages to the Australian market. In addition to sales and distribution functions, Oriental Merchant also supports our manufacturers, retailers and business partners with effective marketing solutions to promote awareness, trial and repeat purchases from consumers as well as retail solutions to strengthen brand visibility and consumer offtake in stores.

Oriental Merchant has vast warehousing and supply chain capabilities, importing over thousands of containers of reputable Asian food products each year for distribution in Australia. We have one of the strongest supply chains in the industry to ensure consistent supply and on-time delivery across the country. We supply products to every major supermarket in Australia including Woolworths, Coles, Metcash and other independent retailers. In addition, we proudly service over 95% of Asian grocery retailers in Australia.

Oriental Merchant has an extensive supply chain with a focus of sourcing quality products around the world. Oriental Merchant mainly sources its products from the following countries:



3. THE RISKS OF MODERN SLAVERY PRACTICES IN ORIENTAL MERCHANT

The exposure and risks of modern slavery 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 modern slavery risks is heightened when our products are sourced from various regions with developing economies such as those in Asia and the Pacific region.

During the Reporting Period, Oriental Merchant's due diligence process comprised of assessments in areas of risk which may contribute to modern slavery 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. Our initial assessments focused primarily on two broad categories:

Our operations throughout Australia, including:

- a. Labour, employment and recruiting practices
- b. Corporate policies and procedures relevant to modern slavery
- c. Occupational health and safety for our staff

Our supply chains, including:

- a. The goods we purchase for distribution across Australia (sourced from local and international suppliers)
- b. The goods we use and service providers we engage for our operations



4. ACTIONS TAKEN TO ASSESS AND ADDRESS THE RISKS

4.1 ORIENTAL MERCHANT INTERNAL RISK ASSESSMENT



Oriental Merchant adopted a systematic approach in isolating high visibility and control areas such as compliance with local labour laws, regulations and recruitment standards, and whether our corporate policies and procedures and working conditions address modern slavery practices.

For the Reporting Period, Oriental Merchant has taken the following actions to assess and address modern slavery risks:

A. REVIEW OF
RECRUITMENT
AND SELECTION
POLICY

B. REVIEW OF
REMUNERATION
AND WAGE
REVIEW GUIDE

C. REVIEW OF
CORPORATE
POLICIES AND
PROCEDURES

A. REVIEW OF RECRUITMENT AND SELECTION POLICY

Oriental Merchant 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 Fair Work Act 2009 (Cth) 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, market comparison for wages, and comparison to the regulatory minimum.



B. REVIEW OF REMUNERATION AND WAGE REVIEW GUIDE

Oriental Merchant's remuneration and wage review process seeks to recognise 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. The awards that apply to us are:

- a. Clerical Award 2010
- b. Storage Service & Wholesale 2010
- c. Commercial Traveller Award 2010
- d. Road Transport Award 2010

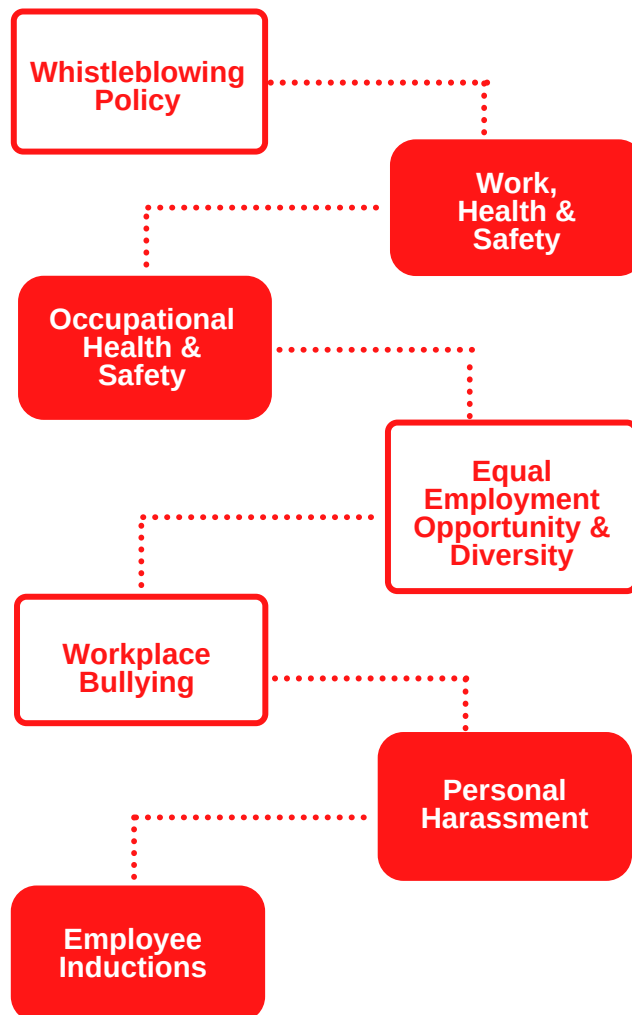
Maintaining a fair remuneration guide reduces any risk of debt bondage and indentured servitude in our operations.



C. REVIEW OF CORPORATE POLICIES AND PROCEDURES

Oriental Merchant's policies and procedures ensure we can identify and mitigate the risk of modern slavery. We provide staff with ongoing policy training and keep them informed of new policies and changes to existing policies.

Oriental Merchant has provided staff with training on the following policies relevant to modern slavery and respect for human rights:



4.2 ORIENTAL MERCHANT SUPPLY CHAIN RISK ASSESSMENT

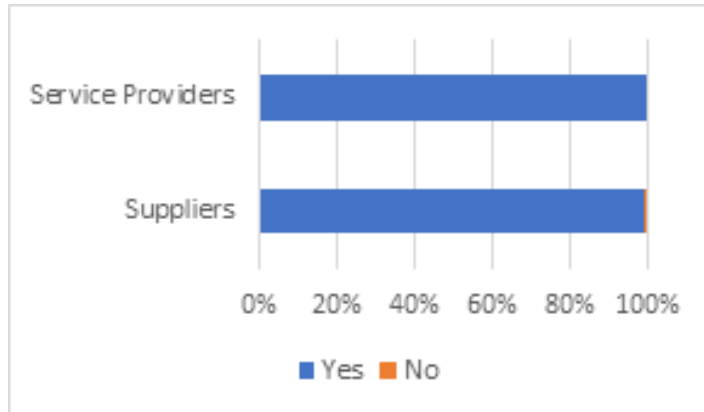
During the Reporting Period and in preparation for this Statement, Oriental Merchant developed a modern slavery questionnaire for its suppliers and service providers to ascertain their level of awareness of modern slavery and evaluate the processes they have implemented within their operations to mitigate the risks of modern slavery practices.

SUPPLY CHAIN RISK ASSESSMENT SUMMARY

We received a high response rate of 95% from our suppliers and service providers to our questionnaire during the Reporting Period. Whilst our ability to address the risks identified through the questionnaire is limited, the results as summarised below, have been encouraging.

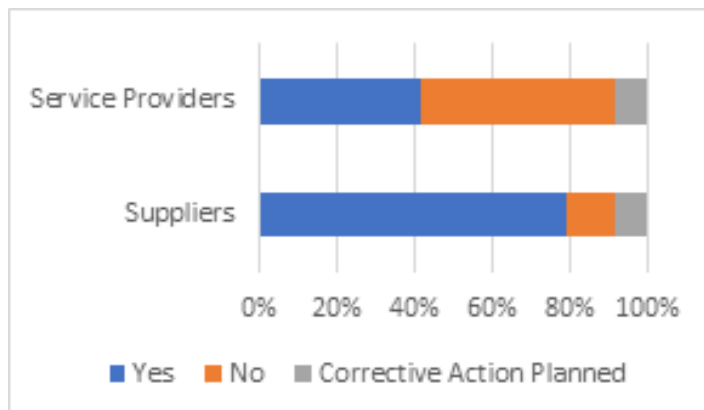
Question

Does your organisation align itself with the following values: respecting human rights; the prohibition of forced labour, slavery, human trafficking and child labour; ensure reasonable working hours and wages according to local law and regulations; and conduct business lawfully and with integrity?



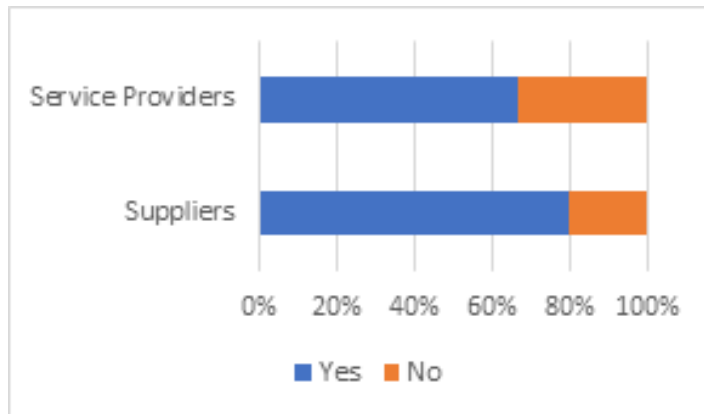
Question

Does your organisation have a modern slavery statement, policy or policies in place to deal with or to reduce the risk of modern slavery/ forced labour/ child labour?



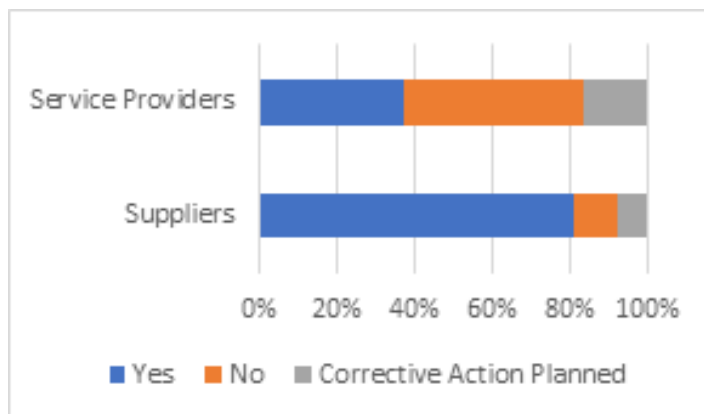
Question

Does your organisation have a person or team responsible for overseeing modern slavery risks (including record keeping regarding contractors and subcontractors) that arise in relation to the goods or services that you deliver or receive?



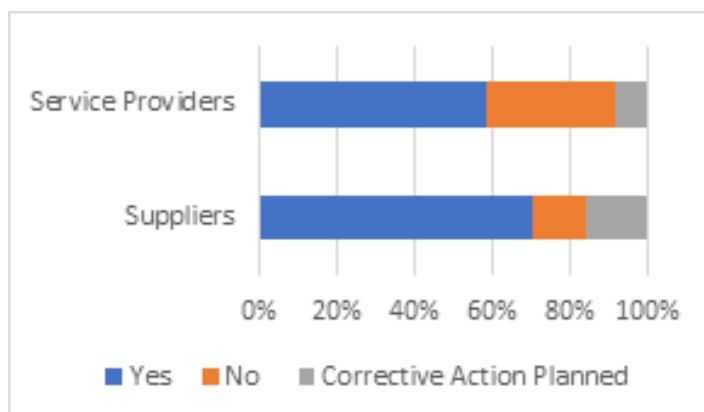
Question

Does your organisation raise awareness among staff or provide training on how to identify, assess and respond to modern slavery risks/ forced labour/ child labour?



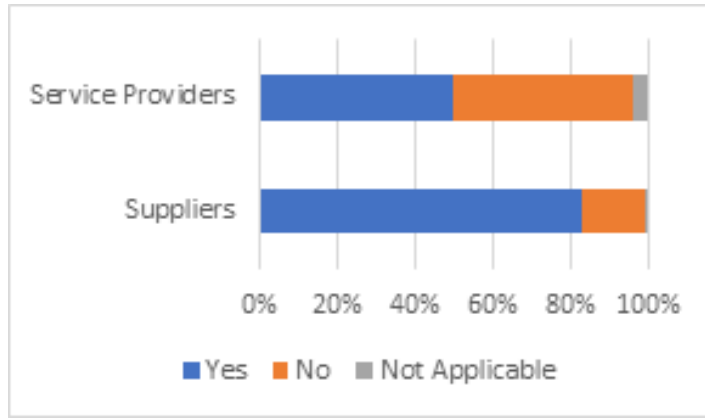
Question

Does your organisation review all new suppliers to assess the risks of modern slavery or other human rights harms that may occur in its operations and supply chains?



Question

Does your organisation engage in any Corporate Social Responsibility (CSR) activities to promote the protection of the environment?



We are encouraged that a majority of our suppliers and service providers demonstrate a considerable level of awareness of modern slavery risks. We also welcome the positive response from suppliers in high-risk geographical regions with plans to address modern slavery risks. Our service providers have indicated commitment to core business values against forced labour, slavery, human trafficking and child labour, values which align with Oriental Merchant's ethical sourcing principles. It is also encouraging that our suppliers and service providers engage in Corporate Social Responsibility in their organisations. We remain committed to adhering to these principles across our operations and supply chain. For the small number of suppliers with no immediate corrective action plans to address the risk of modern slavery practices in their operations and supply chains, we will continue to make them aware of our obligations and ongoing efforts in this area.

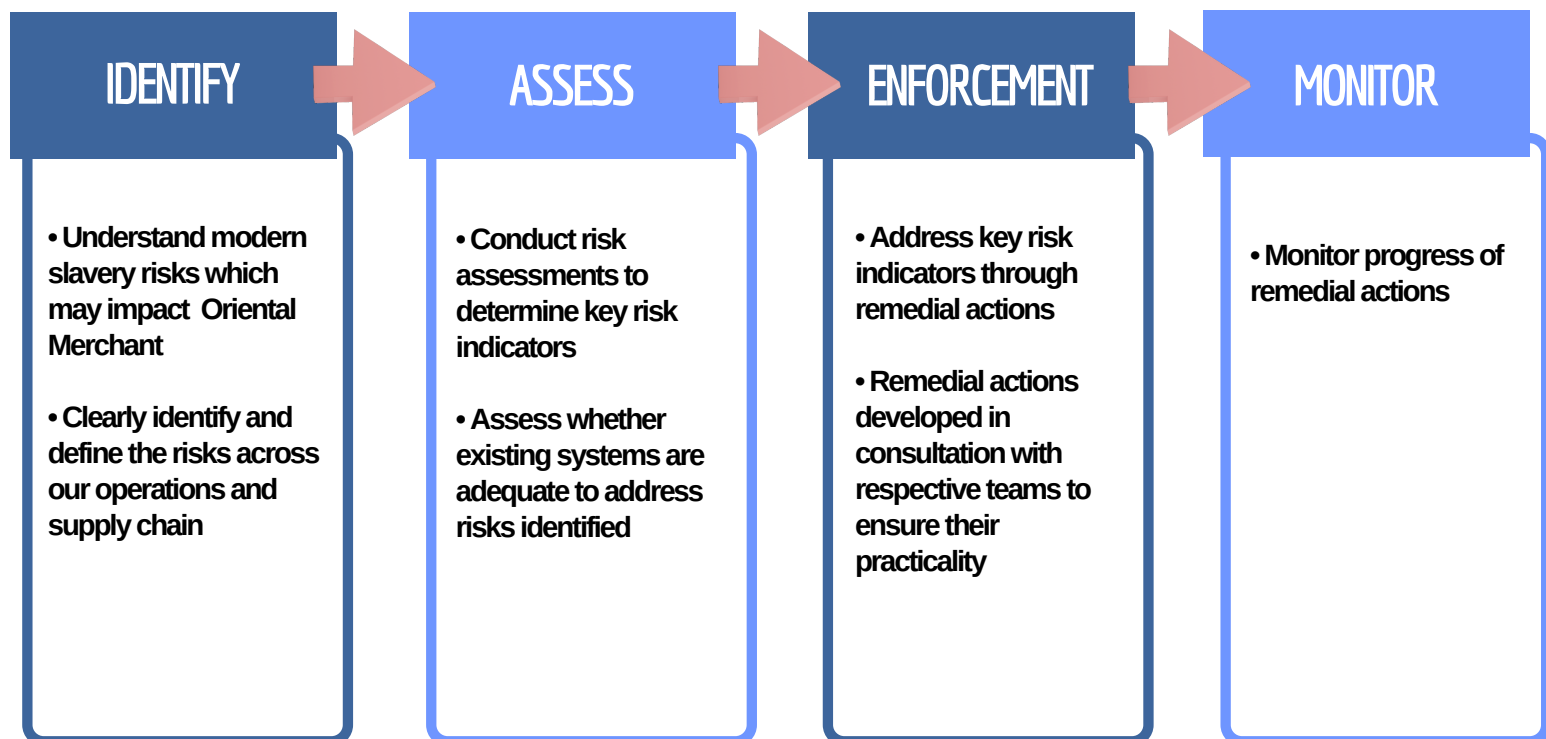
Oriental Merchant is also a signatory to the Australian Packaging Covenant and adheres to the initiatives detailed in the Covenant's strategic plan. We are focused on working with our suppliers and subsidiaries to balance the need for protecting the environment by reducing, reusing and recycling waste, increasing energy efficiency, and decreasing our carbon footprint across all our operations.



5. ASSESING THE EFFECTIVENESS OF ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

Oriental Merchant has a governance structure that oversees the assessment and mitigation of modern slavery 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 modern slavery 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.

Currently, the risk register is categorised into four broad areas of risk: management risks, human resources risks, procurement and logistics risks, and legal risks. Within these categories, we will isolate the key risk indicators, identify our current mitigation controls and devise key initiatives to lower modern slavery risks. In the next Reporting Period, we hope to be able to assess the practicality of our initiatives, identify gaps in our risk assessment and incorporate reasonable changes.



6. CONSULTATION WITH OUR SUBSIDIARIES

Due to COVID-19 imposed travel restrictions, we have not been able to visit our overseas subsidiaries and undertake a useful consultation on their assessment of modern slavery risks. However it is to be noted all overseas entities controlled by Oriental Merchant comply with the labour laws and regulations in their respective jurisdictions. Oriental Merchant's modern slavery statement will be made available to our overseas subsidiaries to facilitate further consultation.



7. MOVING FORWARD

Oriental Merchant has commenced developing a Modern Slavery 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.

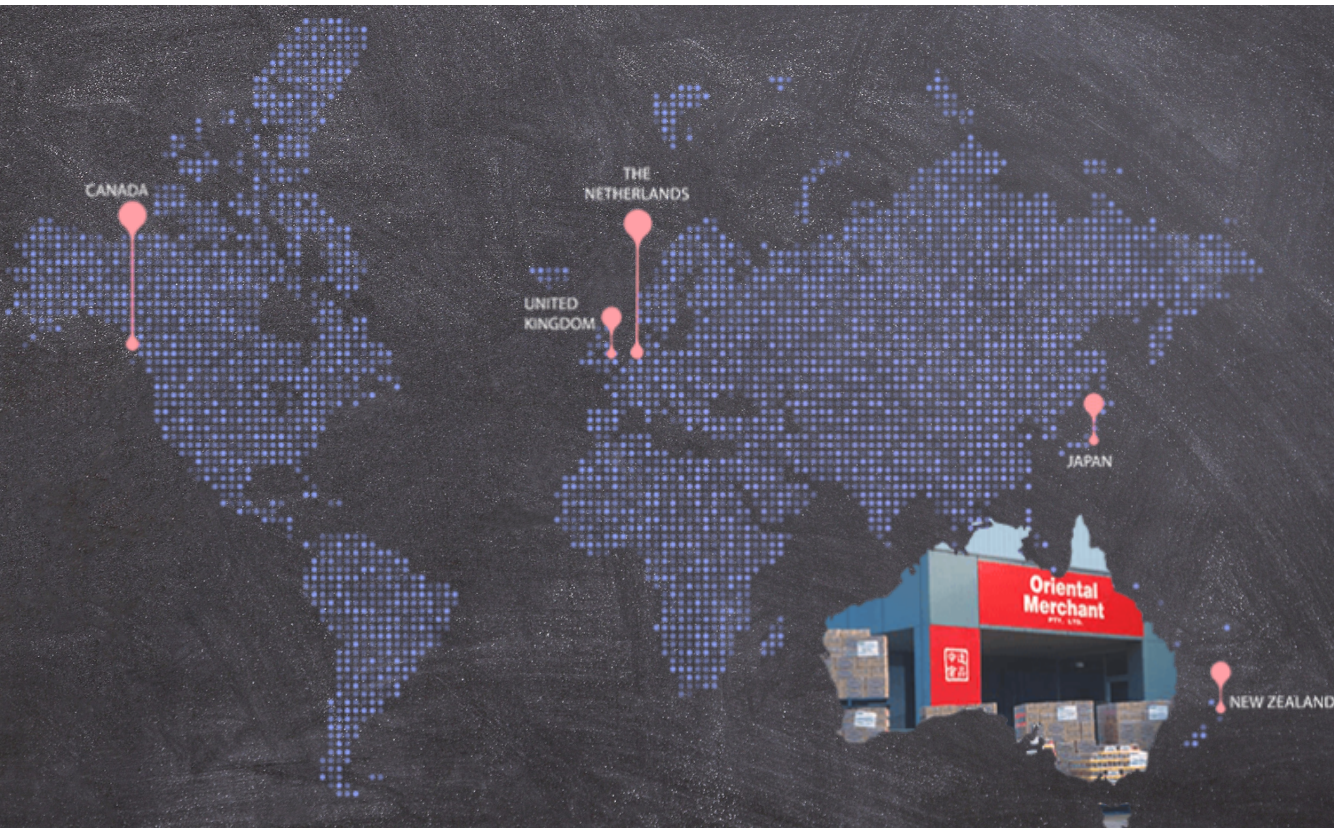
Operations

We recognise there are areas for improvement in our operations to further reduce the risks of modern slavery. We remain committed to these key initiatives identified in our internal risk assessments. Whilst internal management processes have been sufficient in minimizing our risk of modern slavery to date, we recognise that this is an ongoing process. We will reinforce our corporate policies to ensure that modern slavery risks are further identified and mitigated.

Supply Chain

Due to Oriental Merchant's extensive supply chain spread across several countries, we relied on the self-assessment questionnaires to our suppliers and service providers to assess modern slavery risks. We acknowledge that this methodology is limited to the supplier and service provider's willingness and good faith in providing accurate responses. It is also to be noted that COVID-19 travel restrictions hampered any opportunities for us to undertake site visits in the Reporting Period.

We will continue to take steps to improve awareness of modern slavery risks in our supply chain by reviewing and improving our modern slavery questionnaire, adapting our approved supplier program to include modern slavery risk screening, and following up on our suppliers' and service providers' action plans to address modern slavery risks.





Your Asian Food Specialist
