

# 2023 Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

## Introduction

This report has been prepared by Dan-D Foods Holdings Ltd. (“**Dan-D Foods**”) pursuant to the requirements under Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) for the financial year ending December 31, 2023.

Dan-D Foods is committed to improving the well-being of global communities by continually developing a globally integrated and sustainable operation that benefits our communities, customers and consumers. We acknowledge the food industry’s responsibility for respecting and advancing human rights and responsible sourcing, including preventing and mitigating the risks of forced labour and child labour in Canada’s supply chains.

## Organizational structure, activities, and supply chain

Dan-D Foods is a private company incorporated under the laws of British Columbia, Canada. Our head office is located in Richmond, British Columbia. We do not actively carry on business or have employees. We control the following subsidiaries that are involved in the manufacture, sale, distribution, and importation of goods in Canada or elsewhere:

- Dan-D Foods Ltd., a company incorporated under the laws of British Columbia, Canada (“**Dan-D Canada**”). Dan-D Canada procures goods including rice, chili sauce, dried fruits and cereal from suppliers in Canada, the United States, Chile, Turkey, Thailand, China, and Vietnam. The products are distributed to customers in Canada and elsewhere.
- Dan On Foods Corporation and An Dien Foods JSC are companies incorporated in Vietnam (collectively, “**Dan-D Vietnam**”). Dan-D Vietnam manufactures nuts and cereal. The products are exported to the global market, including to Canada.
- Dan On & Associates (USA) Ltd., a company incorporated in the United States (“**Dan-D US**”). Dan-D US manufactures nuts and cereal for customers in North America, including Canada.
- Dan-D-Pak (Taiwan) Ltd., is a company incorporated in Taiwan (“**Dan-D Taiwan**”). Dan-D Taiwan imports goods including nuts and cereal from Dan-D Canada.
- Dan-D Foods HK Ltd. and Danway Holdings Limited (HK) are companies incorporated in Hong Kong (collectively, “**Dan-D HK**”). Dan-D HK imports goods including nuts and cereal from Dan-D Canada.

These companies are referred to as the “**Dan-D Group**” in this Report.

## Steps to prevent and reduce the risks of forced labour and child labour

In this reporting year, our approach to preventing and reducing the risks of forced labour and child labour in our activities and supply chains has been to provide Board governance and oversight to the management teams of the Dan-D Group on workplace compliance and supplier management programs. The Dan-D

Group has taken the following steps to prevent and reduce the risks of forced labour or child labour in the operations and supply chain which include:

- training workers with knowledge and skills benchmarked to current industry standards relating to health, security, safety and environment,
- maintaining high standards of workplace security,
- requiring suppliers and contractors to follow the human rights laws and safety programs,
- annual audits and re-qualification of suppliers as part of a comprehensive supplier management program, and
- using existing grievance mechanisms to ensure concerns relating to violations of labour rights are reported and can be adequately addressed.

## **Policies and due diligence processes**

Dan-D Foods is committed to strong corporate governance over human rights in the Dan-D Group's operations and supply chains.

Each company in the Dan-D Group has an independent management team who is responsible for making decisions on compliance, risk assessment and procurement. These senior management teams are responsible for the business risks, human right protections, and grievances in their operations and supply chains. Dan-D Foods' Board of Directors meets regularly with the Dan-D Group's senior management teams to consider any risks to workers that are associated with their business activities and appropriately manage risks associated with human rights in their operations and business activities.

Each company of the Dan-D Group employs workers directly without using labour agents and has adopted human resource policies and procedures to ensure security, safety and compliance with applicable workplace laws in their operations. The Dan-D Group has adopted *Rules of Conduct* that establish zero tolerance of any form of abuse or violence in the workplace and human resource policies addressing the compliance with applicable employment, safety and human rights laws. Recruitment agencies are required to comply with the Dan-D Group's requirements relating to compliance with applicable employment and safety laws.

The Dan-D Group has visibility over their supply chain in order to meet global food quality and safety standards, such as BRC, SQF, Halal, Kosher, CTPAT, ISO 50001 and SA8000. The Dan-D Group has been certified by global food safety institutions, including the BSI (British Standards Institution), SGS, Bureau Veritas and Intertek.

The Dan-D Group has established a Supplier Management Program that includes an annual review of each direct supplier. Based on information provided by the Dan-D Group management teams, this Program includes the following:

- Suppliers are required to submit information annually to retain their status as an Approved Supplier, including a self-assessment questionnaire, product guarantee, business licensing information, food safety certifications, employee training and safety data.
- The questionnaire requests information about the suppliers' compliance with, *inter alia*, wage and hiring practices, child labour, safety and workplace ethics.

- Suppliers are required to inform the Dan-D Group of any major change, threat or regulatory action involving their facility, product or business. Suppliers will not retain their status as an Approved Supplier if there is publicly available information indicating that such suppliers have not respected human rights in their activities and supply chain.
- Certain suppliers are required to submit a Social Compliance and Sustainability Statement.

## **Assessing forced labour and child labour risk**

Dan-D Foods recognizes that the global food industry carries risks of forced labour and child labour. The Dan-D Group identifies and manages these risks by conducting business with long-term reputable suppliers who are subject to annual audits and re-qualification requirements. To date, we have not received any identified or reported instances of forced labour or child labour in our subsidiaries' operations and supply chains. We are committed to engaging with our subsidiaries and suppliers to improve transparency over the risks of forced labour and child labour in the food industry.

## **Remediation measures and remediation of loss of income**

The Dan-D Group encourages the reporting and investigation of human rights violations through the *Rules of Conduct*, which describes the company's commitment to conducting an appropriate investigation in response to any reports received by the Human Resources Department.

To date, Dan-D Foods has not received any complaints or reported instances of 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.

## **Employee training**

The Dan-D Group provides training to employees specific to the workplace policies in effect at each site, including with respect to health and safety and human rights. In particular, Dan-D Vietnam has conducted an annual training on the risks and indicators of forced labour and child labour. To date, other companies within the Dan-D Group have not established training specific to the risks and indicators of forced labour and child labour in our operations and supply chains.

## **Assessing effectiveness**

Dan-D Foods monitors our subsidiaries to ensure compliance with workplace laws and supplier management. The information gathered in the annual audits and re-qualification process provides information to enable the Dan-D Group to monitor the effectiveness of current controls related to human rights and workplace practices.

## **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 Dan-D Foods Holdings Ltd. 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.

Dated in the City of Richmond, British Columbia, this \_\_\_\_ day of May, 2024.

**DAN-D FOODS HOLDINGS LTD.**

A handwritten signature in blue ink, consisting of a stylized 'D' followed by a 'D' and a vertical line, with a long, sweeping flourish extending upwards and to the right.

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**Dan On, Chair of the Board**

I have the authority to bind Dan-D Foods Holdings Ltd.