

Oji Fibre Solutions



Modern Slavery Statement 2023

OJI

Beyond the Boundaries



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Introduction and Board signatory

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 on page 3.

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' fourth joint Statement to meet the requirements of the Australian Modern Slavery Act 2018 (Cth) (the Act) and covers the period 1 January 2023 to 31 December 2023 (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. 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.

In preparing the Statement we engaged with each of the reporting entities and consulted the entities we own or control. Oji Fibre Solutions' Chief Executive 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 25 June 2023.

The Statement is signed by Dr Jon Ryder as CEO and Chair of the Oji Oceania Management (NZ) Ltd, Oji Oceania Management (AUS) Pty Ltd and Oji Fibre Solutions (NZ) Ltd Boards.



Dr Jon Ryder

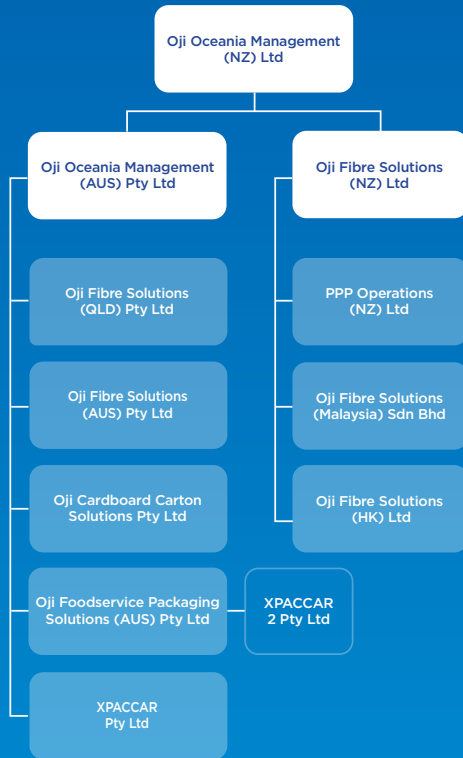
CEO and Chair of: Oji Oceania Management (NZ) Ltd
Oji Oceania Management (AUS) Pty Ltd
Oji Fibre Solutions (NZ) Ltd



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. It operates across a complete value chain from fibre supply through to recycling.

Our Structure



100% owned entities depicted.

The entities that make up Oji Fibre Solutions are subject to the same governance structure via our Chief Executive Leadership Team. Each entity has related operations and are 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.

The organisational structure of Oji Fibre Solutions is managed in three key operating business units:


- 1 Pulp and Paper (this business unit includes recycling operations)
- 2 Packaging (Australia and New Zealand)
- 3 Corporate (this business unit includes logistics operations)

Our Operations

The goods and services we provide are:

- 
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 Circular Bioeconomy



In 2023 we delivered approximately 1 million tonnes of pulp, paper and packaging products to 80 ports in more than 30 countries across the globe.

Our operations include:

HEAD OFFICE:

> A head office in New Zealand.

SALES SUPPORT OFFICES:

> Sales support offices in Australia, New Zealand, Hong Kong, China (Jinan) and Malaysia (Kuala Lumpur).

MILLS:

> Three pulp and/or paper mills in New Zealand producing market pulps and containerboard.

PACKAGING FACILITIES:

> Nine packaging facilities across New Zealand and Australia manufacturing paper-based packaging solutions made predominately from containerboard produced at our Mills.

PACKAGING DISTRIBUTION CENTRES:

> 16 distribution centres, including Foodservice Packaging, a distributor of food packaging items ranging from paper cups to pizza boxes. These centres across New Zealand and Australia that extend our reach closer to the customers we serve.

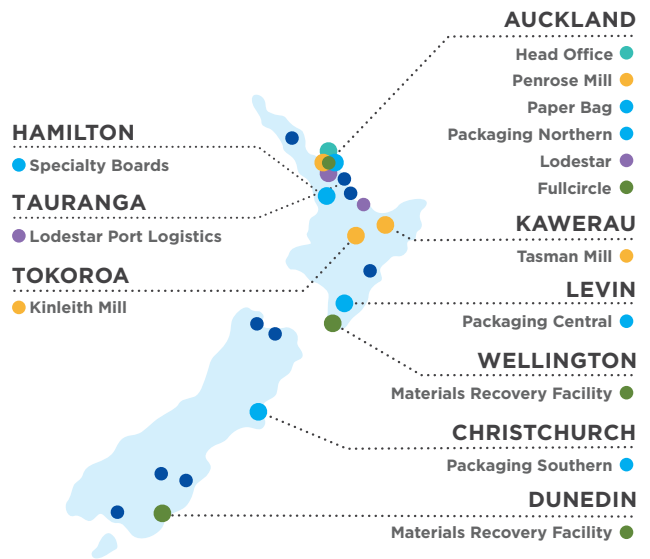
LOGISTICS:

> Lodestar, our integrated logistics provider provides end-to-end cargo management solutions for safe and efficient delivery of products to local and global markets.

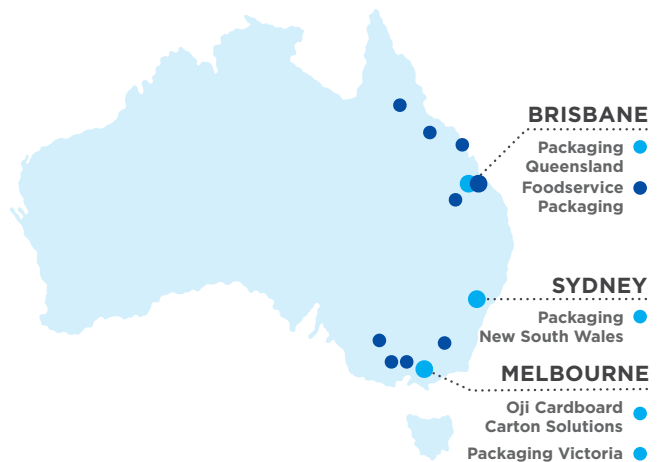
RECYCLING:

> 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 and two material recovery facilities in New Zealand.

New Zealand



Australia



Asia



Our People

At 31st December 2023, Oji Fibre Solutions directly employed 1,854 people, with 81.9% of our people based in New Zealand. A further 17.8% were located in Australia and six 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. 36% 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 2023, our business benefited from 19 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 2023/2024, a cohort of 17 summer students entered this programme.

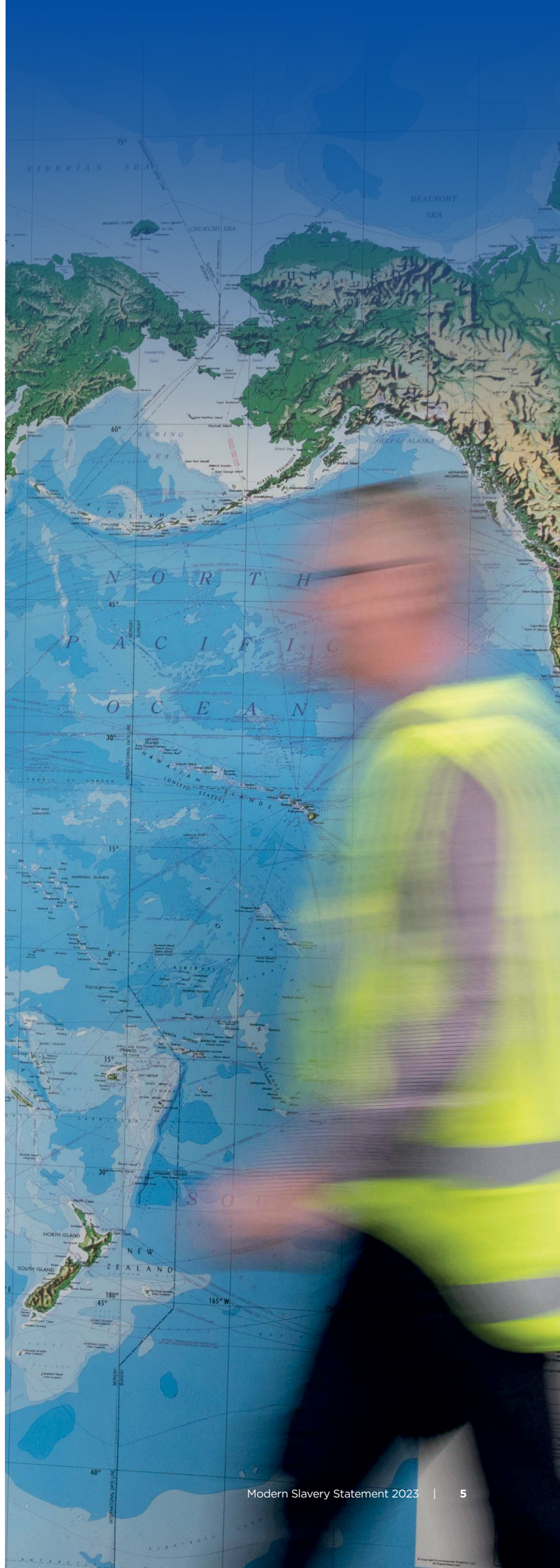
When necessary to fill short-term vacancies, we work with labour hire firms. We recognise those employed indirectly could potentially be a higher risk of exploitative practices. So, as with our direct employees, we have checks and balances in place to ensure these staff have the right to work, receive 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, Speak Out.

Employee Location

81.9% (1,518) NEW ZEALAND

17.8% (330) AUSTRALIA

0.3% (5) ASIA



Our Governance

We believe that to build an effective modern slavery response, we need to implement strong governance processes. Oji Fibre Solutions is committed to integrating our modern slavery strategy, policies and procedures into our broader governance structure.

At Oji Fibre Solutions, we endeavour to create a culture that encourages diversity and inclusion allowing 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.

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
Code of Conduct	Reflecting our values by setting out the high ethical standards expected of all employees.
Supplier Code of Conduct	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.
Procurement Policy	Committing to purchasing goods and services in a manner that is ethical.
Wood Sourcing Policy	Committing to purchasing wood-fibre from legal and well-managed forest operations.
Speak Out Policy	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.
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.
Respect in the Workplace Policy (Prevention of Bullying and Harassment)	Committing to a workplace free from unlawful discrimination, harassment, sexual harassment, bullying, vilification, victimisation and adverse action.
Recruitment and Selection Policy	Ensuring a transparent, fair and equitable process based on merit and confirming valid rights to work

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
- > Group Financial Controller

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 Human Rights 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.

Our Supply Chain

We have long held the expectation that all our suppliers be ethical, and environmentally and socially responsible. We expect them to uphold our values and standards of operation and to share our drive for sustainable outcomes and continuous improvements.

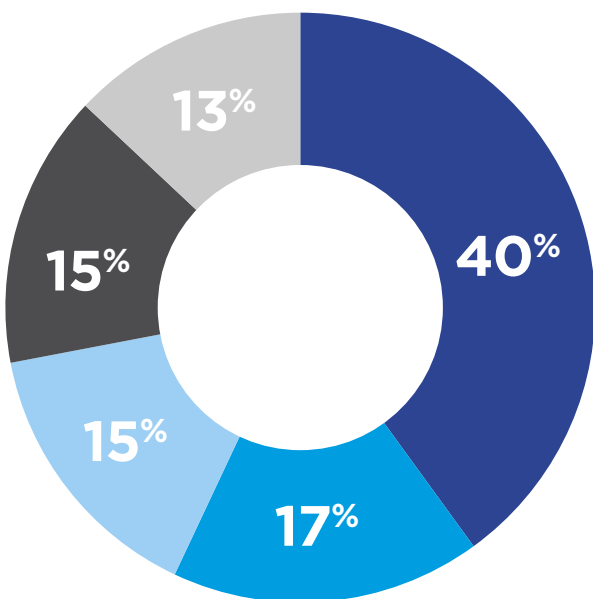
Oji Fibre Solutions categorises goods and services procurement into five broad groupings:

- 1 raw materials;
- 2 capital;
- 3 repairs and maintenance;
- 4 energy; and
- 5 other.

The graph below indicates the percentage of spend in each category.

The 'other' category includes: chemicals and starch; adhesives and inks; transport, storage and pallets; cleaning services; PPE; equipment; outsourced manufacturers; plastic packaging; and paper and packaging goods in Australia.

2023 Supplier Categories



Raw Materials Repairs & Maintenance Energy
Other Capital



Commitment to modern slavery due diligence

Oji Fibre Solutions is proud to create shared value from natural resources and be a key contributor to the circular bioeconomy, facilitating the move from fossil-based materials towards renewable and recyclable alternatives, and more sustainable consumption.

Our Sustainability Action Plan recognises the importance of our people, our operations in New Zealand and Australia, and the value they create to fulfil our vision to be Australasia's leading manufacturer of wood-fibre products to power the circular economy.

Our reputation relies on the fair treatment and development of our people, maintaining relationships with ethical, and environmentally and socially responsible suppliers and our commitment to working with trusted and ethical clients and stakeholders.

We are committed to respecting human rights, including by taking action on modern slavery.

We have adopted the following framework to manage the risk of modern slavery and to promote transparency across our business operations and supply chains.



Continuous improvement is important to Oji Fibre Solutions. To ensure we are meeting our due diligence aspirations, in 2023 Oji Fibre Solutions engaged an independent consultancy to undertake a modern slavery maturity diagnostic and inherent risk identification review.

As a result of these assessments, we have established a three year+ actions roadmap to assess, address and mitigate

modern slavery. We are currently assessing our most immediate needs to prioritise actions within the roadmap.

We discuss these assessments and our actions roadmap in more detail in the 'identifying risk' and 'how we address risk' sections.

Identifying modern slavery risks

The depth of Oji Fibre Solutions operations means we are conscious of the potential exposure to modern slavery practices in our operations and supply chain.

Our modern slavery risk profile is not static. We continually assess our operations and supply chains for inherent risks and target our resources towards the businesses activities and relationships where there is the greatest likelihood of harm to people.

The independent consultancy engaged by Oji Fibre Solutions undertook an inherent risk identification assessment across Oji Fibre Solutions operations and supply chains. This assessment aimed to evaluate the potential for the company to cause, contribute to, or be directly linked to modern slavery practises. The assessment was aligned with the UN Guiding Principles on Business and Human Rights (UNGPs) and considered four key cross-cutting risk factors to identify high risk namely: vulnerable populations; product and service categories; high risk business models; and high-risk geographies.

The scope of the assessment was to identify potential high-risk areas across our business with further sub-category supplier assessments necessary as part of ongoing risk management. The findings have been workshopped with the consultancy and internally.

Our current systems and controls already address the identified risk areas, but a prioritisation plan for continued assessment and mitigation of the highest risk areas will be confirmed for 2024 and beyond.

The following inherent risks were identified as part of the assessment:

- > **External labour hire:** we utilise contractors and labour hire across our New Zealand and Australian operations. Key risk factors include semi or low-skilled labour and reliance on temporary workers (which may include migrant and other vulnerable workers), use of third-party recruiters and the potential risk of subcontracting.
- > **Facilities management services:** we procure facilities management services across New Zealand and Australia including cleaning services, on-site catering, building management and security services. The key risk factors include reliance on semi or low-skilled labour and reliance on temporary workers (which may include migrant or other vulnerable workers), use of third-party recruiters and the potential risk of subcontracting. We note increased risk in regional or rural areas and jobs performed 'out of sight' such as outside normal business hours.
- > **Machinery and equipment:** we utilise large machinery within our mills, in packaging facilities, in transport and logistics and in our recycling baling sites. The key risk with machinery is the lengthy supply chain and manufacturing risks of machinery and mechanical parts, often with connection to high-risk geographies with poor labour rights protections.
- > **Transport and logistics - Domestic:** Transport is utilised by all Oji Fibre Solutions operations including the transport of virgin wood, paper reels and pulp bales and material for recycling to and from our facilities. Our logistics business, Lodestar, arranges end-to-end cargo management across road, rail, coastal shipping, international shipping and intermodal services across New Zealand and Australia. Transport is a high risk category for modern slavery given the usual business practices of outsourcing services and sub-contracting, often low skilled roles and the high number of vulnerable workers including migrant workers. Low visibility of working conditions (e.g. working hour expectations of long-haul truck drivers) increase the risk of exploitation.
- > **Shipping - International:** This sub-category includes the shipping and logistics suppliers engaged as part of the supply chain for Lodestar's international operations including break-bulk and container shipping. Modern slavery risks in shipping are also an inherent risk as part of supply chains in goods we procure. Shipping is a high risk of modern slavery due to an intersection of risk areas. Seafarers may be from nations with human rights, labour rights and corruption challenges. There are high rates of sub-contracting (including at port and for intermodal services) with practical limitations on effective enforcement of basic conditions on board vessels.
- > **Third party procurement:** This sub-category relates to goods purchased through our Foodservices Packaging distribution centre in Australia. Foodservice Packaging does not use Oji Fibre Solutions' paper but rather procures pre-manufactured goods for resale. The majority of Foodservice Packaging's procurement is from manufacturers in high risk geographies, China and Taiwan. Other identified high risks goods we procure include uniforms and personal protective equipment, information and technology communication hardware and branded promotional goods.
- > **Recycling:** Waste management can be a high risk area for modern slavery as it often utilises low skilled workers including vulnerable populations such as migrant workers. Sub-contracting and the use of labour hire agencies are common. Our recycling service, Fullcircle, operates 13 baling sites across New Zealand, owning one and leasing the others. The baling sites are managed by external contractors decreasing visibility across the operations and supply chain.
- > **Wood Fibre:** while New Zealand is not a high risk country for illegal forestry practices, modern slavery risks can occur in the forestry sector in New Zealand given the demand for low-skilled and temporary workers (for example for planting and spraying), the use of labour agencies and sub-contractors, the use of workers from vulnerable populations, remote working conditions and value chain risks such as transport and logistics.

How we assess and address modern slavery risks

Oji Fibre Solutions modern slavery response is informed by the UNGPs. We understand that human rights due diligence is an ongoing process – one which is most effective when it is embedded across our business.

Throughout 2023, we continued to implement and progress policies and actions to ensure we assessed and addressed potential modern slavery risks, maintained effective grievance mechanisms to enable the identification and remediation of modern slavery harm and mitigate future modern slavery risks.

Our Human Rights Policy, Code of Conduct, Respect in the Workplace Policy and Speak Out Policy govern how we engage with and treat our employees and workforce.

Responsible sourcing

Our Supplier Code of Conduct, Procurement Policy and Wood Sourcing Policy govern our responsible sourcing commitments.

40% of our 2023 spend was on raw materials. Oji Fibre Solutions wood-fibre is sourced from the North Island of New Zealand. Our wood-fibre supply is sourced from legal and well-managed forest operations in accordance with our Wood Sourcing Policy. The Wood Sourcing Policy adheres to 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 2023 certified to FSC® and PEFC standards. The remaining 16% meets the requirements for 'controlled wood' under FSC® or 'controlled sources' under PEFC criteria.

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.

Our process of onboarding a new supplier includes a prequalification assessment of their governance and operations. 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. In 2023 we required 16 suppliers to complete a modern slavery supplier questionnaire prior to entering into a contract with them.

In 2023 an independent consultancy reviewed our current supplier questionnaire to ensure it was still fit for purpose.

A number of minor adaptations were made to the questionnaire. We plan to integrate the updated questionnaire across all Oji Fibre Solutions entities and business services so there is consistency in supplier engagement across the business.

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 2023, we visited four of our suppliers in China.

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 2023, we benefitted from a third-party audit at one of our mills and 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), Supplier Ethical Data Exchange (SEDEX), National Association of Women in Operations Inc (NAWO), Business Leaders' Health & Safety Forum (ZeroHarm) and collaborates with like-minded businesses to share noncompetitive insights and approaches to managing the issue and risks of modern slavery.

Capability building

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 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 2023, 99% of employees assigned this required learning module completed it. We did not achieve the required 100% due to one overseas employee who experienced difficulty accessing the training system. This has since been rectified 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

Our modern slavery action roadmap includes actions relating to the extension of our modern slavery training.

Grievance mechanisms

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.

Speak Out

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 Speak Out Policy includes safeguards for protecting complainants from reprisal, including confidentiality and protecting them from personal disadvantage or victimisation for having raised a concern.

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. Speak Out is communicated through posters, the intranet, inductions and company-wide communications and updates.



How we track effectiveness of our actions

We want to ensure the actions we are taking to manage our modern slavery risks actually work. We take a range of steps to assess the effectiveness of our policies, procedures and modern slavery response. As we continue to increase our modern slavery engagement across our business, we are continuing to learn about how to enhance our effectiveness. The Oji Fibre Solutions sustainability, human resources, procurement and internal audit functions play key roles in doing this.

Assessments include:

- > Confirming direct employees possess and maintain their legal entitlement to work.
- > Checks and balances over our internal remuneration, payroll overtime and leave systems.
- > Confirming with 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.

Our owner, Oji Holdings Corporation, also reviews our management controls. This includes assessing that our labour and supply chain policies are clear, maintained and followed. More information on Oji Holdings Corporation can be viewed at

www.ojiholdings.co.jp/english/

How we have consulted our business

The development of this statement was led by our sustainability and legal divisions, which consulted directly with key functions across Oji Fibre Solutions to draft the Statement.

We engaged with each of the reporting entities and consulted the entities we own or control throughout the drafting process. Oji Fibre Solutions' Chief Executive Leadership Team, which includes representatives from each entity, reviewed and agreed to the Statement prior to approval.