



Fighting Against Forced Labour and Child Labour in Supply Chains Act (Bill S-211)

Reporting Year: October 1st, 2025 – September 30th, 2026

Introduction

In compliance with Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act"), Seoul Trading Corp. ("STC") presents this report for the fiscal year concluding on **September 30, 2026**.

STC clearly recognizes the inherent risks of forced and child labour within global supply networks. We remain dedicated to the ongoing enhancement of our due diligence, risk evaluation, remediation strategies, and employee training initiatives. Furthermore, we are devoted to fostering labour standards that safeguard worker well-being and fundamental human rights, actively working to prevent and minimize any exposure to forced or child labour across our business operations and supply chains.

Our company fully endorses the core human rights values outlined in the United Nations Universal Declaration of Human Rights, alongside the United Nations Guiding Principles on Business and Human Rights. We recognize our corporate duty to uphold these rights and firmly stand against any involvement in human rights violations.

STC strictly prohibits the intentional use of forced or child labour within our own operations. Moreover, we will not knowingly source commodities, products, or services from any vendor or partner engaged in such exploitative practices.

Organizational structure, activities, and supply chain

Structure

Seoul Trading Corp. (STC) operates as a major food importer and wholesaler, sourcing diverse culinary products from countries such as South Korea, China, and the United States. We distribute these goods to retail outlets and food service providers across British Columbia (BC), Alberta (AB), Saskatchewan (SK), and Manitoba (MB). Incorporated under the Business Corporations Act of British Columbia, our operations are strictly governed by provincial laws. While our corporate headquarters is situated in British Columbia, STC maintains a strong operational presence with additional facilities located in Edmonton and Calgary, Alberta.

Activities and Supply Chain

This section outlines STC's operational scope, specifically focusing on our sales, distribution channels within and beyond Canada, and our import protocols.

Importation

Our import portfolio encompasses a wide array of dry, fresh, and frozen grocery items, alongside various houseware products. Currently, STC manages a robust inventory of over 6,000 SKUs, sourced from multiple international markets including South Korea, China, Japan, and the United States.

Distribution

To streamline logistics and inventory management, STC utilizes centralized warehouse facilities. Within Canada, our supply chain relies on both company-owned and third-party distribution centers based in Port Coquitlam, BC. In total, we operate three primary distribution hubs situated in Port Coquitlam, British Columbia; Calgary, Alberta; and Edmonton, Alberta.

Our distribution network supplies imported and domestically sourced goods to H-Mart locations in BC and Alberta, as well as various Korean and Chinese grocery markets spanning BC, AB, SK, and MB. Furthermore, we supply restaurants and secondary distributors throughout BC and AB.

We are deeply committed to supporting local vendors within the communities we operate in whenever feasible. Based on our current sales distribution, approximately 70% of our merchandise is channeled through retail markets, while the remaining 30% is allocated to the food service sector and other distributors.

Steps to prevent and reduce the risk of forced labour and child labour

Seoul Trading Corp. actively partners with suppliers who align with our dedication to ethical business practices. To actively deter and minimize the potential for forced or child labour within our operations and broader supply chain, STC has instituted the following measures:

- Formulating targeted action plans to tackle forced and child labour whenever specific risks are detected.
- Establishing and executing comprehensive due diligence frameworks designed to detect, manage, and strictly ban the use of forced and child labour across all business activities and supply networks.
- Mandating that our vendors and contractors implement their own robust policies and procedures to identify and eradicate forced and child labour within their respective operations and supply chains.
- Integrating specific contractual clauses against forced and child labour into our formal vendor agreements.
- Expanding upon our existing Supplier Code of Conduct and Ethics by drafting and enforcing strict standards specifically targeting the prevention of forced and child labour.
- Utilizing a dedicated Whistleblower hotline as a formal grievance mechanism, ensuring any concerns, complaints, or reports regarding forced or child labour are promptly heard and thoroughly resolved.

Policies against forced labour and child labour

At STC, we are actively advancing sustainability initiatives across our entire organization. To this end, we have initiated the tracking, monitoring, and reporting of key areas deemed critical to our business operations. A cornerstone of these broader sustainability endeavors is our unwavering commitment to maintaining robust employee health and safety standards. Consequently, the policies detailed below represent the foundational steps we have implemented to proactively identify and address matters concerning human welfare and labor rights throughout our supply network.

Forced Labour

STC maintains a strict zero-tolerance policy against any manifestations of abusive or unlawful labor practices, including human trafficking and forced labor, across our supply chain. We mandate that all employment must be completely voluntary, ensuring that every worker retains full freedom of movement. Suppliers must actively prevent forced labor by adhering to guidelines that include, but are not restricted to, the following requirements:

1. Guaranteeing that any and all overtime work is strictly consensual and never mandated.
2. Ensuring unrestricted and safe exits for all workers at any time, even if facility entrances are monitored for security purposes.
3. Prohibiting any coercive tactics designed to retain employees against their will. This strictly forbids the retention of personal identification documents (such as passports or ID cards), penalizing workers for terminating their contracts early, or withholding regular wages under the guise of "end-of-year bonuses."
4. Allowing workers unhindered movement within the premises to access restrooms, obtain drinking water, and take scheduled rest breaks, subject only to reasonable safety protocols.
5. Permitting employees to depart freely upon the completion of their scheduled shifts, as well as allowing them to leave during working hours in the event of unforeseen, extenuating circumstances such as personal illness or family emergencies.

Child Labour

STC maintains a strict zero-tolerance policy regarding any form of child labour within our supply networks. We require all our partners to actively eradicate child labour from their own operations and strongly urge them to participate in broader industry initiatives dedicated to eliminating these practices worldwide. Suppliers must demonstrate their commitment to preventing child labour through proactive measures, which include, but are not limited to, the following:

1. Verifying that all personnel fully satisfy the statutory minimum age requirements applicable in their respective jurisdictions.
2. Implementing stringent age verification protocols. This entails securing and retaining copies of official, government-authenticated documents to confirm the exact date of birth for every worker. In regions where official proof-of-age records, such as birth certificates or state-issued IDs, are unobtainable, the supplier must utilize credible and independent alternative methods to verify age. If no reliable documentation exists whatsoever, the

supplier is obligated to deploy a recruitment screening process capable of accurately assessing the age of prospective hires.

3. Enforcing comprehensive safety measures to shield juvenile and young workers (under 18 years of age) from any environments that might jeopardize their health, safety, or overall development. This explicitly includes prohibiting night shifts and restricting their assignment to any duties classified as hazardous.
4. Securing all mandatory legal authorizations, such as official work permits and medical examination records, prior to the employment of any young or juvenile workers.
5. Maintaining a dedicated, accurate, and up-to-date tracking system specifically for monitoring all young and juvenile personnel.
6. Adhering strictly to all relevant government-mandated educational programs and schooling requirements.

Humane Treatment

Suppliers must proactively guarantee a humane and safe working environment. Efforts to ensure the ethical and respectful treatment of all personnel must include, at a minimum, the following standards:

1. Treating every individual within the workforce with the utmost dignity and respect at all times.
2. Strictly prohibiting the use of corporal punishment, physical coercion, or any exertion of physical force intended to inflict bodily harm, pain, or to punish employees under any circumstances. *(Note: Combined original points 2 & 3 for stronger impact)*
3. Forbidding all forms of psychological manipulation or non-physical abuse. This explicitly includes, but is not restricted to, verbal hostility (such as yelling or aggressive language), threats of violence, and sexual harassment.
4. Establishing a transparent, standardized disciplinary policy based on a progressive escalation framework. Disciplinary measures must follow a clear and fair sequence, advancing from verbal reprimands and written notices to more severe actions, such as suspension or termination of employment.
5. Maintaining comprehensive written documentation of all disciplinary measures enforced. Furthermore, both the written policy and its practical application must fully comply with all relevant local laws and the overarching requirements of our corporate standards.
6. Clearly communicating all workplace rules and the progressive disciplinary procedures to employees formally during the onboarding and hiring process.

Due diligence of STC's suppliers of goods

According to Public Safety Canada, forced labor remains a pervasive issue that spans all global sectors and borders. Drawing on data from the International Labour Organization (ILO), it is estimated that roughly 27.6 million individuals are subjected to forced labor globally, with 17.3 million trapped within the private economic sector. The risk of encountering forced and child labor is most pronounced within complex global corporate supply chains. Consequently, there is an inherent risk that products imported and distributed within Canada may be tainted by such exploitative practices. It is the fundamental responsibility of all businesses and government

entities operating in Canada to actively tackle and eliminate these abuses from their procurement networks.

The policies instituted at STC are explicitly designed to help us systematically prioritize critical vulnerabilities, establish clear oversight and accountability mechanisms, and execute robust risk mitigation strategies. This framework ultimately strengthens our overarching corporate culture regarding proactive risk management. The primary risk factors we evaluate encompass strict compliance with labor and employment laws, alongside ethical and localized sourcing practices.

In relation to our primary product vendors, STC has deployed targeted processes and protocols. We are actively engaging with our major suppliers to assess, minimize, and preempt any risks associated with human rights violations. As a mandatory step in our onboarding protocol, every new direct supplier must formally accept our Supplier Code of Conduct and our Human Rights Policy Statement. As previously emphasized, this Code enforces a strict zero-tolerance approach toward forced or child labor within any supplier's operations. Furthermore, we mandate that suppliers provide a formal declaration of compliance upon our request. To ensure strict adherence to these vital standards, STC explicitly reserves the right to execute comprehensive audits of our key suppliers.

Mitigating and remediating the risk of forced labour and child labour in the supply chain

Seoul Trading Corp. firmly recognizes that a comprehensive understanding of the vulnerabilities within our supply networks is essential for directing our supplier engagements and mitigation efforts effectively. Guided by the UN Guiding Principles, we believe that pinpointing and prioritizing the primary risks tied to our operations and business partnerships is fundamental to averting and reducing these labor abuses. We remain dedicated to continuously deepening our awareness of potential threats throughout our supply chain.

We are fully aware that global supply chains carry inherent risks, particularly concerning vulnerable demographics like temporary staff, juvenile workers, and both domestic and international migrant laborers. We also acknowledge geographically specific vulnerabilities, especially in regions heavily reliant on migrant workforces.

We mandate that all business partners and suppliers actively disseminate and enforce our Code of Conduct internally and down their respective supply lines. This requires the implementation of robust management frameworks, comprehensive training, and strict procedural policies to seamlessly integrate our established standards into their daily business operations.

To verify adherence to these requirements, STC reserves the absolute right to conduct on-site facility inspections and thoroughly examine all relevant documentation, including certifications, records, and accounting books. Should any non-compliance be discovered, STC expects the immediate implementation of corrective measures to rectify the issue. Furthermore, suppliers must provide their workforce and sub-contractors with secure, accessible reporting mechanisms. These channels must allow individuals to raise ethical or legal concerns—including potential Code violations—anonously and completely free from the threat of retaliation. Ultimately, STC retains the right to terminate our business relationship with any vendor that fails to uphold these critical standards.

Grievance Channels and Retaliation

Suppliers are mandated to establish and sustain robust whistleblower protection programs that guarantee complete confidentiality and anonymity for their employees. It is imperative that suppliers facilitate open communication channels, allowing personnel to voice concerns free from the threat of retaliation. STC requires that these grievance mechanisms be fully transparent, highly responsive, impartial, and securely accessible to all workers and stakeholders throughout the supply network. Essential requirements for these grievance systems and anti-retaliation measures include, but are not restricted to:

1. Ensuring widespread awareness and easy access to grievance systems that support anonymous submissions. All reported concerns and violations must be processed swiftly according to a clearly defined operational protocol.
2. Safeguarding any individual who reports issues in good faith against any form of retribution, reprisal, or retaliatory action.
3. Maintaining meticulous documentation of all filed grievances and the subsequent corrective actions taken by management.
4. Notifying STC immediately should any reports surface through these channels that indicate a direct breach of this Supplier Code of Conduct.

Should any instances or suspicions of forced labour be uncovered, suppliers are strictly obligated to execute the following steps:

1. Alerting STC without delay regarding the specific incident and any associated merchandise.
2. Collaborating closely with their own sub-tier suppliers and partnered facilities to pinpoint deficiencies and implement necessary corrective measures.
3. Enforcing strict accountability upon partner facilities in the event of persistent non-compliance, executing decisive mitigating actions up to, and definitively including, the severing of business ties.

Employee training

At present, Seoul Trading Corp. does not facilitate formalized employee training programs specifically dedicated to the subjects of forced and child labour. Furthermore, we have yet to conduct a formal evaluation to measure the overall effectiveness of our current initiatives in preventing and minimizing these risks within our supply chain operations.

Closing

STC fundamentally recognizes the critical importance of distributing our merchandise in a legal, ethical, and highly responsible manner that aligns with our core standards. We hold our suppliers to these exact same expectations, prioritizing the cultivation of long-term alliances with strategic partners who actively demonstrate a commitment to worker engagement and the provision of safe, secure working environments. This dedication inherently includes a proactive stance against the risks of forced and child labour. We are committed to the responsible expansion of our business, relying on supplier relationships that champion our shared values regarding sustainability, human rights, product excellence, and strict legal compliance. Moving forward,



we look forward to the continuous enhancement of our corporate policies and operational procedures to further safeguard human welfare and labour rights.

Approval and attestation

This formal report has received full approval from the Director of Seoul Trading Corp. In strict accordance with the requirements of the Act—specifically section 11 thereof—we hereby attest that we have reviewed the information contained in this report for the entity or entities listed above.

Based on our knowledge, and having exercised reasonable diligence, we 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.

I possess the legal authority to bind Seoul Trading Corp.

Dated in the City of Port Coquitlam, British Columbia, on this 22nd day of April, 2026.

Woo Hyung Hwang
Director of Seoul Trading Corp.