



## **Mandarin Holding Corporation**

**Forced Labour and Child Labour in Supply Chains Act  
("Modern Slavery Act")**

**Fiscal Year 2023**

## **Introduction**

This Report has been prepared in accordance with the reporting requirements under Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act") for our 2023 fiscal year to prevent and reduce the risk of forced labour or child labour within our operations and supply chain. This is a report for Mandarin Holding Corporation, which has an obligation to publish a report under the Act (**collectively, "Mandarin"**).

Mandarin is committed to preventing and reducing the risk of forced and child labour within our organization, franchisees, business partners, and supply chain network. We maintain an unwavering commitment to supporting and respecting the protection of human rights, and expect our management, employees, and suppliers to uphold these same standards. At Mandarin, we are committed to eradicating modern slavery in all its forms.

## **Steps Taken to Prevent and Reduce the Risk of Forced Labour and Child Labour**

In 2023, Mandarin took the following measures to prevent and reduce the risk of forced labour and child labour within our operations and supply chain:

1. Prepared a supplier questionnaire to our direct suppliers to assess the risk of modern slavery in the supply chain;
2. Reviewed the terms of our supplier Code of Conduct;
3. Conducted due diligence of our potential suppliers before entering into our contracts;
4. Visited our suppliers to assess compliance with our practice and quality standards as needed;
5. Developed and implemented an action plan for addressing forced labour and child labour where risks are identified;
6. Monitored and tracked risks of forced labour and child labour relating to our suppliers and contractors;
7. Trained selected managers and employees whose roles may require them to interact with Mandarin's suppliers on the corporate policies and human rights.

## **Company Structure, Activities and Supply Chains**

Mandarin is a privately-held Canadian company that has been in business since 1979. Mandarin structures its business across different segments: Restaurants, Banquet Hall, General Contracting, and Property Management Services.

Mandarin Restaurant is a chain of all-you-can-eat Chinese-Canadian buffet restaurants and currently has its headquarters in Brampton, Ontario. The chain consists of 30 licensed restaurants across Ontario offering over 100 Chinese-Canadian buffet menu

items, take-out, and delivery, as well as an à-la-carte menu. Most Mandarin Restaurants are operated by franchisees. Mandarin franchisees are independent business owners who separately own and operate their businesses and employ the team members working in their restaurants. We grant the franchisees the right to operate restaurants using our trademarks, trade name, logo, advertising, and other intellectual property. For each franchised restaurant, Mandarin generally enters into a franchise agreement covering a standard set of terms and conditions applicable to franchisees, including the requirement for franchisees to comply with all applicable laws in connection with the operation of the restaurant and to purchase products and services from suppliers and distributors approved by Mandarin.

Mandarin procures a range of goods and services needed for restaurant operations including food and beverage, equipment, supplies, and services such as cleaning and maintenance.

Mandarin operates a centralized procurement model in which we have established relationships with our food, beverage, and non-food suppliers. We require our direct suppliers to work closely with their suppliers, distributors, agents, and producers to promote best practices and transparency within our supply chain.

### **Policies and Due Diligence Processes in Relation to Forced Labour and/or Child Labour**

Mandarin is committed to ensuring that the organization and its supply chain are free from modern slavery. We have developed and implemented various policies and procedures that specifically address the prevention and mitigation of forced labour and child labour. These policies and procedures establish clear ethical standards and guidelines for how Mandarin does business, as well as accountability. Through our policies and practices, Mandarin communicates our values and expectations; setting a high bar for our employees, suppliers, contractors and vendors.

The policies and practices are:

1. Code of Ethics and Conduct
2. Confidentiality
3. Conflicts of Interest
4. Diversity, Equity and Inclusion
5. Gifts and Acceptance
6. Human Rights
7. Health and Safety
8. Harassment and Discrimination.

In addition, our company Employee Handbook makes clear to employees the actions and behaviour expected of them when representing the company. Employees receive compliance training and are required to comply with specific standards relating to legal obligations, ethics, and business conduct.

Mandarin has developed a Management Assessment Program for our franchisees. Through this program, our audit team visits each franchisee to assess and conduct audits to ensure that managers and employees receive all necessary training and are in compliance with our business ethics and government regulations.

### **Supplier Code of Conduct**

Mandarin is committed to addressing and eliminating forced labour and child labour in the supply chain by adhering to legal standards, conducting due diligence, maintaining transparency through on-going monitoring and assessment of suppliers, and continuously improving our supply chain practices in line with international standards.

All suppliers must review the supplier Code of Conduct and must agree to strict compliance with the code. In addition, Mandarin may require suppliers to re-certify compliance with the supplier code as and when requested. Further, the supplier code provides for periodic monitoring and verification of supplier compliance with the supplier code, including, but not limited to, providing Mandarin with reasonable access to facilities, records and workers for compliance inspection purposes. In the event that a supplier fails to comply with or to promptly remedy an infraction of the supplier code, Mandarin may cancel purchase orders or terminate contracts or business relationships of such suppliers.

To assess potential risks of modern slavery within the supply chain, Mandarin will require suppliers to complete a questionnaire in order to reinforce our steps to ensure that slavery is not taking place in any of our supply chains.

For new suppliers, we have a risk assessment process to understand their compliance level and ethical credentials. We do not engage with business partners, including suppliers, who do not meet our standards. Accordingly, managers and employees who have direct contact with our suppliers have been trained to identify the risk indicators of modern slavery in our supply chains. Mandarin will ensure that they will complete all the necessary refresher training as needed.

### **Risks of Forced Labour and/or Child Labour Being Used and Steps Addressing Risk**

Mandarin assesses risks within our business operations and our supply chain including the risk of forced labour and child labour. The assessment examines both internal and external risks. To date, we have not found that a significant risk of child or forced labour exists in our business operations.

### *Employees*

Mandarin complies with applicable employment standards and human rights legislation in the jurisdictions in which Mandarin operates. We ensure that our employees are

treated in a fair and equal manner with dignity and respect, and have in place policies which prohibit any form of discrimination, victimization or harassment. Accordingly, our hiring and recruitment procedures comply with applicable legislation to ensure a fair and equitable approach to hiring. To support our commitment to a diversified, equitable, and inclusive workplace, Mandarin has created and implemented various training regarding health and safety, anti-harassment, discrimination, workplace accommodation, workplace violence, etc. Mandarin does not tolerate retaliation against anyone who speaks up to report suspected misconduct.

### *Suppliers*

Mandarin continues to assess and monitor our existing suppliers to ensure compliance with our policy and with our obligations under the Act. If we identify a compliance issue, including but not limited to, child labour, forced labour or life-threatening health and safety situations, we may, as appropriate, suspend our relationship with those suppliers, work with them to determine whether satisfactory remediation of the compliance issue is possible and/or terminate relationships with suppliers who are unable or unwilling to remediate non-compliance.

### **Measures Taken to Remediate any Forced Labour or Child Labour**

At the time of preparing this report, Mandarin has not received any complaints relating to forced labour or child labour in our operations or supply chain, and as such has not taken any remediation measures or remediation of loss of income to families as a result of forced labour or child labour.

If we do identify incidents of forced labour within our activities or supply chains, we will consider the appropriate remediation strategies in compliance with applicable law and the Act.

We have a process for assessing new suppliers on their ethical credentials. We do not engage with business partners, including suppliers, who do not meet our standards.

### **Training Provided to Employees on Forced Labour and/or Child Labour**

Mandarin provides training to support the principles enshrined in the code, including abiding by the standards of ethics and human rights. We conduct an annual Workplace Health & Safety Conference for our management to support the principles enshrined in the code. The training topics include Diversity, Equity and Inclusion, Human Rights, Respect in the Workplace, Workplace Violence, Discrimination and Harassment, Workplace Hazardous Materials Information System (WHMIS), Health and Safety, etc.

Mandarin updates the Code of Conduct on a yearly basis, and managers and employees who work directly with suppliers are instructed to familiarize themselves with the supplier code, and to ensure suppliers understand what is expected of them under the supplier code.

## Assessing Effectiveness of Remediation Measures

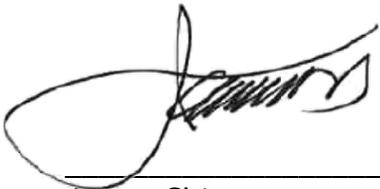
Mandarin undertakes ongoing and periodic review of the effectiveness of existing measures to mitigate the risks of forced and child labour in its operations and supply chains.

Mandarin will continue to review new risks as they emerge and carefully monitor both existing and new suppliers and business activities. We will take proactive steps to mitigate the risk of modern slavery within our supply chains to encourage transparency, promote ethical standards, and advocate for responsible sourcing practices.

We will conduct ongoing screening of all suppliers and assess any activities that would violate our supplier code.

## 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.



James Chiu  
President  
May 30, 2024

I have authority to bind the Mandarin Holding Corporation