



**Norske Skog**

Modern Slavery Report

2022

Prepared by Norske Skog Australasia

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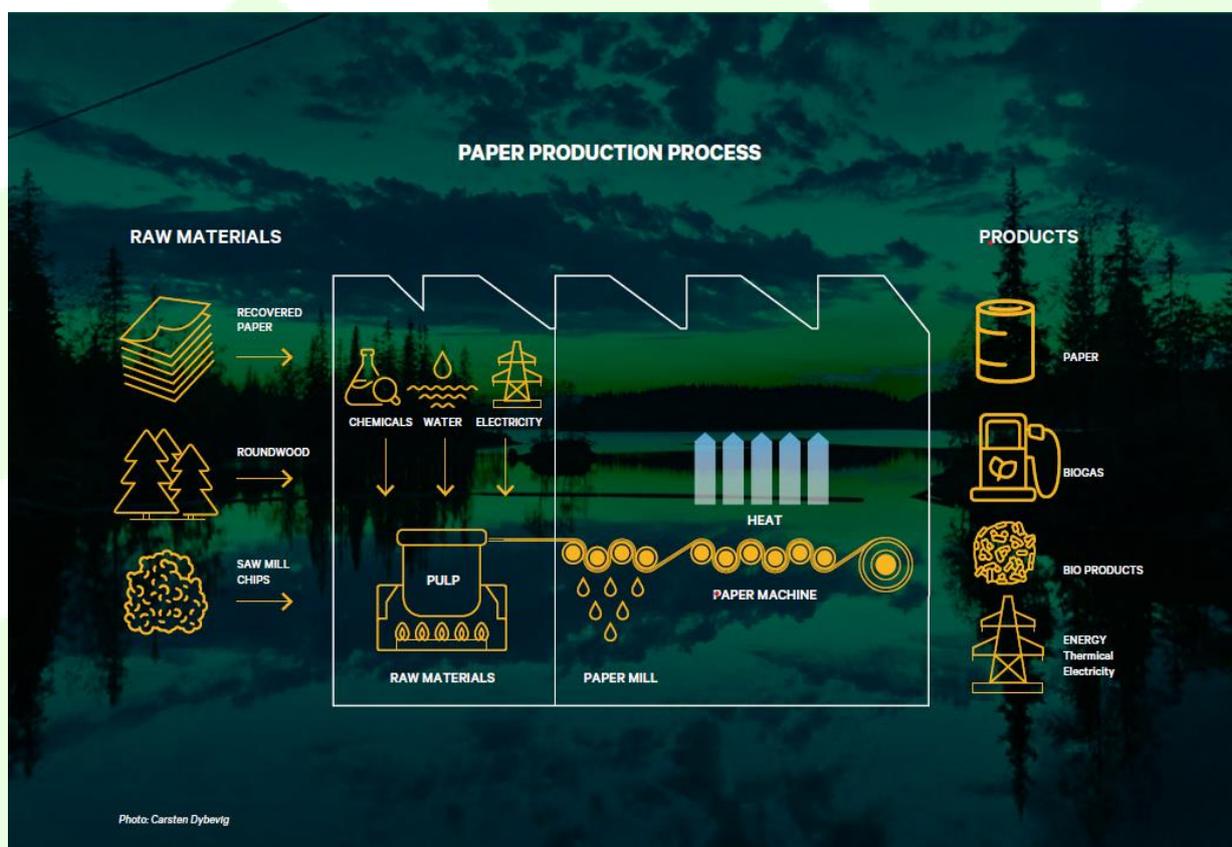
### **The Reporting Entity**

This consolidated statement covers the activities of Norske Skog Industries Australia Limited (referred to as “Norske Skog Australia”), ABN 50 003 902 985 and its controlled entities; Norske Skog Paper Mills (Australia) Ltd ABN 84 009 477 132, and Norske Skog (Australasia) ABN 21 003 274 673 Pty Ltd for the 2022 reporting year.

## Structure, operations, and supply chains of Norske Skog Australasia (NSA)

Norske Skog is one of the world’s largest producers and suppliers of newsprint and magazine paper, with 5 paper mills located in 4 countries across Europe and Australasia. Norske Skog was founded in 1962 with its first paper machine built in Skogn, Norway in 1966. Norske Skog expanded its operations into Australasia in 2000 by purchasing the Albury and Boyer paper mills in Australia and

the Tasman Mill in New Zealand. Globally, Norske Skog has approximately 2100 employees (309 in Australia) with over 22 sales offices and agents worldwide. Recently, as a consequence of declining domestic publication paper demand the Albury and Tasman mills have been sold, leaving the Boyer mill as the sole remaining plant in operation within the Australasian region.

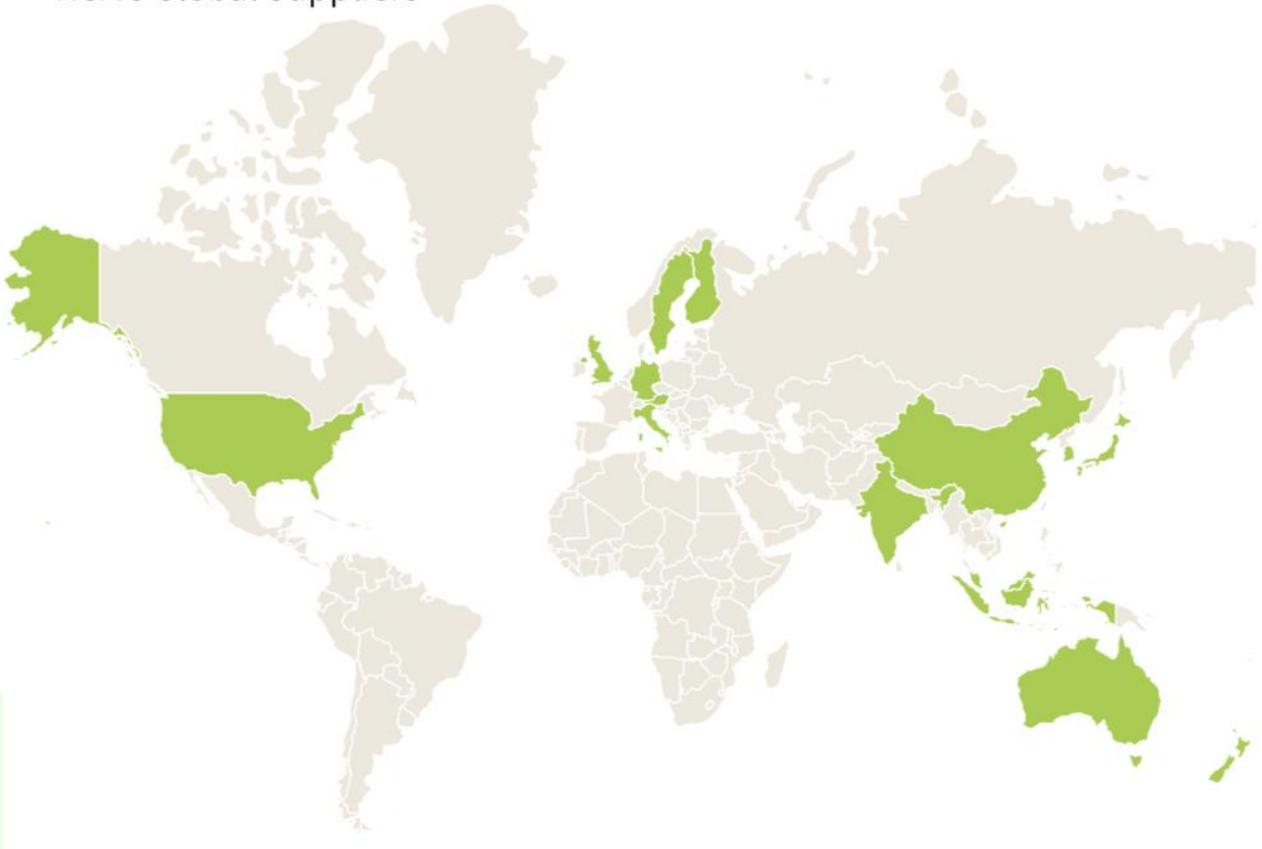


\*Diagram shows typical paper production. Some inputs and outputs may not be used at Boyer

The Norske Skog Boyer Mill consumes the bulk of the Australasia supply chain inputs, primarily those used directly in the paper making process. Pinus Radiata pulp logs and sawmill chips sourced from PEFC/FSC Certified and Controlled plantations within Tasmania with fibre additives and fillers sourced domestically and imported. The utilities, being electricity, coal, gas and water are also

supplied domestically. Various chemicals are sourced both locally and imported. Production consumables, maintenance spare parts and general paper making equipment are purchased domestically and imported. Combined across our Boyer Mill and corporate office in Sydney, NSA purchase office consumables, technology, postal distribution sources, and rely on freight logistics services.

## NSA's Global Suppliers



- Australia
- Austria
- China
- Finland
- Germany
- India
- Indonesia
- Italy
- Japan
- Malaysia
- New Zealand
- South Korea
- Sweden
- United Kingdom
- USA

The majority of products NSA source are from Australia and New Zealand, with the remainder sourced from Europe, USA, and Asia. NSA has assurance processes in place for Fibre (certification & chain of custody). Utilities, such as water and electricity, are sourced within Australia. The next largest spend categories are chemicals, production consumables, general parts and equipment supplied to each entity.

NSA previously identified some hotspot areas within our supply chains as raising some concern by using spend, aggregated volume and country of origin as metrics. These areas included chemicals - items such as brightening agents, biocides, solvents, dyes, and flocculants that we import via agents from countries including China and parts of South East Asia, that have a higher risk of using low skilled, low wage labour and possible slavery and human trafficking in their business activities. Where possible, NSA supports other Australian manufacturing industries and chooses to 'buy local', but as a considerable volume of items these days are imported either directly by us or indirectly via another party, we have identified these as potential risk 'hotspots' where we have limited visibility further down the supply chain to the item's country of origin and the associated manufacturing and labour conditions.

## Norske Skog Australasia Entities

The below entities make up the business units of Norske Skog Australasia. Each provides a different function within the region to support the business as a whole

### **Norske Skog Industries Australia Limited**

Holding Company. Operates with consultants and other legal and financial advisors

### **Norske Skog Australasia Pty Ltd. “Corporate”**

Historically delivered shared services and corporate business functions across the Australasian group. These have now been transferred to Norske Skog Paper Mills (Australia) Ltd.

### **Norske Skog Paper Mills (Australia) Ltd. “Boyer Mill”**

Delivering our core business function of manufacturing Newsprint and Light Weight Coated paper grades. Includes all supporting activities such as: Sales and Marketing, Finance, IT, HR, training and resourcing, Procurement of goods and services; Receiving material inputs such as wood (logs), fibre additives, chemicals, spare parts and production consumables; Processing materials by means of chipping, pulping, drying and paper production; Manufacturing and packaging finished goods for sale; Distribution and transport of finished goods to customers; Related services and facility management

## Identifying supply chain risks of Modern Slavery

NSA has recognised the importance of accepting the guidelines in the Australian governments Modern Slavery report. It provides a framework towards acting as a socially conscious global partner, ensuring that we look internally at what we do as company, and how the decisions we make impact upon the lives of those both abroad and home. We acknowledge that there are inherent risks in our supply chain, given its broad global scope.

We have undertaken a risk assessment of our supply chains in the 2022 reporting period and while we did not identify any new incidents from the previous reporting period, the following risks that remain present within our global supply chain may include:

- Sourcing products from countries with low labour force standards
- Deceptive practices on behalf of our suppliers
- Long supply chains where visibility of risks is unknown

## Steps towards mitigation

Norske Skog takes its Corporate and Social Responsibility (CSR) seriously, with key corporate governance initiatives implemented both locally in Australia and across Europe. Norske Skog’s Steering Guidelines, Code of Conduct and Sustainability Report are significant examples of the standards, goals, plans, and actions outlining what Norske Skog is doing to assess a range of human risks (including such risks associated with Modern Slavery). The Norske Skog Sustainability Report is built on Norske Skog’s commitment to the UN Sustainable Development Goals (SDGs). The SDGs are made up of 17 sustainability goals which include goals such as; No Poverty, Decent Work and

Economic Growth and Reduced Inequalities all of which relate in some form to addressing the risks associated with Modern Slavery. Following these guidelines, we have identified the below key areas in which we are impacted, or can impact upon Modern Slavery risks

## Key risk areas we are working to close

### Supply locations

The general risk of such incidents in the NSA supply chains is considered very low given the vast majority of spend is domestic within local markets and in controlled processes with reputable suppliers. Where possible, NSA supports other Australian manufacturing industries and chooses to 'buy local', but as a considerable volume of items these days are imported either directly by us or indirectly via another party, we have identified these as potential risk 'hotspots' where we have limited visibility further down the supply chain to the item's country of origin and the associated manufacturing and labour conditions.

### Communication from suppliers

Beginning with our first statement, NSA sought to engage with our suppliers on a regular basis to discuss and question their own supply chains. We have sought to do this through direct meetings with our suppliers where possible, or otherwise engaged through electronic mediums. We acknowledge that there is a risk our suppliers may engage in malicious practices by not disclosing Modern Slavery practices within their supply chains. The NSA supply and logistics team continue to work closely with our suppliers from a

business perspective, but we seek to include them in the work we do and use these close relationships to better understand the veracity of their claims to us.

### Our public declarations

NSA has embraced the goals of Australia's Modern Slavery report, and continues to take action to mitigate any potential impacts. Our Modern Slavery statement that we make each year, and promote in the public sphere, acts as a declaration to our suppliers that we take the risks seriously and will act upon any actions needing be taken where identified.

### Internal knowledge

Following the review of our supply chains in 2022, we have not engaged any new suppliers that pose a potential risk of Modern Slavery practices. We followed the same assessment processes as years past, and considered risks that may possibly cause, contribute and/or be directly linked to Modern Slavery practices. We also took into consideration other risk factors such as the industry sectors, types of products and services, geographic locations, and business models. Our ongoing internal audits aim to reduce the knowledge gap that we have towards our supply chain

## Impact of COVID-19

We understand that the ongoing effects of COVID-19 continue to exacerbate existing vulnerabilities within our supply chain, which have no doubt contributed to an increased risk of Modern Slavery.

The impact this has had not only on us, but that of our suppliers, has meant a reduction in the visibility of where the risks may present further down the supply chain. This lack of visibility has been most attributable to lack of physical access to our overseas suppliers for firsthand inspections.

While some impacts of COVID-19 remain, we are continually assessing ways to mitigate the risk and implement appropriate controls.

## Direct actions

At the Boyer Mill in Tasmania, we have taken the following direct actions towards mitigating our Modern Slavery risk. These serve to be assessable by the NSA team by providing clear, measurable actions towards a better future. We continue to develop these since their implementation, and into the future, as new information comes to hand. NSA will continue to utilise Norske Skog's global frameworks, incorporating our values and code of conduct in our approach to address the various risks of Modern Slavery practices in our day-to-day business dealings and procurement processes.

NSA has been monitoring the effectiveness of its actions over the last reporting period and will continually assesses the effectiveness of its actions into the future. We will be doing this by conducting regular supplier meetings, undertaking internal governance checks and identifying that all contracts have a Modern Slavery clause. While these checks and balances will continue to be expanded upon, based on the results of these processes we will aim to continually improve our response to Modern Slavery. The below points are the direct actions the Mill has taken to mitigate its Modern Slavery risk.

### Information

- A central depository has been set up on 'i source' (the Norske Skog document management system) to hold any information that relates to the Modern Slavery Act and reporting. This is accessible to all NSA employees. Any relevant updated information that is provided into the public sphere is to be added to this register.

### Supplier engagement

- Norske Skog Boyer has implemented various email communications with suppliers in regard to compliance and policies relevant to Modern Day Slavery. Where possible, in person and video meetings also offer a chance to regularly question our suppliers' supply chains. A key priority supplier list has been generated which outlines our 'at most risk' suppliers to prioritise engagement with on this topic. With the ongoing COVID-19 issues this will be undertaken as is possible.

### Contract clauses

- Norske Skog Boyer has introduced additional clauses in all new contracts/agreements with suppliers that covers their requirements to comply with all applicable laws and regulations, including Corporate Social Responsibility, Human Rights etc.

### New tender clauses

- Norske Skog Boyer has included a Modern Slavery clause to all RFP tenders that asks all respondents to identify and address any risks of Modern Slavery in their supply chains. This will allow us to take an early stance against any potential risks before engaging with suppliers.

### **Refresh whistle-blower policy**

- An update to our existing whistle-blower policy has been made to ensure it encapsulates the needs of Modern Slavery concerns. Now completed it has been sent to all NSA employees via regular communications and is available for download at any time via our internal intranet 'The Pulse'.

### **High risk supplier questionnaire**

- For those suppliers that NSA has deemed to be in a high risk setting for Modern Slavery concerns, an in depth questionnaire has been developed by NSA to understand as thorough as possible the potential risks for any new suppliers that we engage with.

## **Communication with other entities of NSA and our global team**

With the closure of the Albury Paper Mill in NSW and the Tasman Mill in NZ, the remaining operating entities in Australia are the Regional Head Office in Sydney and the Boyer Paper Mill in Tasmania. The logistics team in Sydney, and the procurement team in Boyer meet on an annual basis to assess current contracts held by the Sydney office to evaluate for any Modern Slavery risks. Several of the region's key executives are located at the Boyer Mill premises which makes communication between entities simple and effective. Furthermore, the Board of NSIAL consists of the Global CEO, CFO, VP Strategy, COO as well as the NSA Regional President and VP Finance. Because this Board has representatives from across the globe and meets at a minimum quarterly, communications flow very effectively between NSA and Corporate Office in Oslo.

To manage our Human Rights responsibility, Norske Skog, at a global level, established new processes for responsible business conduct into our management systems in 2022. A Human Rights Policy was approved by the board of directors in December 2022. As part of this process, we have developed a Human Rights Manual for internal use, describing roles, responsibilities and compliance activities at group and business unit levels as including practical guidance. In 2022 business units across Norske Skog Group have started the work of systematically identifying and assessing actual and potential negative consequences for basic human rights and decent working conditions.

Norske Skog also requires the production of annual reports/updates to its Steering Guidelines, SDG report, annual code of conduct incident statistics and corporate compliance program, all of which provide additional channels for the reporting of and action resolution for any code of conduct matters (including but not limited to Modern Slavery).

## **Conclusion**

There were no incidents of Modern Slavery reported within NSA, both internally and from supply chains, in the reporting year. The general risk of such incidents in the NSA supply chain is considered very low given the vast majority of spend is domestic within local markets and in controlled processes with reputable suppliers. Any high-level risk assessment of high spend suppliers has not provided any information or indications of any violation by our suppliers or general business partners.

Supply chains through 2022 remained unpredictable and ever changing which has provided some uncertainty towards visibility of our complete supply chain. In the 2022 reporting period NSA employed a new procurement specialist who has been able to provide a greater focus on assessing

our contractors and suppliers to ensure that with all available data they are meeting the expectations that are placed upon them by NSA. Actions by NSA have been designed to reduce the risks of Modern Slavery within our supply chain to the best of our resources and we as an organisation will continue to work on these initiatives in 2023 and beyond

This statement has been approved by the Board of Directors for Norske Skog Industries Australia Limited on 27 July 2023.



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Mrs Christina Cooper  
Director, Company Secretary & VP Finance of Norske Skog Industries Australia Limited  
27 July 2023