

**Oji Fibre Solutions**



# Modern Slavery Statement 2022

**OJI**

Beyond the Boundaries



# Contents

About Oji Fibre Solutions	<b>03</b>
Modern Slavery Due Diligence Framework	<b>05</b>
Our Policy Commitment	<b>06</b>
Our Supply Chain: Identifying and Managing Modern Slavery risks	<b>07</b>
Working with our suppliers	<b>09</b>
Mitigation – Our approach to Remediation	<b>10</b>
Training on Modern Slavery	<b>10</b>
Reviewing effectiveness: Assessing our commitment and actions	<b>11</b>
Towards the future	<b>11</b>

# Approval

This joint Modern Slavery Statement (the Statement) has been prepared on behalf of the reporting entities Oji Oceania Management (NZ) Ltd, Oji Oceania Management (AUS) Pty Ltd and Oji Fibre Solutions (NZ) Ltd and the entities they own and control as set out in the structure below.

References in the Statement to Oji Fibre Solutions, we, us and our, refer to the three reporting entities and the entities they own and control.

This is Oji Fibre Solutions' third joint Statement to meet the requirements of the Australian Modern Slavery Act 2018 (Cth) (the Act) and covers the period 1 January 2022 to 31 December 2022 (reporting period).

There is no place for any form of modern slavery within Oji Fibre Solutions' operations or supply chain.

We support global human rights and ethical employment practices and require anyone supplying goods or services to Oji Fibre Solutions to do so too.

In preparing the Statement we engaged with each of the reporting entities and consulted the entities we own or control. Oji Fibre Solutions' Leadership Team, which includes representatives from each entity, reviewed and agreed to the Statement prior to approval. The Statement was approved by the Boards of each of the three reporting entities covered by the Statement on 26 June 2023.

The Statement is signed by Mr Azumi Kawabe in his role as Chairman of the Oji Oceania Management (NZ) Ltd, Oji Oceania Management (AUS) Pty Ltd and Oji Fibre Solutions (NZ) Ltd Boards.



**Mr Azumi Kawabe**

Chairman of:  
 Oji Oceania Management (NZ) Ltd  
 Oji Oceania Management (AUS) Pty Ltd  
 Oji Fibre Solutions (NZ) Ltd

## Oji Fibre Solutions' Structure:



Unless specified, the percentage shareholding for each owner is 100%.

# About Oji Fibre Solutions

Oji Fibre Solutions is a vertically integrated business and one of Australasia’s leading producers of market pulp, paper, and fibre-based packaging with manufacturing operations in New Zealand and Australia.

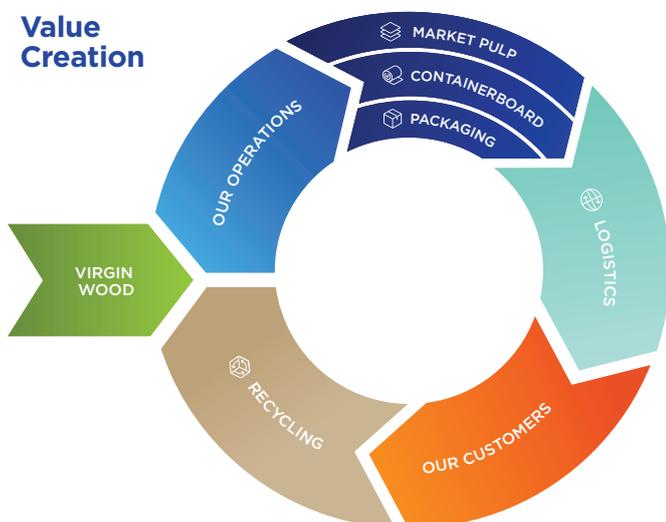
Oji Fibre Solutions operates across a complete value chain from fibre supply through to pulp, paper and packaging manufacturing and on to logistics and recycling.

The entities that make up Oji Fibre Solutions are subject to the same governance structure via the Chief Executive Leadership Team. Each entity has related operations and is subject to the same policies and processes. They share many of the same suppliers.

Because the reporting entities share the same legal and governance structures and operate in the same sector, the Statement provides a consolidated description of the potential modern slavery risks and actions taken to assess and address risks in Oji Fibre Solutions operations and supply chains.

Our purpose and values are held in common across all of Oji Fibre Solutions. Together they drive Oji Fibre Solutions forward on a sustainable path to create long-term value for our people, the partners we work with, the customers we supply and the communities and environments in which we operate.

## Value Creation



**Our Purpose** To create sustainable solutions to make a difference every day.

**Our Vision** To be Australasia's leading manufacturer of wood-fibre products to power the circular bioeconomy.

**Our Values** Oji Fibre Solutions' operations are underpinned by four values:



**TRUSTED PARTNER:**

Relationships are at the heart of our business. We are trusted by our own people, by communities, customers, and stakeholders because we talk openly and honestly with them about the things that interest and concern them. Our customers can trust our products to be reliable, high quality and safe because our people are the best at what they do.



**BUILT ON STRENGTH:**

Our products are made from one of the strongest fibres in the world, New Zealand-grown pinus radiata. Add to that our heritage, our connection with an inspirational global company, and our great people and you get a very strong combination.



**FUTURE FOCUSED:**

We look towards the future and welcome change. We are proud to be a business built on renewable and low carbon resources. We aspire to achieve zero environmental burden. We are connected to and respect our local communities. We aim to contribute to greater prosperity and improved wellbeing wherever we work. Our business is here for the long-term.



**INNOVATION:**

The success of our customers, the standard of our products and the shape of the future depends upon our ability to innovate. As a solutions-focused company, we are continually looking at new ways we can support our customers and each other.

## Our People

At 31<sup>st</sup> December 2022, Oji Fibre Solutions directly employed 1,779 people, with 82.3% of our people based in New Zealand. A further 17.4% were located in Australia and five employees (0.3%) based in our international sales support offices in Asia.

Our people come from diverse backgrounds and a broad range of skillsets. They are knowledgeable and experienced in the sector. 38% have chosen to stay in the business for 10 or more years.

No matter how long our people have been with Oji Fibre Solutions or the role they currently have, all our people can access opportunities to gain further skills and build rewarding careers with us in the pulp, paper, and packaging sector.

These opportunities extend to the employees of our owner – Oji Holdings Corporation – who are seconded to our business to learn, develop, and grow with Oji Fibre Solutions. In 2022, our business benefited from 18 secondees working across all areas of our operations.

Our full-time paid summer internships provide training and development opportunities for new entrants to the sector and for our existing employees who lead and mentor them. In 2022/2023, a cohort of 16 summer students entered this programme.

When necessary to fill short-term vacancies, we work with labour hire firms. We recognise those employed indirectly could potentially be a higher risk of exploitative practices. So, as with our direct employees, we have checks and balances in place to ensure these staff have the right to work, receive fair payment for the work they do for us, are appropriately protected by employment law, and are aware of and can freely access our whistle blowing mechanism.

### EMPLOYEE LOCATION



## Our Offering

-  **PULP** – World class market kraft pulps from NZ-grown *Pinus radiata*
-  **PAPER** – Kraft and recycled paper for conversion into packaging products
-  **PACKAGING** – Smart packaging solutions made from sustainably-sourced fibre
-  **LOGISTICS** – End-to-end cargo management including road, rail and shipping
-  **RECYCLING** – New Zealand’s only fully integrated paper recover and recycling service

## Our Operations

In 2022 we delivered more than 1 million tonnes of pulp, paper and packaging products to 76 ports in more than 30 countries across the globe.

### Our operations include:

- Three pulp and/or paper mills in New Zealand producing market pulps and containerboard.
- Nine packaging facilities across New Zealand and Australia manufacturing paper-based packaging solutions made predominately from containerboard produced at our Mills.
- 25 distribution centres across New Zealand and Australia that extend our reach closer to the customers we serve.
- Foodservice Packaging, a distributor of food packaging items ranging from paper cups to pizza boxes.
- Lodestar, our integrated logistics provider and our joint venture, Bearing360 provide end-to-end cargo management solutions for safe and efficient delivery of products to local and global markets.
- Fullcircle, our paper and cardboard recycling service, closes the resource loop by recovering cardboard and paper from 13 baling sites across New Zealand to transform into new products at Oji Fibre Solutions’ paper mills.
- A head office in New Zealand and sales support offices in Australia, New Zealand, Hong Kong, Jinan (China) and Kuala Lumpur (Malaysia).

### AUSTRALIA



### NEW ZEALAND



# Modern Slavery Due Diligence Framework

We have adopted the following framework to manage the risk of modern slavery and to promote transparency.



# Our Policy Commitment

## Codes, policies and statements protecting human rights

At Oji Fibre Solutions, we endeavour to create a culture that encourages diversity and inclusion allows everyone to contribute in a positive way. Our comprehensive policies are designed to ensure fairness and equal opportunities for all. They apply to the way we treat everyone, including colleagues, contractors, customers, and suppliers.

The policies detailed below work together to detail the process, practices and behaviour standards required across Oji Fibre Solutions and our supply chain.

Our commitment to respect human rights is implemented with the help of our employees and suppliers. Our employees and suppliers must respect human rights in their day-to-day business activities. Expected standards of behaviour are set out in our Code of Conduct and Supplier Code of Conduct.

Policies and processes embed our commitment to human rights and support the protection of human rights in our operations and supply chain, including:

POLICY	PURPOSE
<b>Code of Conduct</b>	Reflecting our values by setting out the high ethical standards expected of all employees.
<b>Supplier Code of Conduct</b>	Setting expectations of suppliers including prohibition of any form of modern slavery, forced, bonded or child labour in any of suppliers' operations and supply chain.
<b>Procurement Policy</b>	Committing to purchasing goods and services in a manner that is ethical.
<b>Wood Sourcing Policy</b>	Committing to purchasing wood-fibre from legal and well-managed forest operations.
<b>Speak Out Policy</b>	Promoting a culture of openness and transparency by providing access to an independent process to raise any concerns they might have about the company and its actions.
<b>Human Rights Policy</b>	To ensure that the fundamental human rights of all employees and people doing business with Oji Fibre Solutions are protected and upheld.
<b>Respect in the Workplace Policy (Prevention of Bullying and Harassment)</b>	Committing to a workplace free from unlawful discrimination, harassment, sexual harassment, bullying, vilification, victimisation and adverse action.
<b>Recruitment and Selection Policy</b>	Ensuring a transparent, fair and equitable process based on merit and confirming valid rights to work.

## 2022 Update: Human Rights Policy Introduced at Oji Fibre Solutions

We endeavour to create a culture that encourages diversity and inclusion and allows everyone to contribute in a positive way. This is emphasised in various policies referenced above, which are designed to ensure fairness and equal opportunities for all. They apply to the way we treat everyone, including colleagues, contractors, customers, and suppliers.

Despite these themes being woven across a range of policies, we identified an opportunity to re-state our commitment to human rights in a stand-alone policy. Accordingly, in 2022 we introduced a new Human Rights Policy, which affirms that the fundamental human rights of all employees and people doing business with us are to be protected and upheld. The policy sets out specific responsibilities in relation to the development, implementation and review of compliance with the principles of the policy. This new policy, together with our other existing policies, detail the process, practices and behaviour standards required across Oji Fibre Solutions and our supply chain and to further stipulate the remit of the Ethics Committee in this respect. The Human Rights Policy was communicated to employees via news article, and is also published on our intranet, where all policies are located and accessible.

## Governance

**Oji Fibre Solutions has an Ethics Committee with representatives responsible for acting on behalf of all reporting entities, which ordinarily comprises of:**

- General Counsel
- General Manager – People, Safety & Culture
- General Manager – GMCO
- Chief Information Officer
- Group Health & Safety Manager
- Group Manager - Sustainability
- Finance Strategy and Governance Manager

**Under the Human Rights Policy, the Ethics Committee is tasked with a key governance role, including to:**

- Monitor and review implementation and compliance of the policy
- Assess the actions taken to safeguard human rights in the organisation and its supply chain
- Investigate and recommend appropriate remedial action to the Chief Executive Officer and Board should a breach of human rights be identified within the organisation or its supply chain.

In 2023 we aim to embed the stipulated remit of the Ethics Committee to strengthen the governance across Oji Fibre Solutions.

# Our Supply Chain: Identifying and Managing Modern Slavery risks

The objectives for this reporting period has been to appropriately and practically address the potential risk of modern slavery in our supply chain.

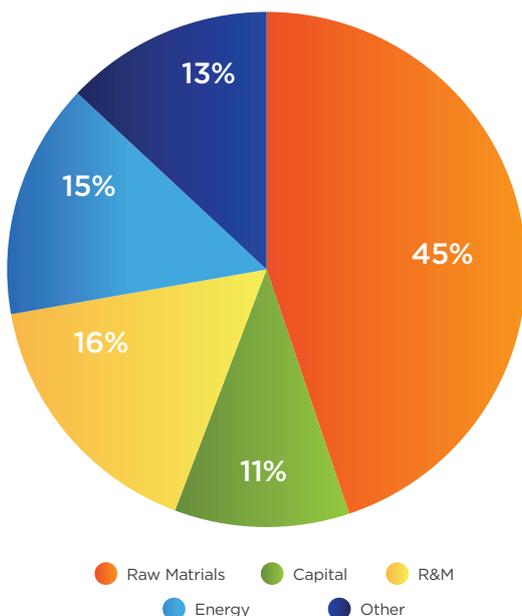
In doing this, we identified suppliers by category and country of origin to assist in the assessment of modern slavery risks in our supply chain.

Due to the integrated nature of Oji Fibre Solutions operations, raw materials inputs, such as virgin wood, are used to produce pulp and paper products. Our paper is then utilised in the manufacture of our packaging products.

## 2022 Modern Slavery Assessment by Supplier Category

We identified suppliers by category into five broad groupings: raw materials, capital, repairs and maintenance, energy and other, as shown below.

### 2022 SUPPLIER CATEGORIES (BY SPEND)



## Raw Materials

In 2022, purchases of raw material inputs to the products we make represented 45% of total spend. The main input is wood fibre, which is used in the manufacture of pulp and paper. The others include paper, pulp and chemicals.

Foremost, mitigation of the risk of modern slavery in our supply chain is achieved through Forest Stewardship Council® (FSC®) and Programme for Endorsement of Forest Certification (PEFC) certification.

Our wood-fibre inputs are sourced from sustainably managed forests in New Zealand with 84% in 2022 certified to FSC® and PEFC standards. The remaining 16% meets the requirements for 'controlled wood' under FSC® or 'controlled sources' under PEFC criteria. Our wood-fibre is sourced from the North Island of New Zealand.

In addition, all of our manufacturing sites are Chain of Custody certified to FSC® and PEFC standards, which means any fibre-based product entering the site as an input material, such as paper and pulp, must be certified or meet the controlled sources category.

Both FSC® and PEFC provide third-party assurance, to internationally recognised standards, for environmental and social responsibility, including providing a level of assurance against human rights abuses. The new FSC® core labour requirements, specifically covering child labour, forced labour, discrimination in employment and collective bargaining will provide additional assurance for 2022 onward.

Chemical purchases are assessed as part of a prequalification assessment, and which includes our modern slavery risk assessment questionnaire.



## Repairs and Maintenance, Capital, & Energy

In 2022, 16% of our total spend was on repairs and maintenance, 15% was on energy and a further 11% capital expenses.

We have controls for, and apply specific assessment to, the suppliers that we engage to undertake repairs and maintenance and from whom we make energy and capital purchases. When we bring on board a new major supplier, a prequalification assessment of their governance and operations is carried out. We also set parameters for ongoing supplier performance throughout the term of the agreement. At the point when we assess the renewal of contracts with existing major suppliers, a requalification assessment of them is carried out.

The Oji Fibre Solutions Supplier Code of Conduct is part of our standard terms of purchase, and we aim to include this in agreements where our terms are negotiated.



## ‘Other’

The remaining 13% (by spend) of our supply chain is classified as ‘other’.

In 2022, our assessment was predominately focused on ensuring we had additional process and controls to assess the risks of Modern Slavery in this category of suppliers.

As a result, suppliers in scope for direct engagement in 2022 were providing chemicals/starch, adhesives/inks, transport/storage/pallets, cleaning services, plastic packaging or use an outsourced manufacturer.

We also identified the opportunity to further connect processes where we directly engage suppliers. In the reporting period, as part of our due diligence process we engaged key suppliers to our Packaging New Zealand and Packaging Australia business units, in a modern slavery assessment.

The result was 37 suppliers out of 42 requested in our supplier self-assessment process reconfirmed their policies and practices to meet the requirements set out in the Oji Fibre Solutions’ Supplier Code of Conduct, including protecting human rights and labour standards in their operations and supply chain. No cases of actual or suspected instances of modern slavery were identified.

‘OTHER’ SUPPLIER CATEGORIES	SUPPLIERS ASSESSED
Chemicals / Starch	10
Adhesives / Inks	4
Transport / Storage / Pallets	3
Cleaning Services	1
Personal Protective Equipment (PPE)	1
Equipment	4
Outsourced manufacturer	4
Plastic packaging	1
Paper / Packaging into Australia	9

## Modern Slavery Assessment by Supplier Country

Our suppliers are predominately based in New Zealand and Australia. However, we have suppliers in a range of other countries. Accordingly, we review the risks presented by these countries and take appropriate action.

Suppliers in scope for direct engagement in 2022 were businesses supplying to our operations in Australia that are based in China or Taiwan.

In previous periods we have visited our suppliers in China, however during the reporting period this has not been possible due to restrictions on international movement. We recognise that effective and on-going engagement of these suppliers in our due diligence process continues to be important in managing the risk beyond a single reporting period.

HIGHER RISK COUNTRIES	SUPPLIERS ASSESSED
China	6
Taiwan	1

We rely on our suppliers to support us in our supply chain due diligence. If necessary, mitigating controls are advanced with suppliers, or in certain circumstances we will terminate the relationship.

# Working with our suppliers

Oji Fibre Solutions has long held the expectation that our suppliers be ethical and environmentally and socially responsible. In 2019, we introduced a Supplier Code of Conduct to formally set out this expectation for direct and indirect suppliers. This code is part of our supplier relationships and is a foundational element in our modern slavery due diligence framework.

Our Supplier Code of Conduct was reviewed and updated in 2022. The expectations of the Code are communicated through the Oji Fibre Solutions website, contract terms and purchase orders. Under the Code, suppliers to Oji Fibre Solutions, no matter their position within our supply chain, are expected to:

- Comply with all applicable laws in the countries in which they operate
- Undertake ethical business practices
- Avoid the procurement of wood from unacceptable sources
- Protect human rights and labour standards
- Prioritise workplace health and safety and provide secure, safe and healthy work sites
- Manage their business in an environmentally responsible manner
- Commit to open communication and positive relationships with the local communities in which they operate.

When we bring on-board a new major supplier, a prequalification assessment of their governance and operations is carried out. These assessments incorporate and align our sustainability values across the supply chain. Through them we gain an understanding of the potential supplier's ability to meet our requirements and the potential risks in their operations. In previous periods we have visited a number of suppliers in China, however during the reporting period this has not been possible due to restrictions on international movement.

Our expectations regarding labour and human rights align with recognised international labour standards as defined by the International Labour Organisation core labour standards, United Nations Declaration on Human Rights, Ethical Trading Initiative and UN Global Compact to prohibit any form of child or forced labour in any supplier operations or activities.

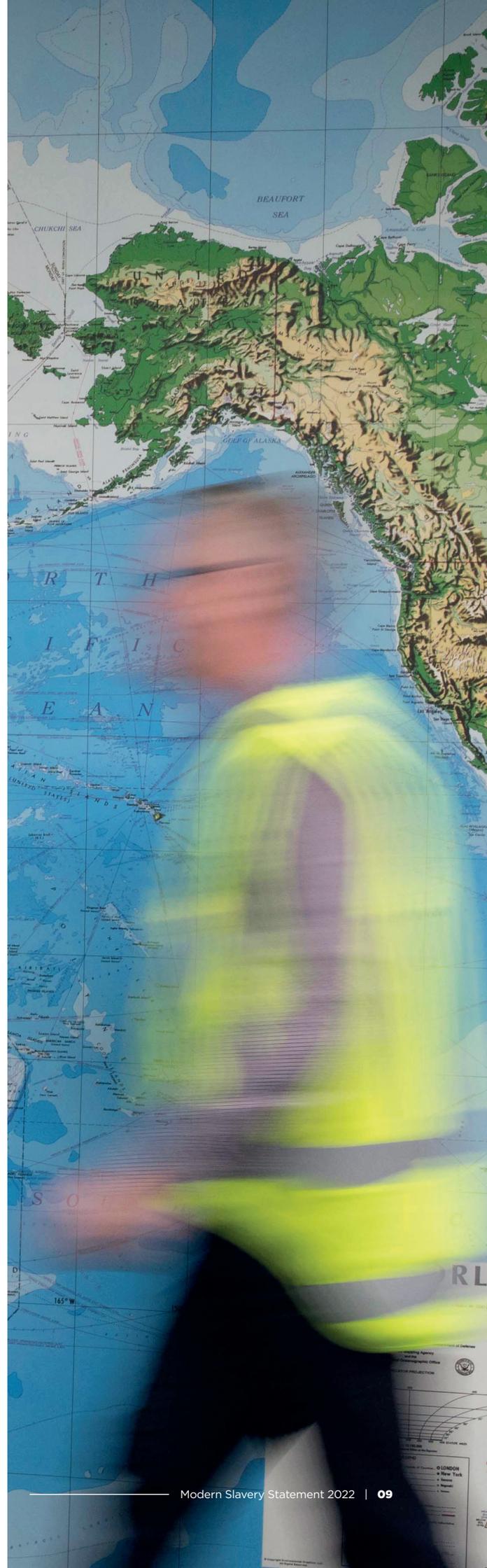
---

## Collaborative Approach

As a business-to-business supplier, our customers ask us to engage directly in their assessments of our approach to manage modern slavery risks. We cooperate with all requests and welcome the opportunity to participate in these important assessments.

In 2022, we benefitted from a third-party audit at one of our packaging facilities in New Zealand. The audit included private employee interviews and assessed the facility compliance with employment and labour laws relating to compensation and benefits, health and safety, working hours as well as business integrity, management systems and grievance mechanisms, human rights, employment and recruitment and environmental management.

Oji Fibre Solutions is a member of several industry organisations including the Sustainable Business Council (SBC), SEDEX (Supplier Ethical Data Exchange), National Association of Women in Operations Inc (NAWO), Business Leaders' Health & Safety Forum (ZeroHarm) and collaborates with like-minded businesses to share non-competitive insights and approaches to managing the issue and risks of modern slavery.



# Mitigation

## - Our approach to Remediation

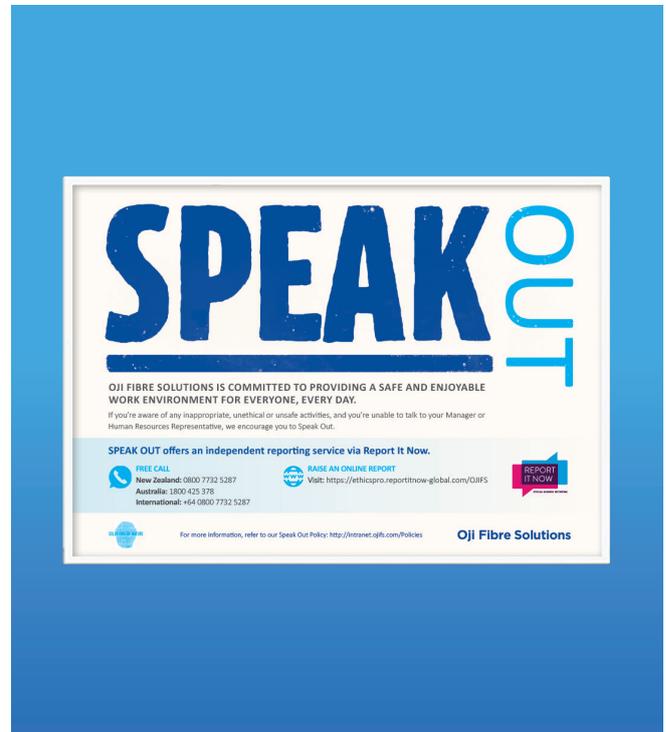
**Should it become evident that we are causing, exacerbating, or directly involved in human rights issues, we will engage in dialogue with those concerned and strive to remedy the situation through appropriate procedures.**

If the laws and regulations of a country differ from international human rights norms, we will adhere to the higher standard; if they contradict each other, we will respect internationally recognised human rights to the maximum extent and prioritise dealing with the most serious negative effects.

### Grievance Mechanism

Should any of our people, contractors or suppliers be concerned about their rights, how they are treated or any other aspects of our operations, they can freely access our whistle blower mechanism - Speak Out. All concerns are treated confidentially and are investigated by the Oji Fibre Solutions' Ethics Committee.

The reports received from Speak Out enable us to review the information for any trends and take any necessary action. We have not identified any reports related to modern slavery for the reporting year from this reporting mechanism. Employee awareness of Speak Out is important to us, so Speak Out is communicated through posters, the intranet, inductions and company-wide communications and updates.



## Training on Modern Slavery

**In 2021, the compulsory training modules on company policies that salaried employees complete were updated to create a shared understanding of:**

- The issue and impacts of modern slavery
- The need for Oji Fibre Solutions to manage this issue
- Where employees can access help if they are concerned about their own experiences or of those of people in their wider social network.

In early 2022, Oji Fibre Solutions introduced specific modern slavery training for our employees in commercial, human resources, supply chain management, procurement, and group governance roles. A target for 100% completion rate annually for these targeted roles was set as part of the Oji Fibre Solutions Sustainability Action Plan.

**In 2022, 94% of employees assigned this required learning module completed it. We did not achieve the required 100% due to some difficulties with our learning platform reaching all required employees. This issue has now been resolved and barriers removed to achieving 100% completion year on year against targeted roles. The module covers:**

- The legislative environment
- How we manage the risk and the role we all have in safeguarding against modern slavery
- Key considerations for due diligence and taking action.

# Reviewing effectiveness: Assessing our commitment and actions

Part of holding our business to high standards is to review how our policies are being implemented. The Oji Fibre Solutions human resources, procurement and internal audit functions play key roles in doing this.

## Assessments include:

- Confirming all direct employees possess and maintain their legal entitlement to work.
- Checks and balances over our internal remuneration, payroll overtime and leave systems.
- Confirming with all labour hire firms that any workers provided are legally entitled to work and they are appropriately remunerated for the work they do for the business.
- Reviewing the licenses of the labour hire providers we use for this service in Australia to ensure a current licence is held.
- Holding long-standing relationships with our main labour hire firms and maintaining regular engagement with them.
- Appropriate separation of duties in our governance systems and operational processes.
- Governance of supplier relationships and performance.
- Monitoring successful completion by employees of internal training on our policies and modern slavery awareness raising.

## Summary of key actions in 2022

### In 2022, we refined and enhanced our approach the following ways

- **New Human Rights Policy:** Introduction of an Oji Fibre Solutions human rights policy to ensure that the fundamental human rights of all employees and people doing business with Oji Fibre Solutions are protected and upheld.
- **Updated Wood Sourcing Policy:** This policy was updated in 2022 to better reflect the FSC® standards in relation to human rights and child labour.
- **Implemented Modern Slavery Training:** In 2022 we implemented modern slavery training for targeted job roles via our learning management system, myOjiFS, and set a target to reach 100% completion rate annually.
- **Continued engagement:** We continued to engage with our suppliers and our customers on the issue of modern slavery to meet both our needs and to provide adequate transparency to our customers seeking a better understanding of their supply chain.
- **Integrated due diligence:** The procurement team has worked to better integrate modern slavery due diligence into other due diligence mechanisms.

Our owner, Oji Holdings Corporation, also reviews our management controls. This includes assessing that our labour and supply chain policies are clear, are maintained and are followed. More information on Oji Holdings Corporation can be viewed at [www.ojiholdings.co.jp/english/](http://www.ojiholdings.co.jp/english/)

# Towards the future

Oji Fibre Solutions is committed to engaging with our suppliers to promote respect for human rights and to further strengthen our joint approaches to addressing the risks of modern forms of slavery.

### In 2023, we are continuing to refine and enhance our approach the following ways:

- **Governance:** To embed the further remit of the Ethic Committee as stipulated in the Human Rights Policy to strengthen the governance across Oji Fibre Solutions.
- **Modern Slavery Training:** To meet our target to raise awareness of modern slavery supply chain risks through in-house training with 100% completion rate annually, by all targeted job roles.
- **Embed:** Continue to embed established processes in all areas of our business.
- **Engagement:** Continue to engage with our suppliers and our customers on the issue of modern slavery to meet both our needs and to provide adequate transparency to our customers seeking a better understanding of their supply chain.
- **Certification:** Extend Forest Stewardship Certification (FSC®) to include all forests owned by Oji Fibre Solutions.
- **Review:** Undertake a third-party review of our modern slavery due diligence framework to ensure continual improvement.

By making informed purchasing decisions and through collaboration with our suppliers and others on the issue of modern slavery, Oji Fibre Solutions is actively working to uphold high standards across our value chain.