

Thai Indochine Trading Inc

Forced Labor and Child Labor in Supply Chain Company Assessment



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Introduction

This report is Thai Indochine Trading Inc. (“Ti Foods”) response to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act), sections 11(1) and 11(3). Ti Foods satisfies the definition of an Entity within the Act by having a place of business in Canada, doing business in Canada, having assets in Canada and meeting both the revenue and asset thresholds. The financial reporting year of Ti Foods covered by this report is July 1, 2024, to June 30, 2025.

Structure, Activities & Supply Chain

Structure

Ti Foods operates as a corporation (Business number 126219641) at 50 Travail Road, Markham Ontario, L3S 3J1.

Ti Foods was founded in 1985, specializing in the sale of canned goods, rice and noodles to Thai, Laotian, Cambodia and Vietnamese local communities of Toronto, Canada. As a result of significant immigration from Asia to Canada, Ti Foods had a surge in sales during the 1990s and early 2000s. During 2002, Ti Foods expanded to accommodate a broader Asian demographic and those interested in Asian cuisine, entering mainstream retail stores in Ontario. Ti Foods quickly outgrew its operations and moved to its current location and warehouse, in Markham, Ontario.

Activities

Ti Foods operates within the food distribution industry, selling mainly dry grocery products and frozen seafood products within Canada. Ti Foods distributes ethnic foods under 24 brands such as Rose, Aroy-D and Coconut Tree. These foods are sold to various customers including mainstream retailers (Loblaws, Walmart, Sobeys), Asian supermarkets (Pacific Fresh Food Market, Blue Sky Supermarket, T&T), restaurants and food services (Sysco, Gordon Food Service, Hello Fresh).

There are 29 total employees that work for Ti Foods, allocated among the departments of business development, sales, supply chain, finance, compliance, and the warehouse.

Supply Chain

Ti Foods offers a wide variety of ethnic foods to customers. For example, under the Rose brand, rice-based products are sold such as rice sticks, rice paper and jasmine white rice.

Under the Aroy-D brand, various canned goods such as bamboo and coconut milk are sold, among other goods like sauces, canned fruits and juice.

The main categories of food products sold are beans, canned goods, beverages, frozen foods, prepared meals, sauces and cooking ingredients.

The ethnic origin of products distributed is Asian foods therefore, the majority of Ti Foods' supply chain is procured from countries within Asia - Thailand, Vietnam, Singapore, Taiwan, Indonesia and Malaysia.

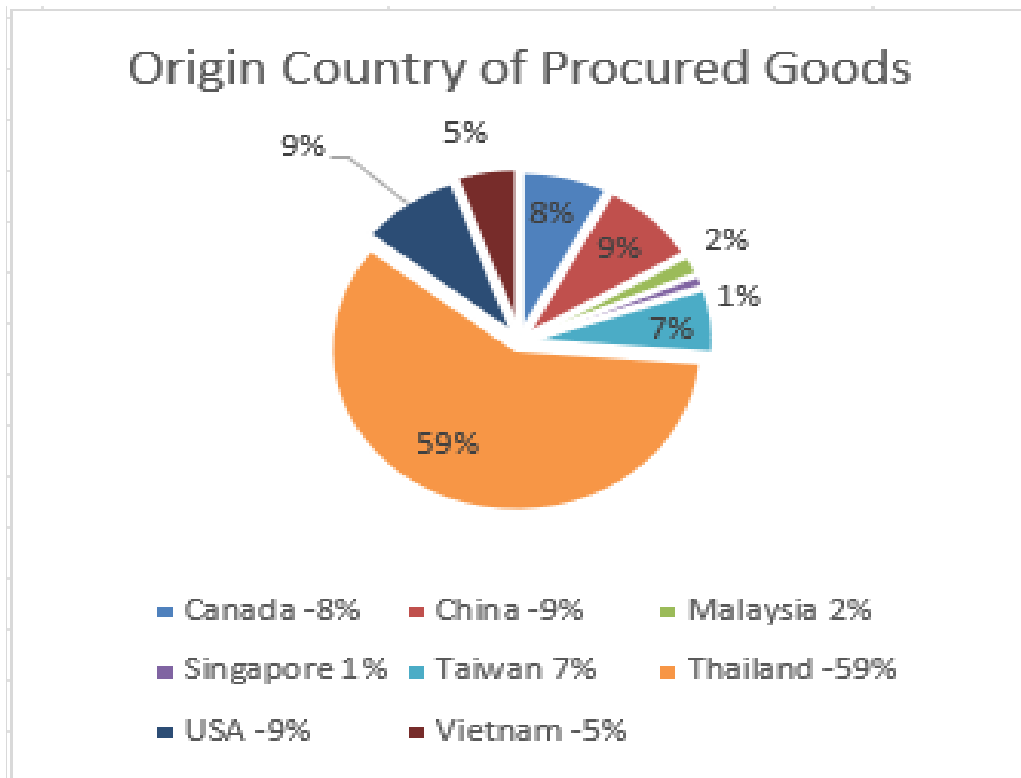


Figure 1: Origin Country of Procured Goods.

Figure 1 depicts the breakdown of the procurement per country. Note, this analysis was performed over material suppliers which, for the purpose of this report, are those suppliers who account for at least 1% of Ti Food's total procurement spent over the 2025 fiscal year.

Policies & Due Diligence Processes

Ti Foods has the following policies and due diligence procedures in place to mitigate the risk of child labour and forced labour within internal activities and their supply chain:

Internal Policies

Health and Safety Programs



Within this program, explicit requirements of management and supervisors state that all workers must be of legal age to work. However, due to the nature of work an additional requirement for staff is the ability to drive a forklift (minimum age 18). Managers and Supervisors are responsible for worker safety and accountable for employee's wellbeing under their supervision.

Under this program, a Workplace Violence & Harassment Policy states zero tolerance of harassment and threats in the workplace. The policy gives an overview of the definition of harassment as well as identifying steps and procedures in reporting and investigating incidents. This policy is posted on the health and safety board in the lunchroom visible to all team members.

Ti Foods also has a Refusal to Work clause in this program, allowing employees to refuse work, should they believe their own, or a co-worker's safety is in danger. A work refusal document is completed by the team member or Supervisor and given to the CEO and/of compliance officer to review and investigate.

Ti also wants to ensure that they take a proactive approach to ensuring a safe environment for workers. Workers are encouraged to report hazards when observed. Observed hazards are documented and given directly to a management team member.

Employee Handbook

The Employee Handbook explicitly states that the nature of employment for those at Ti Foods is voluntary therefore, employees are free to resign at any time with or without cause. The Handbook also states that acts of abuse and/or harassment are unacceptable at Ti Foods and are subject to disciplinary action. For transparency purposes, the handbook defines the term harassment.

Should a harassment incident arise, employees are encouraged to speak directly to their senior management. Therefore, like the function of a whistleblower, if an issue were to arise related to forced labour or child labour, this reporting process is a mechanism in place to identify and alert the management of Ti Foods, who then would tend to the resolution efforts.

Timekeeping and working conditions are specified within the Handbook, identifying paydays, definition of overtime, breaks and lunch times, as well as the importance of adhering to schedules and start times.

The Handbook identifies and defines inappropriate and unacceptable conduct and behaviour. The Handbook explicitly states that inappropriate or unacceptable conduct could result in disciplinary action including termination of employment. To reflect acknowledgement and agreement, employees are required to sign off on the Employee Handbook at time of onboarding.

Due Diligence Processes

Agreements

The majority of Ti Foods' suppliers are bound by agreements. These agreements must be signed prior to purchasing goods. By signing and adhering to agreement terms, suppliers are required to follow the laws of Canada which includes federal labour standards.

Supplier Questionnaire

Ti Foods' suppliers are required to complete a supplier questionnaire. The nature of this questionnaire includes regulatory compliance, quality of product, supplier practices, customer relations, policies against forced labour, and child labour. Questions pertaining to forced labour, child labour, supply chain management, and training awareness has been incorporated into the Supplier's Questionnaire.

Supplier Questionnaire Results

The results were analysed from the Supplier's Questionnaire and the following are the result:

- 100% of the suppliers responded yes to having employee training and comply with labour laws within their country.
- 83.3% of the suppliers-maintained records of employees age and have a minimum working age of 18 years.
- 91.6% of the supplies have policies on preventing forced labour and chid labour in their organisations.
- The suppliers monitor their suppliers for compliance with ethical labour practices by either self declaration by suppliers or on-site audits with two suppliers being direct suppliers. (They don't have suppliers for their product.)

Onsite Visits

Ti Foods performs routine onsite visits to key supplier operations, including those overseas. These visits strengthen supplier relationships and establish open lines of communication should any issue arise relating to the procurement of Ti Foods' products.

Supply Chain Risk Assessment

A risk assessment over Ti Foods industry of operation, goods procured, and countries goods are procured from has been performed over material direct suppliers. This risk assessment used two separate indices to conclude on inherent risk of child and/or forced labour related to goods and countries - Walk Free's Global Slavery Index and the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor.

Industry of Operation

Ti Foods operates within the industry of food distribution. Given the two indices noted above have identified risks of child labour and forced labour inherent to food products, it is concluded that this industry has an inherent risk exposure.

Goods Procured

Ti Foods has seven main categories of products – beans, canned goods, beverages, frozen foods, prepared meals, sauces and cooking ingredients. A risk assessment over the goods procured from material suppliers noted above has been conducted and identified an initial inherent risk of forced and/or child labour within the following categories:

1. Beans – bean products
 2. Beverages – coconut beverages, coffee and tea
 3. Canned goods – bamboo, fruit (banana and palm fruit) and vegetable (chilli peppers, corn, garlic, cassava and onions) products
 4. Cooking ingredients – coconut, rice based and rice products
 5. Prepared meals – baked goods, seafood (fish, dried fish, shellfish and shrimp) and rice products
- All other remaining goods have a low inherent risk of child labour or forced labour, according to the two indices noted.

Countries Which Goods Are Procured From

For the purposes of a risk assessment over countries goods are procured from, this report focuses on direct material suppliers only – those accounting for at least one percent of the total supplier spend during the 2025 fiscal year.

As Ti Foods distributes ethnic origin foods, 83% of all goods procured are from Asian countries – Indonesia, Malaysia, Singapore, Taiwan, Thailand, and Vietnam. According to the two indices noted above, each of these countries are identified as source countries that have a higher inherent risk of using both child and/or forced labour.

The remaining proportion of suppliers, 17%, are from Canada and the United States of America. Though both are based out of North America, these vendors purchase their goods from overseas suppliers as well which exposes the supply chain to inherent risk related to originating source countries.

Remediation of Forced & Child Labour

To mitigate the risk of child labour and forced labour within supply chains, Ti Foods incorporates the following mechanisms for supplier due diligence:

Supplier Onboarding - Agreements

The majority of Ti Foods' suppliers are required to sign supplier agreements. These agreements specifically identify that suppliers are to be in full compliance with applicable laws in Canada, including those that relate to labour standards. These agreements do not contain clauses

identifying expectations regarding child labour and/or forced labour however, Ti Foods is considering the addition of this matter.

Supplier Onboarding - Questionnaires

Most Ti Foods' suppliers are required to complete questionnaires relevant to the supplier's operations and goods supplied to Ti Foods. The current questionnaire includes questions on Training and Competency as well as policies and practices on forced labour and Child Labour Laws. Risk assessment is completed with every "No" response by the supplier.

Supplier Monitoring - Annual Attestations

Similar to supplier agreements, key suppliers are required to attest annually to their agreement including Ti Foods' terms and conditions in relation to goods supplied. Though this attestation includes aspects related to this Act. The Supplier's Affidavit is required to be completed annually by many of our key suppliers.

Supplier Monitoring - Onsite Visits

Ti Foods commits to continuing onsite visits of key suppliers, including those who are overseas. Currently these visits are to maintain and strength relationships however, Ti Foods has identified an opportunity to incorporate mechanisms related to this Act during these visits. If there are high risks associated with a supplier, they will be visited during the annual trip. Based on the results of the visit Ti foods may consider terminating the contact with the supplier.

There have been no instances of child labour or forced labour identified within the activities of Ti Foods or of suppliers. Ti Foods commits to continuing to use those measures identified above to reduce the risk of child labour or forced labour within its supply chain.

Remediation of Vulnerable Family Income Loss

Ti Foods is in the process of understanding and evaluating its supply chain related to the risk of child labour and forced labour. To date, Ti Foods has not identified instances of the use of child labour or forced labour within their operations or those of suppliers. Ti Foods is continuing its review of procurement practices to enhance the rigor of its due diligence processes including raising awareness with its suppliers.

Awareness Training

Ti Foods does not have training in place on the topic of child labour or forced labour. However, of the policies identified above relevant to this Act, Ti Foods incorporates training for new employees of the Employee Handbook. The Employee Handbook ensures compliance with both Provincial and Federally related legislation which includes but not limited to Occupational Health and Safety Act (OHSA); and Federal Legislations including Canadian Labour Code (CLC); and the Employment Standards Act (ESA). Ti-Foods is currently in the process of introducing annual employee training

for team members which also includes additional topics on child labour or forced labour. Ti Food is still in the process to determine the date for mass training. In the interim, safety monthly training is conducted with at least one member from each department. During this meeting, a training session also occurs with topics that includes workers safety, workers rights, right to refuse work and child labour.

When onboarding new employees, part of this process includes reviewing the Employee Handbook to ensure the individual understands the company's standards and expectations as well as online training modules in health and safety which includes Right to refuse work and right to participate. Sections within this relevant to child labour and forced labour include acts of abuse, harassment policy, and employee conduct and behaviour. Ti Foods recognizes the opportunity to enhance employee training relevant to this Act, therefore, will be evaluating applicable training for staff in the foreseeable future.

Assessing Effectiveness

To track Ti Foods' effectiveness of procedures to mitigate the risk of child labour and forced labour, the following mechanisms are in place:

Ti Foods Activities

1. Reporting on Refusing to Work incidents: Ti Foods will continue to track refusal to work incidents. Each report requires an investigation to determine if forced labour or child labour is relevant to the claim.
2. Total harassment incidents – Ti Foods has a zero-tolerance for workplace harassment. All claims made regarding harassment will be reported to the CEO, including an action plan to resolve the issue in a timely manner.
3. Conduct and behaviour incidents - Ti Foods has a zero-tolerance for inappropriate conduct and behaviour. All claims made regarding this will be reported to the CEO, including an action plan to resolve the issue in a timely manner.
4. Employee training: Ti Foods will continue to track employee training completion metrics to ensure the completeness of mandatory courses.

Supplier Activities

1. Supplier Agreements: Ti Foods has identified the opportunity to implement a clause within supplier agreements regarding a zero-tolerance for child labour and forced labour. This clause will identify the outcome or, disciplinary action should an instance of child or forced labour be report or discovered by Ti Foods.

2. Supplier questionnaire: The Supplier's Affidavit includes specific questions regarding child and forced labour. The largest suppliers have completed and submitted the Supplier's Affidavit Questionnaire and will continue annually. The results are reviewed to understand how the risk of child labour or forced labour affects suppliers.

3. Supplier monitoring: key suppliers of Ti Foods will be monitored on an annual basis, either through performance reviews or onsite visits. Record keeping for frequency of reviews and date of last review is kept in a centralized system to ensure these reviews are being performed.

Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour

Ti Foods has taken the following steps to prevent and reduce the risk of child labour or forced labour:

1. Mapping supply chains: As part of this report, Ti Foods has mapped their supply chain to complete a risk assessment to align with the Act.
2. Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains: As part of this report, Ti Foods has identified risks within their activities and supply chain that have inherent risks of child labour and/or forced labour.
3. Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily: Ti Foods has an explicit statement within their Employee Handbook that employment is voluntary, and employees are free to resign at any time.
4. Addressing practices in the organization's activities and supply chains that increase the risk of forced labour and/or child labour: Remediation efforts relating to due diligence mechanisms in place have been identified, to reduce the risk of child labour and/or forced labour within the supply chain.
5. Developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains: See below question on policies and due diligence – Ti Foods has multiple mechanisms in place.
6. Developing and implementing anti-forced labour and/or -child labour contractual clauses: Ti Foods has identified the opportunity to integrate contractual clauses within supplier agreements related to anti-forced labour and/or child labour.
7. Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists: Ti Foods has identified the opportunity to integrate anti-forced labour and/or child labour standards/conduct into internal policies (employee handbook

and training) as well as supplier due diligence procedures (supplier agreements and questionnaires).

8. Monitoring suppliers: Ti Foods uses supplier questionnaires and onsite visits for key suppliers to monitor supplier relationships. Both these functions have been identified as opportunities to align questions to the use of forced labour and/or child labour.

9. Enacting measures to provide for, or cooperate in, remediation of forced labour and/or child labour: Mitigating activities have been identified to reduce the risk of forced labour and/or child labour within supply chains. See risk assessment section for further explanation.

10. Developing and implementing training and awareness materials on forced labour and/or child labour: Ti Foods has identified the opportunity to develop employee training relevant to child labour and/or forced labour.

11. Developing and implementing procedures to track performance in addressing forced labour and/or child labour: Ti Foods has identified mechanisms in place and to be developed relating to assessing the effectiveness of reducing the risk of child labour and forced labour.

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. Full Name Signature Title Date I have the authority to bind Thai Indochine Trading Inc.

Full Name: David Wasserman

Title: President & CEO

Date:

Signature: _____



I have the authority to bind Thai Indochine Trading Inc.