

# Oji Fibre Solutions



# Modern Slavery Statement 2021

# About Oji Fibre Solutions

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



Our purpose and values are held in common across all our business units. 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.

Our purpose is to create solutions by nature. We do this by innovating in the use of renewable wood-fibre and sharing the benefits of the circular bio-economy to make a difference each day.

**Built on a strong manufacturing heritage we are a vertically integrated business supplying pulp, paper and packaging products to customers in more than 30 countries around the world. Our operations include:**

- three mills in New Zealand producing market pulps and containerboards.
- nine packaging facilities across New Zealand and Australia providing paper-based packaging solutions – boxes, multiwall bags, and speciality boards – 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, an integrated logistics service providing end-to-end cargo management solutions nationally and internationally.
- Fullcircle, a paper and cardboard recycling service, with 13 baling sites across New Zealand. We close the resource loop by recovering cardboard and fibre from across New Zealand for reprocessing at our mills.
- a head office in New Zealand, and sales support offices in Australia and New Zealand, Kuala Lumpur (Malaysia), Jinan (China) and Hong Kong.

## Our Values



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.



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.



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.



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.

## Our People

At 31 December 2021, Oji Fibre Solutions directly employed 1,786 people, with the majority (82.8%) of these people based in New Zealand. A further 16.9% were located in Australia and six 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. Around 40% 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 2021, our business benefited from 15 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 2021, a cohort of 10 summer students entered this programme.

In 2021, we also provided work experience to university students who volunteered their time to carry out specific time-bound projects related to their studies. In doing this, we sought to provide meaningful experiences that would build the students skills and add positively to their employment

prospects. Further consideration is being given to the framework under which work experience is provided to volunteers.

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

82.8% (1,479) New Zealand

16.9% (301) Australia

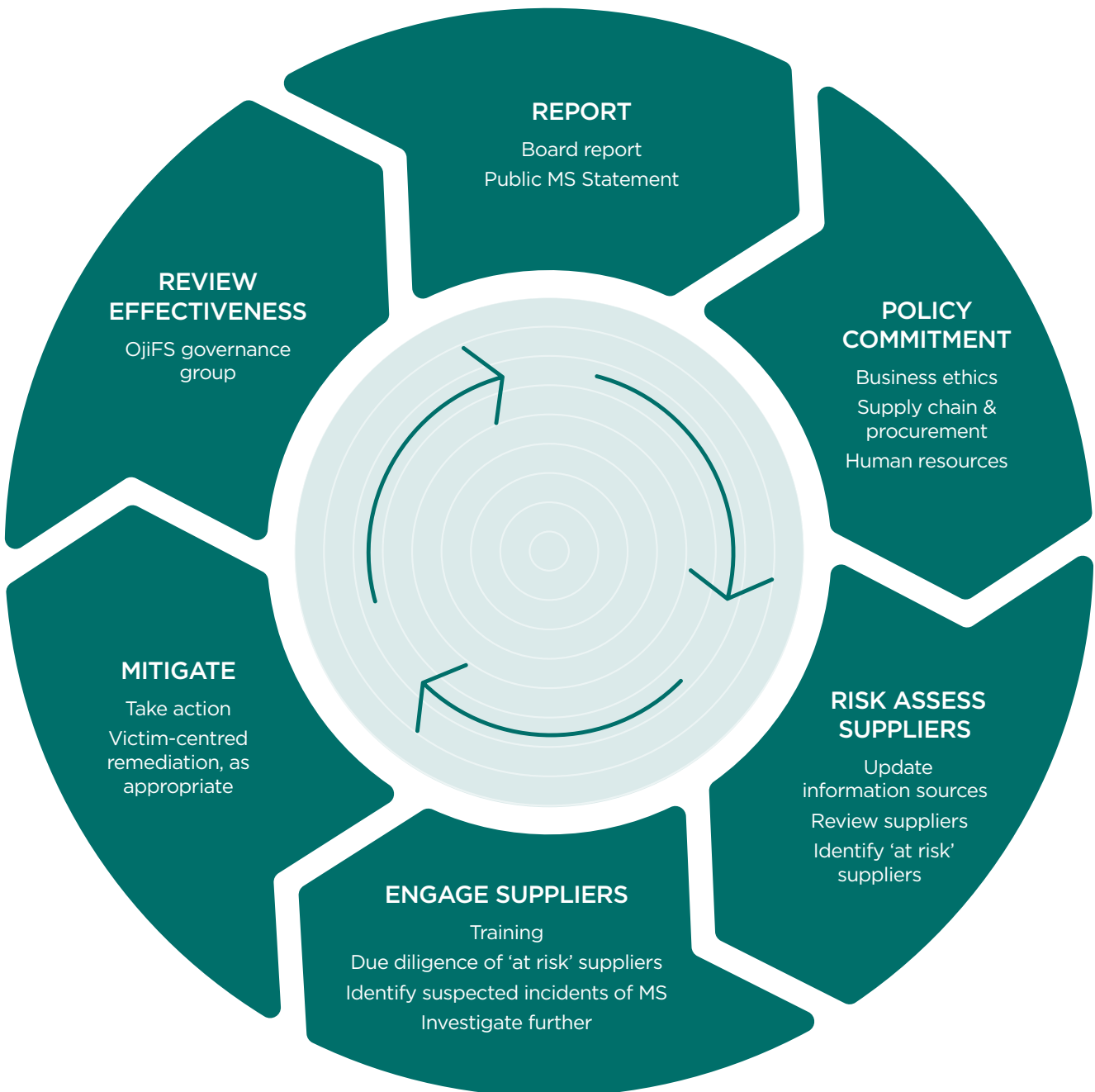
0.3% (6) Asia

### OJI FIBRE SOLUTIONS' FACILITIES



# Framework to address the risk of modern slavery

We have adopted the following annual process to specifically manage the risk of modern slavery and to promote transparency.



## Our Policies

At Oji Fibre Solutions, we endeavour to create a culture that encourages diversity and 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 below work together to detail the process, practices and behaviour standards required across Oji Fibre Solutions and our supply chain.

We took further steps in 2021 as part of our pursuit of procurement excellence, by updating our Procurement Policy and implementing a new procurement and supply chain structure for the Pulp and Paper business unit.

### POLICIES THAT WORK TOGETHER TO PROTECT AGAINST MODERN SLAVERY

POLICY	PURPOSE
Supplier Code of Conduct	To set out the expectations of all suppliers in our supply chain to operate ethically and in line with our values. It prohibits the use of any form of modern slavery, forced, bonded or child labour in any of suppliers' operations and supply chain.
Procurement Policy	To detail Oji Fibre Solutions' commitments and the principles to be followed when procuring goods and services.
Responsible Wood Sourcing Policy Statement	To outline the business' commitment to purchase wood for the manufacture of pulp and paper that is sourced from legal and well-managed forest operations.
Speak Out Policy	To encourage and promote a culture of openness and transparency by providing employees, contractors, and others with an independent process to raise any concerns they might have about the company and its actions.
Code of Conduct	To reflect our values by setting out the high ethical standards expected of all employees and providing clear guidelines. This policy was updated in 2021 to be more specific about the requirements to respect human rights.
Better Business Policy Statement	To equip all our people with the knowledge and resources enabling them to better identify, manage and minimise legal risks to the business and its employees. Salaried employees are required to complete our Better Business online training programme.
Equal Employment Opportunity Policy	To outline the business' commitment to providing employees with equal opportunity to achieve their full potential without fear of discrimination or harassment.
Recruitment and Selection Policy	To set out the recruitment and selection process, including any offshore recruitment activity, and the requirement for all candidates to provide evidence of their valid rights to work.
Respectful workplace and the prevention of workplace harassment, violence and bullying Policies	To provide the framework for employees, prospective employees, visitors, and contractors to understand how our business expects everyone to treat each other in the workplace and what is not acceptable behaviour.
Grievance and Resolution Policy (Australia)	To guide the procedure to manage employee grievances, with the aim of promoting a fair and consistent approach and to provide support to those involved in the process.

## Training about 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.

Also during 2021, we developed more specific modern slavery training for our employees in commercial, human resources, supply chain management, procurement, and group governance roles. This modern slavery training is a required learning module and is being rolled out in 2022. It 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 supply chain

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, contract terms and is a foundational element in our modern slavery due diligence framework.

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.

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.

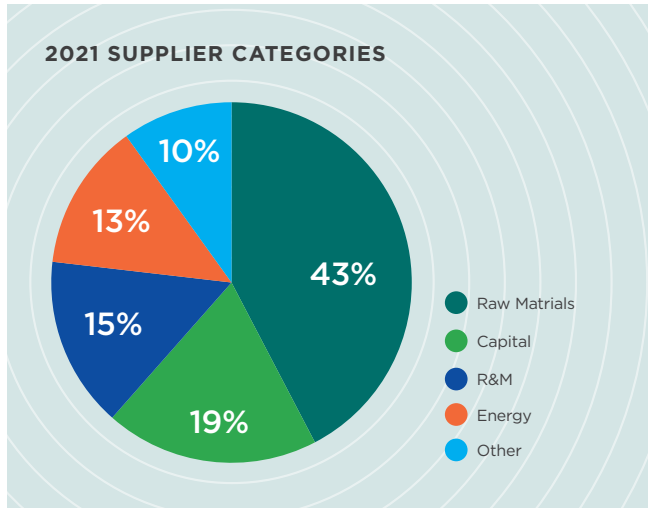
These assessments incorporate and align our sustainability values across the supply chain. Through them we gain an understanding of the potential supplier's ability to meet our requirements and the potential risks in their operations.

Our suppliers are predominately based in New Zealand, Australia, and Asia.



## Managing the risk in our supply chain

The objective 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 classified suppliers in five broad groupings: raw materials, capital, repairs and maintenance, energy and other, as shown in the graph below.



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.

In 2021, purchases of raw material inputs to the products we make represented 43% of total spend. The main input is wood fibre, which is used in the manufacture of pulp and paper. We source wood fibre from sustainably managed forests in New Zealand from FSC® and PEFC™ certified forests and those meeting the requirements for 'controlled wood' under FSC® or 'controlled sources' under PEFC™ criteria.

In addition, all of our manufacturing sites are Chain of Custody certified to the internationally recognised standards of FSC® and PEFC™. This means any fibre-based product entering the site as an input material must be certified.

Both FSC® and PEFC™ provide third-party assurance 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.

We also have strong controls and specific assessments of the suppliers from whom we make capital and energy purchases and those we engage in repairs and maintenance. In 2021, 19% of our total spend was on capital expenses, and a further 28% was on energy and repairs and maintenance.

Through these certifications and controls, 90% of our supply chain (by spend) is assessed for environmental, social and governance risks, including those associated with modern slavery. Given this level of oversight and verification, our modern slavery risk assessment and supplier engagement in 2021 predominately focused on the 10% (by spend) of our supply chain classified as 'other'.

As a result, suppliers in scope for direct engagement in 2021 were businesses supplying to our operations in Australia that are based in China or Vietnam, or are providing facility cleaning, waste management, environmental and security services, clothing items such as personal protective equipment and uniforms, or other services with a similar risk profile.

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 with all pulp and paper suppliers, we also engaged them in a modern slavery assessment.

The result was more than 200 suppliers enrolled in our supplier self-assessment process to reconfirm their policies and practices 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.

In previous periods we have visited our suppliers in China and Vietnam, 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.

We acknowledge that change can also introduce different risks. In mid-2021, our Foodservice Packaging business in Australia ceased manufacturing to focus solely on traded goods. As that business grows, we are aware it has the potential to bring a different modern slavery risk horizon. We will continue to assess and manage this alongside our existing supplier engagement mechanisms.

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.



# 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 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.
- Governing 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, are maintained and are followed.

## Collaborative Responses

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 2021, our business benefited from a third-party audit at one of our Auckland manufacturing sites. This was implemented as part of our membership of SEDEX, a global organisation helping companies to improve transparency in their supply chains.

The audit assessed workers' health and safety and their rights, our business ethics and environmental impact. Overall,

the audit was positive, engaged our people including the onsite union representative, and identified examples of good practice. It also clearly laid out the issue of managing worker hours during the pandemic. This audit and its subsequent follow up provided a good opportunity for us to assess our controls and reporting frameworks and to confirm compliance with New Zealand labour laws and our policies.

Oji Fibre Solutions is a member of several industry organisations and collaborates with like-minded businesses to share non-competitive insights and approaches to managing the issue and risks of modern slavery.

## 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 facility – 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. In 2021, there were very few incidents reported and none related to modern slavery red-flags.





# 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 2022, WE ARE CONTINUING TO REFINE AND ENHANCE OUR APPROACH IN THE FOLLOWING WAYS:

- Monitoring the ongoing impact of COVID-19 on our employees and our supply chain and updating the country and product risk classifications accordingly.
- Introducing an Oji Fibre Solutions human rights policy, which affirms that the fundamental human rights of all employees and people doing business with Oji Fibre Solutions are to be protected and upheld, and sets out specific responsibilities in relation to the development, implementation, and review of compliance with the policy.

- Deeper consultation and review across the business of the risks of modern slavery in our supply chain.
- Giving further consideration to the framework under which work experience is provided to volunteers.
- Continuing 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.
- Rolling out targeted training for staff via our learning management system, myOjiFS.

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.

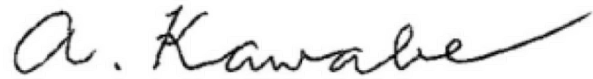


# Approval

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 our suppliers to do so too.

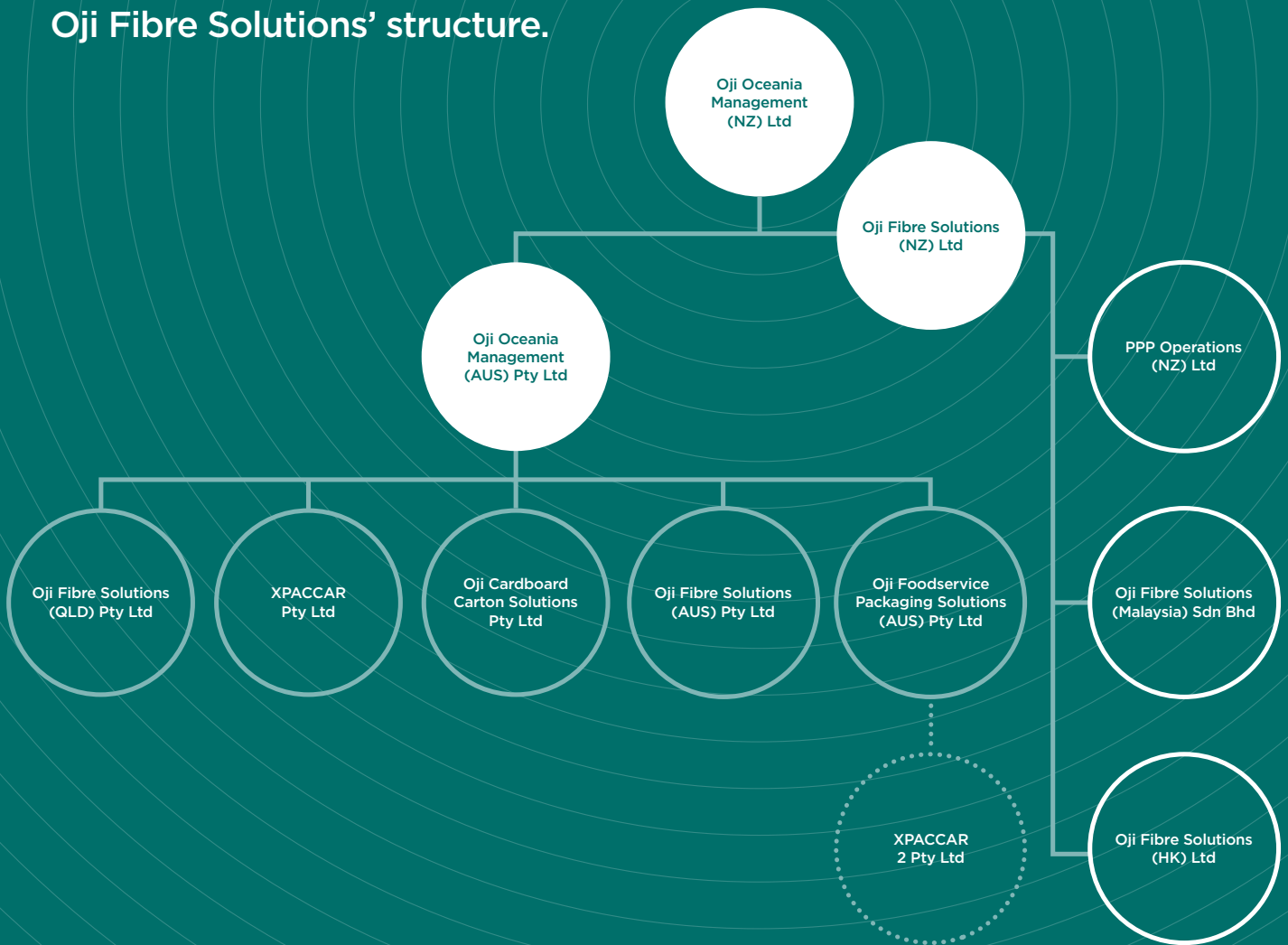
This joint Modern Slavery Statement is made on behalf of all the entities within Oji Oceania Management (NZ) Ltd, which are together known as Oji Fibre Solutions. It is published to meet the reporting requirements under the Australian Commonwealth Modern Slavery Act 2018 and is made pursuant to Section 14 of that Act.

All business entities within Oji Fibre Solutions were consulted in the development of this Statement and are subject to an internal governance framework. In addition, the leadership team, which includes representatives from each entity, reviewed and agreed this Statement prior its approval by the Board on 29 June 2022.



Mr Azumi Kawabe  
Chairman of Oji Oceania Management (NZ) Ltd

## Oji Fibre Solutions' structure.



<sup>1</sup> Oji Fibre Solutions ("OjiFS") includes: Oji Oceania Management (NZ) Ltd, Oji Fibre Solutions (NZ) Limited, Oji Oceania Management (AUS) Pty Ltd, Oji Fibre Solutions (QLD) Pty Limited, Oji Fibre Solutions (AUS) Pty Limited, Oji Foodservice Packaging Solutions (AUS) Pty Limited, Oji Cardboard Carton Solutions Pty Limited, XPACCAR Pty Ltd, XPACCAR 2 Pty Ltd, PPP Operations(NZ) Ltd, Oji Fibre Solutions (HK) Limited, Oji Fibre Solutions (Malaysia) Sdn Bhd.