

May 30, 2024

Canadian Bill S-211 Compliance and Reporting

To the Honourable Minister of Public Safety and Emergency Preparedness:

In compliance with Canadian Bill S-211, an Act to Enact the Fighting Against Forced Labour and Child Labour in Supply Chains and to Amend the Customs Tariff (the "Act"), the following Report on Forced Labour and Child Labour Initiatives (hereinafter "Report") is hereby submitted by and on behalf of Wismettac Asian Foods, Inc. (hereinafter, "Wismettac").

Background, Incorporation, & Applicability

Wismettac is a private Canadian Corporation, incorporated under the British Columbia Business Corporations Act on or about July 29, 2014, under number BC1009310 and located at 11388 No. 5 Road, Suite 130, Richmond, BC V7A 4E7.

- **Wismettac** maintains its principal location in British Columbia with additional locations in Ontario and Quebec, and a satellite location in Alberta.
 - Each of **Wismettac's** locations in British Columbia, Ontario, and Quebec has levels of leadership in order to closely oversee: (1) Sales; (2) Logistics; and (3) Office Administration and Operations. This includes, at a minimum, a Branch Manager, a Logistics Manager, and an Office Manager, and, in some cases, also Deputy Branch Managers, Assistant Logistics Managers, and Assistant Office Managers.
- **Wismettac's** President is Benjamin Tsang, who is seated in Toronto and who oversees all ultimate operations for the corporation. **Wismettac** also maintains three Directors: Yuji Sasa, Hyoe Yamashita, and Takahisa Suzuki.
- As of December 31, 2023, **Wismettac** had a total of 134 employees in Canada: (1) 50 employees in Vancouver; (2) 2 employees in Calgary; (3) 64 employees in Toronto; and (4) 18 employees in Montreal.
- **Wismettac** acknowledges and proceeds under applicability of the Act to it on the basis that **Wismettac**: (1) Does business in Canada and has had at least \$20 million in assets for at least one of its two most recent financial years; and (2) Has generated at least \$40 million in revenue for at least one of its two most recent financial years. However, please note that **Wismettac** is not listed on any Stock Exchange in Canada and *does not have*, and has not had, 250 or more employees in Canada.
- **Wismettac** does not own or control any other corporate entities.

Other Jurisdictions (If Applicable)

Wismettac is wholly-owned by the similarly-named California Corporation Wismettac Asian Foods, Inc. (hereinafter “WAF”) in the United States of America, California Entity No. 0399277, located at 13409 Orden Drive, Santa Fe Springs, California 90670, United States of America.

While **Wismettac** is a wholly-owned subsidiary of WAF, **Wismettac** is a *separately registered and operating, and independent entity doing business in the Provinces of Canada*. WAF does not hold any of its own operations, assets, or employees in Canada, nor does it do any independent business in Canada.

- **Wismettac** is not subject to other mandatory reporting requirements under supply chain legislation in another jurisdiction.

Financial Reporting Year & Revised Reports

- This Report is submitted for **Wismettac’s** 2023 financial year.
- This Report is **Wismettac’s** *first* report in compliance with the Act and is not a revised report.

Sector & Industry / Structure & Activities

Wismettac is a Canadian Corporation which was formed for the purpose of importing and distributing food and beverage products in Canada from Asia and the United States of America, and which plays an integral role in connecting Canadian consumers with authentic Asian food and beverage products through its distribution network and supply chain operations.

Wismettac operates in the following sectors and industries, identified under the Act:

- Wholesale Trade
- Transportation and Warehousing
- Other, please specify: Food Import and Distribution

Structure: **Wismettac** is part of a global network of related but separately operating entity companies primarily engaged in the import, export, wholesale, and distribution of Asian food and beverage products. **Wismettac** operates within this group to source its Asian food and beverage products from the following *three* sources: (1) Wismettac Foods, Inc., which is a Japanese Company and serves as a purchaser and distributor of products sourced from Japan, China, South Korea, Taiwan, Singapore, Vietnam, Thailand, Indonesia, and Myanmar (including entities, Wismettac Foods Shanghai Co., Ltd. and Wismettac Foods, Inc. Seoul); (2) WAF which, as identified above, is a California Corporation based in the United States of America and serves as a purchaser and distributor of products sourced from Wismettac Foods, Inc., Wismettac Foods Shanghai Co., Ltd., Wismettac Foods, Inc. Seoul, and suppliers from Japan, China, South Korea, Taiwan, Singapore, Vietnam, Thailand, Indonesia, and Myanmar; and (3) Wismettac Foods Shanghai Co., Ltd. which is a Chinese Company and serves as intermediary entity to source

products as a buyer's agent from China. **Wismettac** then distributes to its network of downstream customers/purchasers located in the Provinces of Canada.

Activities: **Wismettac** specializes in sourcing, importing, and distributing a wide range of Asian food and beverage products to various customers across Canada. **Wismettac's** product portfolio includes items such as Japanese, South Korean, Chinese, Thai, Vietnamese, and other Asian comestibles, including frozen and refrigerated goods, dry goods, beverages, condiments, and snacks. **Wismettac** caters to different customer bases including restaurants, grocery stores, specialty food retailers, and foodservice providers.

Supply Chains

As touched upon above, **Wismettac** maintains supply chains across Asia and the United States of America to source high-quality products from globally-minded suppliers. These supply chains involve various stages including sourcing raw materials, manufacturing and production, packaging, transportation, and distribution.

More specifically, **Wismettac's** main supply chain derives from its primary supplier, Wismettac Foods, Inc., which is based in Japan and which serves as the main source for the majority of the food and beverage products imported into Canada. Wismettac Foods, Inc. sources from a level of secondary suppliers, manufacturers, and packagers from Japan, South Korea, China, Taiwan, Singapore, Vietnam, and Thailand. At this level, raw product materials are sourced, such as the harvesting of seafood and produce, manufactured and produced, such as the preparation of rice, dried nori (seaweed), and condiments, and packaged, which includes the review of PFAS compliance for packaging. These goods are then sold to Wismettac Foods, Inc., and are in turn purchased for import and distribution by **Wismettac**.

Wismettac's additional supply chains come from WAF in the United States of America, and from Wismettac Foods Shanghai Co., Ltd. which serves as "buyer's agent" to source products from China, enabling **Wismettac** to purchase directly from primary level suppliers in China. In the case of supply provided by the United States of America, **Wismettac** purchases food and beverage products imported from WAF (in the United States of America), which are originally purchased and imported from Wismettac Foods, Inc. in Japan.

Wismettac emphasizes the importance of maintaining strong relationships with its suppliers to ensure product quality, reliability, and consistency, and observance of preventing forced labour and child labour within the same.

Due Diligence and Provisions to Address Forced Labour & Child Labour

Based on an understanding of its supply chain and assessment of the third-parties that support its operations, **Wismettac** recognizes that there is a general possible risk of forced labour and/or child labour, *not from within itself or its affiliated companies from the Wismettac global group*, but from foreign suppliers within its supply chain. **Wismettac** and its activities, and that of its affiliated companies from the Wismettac global group, *do not cause or contribute* to forced labour or child labour. However, as **Wismettac** sources its products from secondary-level suppliers,

manufacturers, and packagers located in the regions of Japan, China, South Korea, Taiwan, Singapore, Vietnam, Thailand, Indonesia, and Myanmar, **Wismettac** understands and undertakes steps to survey, evaluate, and prevent forced labour and child labour from these sources.

Wismettac utilizes a “Supplier Approval Questionnaire” with each of its foreign suppliers, including utilization by Wismettac Foods, Inc., WAF, and Wismettac Foods Shanghai, Co., Ltd., which requires these suppliers to provide information including, but not limited to: (1) supplier name and locations; (2) manufacturing facilities used and type; (3) types of products supplied to Wismettac; (4) regulatory compliance, including, but not limited to licensing and registration with governmental agencies; (5) policies and practices relating to quality management and quality control; (6) policies and practices relating to analyses of hazards and risk-based preventive controls; (7) use and implementation of an established “supplier approval program”; (8) policies and practices relating to the monitoring and assurance of meeting import specifications for all raw materials and packaging; (9) policies and practices relating to the monitoring and assurance of “food defense programs” and the prevention of tampering; (10) policies and practices relating to monitoring and assuring recall and traceability of all products; (11) *policies and practices relating to monitoring and assuring sanitation and human safety*; and (12) *policies and practices relating to monitoring and preventing forced, bonded, slave, and child labor and human trafficking, including confirmation that no employee of any supplier has been forced into labor, enslaved, or been subjected to human trafficking.* (Emphasis added from original document.)

More specifically, suppliers are required to: (1) identify the use of company policies for “[N]ot hiring forced, bonded, slave, and human traffick[ed] workers”; (2) “Confirm [that] all employees, including permanent, temporary, and contract workers are not forced, bonded, [en]slaved, or [have] undergone... human trafficking”: and (3) “Confirm there [is] no child labour in the facility.” (Emphasis added from original document.)

In addition, Wismettac began implementing additional policies in 2024 to *require that each supplier warrant and guarantee that its corresponding supply chains do not and have not relied on or utilized forced labour, slave labour, human trafficking, or child labour.*

Remediation Steps

Thankfully, to date, **Wismettac** has *not identified* any actual forced labour or child labour within its own activities and supply chains. Therefore, it has not needed to take steps to actually remediate forced labour or child labour, nor has it established any practices relating to remediation of forced labour and child labour. However, in order to develop a safeguard against potential damages and harm caused by forced labour and/or child labour from possible suppliers, **Wismettac** requires that each of its suppliers covenant and be legally bound to indemnify for all such damages.

Training

As part of its implementation of its “Supplier Approval Questionnaire,” **Wismettac** educates its employees who make contracting or purchasing decisions on how to implement the same and how to check the information provided by suppliers. In addition, **Wismettac** began implementing in 2024 further steps to require that each supplier continue to warrant and guarantee that its supply

chains do not and have not relied on or utilized forced labour, slave labour, human trafficking, or child labour.

Assessing Effectiveness

Wismettac has not taken actions to assess the effectiveness in preventing or reducing risks of forced labour and child labour in its activities and supply chains. However, notably, there have been *no known* forced labour or child labour issues to date. And beginning in 2024, **Wismettac** has developed further contractual bases to engage its suppliers to guarantee that no forced labour or child labour is relied on in the upstream and downstream supply chains used by **Wismettac**. **Wismettac** will continue to evaluate other potential steps in order to assess possible effectiveness of its policies against forced labour and child labour.

This Report is respectfully submitted on behalf of **Wismettac Asian Foods, Inc.**

ATTESTATION

RE: *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff ("Act")*

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.

IN WITNESS WHEREOF, I have the authority to bind Wismettac Asian Foods, Inc. and have hereunto affixed my signature this 30 day of May, 2024.

A handwritten signature in black ink, appearing to read 'Hyoe Yamashita', is written over a horizontal line.

Hyoe Yamashita, Director
Wismettac Asian Foods, Inc.