

2022 MODERN SLAVERY STATEMENT

SORBENT PAPER COMPANY
PTY LTD

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1. Letter from the Director

As the resident Australian Director, it is my solemn duty to present the company's statement on Modern Slavery and Human Trafficking.

Sorbent Paper Company is a leading producer of personal care products having leading brands in the bathroom, facial, napkin and kitchen towel plus many more products across a variety of categories. We manufacture the mainstream of our products at our Box Hill Victoria plant and operate many of our distribution and warehousing sites across the length and breadth of Australia. We operate in close partnership with our strategic supply partner, and through this, enjoy the sound security of a reliable and responsible supply chain.

The gross injustice of slavery in these modern times is reprehensible. It is our moral duty to ensure that such practices are never permitted, excused or condoned - especially not within our own house.

I am pleased to present to all stakeholders this presentation of our disclosure statement together with the attendant requirements of due diligence and transparency.

Signed,



Steve Nicholson

Director
The Sorbent Paper Company
31.12.2022

2. Reporting entity

Sorbent Paper Company Pty Ltd (“Sorbent”) is a reporting entity under the *Modern Slavery Act 2018*.

Sorbent, formerly Asaleo Care Limited, is a leading personal care and hygiene company that manufactures, markets, distributes and sells essential everyday consumer products across the consumer tissue and product categories, including toilet tissue, facial tissues and flushable wipes.

We have a proud heritage of more than 60 years and every day our products are used in households and businesses across Australia.

Sorbent is keenly aware of the perils of modern slavery, especially in highly globalised and opaque supply chains. We are deeply committed to playing our part to prevent any form of modern slavery in our operations, and across our supply chains.

The following document is intended to meet both the disclosure requirements under the *Modern Slavery Act 2018*, in both letter and spirit, for the 2022 Financial Year reporting period (1 January to 31 December 2022).

This modern slavery statement covers Sorbent's manufacturing, marketing and distribution arms, as well as the supply chains that allow our business to operate.

As Sorbent does not own or control any other entities, no consultation process was required with other business entities. Senior management has had the opportunity to review and provide input on this modern slavery statement.

3. Business structure, operations, and supply chains

Values

As a leading tissue paper company, we maintain an intense focus on delivering the best quality, value and benefit for our customers and our consumers.

We are guided by our values - Pride - Integrity - Courage. We know we are successful when we exceed our customers and consumers expectations and we create a workplace where our people perform at their very best, every day.

We have a corporate responsibility to take an active role to address potential modern slavery risks associated with our business.

Operations and supply chain

Sorbent maintains its operations and supply chain across Australia and Indonesia.

Sorbent has a strategic supply partnership with Asia Pulp and Paper ("APP"). Through this partnership, APP supplies raw materials (paper and pulp) to Sorbent for the manufacture of goods.

At this stage, the majority of Sorbent's goods are manufactured in Australia at Sorbent's facility in Box Hill, Victoria. The remaining goods are manufactured in Indonesia.

Sorbent also operates distribution and warehousing facilities in Somerton Victoria, Greystanes New South Wales and Larapinta Queensland.

Sorbent employs approximately 200 employees as part of its manufacturing, distribution and warehousing operations in Australia.

Materials

There are three main materials which make up Sorbent's supply chain, including:

- **Raw materials:** paper and pulp (known as jumbo reels) which is taken from trees grown by APP in Indonesia;
- **Packaging materials:** recyclable plastic and replacing baling which are provided by a third party supplier for products in Indonesia and Australia;
- **Plant/equipment:** machinery and plant which is manufactured in Germany and Italy.

4. Risks of modern slavery practices in Sorbent's operations and supply chains

As a brand that maintains operations and supply chain in Indonesia, it is important that Sorbent consider how its business could potentially be linked to modern slavery.

Some of the possible risks identified in our operations and supply chains are:

- Supply coming from countries where it is reported to have a high prevalence of modern slavery, labour rights violations, and other human rights violations;
- Working with suppliers in regions that employ temporary, seasonal and/or immigrant workers;
- Implementing delivery timeframes that might require suppliers to engage in excessive working hours, make cost savings on labour hire or rapidly increase workforce size.

Sorbent understands that it can address these risks by maintaining supply chain traceability and transparency. While the degree of integrity to meet ethical practices at lower levels in the chain is harder to control (tier two -and lower- suppliers provide materials and products to the supplier at the next higher level), the relationships Sorbent forms with suppliers are key for accessibility of information, transparency and maintaining shared values.

5. Sorbent's approach to risks of modern slavery practices

Sorbent has a number of mechanisms in place to ensure our suppliers, including strategic supply partner APP, meets the requirements for ethical and responsible sourcing.

These mechanisms appropriately address the risk of modern slavery practices in Sorbent's operations and supply chains.

Addressing risks arising from materials sourced by Sorbent

Sorbent's view is that modern slavery risks are more likely to arise in respect of the raw materials and packaging materials, as opposed to sophisticated plant and equipment suppliers. Sorbent only sources certified material from responsible suppliers.

Programme for the Endorsement of Forest Certification

Sorbent only engages with fibre suppliers which are certified under the Programme for the Endorsement of Forest Certification ("PEFC") regime. The PEFC regime sets out:

- standards and requirements around sustainable forest management.
- standards and requirements for human rights, including chain of custody certification for forest and tree-based materials.
- rules for establishing free, prior, and informed consent from communities in and around our supplier's operational areas.

Suppliers are required to undergo a certification audit with PEFC annually. As part of this refreshment, Sorbent conducts supplier evaluation and risk assessments which involves consideration of ILO's core conventions – child labor, elimination of forced labor, abolition of work-related discrimination, and rights to collective bargaining and freedom of association.

The certifications provide Sorbent with the assurance that its suppliers are acting in accordance with environmental and human rights practices. Suppliers who do not have, or do not maintain their certifications are prohibited from doing business with us.

Sorbent also maintains its own chain of custody certification under the PEFC regime. The certification covers the purchasing and storage of PEFC certified pulp, reels and paper hygiene products and their manufacturing and sale/distribution by Sorbent.

Timber Legality Assurance System

The Timber Legality Assurance System ("SVLK") is an assurance scheme implemented by the Indonesian Government to ensure timber products which are exported are sourced and traded in accordance with the law. This includes adherence to gender equality and fair labour practices.

Once SVLK verification is achieved, Indonesian suppliers must undergo an annual surveillance audit to maintain certification.

Contractual arrangements

Sorbent requires its suppliers to comply with its *Fibre Procurement and Processing Policy*. Any suppliers which are found to not conform with this Policy by failing to adhere to applicable laws and regulations or provisions of the Policy are either first issued with a warning or suspended. Sorbent requires any supplier issued with a warning or suspension to implement a corrective or remedial action plan. If a supplier fails to appropriately implement the corrective or remedial action plan Sorbent's contract with this supplier is terminated.

Addressing risks arising from the workforce

Sorbent relies on a number of processes to ensure its workforce and those working in its supply chains are free from modern slavery.

Recruitment and onboarding

All employees of Sorbent are hired through a robust recruitment and selection process in strict compliance with applicable labour laws. The employment of children or anyone below the statutory minimum age is strictly prohibited within Sorbent's business. To ensure these restrictions are kept, age verification is conducted during the recruitment process.

Where suppliers employ individuals under the age of 18, the recruitment process must adhere to special terms of employment and working conditions as regulated by existing laws and regulations.

Sorbent and its suppliers also forbid any form of harassment or discrimination, including but not limited to, gender ethnicity, religion, race or disability. We recognise that every worker has the freedom to form or join a labour association without fear of reprisal, intimidation, or harassment.

Sorbent also commits to minimum terms and conditions for its workforce covered by enterprise agreements. Employees of Sorbent and its supply partners are afforded all protections under relevant laws relating to wages, working hours, the freedom to unionise and the right to health and safe workplaces.

Policies and procedures

Sorbent maintains a number of policies and procedures which help to address modern slavery risks within the workforce.

In addition to holding certain certifications, suppliers must declare compliance with Sorbent’s Code of Conduct and sourcing policies. Sorbent also maintains a robust system for receiving and investigating non-compliance issues through our grievance mechanism and whistle-blower policy.

Policy/Procedure	Purpose
Code of Conduct	The Code of Conduct outlines how we expect team members to behave towards each other, our customers and the broader community. We also require all suppliers to meet our own stringent requirements outlined in our Code of Conduct. Any supplier that fails to meet our expectations is excluded from our supply chain.
Whistle-blower & Reporting of Improper Conduct Policy	The Whistle-blower & Reporting of Improper Conduct Policy provides the avenue for reporting incidents or improper conduct.
Grievance & Investigation Procedure	This Policy sets out our grievance procedures including assessment, investigation and remediation.
Workplace Health & Safety Policy	This Policy outlines our processes to ensure the health and safety of our employees, contractors and visitors.
Enterprise Agreements (EAs)	There are currently three EAs in place for Sorbent’s workforce which cover approximately 70% of our team members.

Other due diligence processes

Further to the processes outlined above, Sorbent has in place a number of other schemes and processes which assist us in identifying, assessing and addressing modern slavery risks in our operations and supply chain.

SEDEX members ethical trade audit

The SEDEX Members Ethical Trade Audit (“SMETA”) is an ethical audit methodology which is a compilation of responsible business practices. SMETA is used for various purposes, including by brands and retailers such as Sorbent who wish to learn more about the ethical performance of their suppliers, specifically around labour standards and health and safety.

During the reporting period, Sorbent required a SMETA be undertaken in respect of two APP business locations in Indonesia – annually for Pindo Berawang and upon request for Univenus Serang.

Audit results were published in the Supplier Ethical Data Exchange Database which is a worldwide platform for the exchange of information on ethically sustainable production in the supply chain.

Safety standards (ISO 45001 & AS/NZS 4801)

Sorbent follows the requirements and guidance set out in the ISO 45001 in respect of its occupational health and safety (OH&S) management system. Through adhering to the standard, Sorbent ensures it appropriately addresses OH&S risks, and improves OH&S performance to allow our people to be safer and healthier. Sorbent also meets the standard AS/NZS 4801 which establishes a framework to enable internal and independent external audits and reviews of OH&S management systems.

Sorbent's OH&S management system is surveilled annually through internal audits, and re-certification is required pursuant to ISO 45001 every three years.

United Nations Global Compact Network of Australia

As a member of the United Nations Global Compact Network of Australia ("UNGC"), Sorbent has access to UNGC accelerator programmes, including the Business & Human Rights Accelerator Programme. This Programme provides a series of trainings, peer learnings, tools, and capacity building to help companies improve their action on human rights and labour rights.

How Sorbent assesses effectiveness of actions

As outlined in above, Sorbent participates in an annual audit under the PEFC regime which requires it to assess the effectiveness of its supplier evaluation and risk assessments.

Sorbent also maintains a social compliance internal monitoring checklist which includes active monitoring of various business and compliance risks (including the modern slavery risks identified in this statement). These mechanisms also ensure regular interaction with employees to allow any concerns to be raised.

Sorbent continues to assess and measure the effectiveness of our actions to combat modern slavery and identify opportunities for improvement. We are committed to undertaking regular monitoring and evaluations of our operations and supply chains.

