

# **SHATO HOLDINGS GROUP**

## ***Fighting Against Forced Labour and Child Labour in Supply Chains Act***

**Report for fiscal year ended March 31, 2025**

## SHATO HOLDINGS GROUP

### *Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”)*

#### **Report for fiscal year ended March 31, 2025**

##### **1. Introduction**

The Shato Holdings Group is committed to adhering to the highest standards of responsible and ethical behaviour in all of their business and corporate dealings.

In accordance with the Act, this is a report for Toigo Investments Ltd. (“TIL”), Shato Holdings (PCTC1969) Ltd. (“Shato PCTC”), Shato Holdings Ltd. (“Shato”) and White Spot Limited (“White Spot”) (collectively, the “Shato Holdings Group”). White Spot produces goods in Canada, and TIL, Shato PCTC and Shato either directly or indirectly control White Spot. Overall, supply chain risks are managed by White Spot directly and, as a result, unless otherwise stated the activities and actions described in this report are those taken by White Spot. This report refers to the fiscal year ended March 31, 2025.

##### **2. Steps taken to prevent and reduce risks of forced labour and child labour**

White Spot does not tolerate forced labour or child labour in its operations or its supply chain. In order to reduce the risk of forced labour and child labour, White Spot has taken the following steps:

- Diligently meets all ethical and legal standards, including laws and regulations related to forced and child labour, in the markets in which it operates;
- All operational managers are trained in employment standards applicable to their area of operation;
- Surveying its suppliers to assess their commitment to developing and implementing policies geared towards preventing forced labour and child labour in their supply chains and creating an internal, central repository to record and track survey responses from its primary suppliers representing approximately 80% of White Spot’s total supply;
- Wherever possible, sourcing supply from local Canadian farmers and suppliers;
- Engaging with its suppliers to identify risks for forced labour and child labour within their supply chains;
- Conducting an internal assessment of the risks of forced labour and child labour in its activities and supply chains;
- Carrying out a prioritization exercise to focus due diligence efforts on the most severe risks of forced labour and child labour;
- Identifying products whose supply may be more vulnerable to the risk of forced labour or child labour and seeking out ethical suppliers for such products (ex.

White Spot mandates that all of its proprietary coffee products are certified by the not-for-profit organization Rainforest Alliance); and

- Developed a ‘Supplier Code of Conduct’ explicitly prohibiting all forced labour and child labour in the White Spot supply chain and distributed the Supplier Code of Conduct to its primary suppliers.

### 3. Structure, activities and supply chain

#### TIL, Shato PCTC and Shato

TIL, Shato PCTC and Shato are all companies incorporated in British Columbia and are either direct or indirect parent companies of White Spot. TIL and Shato PCTC have no operations and no employees. Shato is headquartered in Vancouver, B.C. and employs approximately 19 people. It operates as a leasing company and, through its subsidiaries, operates real estate development and hospitality businesses.

#### White Spot

White Spot is a company incorporated in British Columbia. White Spot is a food services company and Canada’s longest-running restaurant chain, founded in 1928 in Vancouver, B.C. White Spot operates under the brand names ‘White Spot’ and ‘Triple O’s’ and has 133 locations from which it serves 17 million guests annually. Of its locations, 35 are corporate stores and 98 are franchised. The breakdown of its locations is as follows:

- White Spot locations: 53 full-service restaurants, all in B.C.; 18 corporate, 35 franchised.
- Triple O’s locations: 80 quick-service restaurants, 64 in B.C., 8 in Alberta, 6 in Ontario and 2 in Hong Kong. 17 of the Canadian locations are corporate and all other locations are franchised.

White Spot’s head office is located in Vancouver, B.C. and it employs approximately 1500 people.

White Spot’s operations are solely focused on retail food services. It relies on a variety of suppliers to provide the goods and services it needs to run its restaurants, including foodstuffs, equipment, textiles, electronics and other incidental goods and services. The majority of goods and services are procured from local Canadian suppliers. For fiscal year ending March 31, 2025, White Spot also procured supply from the following countries and/or regions:

Cleaning products	United States, China, Taiwan, Finland
Equipment and smallware	United States, China, South Africa, Mexico, the European Union, Vietnam
Foodstuffs	Italy, Greece, Spain, China, United States, France, India, Thailand, Norway, Indonesia, Mexico, Peru, Japan, Brazil, Costa Rica, Chile, Vietnam, Poland, Malawi, South Africa, Zimbabwe
Paper and packaging	China, United States, Mexico

Technology	United States, China, Taiwan
Uniforms	Bangladesh, China

All of White Spot’s suppliers, including its distribution partners, are expected to conduct their business ethically, legally, and in a socially responsible manner. This includes compliance with all applicable laws, rules, and regulations. In addition, suppliers must ensure that their quality management systems and processes meet or exceed industry standards for food safety and quality; this extends to White Spot’s packaging suppliers, where environmental sustainability is also a requirement.

**4. Policies and due diligence processes in relation to forced labour and child labour**

One of the key pillars of White Spot’s philosophy is community and social responsibility. To that end, White Spot is deeply committed to its people, whether it be its staff, its guests, its farmers and suppliers or the neighbourhoods and communities in which it operates. To ensure it fulfills this commitment at every level, White Spot has embedded responsible business conduct into its policies and management systems, including how it deals with employees and suppliers.

At the supplier level, White Spot expects all of its suppliers to act in an ethical manner. Wherever possible, White Spot sources product from local Canadian farmers and suppliers where it can be assured of ethical and responsible labour practices. White Spot also has a policy of regularly engaging with suppliers to identify potential risk for forced labour and child labour and has developed and distributed a Supplier Code of Conduct explicitly prohibiting forced labour and child labour.

At the operational level, White Spot (as well as Shato) requires all new employees to provide it with appropriate government issued identification (such as a Canadian social insurance number) in order to verify their eligibility for employment. White Spot also has comprehensive training and an occupational health and safety framework that ensures all employees have free and confidential access to employment assistance programs and training on health, safety, harassment and workplace bullying. Employees also have access to a confidential ‘pipeline’ process whereby they are able to bring forth work-place concerns and have them elevated through the appropriate channels.

**5. Risk of forced labour or child labour being used and the steps White Spot has taken to assess and manage that risk**

White Spot recognizes that certain components of its supply chain may be vulnerable or present a risk of forced labour or child labour. This includes supply from industries prone to labour exploitation, such as textiles, electronics, seafood and coffee beans.

To assess and manage this risk, White Spot has undertaken the following actions in fiscal year end 2025:

- Supplier Survey: White Spot surveyed suppliers to assess their level of awareness and commitment to developing and implementing policies geared towards preventing forced labour and child labour in their operations and supply chains. White Spot also created an internal, central repository to record and track

survey responses from its primary suppliers who represent approximately 80% of White Spot's total supply.

- Supplier Engagement: White Spot collaborated with certain supplies to identify risks for forced labour and child labour within their operations and supply chain.
- Sourcing Ethical Supply: White Spot mandates that all of its proprietary coffee products be certified by Rainforest Alliance, an international not-for-profit organization committed to responsible business practices, environmental protection and promoting human rights. This ensures that all of its coffee products are produced ethically and sustainably.
- Supplier Code of Conduct: White Spot developed and distributed a Supplier Code of Conduct that applies to its primary suppliers and explicitly prohibits all forced labour and child labour in the White Spot supply chain.

#### **6. Any measures taken to remediate any forced labour or child labour**

To date, there have been no identified or reported instances of forced labour or child labour in White Spot's or the other Shato Holdings Group entities' activities and supply chain. As such, no steps have been necessary to remediate forced or child labour instances.

#### **7. Remediation of loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced or child labour in White Spot's activities and supply chains**

To date, there have been no identified or reported instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour in White Spot's, or the other Shato Holdings Group entities', activities and supply chains.

#### **8. Training provided to employees on forced labour and child labour**

Each of Shato and White Spot greatly values its employees and is diligent in ensuring that it adheres to all applicable employment standards legislation.

#### White Spot

White Spot is committed to providing a safe, healthy and enjoyable work environment at its head office and each of its restaurant locations. While only a small number of head office employees are involved in the management of White Spot's supply chain, onboard programming for all employees includes training in human resources and health and safety policies. In addition, there is an expectation that the head office employees directly involved in supply and procurement will diligently monitor White Spot's supply chain to ensure, to the greatest extent possible, that all suppliers are operating in a responsible manner.

#### **9. Effectiveness assessments to ensure that forced labour and child labour are not being used in White Spot's business and supply chains**

White Spot assesses the effectiveness of its actions to prevent forced labour and child labour in its operations and its supply chain as follows:

- White Spot Operations Team regularly visit restaurant locations to ensure that standard operating procedures are being adhered to in all aspects of its business,

including labour practices;

- Supplier screening for both new and current suppliers;
- Engaging with suppliers;
- Surveying its suppliers and, with respect to its primary suppliers representing approximately 80% of White Spot's total supply, recording survey responses in a central repository and evaluating the survey responses to ensure supplier standards are being met; and
- Monitoring media reports related to the risk of forced labour and child labour.

### **10. Approval and Attestation**

This report is approved and attested pursuant to subsections 11(4)(b)(ii) and 11(5) of the Act.

Dated: May 30, 2025

I confirm I have the authority to bind Toigo Investments Ltd.

DocuSigned by:

*Peter Toigo*

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Peter Toigo, Director of Toigo Investments Ltd.