

**ABC Tissue Products Pty Ltd Modern Slavery Statement for
Financial Year 1 July 2023 to 30 June 2024**



Mandatory Criteria (a):

Identify the reporting entity

ABC Tissue Products Pty Ltd (ABN 33 003 085 112) (ABC) is a family-owned tissue manufacturing business that was established by the late Dr Henry Ngai OAM in 1986.

Over the years, ABC has given millions of dollars in donations to many different charities and organizations such as: The Australian Red Cross, The Cancer Council, The Salvation Army, World Vision, Disaster appeals, St Vincent's Hospital, Liverpool Hospital, Westmead Children's Hospital and Fairfield Hospital to name a few.

ABC has received many awards over the years, including the Australian Federal Governments Ethnic Business Awards in 2004 and in 2013 the company was awarded the Champion of Champion Business Awards.

ABC opposes all forms of slavery and is very supportive of the governments, Modern Slavery Act 2018 legislation.

This statement applies to ABC Tissue Products Pty Ltd and its subsidiaries which include ABC Paper and Paper Mills Pty Ltd (ABN 41 0038 790 98) (PPM) and Queensland Tissue Products Pty Ltd (ABN 87 1006 616 85) (QTP), and this statement is made with reference to the Commonwealth Modern Slavery Act 2018 (guidance for reporting entities).

Mandatory Criteria (b):

Describe the reporting entity's structure, operations and supply chains.

Business Structure

ABC is the largest tissue manufacturing company in Australia. ABC is Australian owned and based and employs approximately 700 staff. ABC manufactures toilet tissue, facial tissue, serviettes and kitchen towel products.

ABC supplies to all the big retailers. Its most popular product is the Quilton 3 Ply toilet paper, but we also make other house brand tissue products.

Operations

ABC has invested heavily in manufacturing facilities in Australia, and we have built new paper mills and fully automated warehouses in Sydney. ABC has been able to achieve this by operating manufacturing facilities in New South Wales, Queensland, Victoria and Western Australia.

The below graphic represents the geographical regions of our operations. For the context of modern slavery, this map, and the supply chain maps that follow, have been overlaid with the colour tier system of the Trafficking-in Persons Report.



Supply Chain

Our company has a large number of suppliers who provide a variety of products and services in order for us to conduct our business. Apart from the main commodities such as electricity, gas and water, the company purchases pulp, machinery, safety equipment, office equipment, oils, glues and relies on transport companies to assist with the movement of containers and other products to name a few.

Our suppliers operate in the following sectors:

- Agriculture, Forestries, and Fishing
- Construction
- Electricity, Gas, Steam and A/C supply
- Maintenance and Repair of motor vehicles
- Manufacturing
- Mining and Quarrying
- Transportation and Storage

Our suppliers operate in many locations across the world, including:

- Argentina
- Austria
- Brazil
- Canada
- Chile
- China
- Finland
- Hong Kong
- Indonesia
- Israel

- Sweden
- United States of America

Mandatory Criteria (c):

Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls.

Modern slavery refers to various forms of exploitation and coercive practices that deprive individuals of their freedom, rights, and dignity. It encompasses situations where individuals are forced or coerced into labour, servitude, or human trafficking against their will. Modern slavery can take different forms, including forced labour, debt bondage, forced marriage, human trafficking, and child labour.

The International Labour Organisation estimates that over 50 million people around the world are victims of modern slavery. In recent years, supply chain transparency is a key policy strategy used by governments to identify and prevent business practices that lead to modern slavery.

Mandatory Criteria (c) – Risks in our Operations

Overall, the level of Modern Slavery Risk in our operations has been assessed by the iPRO Modern Slavery Assessment as Medium-Risk (Partial risk control). Using the Action Plan provided by the iPRO Modern Slavery Assessment & Reporting Tool, we have begun taking extra steps to ensure that our practices are safeguarded by Adequate risk controls.

Geographic Risks

Our organisation only operates in Australia.

The Trafficking in Persons Report (U.S. Department of State Office to Monitor and Combat Trafficking in Persons, 2024) reviews countries and regions and their government's efforts to eliminate severe forms of trafficking, the nature and scope of trafficking, and trends in efforts to combat trafficking in their respective country. Countries are then ranked by Tier.

Australia is Tier 1, meaning that it is a country or region whose government, at the date of this assessment, fully meets the Trafficking Victims Protection Act's (TVPA) minimum standards for the elimination of trafficking.

Sector, Products and Services Risks

Our organisation operates, is a producer in, and sources products from the Manufacturing sector. This sector can be described as high-risk, according to the Global Estimates of Modern Slavery and Child Labour: Global Estimates 2020 Trends and the Road Forward (ILO and UNICEF, 2021).

We do not produce or source any of the goods in any of the countries or regions as listed on either the 2022 List of Goods Produced by Child Labor or Forced Labor or the 2022 List of

Products Produced by Forced or Indentured Child Labor. Both lists are produced by the US Department of Labor's Bureau of International Labor Affairs (ILAB).

Workforce Risks

The number of workers and agents we employ is in the 101-1000 range. Our youngest employee is older than 18 years old. We do hire low-skilled foreign or domestic migrant workers. At our organisation, the recruitment of employees is managed internally. We are confident that our recruitment practices are ethical. We understand that poor recruitment practices can be considered a risk. As mentioned, we are using our Action Plan provided by the iPRO Modern Slavery Assessment Tool to take meaningful steps to assure our beliefs and ensure that any potential risks are mitigated through Adequate risk controls.

Mandatory Criteria (c) – Risks in our Supply Chain

Our suppliers operate, produce, and source across several/ different sectors. Some of these sectors can be described as high-risk. High-risk sectors are those in which human trafficking activities are known to occur and were identified in the Global Estimates of Modern Slavery and child labour exploitation that were separately identified in Child Labour: Global Estimates 2020 Trends and the Road Forward (ILO and UNICEF, 2021).

The below graphics show the high-risk sectors of operation, production, and sourcing for our suppliers. The numbers in the following graphics describe how many suppliers are in the corresponding sectors.

High-risk Sectors our Suppliers Operate in

 Agriculture, Forestries, and Fishing 2	 Manufacturing 6
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High-risk Sectors our Suppliers Produce in

 Agriculture, Forestries, and Fishing 2	 Manufacturing 6
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High-risk Sectors our Suppliers Source from

 Agriculture, Forestries, and Fishing 1	 Construction 1
 Maintenance and Repair of motor vehicles 1	 Manufacturing 7
 Mining and Quarrying 1	 Transportation and Storage 1

Some countries or regions where our suppliers operate, as well as some goods produced and sourced by our suppliers, can be described as high-risk due to the possibility of a link to modern slavery practices such as Forced Labour, Human Trafficking, Child Labour, and Debt Bondage.

The geographical regions where our supply chain partners operate are shown in the map below. This map, and the supply chain maps that follow, have been overlaid with the colour tier system of the Trafficking-in Persons Report.

Mandatory Criteria (d):

Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.

Mandatory Criteria (d) – Assessing Risks in our Operations and Supply Chain

ABC uses a third-party tool, the iPRO Modern Slavery Assessment Tool to assess modern slavery risks in our operations and supply chain. The risks identified in the previous section were all identified utilising this assessment tool. We engaged iPRO during the reporting period to conduct the assessments on our operations, and a bulk assessment of 8 of our suppliers. We intend to carry this process forward as an annual assessment of our operations and supply chain.

Participating suppliers were asked to complete a self-assessment questionnaire online. After each supplier completed and submitted the questionnaire, their responses were assessed to determine their modern slavery risk scores and associated risk category.

Each supplier that completed the assessment was assigned one of the following risk categories:

- High-risk (high levels of inherent risk)
- High-risk (inadequate risk control)
- Medium-risk (partial risk control)
- Low-risk (adequate risk control)
- Low-risk (low levels of inherent risk)

To determine the appropriate risk category, responses were first evaluated for risks inherent to a supplier's operations, production, and sourcing. This is referred to as the Inherent Risk Score. The Inherent Risk Score was calculated based on the geographical, type of goods, industry sector, and workforce parameters that the supplier indicated in the Modern Slavery Assessment Tool (MSAT).

Next, the Unmitigated Risk Score was evaluated. This score was calculated based on the policy and procedure responses on the questionnaire. A supplier's Unmitigated Risk Score determined whether they were categorised as having inadequate, partial, or adequate risk control.

Then, the risk scores for each assessed supplier were aggregated and averaged, resulting in an Aggregated Inherent Risk Score and an Aggregated Unmitigated Risk Score for the overall supply

chain. We also completed a self-assessment using the same process to determine a risk category for our operations.

Other ways we are assessing modern slavery risks in our supply chain include:

Desktop Research on Suppliers: Conducting background checks on suppliers to assess their compliance with modern slavery laws and ethical labour standards.

Supplier Assessment Responses: Requesting suppliers to supply their labour practices and policies regarding Modern Slavery.

Mandatory Criteria (d) – Addressing Risks in our Operations and Supply Chain

Operations

In our operations, we address risks in a number of ways, and this has been assessed as ‘Partial Risk Control’ by the iPRO Modern Slavery Assessment Tool. Actions we have taken to address risks include:

- An extensive range of internally issued policies to address modern slavery risk.
- A continuous improvement program to identify and address modern slavery risk in our operations, responding to identified risk on an ongoing basis to drive continual improvement.
- Formal vulnerability assessments of our workers to slavery and human trafficking.
- Awareness education and training on modern slavery risks for workers responsible for supply chain management and/or recruitment.
- A process for workers and agents to report, without fear of retaliation, matters related to slavery, human trafficking and child labour.
- Maintaining internal accountability standard and procedures to respond to a failure by workers and agents to meet our organisation’s policies on slavery, human trafficking and child labour.
- Processes in place to provide or participate in remediation when there is an adverse impact related to slavery, human trafficking and child labour.
- Employment Standards: We do not employ individuals under the age of 18, ensuring compliance with child labour laws.
- Induction Training: All employees undergo induction training that includes education on workplace rights, ethical labour practices, and modern slavery awareness.
- Training & Awareness: Providing training for employees and perform Toolbox Talk on modern slavery risks.
- Enterprise Bargaining Agreement (EBA): We have an Enterprise Bargaining Agreement in place, ensuring fair wages, working conditions, and labour rights protections.
- Internal & Third-Party Audits (Ethical Audit): Engaging independent auditors to assess compliance with modern slavery prevention measures.

We have an Action Plan in place, generated by the iPRO Modern Slavery Assessment & Reporting Tool, to improve our risk mitigation efforts and ensure that we are Low Risk ‘Adequate Risk Control’ in subsequent reporting periods.

The gaps in our operational modern slavery risk management have already started to be closed through the implementation of the actions.

Supply Chain

Suppliers that completed the self-assessment were given action items to complete post-assessment. The action items provided to each supplier were based on their responses to the questionnaire, and if implemented, will reduce the unmitigated risks identified during the assessment.

Action items were also aggregated, giving us a focused view of the most impactful actions that could be taken by suppliers across the supply chain.

We have started rolling out a supplier follow-up initiative to further discuss the action items and address the risks identified through the assessment. Primarily this involves ensuring that suppliers have the right policies and procedures in place to mitigate inherent risks in their business.

Some of the policies we are focusing on include: Requesting suppliers to provide documented policies or statements addressing Modern Slavery, Occupational Health and Safety (OHS), and whistleblower or grievance mechanisms to demonstrate their commitment to ethical business practices.

Mandatory Criteria (e):

Describe how the reporting entity assesses the effectiveness of the actions being taken to assess and address the risks of modern slavery practices in its operations and supply chains.

We utilise the benchmarking and KPI's in the iPRO Modern Slavery Assessment Tool to assess the effectiveness of our actions.

As this is the first year we have used the platform to conduct our assessments and due diligence, we will be able to objectively measure the effect when the assessments are completed during the next reporting period.

The main KPI's we are using to benchmark our efforts are the risk scores that are generated as part of the assessment process.

Each organisation who completed the assessment questionnaire was assessed and given 2 risk scores.

- Inherent Risk Score
- Unmitigated Risk Score

The Inherent Risk Score measures modern slavery risks that are intrinsic/built-in to the operations of an organisation. This is determined by asking which countries, regions, sectors, and high-risk goods are part of their operations, production, or supply chain.

The Unmitigated Risk Score measures the organisations risk that is still present (remains) after accounting for modern slavery risk controls that have been implemented. This is determined by asking suppliers about the policies, processes, and procedures in place to reduce modern slavery risks.

We are provided an aggregated risk score of all the assessed suppliers, and we use this aggregated score to measure the risk on an overall supply chain level.

We aim to continuously improve on these KPI's.

As we take actions within our organisation, and with our suppliers, we will be able to assess the effectiveness of our modern slavery action plan to reduce the Unmitigated Risk Score by introducing relevant policies and procedures.

We also measure the effectiveness of our engagement with suppliers and will continue to encourage participation in our assessment programme to better identify and mitigate modern slavery risks in our supply chain.

Reporting Period Year KPI's

Operations Risk Scores

Inherent Risk Score 25.00 / 100

Unmitigated Risk Score 14.98 / 100

Aggregated Supply Chain Risk Scores

Inherent Risk Score 46.25 / 100

Unmitigated Risk Score 13.70 / 100

Supplier Assessment Completions

Completions 8 / 8

Completion Rate 100%

Mandatory Criteria (f):

Describe the process of consultation with

(i) any entities that the reporting entity owns or controls;

(ii) and in the case of a reporting entity covered by a statement under section 14 – the entity giving the statement.

This statement applies to ABC Tissue Products Pty Ltd and its subsidiaries which include ABC Paper and Paper Mills Pty Ltd (ABN 41 0038 790 98) (PPM) and Queensland Tissue Products Pty Ltd (ABN 87 1006 616 85) (QTP)

Mandatory Criteria (g):

Include any other information that the reporting entity, or the entity giving the statement, considers relevant.

N/A

Approval and Sign-off

This statement was approved by the board of ABC Tissue Products Pty Ltd in their capacity as principal governing body of ABC Tissue Products Pty Ltd on 18th June 2025.

This statement is signed by Matthew Ngai in his role as Company Secretary of ABC Tissue Products Pty Ltd on 18th June 2025.

A handwritten signature in black ink, appearing to read 'M Ngai', written in a cursive style.

Matthew Ngai

Company Secretary of ABC Tissue Products Pty Ltd

18th June 2025