

Modern Slavery Statement

1 January 2020 – 31 December 2020

By Norske Skog Australasia

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1. 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, Norske Skog Paper Mills (Albury) Pty Ltd, Norske Skog (Australia) No.2 Pty Ltd and Norske Skog (Australasia) Pty Ltd for the 2020 reporting year.

2. 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 6 paper mills located in 5 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 2,350 employees (295 in Australia) with over 22 sales offices and agents worldwide.

Business Units	Main Operations	Supply Chain
Norske Skog Industries Australia Limited ABN 50 003 902 985	Holding company	Consultants and other legal and financial advisors
Norske Skog Australasia Pty Ltd. CORPORATE ABN 21 003 274 673	Delivering shared services and corporate business functions across the Australasian group including: <ul style="list-style-type: none"> - Sales and Marketing - Finance, Accounts Payable and Accounts Receivable - Information Technology and data - Commercial, governance and investments - HR, training and resourcing - Regional logistics services and administration on behalf of the group 	Office consumables and promotional merchandise. Printing and postal distribution activities, FSC approved copy paper Australian made only. Technology (hardware, software and cloud services). Utilities and professional services consultants who provide a service directly to Norske Skog Australasia. Contractors and sub-contractors who deliver various services i.e. cleaning and facility maintenance. Uniforms and work attire (safety wear if applicable). Travel and accommodation services with airlines, car hire, accommodation hotels and motels
Norske Skog Paper Mills (Australia) Ltd. BOYER MILL ABN 84 009 477 132	Delivering our core business function of manufacturing Newsprint and Light Weight Coated paper grades. Includes supporting activities such as: <ul style="list-style-type: none"> - 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 	Pinus Radiata pulp logs and sawmill chips sourced from PEFC/FSC Certified and Controlled plantations within a 300km radius from the mill. Fibre additives and fillers sourced domestically and imported. Chemicals - various sources, domestic and imported. Utilities - being electricity, coal, gas and water supplied domestically. Production consumables, maintenance spare parts and general paper making equipment, purchased domestically and imported.

	<ul style="list-style-type: none"> - Manufacturing and packaging finished goods for sale - Distribution and transport of finished goods to customers - Related services and facility management 	<p>Mobile equipment i.e. loaders, forklifts, vehicles and cranes, associated spare parts and fuel, sourced domestically and imported. Office consumables and printing and postal distribution activities, FSC approved copy paper - Australian made only. Technology (hardware, software and cloud services). Contractors and sub-contractors who deliver various services i.e. transport. Cleaning and facility maintenance. Uniforms and work attire (includes PPE and safety wear). Travel and accommodation services with airlines, car hire, accommodation hotels and motels</p>
<p>Norske Skog (Australia) No.2 Pty Ltd ABN 82 059 566 362</p>	<p>Non-operating company</p> <p>Note: Investments in FC5 Pty Ltd, Licella Holding Limited and Circa Group Ltd were sold in the reporting year</p>	n/a
<p>Norske Skog Paper Mills (Albury) Pty Ltd. ALBURY MILL ABN 70 070 866 607</p>	<p>Non-operating company</p> <p>Note: Plant and assets were sold to Visy in March 2020 and all Albury Mill employees were made redundant and paid their full redundancy entitlements</p>	n/a

Table 1. Norske Skog's Australian based operations and supply chains

3. Potential risks of modern slavery practices in operations and supply chains of NSA

There have been no reported incidents of child labour, forced or compulsory labour during the past reporting period either directly or via the Whistle-blowing process. 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. 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.

Following the review of our supply chains in 2018-2019, we have not engaged any new suppliers that pose a potential risk of modern slavery practices. We followed the same assessment process 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.

NSA has assurance processes in place for Fibre (CoC systems). 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.

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.

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 dangerous goods and chemicals - items such as brightening agents, biocides, solvents, dyes, flocculants, that we import via agents from countries including China and parts of South East Asia, that are known to have some history of using low skilled, low wage labour and possible slavery and human trafficking in their business activities.

Other areas of concern, where supply chain visibility could not be provided, included online shopping for spare parts or alternative low-cost options, such as overseas websites, eBay, Amazon, Alibaba, Gumtree etc.

4. Actions taken by NSA to assess and address the risks of modern slavery

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 is made up of 17 sustainability goals, of which includes 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.

At the Boyer Paper Mill in Tasmania the following actions have been implemented in the past reporting year:

- 1) 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
- 2) Norske Skog Boyer has implemented various Email communications with suppliers in regards to compliance and policies relevant to Modern Day Slavery
- 3) 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. (Refer Section 6 for more information.)

NSA will continue to use and improve 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.

5. Communication with other entities of NSA

With the closure of the Albury Paper Mill in NSW the remaining entities in Australia are the Regional Head Office in Sydney and the Boyer Paper Mill in Tasmania. 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, VP Operations as well as the NSA Regional President and VP Human Resources. 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.

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).

6. Other information / Status of “Future commitments”

In our inaugural statement dated January 2020, Norske Skog outlined the following “Future commitments” for the next 12 months:

January 2020 “Future commitment”	Status update & new commitments
Create a central depository for supplier audits, conversations, pre-engagement background information that can be viewed by Procurement teams and management	A central depository has been set up on ‘isource’ (the Norske Skog document management system) to hold any information that relates to the Modern Slavery Act and reporting
Continue stakeholder engagement on this issue, including awareness training, discussions on modern slavery principles to relevant Norske Skog staff, our contractors and key suppliers	COVID-19 restrictions during 2020 meant that we did not have meetings with the majority of our suppliers due to closures or low staff numbers We have commenced Email communication around supplier compliance and policies relevant to Modern Day Slavery
Further research into the procurement practices of our Joint Venture agreements or shareholding investments	Investments in NSA’s Joint Ventures were all sold in the reporting year
Look to develop a formal process to evaluate 2nd and 3rd tier party suppliers and their supply chains to shed further light on ‘hotspots’ in domestic and international markets	A list has been created and we are working with those suppliers to identify if there are any potential for ‘hotspots’ in their supply chains
	Update all NSA Terms and Conditions attached to supplier contracts/agreements to reflect suppliers and service provider’s legal requirements to comply with NSA code of conduct standards with the following clause: <i><u>Compliance</u></i> <i>The seller and any tier subcontractor shall comply with all applicable laws and regulations, including also on Corporate Social Responsibility and major standards of environment, integrity, sustainability and human rights and shall at all times adhere to the principles of Buyer’s Code of Conduct</i> <i>(www.norskeskog.com/Responsibility/Steering-Guidelines/Code-of-Conduct). The buyer has the right to audit the seller’s and any tier subcontractor’s HSE and sustainability compliance</i>

7. Conclusion

There were no incidents of modern slavery reported within NSA or Norske Skog globally, both internally or from supply chains, in the reporting year.

All areas of life across the world were significantly impacted by COVID-19 in 2020 and the economic impact on our business was considerable. There was a significant reduction in customer demand for publication paper due to lower economic activity and the associated reduction in newspaper and magazine advertising. This market decline required a strong management focus within NSA on business survival and retention of jobs within our workforce. Notwithstanding these challenges, we are pleased to report progress on previously identified initiatives to address the risk of modern slavery practices within our operations and supply chains. Work on these initiatives will continue in 2021.

This statement has been approved by the Board of Directors for Norske Skog Industries Australia Limited on 16 June 2021.



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Mr Eric Luck
Regional President Australasia and Director of Norske Skog Industries Australia Limited
22 June 2021

