

MODERN SLAVERY STATEMENT

2024

Introduction

Modern slavery refers to situations where coercion, threats, or deception are used to exploit victims, depriving them of their freedom. As part of our commitment to human rights, Hong Australia Corporation Pty Ltd takes proactive steps to identify and mitigate modern slavery risks within our business operations and supply chains.

Our Approach

1. Reporting Period:

- This statement covers the financial year ending 30 June 20xx. It outlines the actions taken and progress made in addressing modern slavery risks during this period.

2. Legal Framework:

- We adhere to the reporting requirements of the Modern Slavery Act 2018 (Cth). Our commitment extends to implementing these obligations across all operations and throughout our supply chain. Compliance with this legal framework ensures that we operate with integrity and accountability.

3. Risk Assessment:

- Hong Australia Corporation conducts thorough assessments of modern slavery risks within our operations and supply chains. We evaluate the potential for exploitation and take steps to mitigate these risks. This ongoing process includes reviewing high-risk areas, engaging with suppliers, and enhancing our due diligence practices.

4. Transparency:

- Our goal is to prevent exposure to modern slavery by fostering transparency, vigilance, and awareness throughout our business and supply chains. We are committed to open communication and sharing information about our efforts to combat modern slavery. This includes engaging with stakeholders, suppliers, and the broader community to promote ethical practices and uphold human rights.

By integrating these principles into our operations, Hong Australia Corporation Pty Ltd strives to create a safe, fair, and just environment for all individuals involved in our business activities, directly or indirectly.

Structure, Operations, and Supply Chain

Hong Australia Corporation Pty Ltd is an Australian-registered company with five subsidiaries. The head office, located in Sydney, New South Wales, oversees the group's modern slavery policy, procedures, and reports.

With over 180 employees, including permanent, part-time, and casual staff, Hong Australia Corporation Pty Ltd operates under several trading companies across different states. The registered business names include:

1. **NSW** - Hong Australia Corporation (HAC)
2. **NSW** - JLS Food and Bakery Supplies
3. **NSW** - Epic Cash and Carry
4. **VIC** - Merchant Australia
5. **QLD** - Garboro Foods

For over 50 years, Hong Australia Corporation Pty Ltd has been a trusted supplier of groceries to local supermarkets and eateries across Australia. Over time, Hong Australia Corporation Pty Ltd product range has expanded to over 10,000 items, providing customers with more variety and choice. In addition to stocking well-known international and national brands, Hong Australia Corporation Pty Ltd offers its own home brand products: **Royles**, **HAC**, and **Epic**, all of which are sourced from manufacturers with a strong commitment to food safety.

As an importer of food products and ingredients from countries such as Thailand, Singapore, Malaysia, China, Vietnam, Canada, Italy, and Germany, Hong Australia Corporation Pty Ltd ensures that all suppliers comply with modern slavery regulations.

To maintain high service standards, Hong Australia Corporation Pty Ltd also outsources various services to support its operations, including:

- Third-party independent certification for food safety, hygiene, and hazard analysis
- Equipment repair and maintenance by professionals
- Monthly truck maintenance
- Warehouse pest control and cleaning

This comprehensive approach ensures that Hong Australia Corporation Pty Ltd continues to deliver quality products and services to its customers while upholding ethical and safety standards.

Potential modern slavery risks within operations and supply chains

Risk that Hong Australia Corporation Pty Ltd May Cause:

Although the risk is relatively low, Hong Australia Corporation Pty Ltd regularly reviews its company policies and procedures to ensure compliance with current regulations. We also work to increase employee awareness by providing regular updates and safety training. All employees are recruited through a fair and transparent process, which includes verifying working hours, ensuring legal rights to work in Australia, and aligning with current regulations. Feedback from all employees is encouraged and welcomed.

Risk that Hong Australia Corporation Pty Ltd May Contribute To:

There is always the possibility that we may unintentionally contribute to risks due to a lack of awareness or knowledge about certain situations or conditions. Hong Australia Corporation Pty Ltd maintains direct communication with the majority of our customers, suppliers, and manufacturers to mitigate this risk.

Risk that Hong Australia Corporation Pty Ltd May Be Directly Linked To:

There is a risk that our operations and products may be connected to modern slavery through our business relationships, particularly with our suppliers. Through our due diligence processes, we have identified key risk areas, including:

- **Industry and Sector Risks:** Activities related to the harvesting of raw materials.
- **Geographic Risks:** Working with suppliers or manufacturers from low- and middle-income countries where modern slavery risks may be higher.

By addressing these risks and maintaining vigilance in our operations, we strive to uphold ethical standards throughout our supply chain.

Action taken to assess and address potential modern slavery risks

Assessing Risk:

1. Review Existing Information:

- Continuously examine current data, reports, and relevant documents to identify and understand modern slavery risks within the organisation and supply chain.

2. Map Key Parts of Operations and Supply Chain:

- Identify and analyse the most critical areas of operations and supply chains that may be vulnerable to modern slavery risks. This includes both direct operations and indirect suppliers.

3. Develop Tools and Policies:

- Create specific tools and policies that guide the organisation in detecting and addressing modern slavery risks. These should be practical and aligned with industry best practices.

4. Assign Responsibility:

- Designate individuals or teams within the organisation who are responsible for assessing and addressing modern slavery risks. This ensures accountability and focus on the issue.

5. Set Up Safe Reporting Methods:

- Establish secure and confidential channels for employees, suppliers, and stakeholders to report any suspicions or incidents related to modern slavery. These reporting methods should be easily accessible and trusted by all involved.

6. Engage Directly with Workers and Potentially Affected Groups:

- Actively communicate with workers and groups that may be affected by modern slavery to understand their concerns and gather valuable insights. This helps in identifying hidden risks and creating effective solutions.

Changes to Policy and Processes:

1. Make Modern Slavery Policy Publicly Available:

- Publish the organisation's modern slavery policy on the company website and other public platforms to demonstrate transparency and commitment to eradicating modern slavery.

2. Review and Improve Existing Policies and Procedures:

- Regularly review and enhance current policies and procedures to ensure they effectively address modern slavery risks. This includes updating any outdated practices and incorporating new insights.

3. Improve Staff and Management Awareness:

- Provide ongoing training and resources to both staff and management to raise awareness about modern slavery. This ensures everyone understands the risks and their role in preventing it.

4. Prepare to Respond:

- Develop and implement a response plan for modern slavery incidents. This includes clear steps for investigating and resolving issues promptly and effectively.

Supplier Engagement:

1. Improve Supplier Awareness:

- Educate suppliers about modern slavery risks and the importance of compliance with ethical standards. This can be done through training sessions, workshops, and providing educational materials.

2. Clearly Communicate Expectations:

- Clearly outline the organisation's expectations regarding modern slavery to all suppliers. This includes adhering to specific standards and practices that prevent exploitation.

3. Develop Supplier Engagement Strategy:

- Create a comprehensive strategy to engage with suppliers on modern slavery issues. This may involve regular audits, assessments, and collaborative efforts to ensure that all parties are aligned in combating modern slavery.

By implementing these actions, Hong Australia Corporation Pty Ltd can better assess, prevent, and address modern slavery risks within its operations and supply chain, while also fostering stronger relationships with suppliers and stakeholders.

Assessing the effectiveness of Hong Australia Corporation Pty Ltd modern slavery actions

As Hong Australia Corporation Pty Ltd continues to raise awareness and identify potential areas where modern slavery may arise, monitoring the effectiveness of implemented measures is crucial. Below are some key indicators to track, along with a brief explanation of how they contribute to evaluating progress:

1. The Number of Modern Slavery Training and Awareness Raising Programmes:

- **Purpose:** This indicator tracks the frequency and scope of training sessions and awareness programs provided to employees, management, and suppliers.
- **Monitoring Strategy:** Keep a record of the number of training sessions conducted, the number of participants, and the content covered. This helps assess how well the company is educating its workforce and partners on modern slavery issues.
- **Target:** Aim for regular, ongoing training sessions and increasing participation rates over time.

2. Proportion of Complaints Resolved:

- **Purpose:** This indicator measures how effectively the company handles reports or complaints related to modern slavery or other ethical concerns.

- **Monitoring Strategy:** Track the total number of complaints received and the proportion of those that have been investigated and resolved. This will help assess the company's responsiveness and the effectiveness of its reporting mechanisms.
- **Target:** Strive for a high resolution rate, with timely and satisfactory outcomes for all complaints.

3. The Number of Actions Taken with Suppliers to Improve Their Response to Modern Slavery

Risks:

- **Purpose:** This indicator evaluates the company's proactive measures in working with suppliers to mitigate modern slavery risks.
- **Monitoring Strategy:** Document the number of corrective actions, audits, or improvement plans implemented with suppliers. This includes actions such as supplier training, policy reviews, and compliance checks.
- **Target:** Increase the number of engagements and actions taken with suppliers over time, ensuring continuous improvement in supplier practices.

Additional Monitoring Suggestions:

- **Employee Feedback:** Regularly gather feedback from employees on their awareness and understanding of modern slavery issues after training sessions.
- **Supplier Compliance Rate:** Track the percentage of suppliers that comply with the company's modern slavery policies and requirements after being engaged.
- **Impact Assessments:** Conduct qualitative assessments to understand the impact of training and actions on reducing modern slavery risks.

By monitoring these indicators, Hong Australia Corporation Pty Ltd can better assess the effectiveness of its modern slavery prevention efforts and continue to make necessary adjustments to improve outcomes.

Consultation

In preparing this report, Hong Australia Corporation Pty Ltd consulted with its wholly owned Australian subsidiary, Epic Trading Company Pty Ltd, which is an asset-holding company that does not engage in trading activities. Its sole income is from rentals, and hence, there were no modern slavery breaches to report. Hong Australia Corporation also consulted with a cross-functional working group comprising employees responsible for the oversight of procurement, legal, and risk processes across the business. This collaborative approach ensures that the company's practices remain aligned with industry standards and regulations. The working group focuses on the following continuous efforts:

1. Reviewing and Developing the Content of Questionnaires:

- **Purpose:** To ensure that the questionnaires used to assess suppliers and partners are relevant and aligned with current food safety industry standards.
- **Actions:** Regularly update the content of questionnaires to reflect the latest regulatory requirements, industry best practices, and any emerging risks related to food safety and modern slavery.
- **Outcome:** By keeping the questionnaires current, the company can better evaluate the compliance and practices of its suppliers, ensuring that they meet both food safety and ethical standards.

2. Reviewing and Updating Risk Assessments:

- **Purpose:** To maintain up-to-date risk assessments that accurately reflect the current landscape of potential risks, including those related to procurement and supply chain operations.
- **Actions:** Conduct regular reviews of existing risk assessments, incorporating new information, feedback, and any changes in the business environment. This includes evaluating risks related to modern slavery, food safety, and legal compliance.
- **Outcome:** Up-to-date risk assessments help the company identify and mitigate risks proactively, ensuring that appropriate measures are in place to protect the business and its stakeholders.

By continuously engaging in these review processes, Hong Australia Corporation Pty Ltd strengthens its ability to manage risks, uphold industry standards, and maintain a responsible and ethical business operation.

This statement has been prepared by Hong Australia Corporation Pty Ltd in its capacity under the Modern Slavery Act 2018. It was authorised and approved by the Board of Directors of Hong Australia Corporation Pty Ltd on 20th December 2024.



John Yee

Managing Director