



Modern Slavery
Statement 2021

Opal.

Acknowledgement of Country

Opal acknowledges the Traditional Custodians of Country throughout Australia and recognises their connection to land, waters, and community. We pay our respects to the traditional custodians and their cultures; to Elders past, present, and emerging. We support the recognition of Aboriginal and Torres Strait Islander people in the Australian Constitution.

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A message from Opal

On behalf of the Board of Directors of Paper Australia Pty Ltd, I am proud to present Opal's 2021 Modern Slavery Statement. This statement outlines the progress we have made since our 2020 opening statement to identify, manage and mitigate the risks of modern slavery and human rights abuses in our operations and supply chain.



Opal embraces five Values across all teams and entities, with a central value of SAFE. This is our number one priority and pivotal to all decisions and activities at Opal. Safety is not just focused on our employees, all stakeholders, both up and downstream in the supply chain, are considered as part of our risk assessment process. The International Bill of Human Rights guides us along with principles set out in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. We are committed to conducting business ethically and with integrity.

We have spent 2021 refining our operations to align with internal policies and processes, with the aim to improve

our ethical business practices. We have reinforced our ethical trading team with the addition of subject matter experts to improve our ethical risk management capability. Our goal is to support all employees, service providers and suppliers, to prevent or mitigate adverse human rights effects through education, compliance, and mitigation activities. We will act with due diligence to ensure the rights of all are protected and expect our suppliers and service providers to do the same.

Continuous improvement is the core process for our Modern Slavery program. Opal is committed to annual review and refinement of our methodologies and program outputs, to better identify and manage the impacts of our business' ethical trade footprint.

We appreciate your interest in Opal's approach to managing this critical issue and encourage feedback from our stakeholders through our Opalanz website: <https://opalanz.com>. This statement was approved by the Paper Australia Pty. Ltd. Board on 21 June, 2022, on behalf of its' reporting entities.

Matt Lizuka

Director

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Reporting entity

Paper Australia Pty Ltd (**OAP**) is a wholly owned subsidiary of Nippon Paper Industries Co. Ltd (**NPI**) which is listed on the Tokyo Stock Exchange and the Osaka Exchange. OAP is the parent company of a group of subsidiary companies which are collectively branded as Opal.

Opal's 2021 Modern Slavery Statement (**Statement**) is made pursuant to the requirements of the Modern Slavery Act 2018 (Cth) (the **Act**) and represents a joint statement, which has been prepared and published by OAP on behalf of the following "reporting entities" (as that term is defined in section 5 of the Act) within Opal's Corporate Group:

- Paper Australia Pty Ltd (ACN 061 583 533)
- Opal Packaging Australia Pty Ltd (ACN 636 682 883)
- Specialty Packaging Group (ACN 005 319 666)

The operations of the reporting Opal entities include significant similarities, including:

- being closely aligned;
- in the same sector;
- under the same senior management;
- having substantially similar board composition;
- being governed by the same policies; and
- sharing many suppliers.

Consequently, we have been able to consolidate the description of our actions to assess and address modern slavery risks and implement one due diligence process across the Opal entities.

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Opal's structure, operations and supply chain

Opal offers sustainable fibre packaging and paper solutions to suit every customer. We directly employ more than 4,000 staff across our operations, with over 80 sites in Australia and New Zealand, including export offices in Europe, North America, and Asia. Opal is one of the largest users of the Port of Melbourne, exporting Australian

made products to more than 70 countries around the world. We produce a wide range of products working in partnership with our customers to deliver innovative packaging solutions. We are also a leading supplier of materials and supplies for warehousing and distribution businesses.

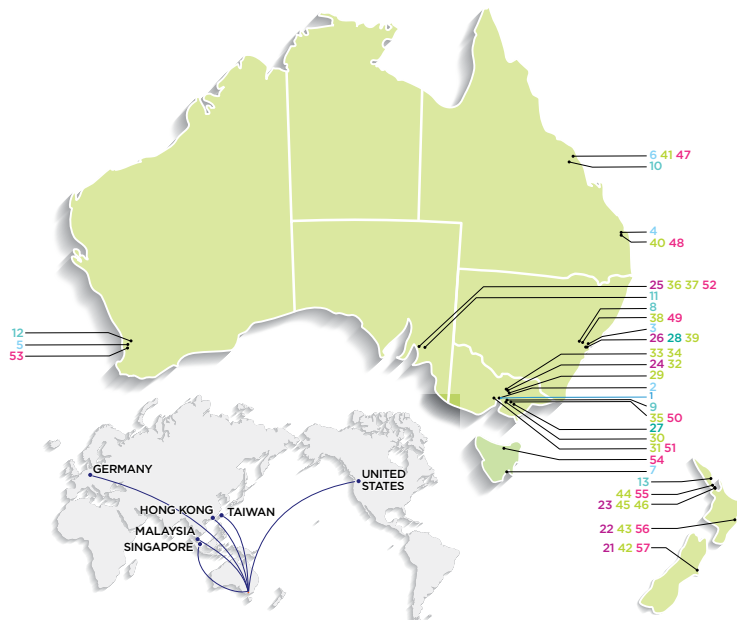
HO Head Office
1 Burnley

Distribution Centres
2 Melbourne 5 Perth
3 Sydney 6 Townsville
4 Brisbane 7 Hobart

ANZ State Offices:
8 NSW Eastern Creek
9 VIC Mt Waverley
10 QLD Carole Park
11 SA Walkerville
12 WA Bassendean
13 NZ Rosedale

PPM International Offices:
14 Australia
15 Singapore
16 Malaysia
17 Hong Kong
18 Taiwan
19 Germany
20 USA

Cartons
21 NZ Hornby
22 NZ Woolwich
23 NZ Manukau
24 VIC Heidelberg
25 SA Regency Park
26 NSW Botany



Manufacturing Mills
27 VIC Maryvale
28 NSW Botany

Manufacturing
29 VIC Preston
30 VIC Oakleigh
31 VIC Brooklyn
32 VIC Heidelberg
33 VIC Thomastown
34 VIC Campbellfield
35 VIC Scoresby
36 SA Regency Park
37 SA Athol Park
38 NSW Revesby
39 NSW Bankmeadow
40 QLD Rocklea
41 QLD Townsville
42 NZ Hornby
43 NZ Woolwich
44 NZ Auckland
45 NZ Manukau
46 NZ Papatoetoe

Packaging
47 QLD Townsville
48 QLD Rocklea
49 VIC Revesby
50 VIC Scoresby
51 VIC Brooklyn
52 SA Athol Park
53 WA Spearwood
54 TAS Launceston
55 NZ Auckland
56 NZ Hastings
57 NZ Christchurch

Opal's Operations

The Opal network includes primary paper manufacturing operations and other processing sites that convert raw pulp products into finished packaging and stationery formats, as well as recycling facilities and services producing high-quality materials and recovering resources from waste streams. Opal's operations are vertically integrated as a significant supplier of raw materials to other Opal entities who use transformation technologies to manufacture high quality, sustainable packaging products at various facilities around the nation, including industrial papers, linerboard, office paper, envelopes, and stationery.

Opal has offices across Australia and New Zealand to support our Australasian enterprises and exports products via Opal's Paper Products Marketing subsidiaries which have offices in Singapore, Taiwan, United States of America, Malaysia, Germany, and Hong Kong. Stationery lines are sourced and imported where not available locally via the Opal Packaging Plus team.

The Opal Converting Group includes Opal Cartons, Opal Bag Solutions and Opal Functional Coatings. Opal Cartons work closely with customers to produce innovative folding carton packaging, servicing various markets, including Fast Moving Consumer Goods (**FMCG**), dry grocery products, personal and home care, convenience food, dairy, and frozen food. The division's carton product portfolio includes quick-service restaurant (QSR)

cartons, carton sleeves, carry packs, facial tissue cartons, confectionery cartons, general retail folding cartons, and cartons for technology gadgets and medical products.

Opal Fibre Packaging supplies a wide range of innovative corrugated packaging solutions to a broad range of market segments, including FMCG, fruit and fresh produce, protein, dairy, dry goods, wine, beverage, and industrial manufacturers.

The Opal Specialty Packaging division includes Opal Specialty Packaging, Opal Packaging Plus, Opal Innovation & Design, and the Strategic New Business Development Team that focuses on identifying and commercialising a range of sustainable packaging solutions. Opal Specialty Packaging offers bespoke packaging solutions to small, medium, or large businesses, from packaging design to manufacturing material and point-of-purchase displays for retailers.

Opal's sites are extensively audited by various accredited third-parties dependent on their activities and customer/legislative needs (ISO 14001, FSC, PEFC - EMS, ISO 9001 - QMS & ISO 45001, OHSMS and NATA accredited facility for ISO/ IEC 17025).

Opal's corporate teams are central functions that support the operational teams and include Finance, Human Resources, I.T., Legal, Marketing, Sales, PR & Communications, Risk and Assurance, Centre of Expertise, Sustainability and Safety.

Opal Supply Chain

The description of Opal's supply chain during the reporting period includes the following Opal Group business divisions, namely:

- Opal Australian Paper (OAP)
- Opal Paper & Recycling (OPR)
- Opal Fibre Packaging (OFP)
- Opal Converting (OC)
- Opal Kiwi Packaging (OKP)
- Opal Specialty Packaging (OSP)
- Opal Corporate Procurement (OCP)

(Please note that under the Act, we are not required to report on the supply chains of Opal Kiwi Packaging, but they have been included in this description for completeness).

Opal sources a broad range of goods and services across Australia and internationally from New Zealand, Singapore, Switzerland, France, Indonesia, Taiwan, Canada, Poland, Thailand, United States of America, China, Germany, Japan, South Korea, Austria, Spain, Hong Kong, Netherlands, Sweden, United Kingdom, Malaysia, Finland, Philippines, India, Israel, Sri Lanka, British Virgin Islands, Liechtenstein, Belgium, Russia, Ukraine, and Italy.



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Risks of modern slavery

Internal (local) Operations

Most Opal team members are employed directly, with employment terms and conditions set out in employment contracts governed by Australian and New Zealand employment laws and relevant industrial instruments. In addition, Opal's comprehensive policy frameworks are communicated to Opal's team members through the corporate training program. This includes creating awareness of Opal's accessible grievance processes, reducing likelihood of the modern slavery risk in Opal's direct operations.

External (local) Operations

Human rights risks for Australian workers associated with Opal operations via external service providers such as cleaners, contractors etc. are higher than internal operations due to reduced Opal visibility of contracts, work requirements and control processes. Segments at most risk include:

1. Labour Hire: agencies employing persons to perform work at business sites – for example, replacement workers. The agency is responsible for paying the worker, and Opal business units oversee the day-to-day work.
2. Service Providers: various services are contracted to specialist third-party providers to perform regular, ongoing work at Opal sites. The service provider is responsible for delivering the service and pays workers either directly or through subcontractors. Examples include cleaning, security, equipment maintenance and calibration, and delivery and transport services. Some of these categories, such as cleaning, are considered higher risk due to a workforce

being comprised of migrant and unskilled workers who may be less aware of inherent rights and legal protections. Low-value contracts make workers in these categories more susceptible to exploitation.

Service providers identified in the high-risk supplier groups have been engaged to determine the potential for human rights violations through additional verification processes, initially via assessment questionnaires, and in 2022 these will be followed by a cross-section of review audits and assessments to improve compliance where required.

External (non-local) Operations

Ocean Freight

Forced labour, human trafficking and debt bondage are acknowledged modern slavery risks across the sea-freight sector. The severity of these risks varies across geographical locations and may be exacerbated by industry practices such as unregulated freight practices and flags of convenience (registrations in ports of lower costs or compliance requirements). International supply chain workers may be from countries with poor track records when it comes to human and labour rights. They may have cultures of corruption, whilst the involvement of multiple parties across international supply chains often gives rise to the risk of inconsistent labour standards within such supply chains and a fragmented system of regulatory oversight. Practical limitations on effective enforcement of basic conditions throughout complex international supply chains, owing to the number of jurisdictions in which supply chain activities may be performed, and the number of parties involved also put pressure

on practices. Concerns of particular focus from available industry audits and worker surveys indicate that health and safety (lack of PPE, training) and long working hours are common issues.

Forced Labour

We conducted a forced labour risk assessment which indicated that indirect labour carries an inherently higher risk of modern slavery due to lack of visibility, legal compliance requirements and cultural expectation. Assessment of imported fast-food commodities was undertaken after identification previously as a potential area of high risk.

For example, Opal imports some food packaging products in final format that require no further processing from Opal operational teams. These commodities are purchased from suppliers that may be recommended or preferred by Opal's clients. For these suppliers, Opal may not necessarily have a high level of visibility into the manufacturing processes and therefore, the potential for instances of modern slavery occurring is increased. Opal is developing process for client-recommended or preferred suppliers, including ways to collaboratively identify and respond to any risk of or suspected risk of modern slavery.

Procurement

Supplier Segmentation for 2021 Risk Assessment

Data collected from Q2 2020 to Q1 2021 was utilised to perform the 2021 risk assessment update. During this period Opal engaged 9,752 direct suppliers. These suppliers span across 32 countries with a total spend for the year of \$1.7 billion (**Total Spend**). Ninety-five (95) per cent of our Total Spend was with less than 1,000 suppliers.

The main types of goods and services that we procure are:

- pulpwood and pulp
- engineering goods and services
- energy and water
- logistics including contract transport
- chemicals
- packaging
- wastepaper
- hydrocarbons

Opal's spend for suppliers/resources located in Australia was \$1.4 billion. Approximately \$300 million (17%) was spent with vendors situated outside Australia where supply chains are potentially higher risk through reduced visibility and different cultural and legal compliance requirements. Information on key spend categories is available in Appendix 1.

Table of expenditure by supplier - highlighted in yellow are those countries that due to geographical location (ref: SEDEX RADAR), have a medium-high prevalence of modern slavery according to the Global Slavery Index.

Country	Number of Suppliers
New Zealand	761
China	27
Austria	10
Malaysia	10
Finland	10
Sweden	8
Singapore	15
Thailand	7
Hong Kong	8
USA	65
Germany	33
Switzerland	8
Philippines	1
Italy	9
Japan	9
Canada	10
France	5
Indonesia	4
Taiwan	5
India	4
Israel	2
Spain	6
Netherlands	10
United Kingdom	15
Sri Lanka	1
BritVergin Is	1
South Korea	2
Poland	2
Belgium	1
Liechtenstein	1



New risks

1. COVID19 movement restrictions have caused a significant drop in physical auditing on a global stage. This decrease in transparency and integrity is an issue of significant concern across areas with vulnerable populations and needs to be addressed in 2022 as movement opens via additional third party and procurement team on-site audit and commercial/NFP industry group reporting, and collaboration with industry partners to better influence compliance outcomes in at risk vendors.
2. Covid-19 has caused a significant increase in forced labour risks through highly controlled movement where labour pools may have been unable to move freely to choose work opportunities. Specific to Opal vendors this has been identified as a risk in countries with large numbers of economic labour migrants such as Indonesia and Malaysia. It is critical that 2022 is used to make visible any such labour issues within our vendor groups via procurement assessments, NFP industry group collaboration and third-party auditing.

How Opal Seeks to Improve Human Rights Practices

- Engage with and provide support to our local communities and associated stakeholders through responsible employment, trade partnerships and contract negotiation
- Be a responsible member of the communities in which we operate by correcting incidents and promptly reporting them to authorities and informing affected parties as appropriate.

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Actions taken by Opal

Overarching Plan for our Human Rights Program

Phase 1 (2020-2021)

Development, rollout and embedding of the Responsible Sourcing (RS) Program across high-risk vendors and service providers whilst building internal competence to manage ethical sourcing risks. Educate teams on Human Rights requirements.

Identify and mitigate local risks of significance.

Phase 2 (2022-2024)

Scale up of human rights due diligence across supply chain, including internal consumption, operations and service provider partners, while maintaining focus on identified higher risk entities, raw materials and countries in the supply chain. Reinforce the continuous improvement approach, refining risk assessment and management processes through thorough review at senior management level and by inclusion in internal audit program.

Risk Assessment Process

Opal's operations and supply chains are large and complex, with many touchpoints and differing cultures, laws, and stakeholder expectations. To successfully assess and monitor our risk environment, we use a dynamic, multi-variant approach to identify and prioritise risks as they emerge and change. We use a combination of third-party risk assessments, supplier self-assessment surveys, subject matter experts, and industry risk consultancy advice, audit trends via SEDEX and EcoVadis, analysis of grievances received, team member expertise, media commentary and NFP reports to create a snapshot of the current risk environment and rank risks according to urgency and manageability.

To assess the risk of Human Rights abuses in the Opal organisation we must define the scope or risks we are analysing. The table in Appendix 2 provides a list of definitions considered within our risk assessment processes. The content of this table is reviewed and refined as part of the annual assessment process by the Responsible Sourcing Oversight Committee (RSOC).

Risk Remediation Process

Where a risk of Human Rights violation is identified, the Opal remediation process includes education, resources and support to staff, suppliers, and service providers to address the impacts and determine possible controls in consultation with affected stakeholders. Appropriate support may

also be offered to local communities and third parties to address negative impacts as appropriate.

Remediation activities are managed by the Responsible Sourcing Oversight Committee (RSOC), assessed regularly for effectiveness and opportunities to improve, and reported to the Board.

Engagement with Suppliers

Supplier Risk Assessment

The top 200 Suppliers identified as high risk through SEDEX RADAR analysis via location, industry and internal segmentation were provided with an information pack and request to complete a self-assessment questionnaire, link with Opal via SEDEX or EcoVadis, and provide an action plan for risks requiring mitigation. Information provided was utilised to determine supplier compliance to the Opal Supplier Code of Conduct. Covid-19 movement restrictions caused a significant impact on additional action plans for on-site verification of a cross-section of targeted vendors and has been transferred to the 2022 action plan.

Results from surveys

- 25% of suppliers responded and completed the questionnaires and linked SEDEX membership.
- 25% completed the questionnaires with additional corrective action plans.
- 45% have completed or partially completed the questionnaires but not yet provided corrective action plans or linked via SEDEX.
- A small number of vendors have not engaged with Opal requests and are under active management by the procurement team.

Opal's strategy is to work in partnership with our vendors to improve knowledge, actions, and outcomes regarding Human Rights. We recognise this as a journey of learning and continuous improvement requiring strong relationships with all stakeholders to foster open communication via mutual trust.

Reinforcement of Contract Processes

Contract negotiation processes are critical for mitigating the risk of modern slavery. Opal has implemented policies and procedures for contract negotiation, including procurement team training. This will be reinforced during 2022 with specialised Modern Slavery red flag and contract negotiation training and the commencement of independent contract review processes for ethical trade requirements.

Challenges have been noted where site-based services are contracted as these do not go through the corporate procurement process and can be varied in outcomes. A project group has been established to bring all procurement processes together under an automated system, providing structure and direction for spend decisions.

Supplier non-conformance: business units have varied methods for identifying and managing non-conformances which makes audit and supplier rating challenging across the business. New processes to identify and manage non-compliance on a corporate level commenced during the second half of the year and is expected to provide more clarity through specific reporting criteria, providing the opportunity to address issues during contract regular compliance reviews.

Whistle-blower Process/Grievances

The grievance process was refined and introduced to suppliers and service providers during the reporting period. The grievance process is managed separately from the Procurement and Supply Chain Groups to ensure independence. The

responsible officer is part of the Responsible Sourcing Oversight Committee, reporting anonymised data to the group. No grievances were noted in the reporting period. Vendor Management plans for 2022 will include processes to encourage suppliers and service providers to utilise both direct and anonymous feedback loops to alert Opal to opportunities to improve our Human Rights processes. Direct feedback processes through stakeholder engagement will be put in place through the Corporate Quality and Compliance Manager (Modern Slavery SME), who is a member of both the Responsible Sourcing Oversight Committee and the Ethical Trade Group.

Training

Online training packages are provided to Opal business teams as compulsory annual training modules (content renewed each year), with 94% of targeted employees (1324) completing training within the reporting period. The training program was reviewed and updated for new risks and topics by the Responsible Sourcing Oversight Committee in preparation for 2022 rollout, and additional specialised training developed for the procurement team for 2022 including learnings from reviewed risks and expansion of information as per trainee feedback from 2021 training program. Expanded training modules for key employees include Procurement (red flag, negotiation influence), Senior Leadership (governance requirements), Ethical Trading Group (risk processes).

Corporate Knowledge and Functional Expansion

The Ethical Trade Group was formed as the functional advisory arm of the business and is represented from across the business units (operations, procurement, finance, and corporate technical teams) to identify and support solutions for operational issues. The team meets bi-monthly to assess ongoing risk in the areas of responsible sourcing (externally manufactured, raw materials), procurement (resources, raw materials, services, equipment), and operations (services, equipment, tools, contractors).

Opal recruited a subject matter expert into the corporate technical team, joining the Responsible Sourcing Committee and Ethical Trade Group to support the drive for continuous improvement via improved risk management strategies. Working with industry groups such as SEDEX, EcoVadis and Informed 365, partnerships have been cultivated to collaborate with external parties to improve risk management

outcomes. 2022 plans include widening partnerships with commercial risk identifiers and NFP social groups to further increase our understanding of risks within our areas of influence.

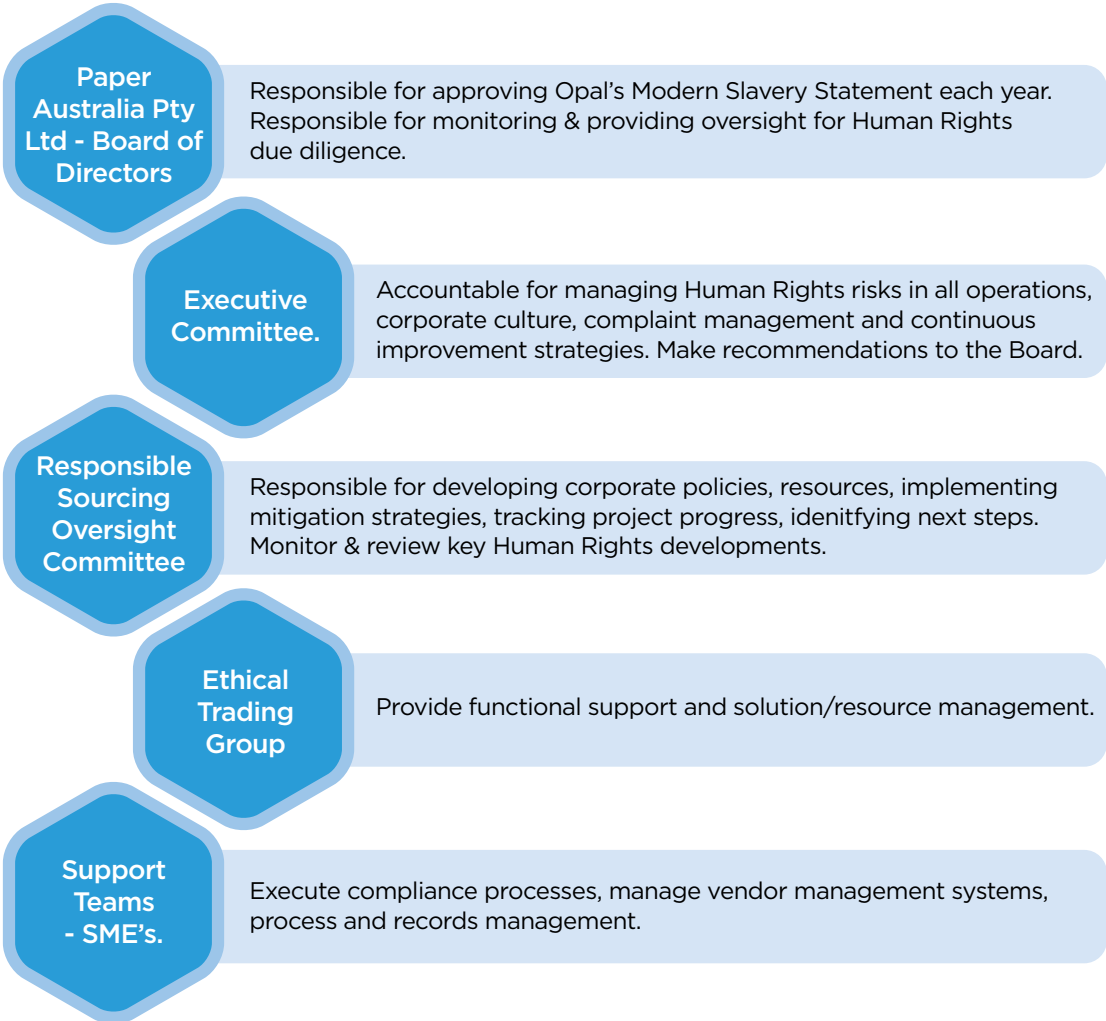
Ocean Freight

Opal is taking guidance from the Australian Maritime Safety Authority (AMSA) and working with SEDEX and NFP social justice providers on appropriate social compliance audits for these transport providers after completion of self-assessment questionnaires. In 2022 our goal is to forge alliances with industry partners to collaborate to better influence and improve Human Rights compliance in ocean freight sector. We aim to work with other stakeholders to develop and share resources to improve knowledge/visibility of current risks through encouragement of flag states to declare non-compliances noted during port inspections, educate

vulnerable groups and other stakeholders on shipboard employee human rights, support implementation of ship tracking technologies, and enable verification of compliance through third party NFP groups and Human Rights At Sea (HRAS) auditors.

Opal recognises that the Seafarers’ Rights and Welfare Code of Conduct has been developed which seeks to support a safe, healthy, and secure onboard work environment for Seafarers. This Code can be used by shipowners and ship operators to understand the extent to which current operations meet their seafarer’s rights and welfare responsibilities, and by charterers and cargo owners to strengthen due diligence. Opal is exploring how this Code can be used to inform Opal’s decision making on whether to engage a particular shipowner or ship operator and how preference can be given to those suppliers who demonstrate a higher level of compliance with this code.

Human Rights Governance and Consultation



See “Delivering on seafarers’ rights, Code of Conduct, A seafarers’ rights and welfare Code of Conduct for shipowners, operators, charterers and cargo owners (October 2021) available at: <https://www.sustainableshipping.org/wp-content/uploads/2021/10/Seafarers-rights-Code-of-Conduct.pdf>

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How Opal assesses effectiveness

Our Human Rights governance approach promotes ongoing consultation with all stakeholders on human rights due diligence, with outcomes being reported annually in this Statement. The Opal Responsible Sourcing Committee, through independent questioning and assessment of internal verification processes, probes Opal’s supply chains to ensure continuous improvement in the way in which we identify and remediate risks of modern slavery. The Committee charges the Ethical Trade Group to verify the efficacy of processes implemented and look for opportunities to improve them.

The RSOC has met at least quarterly and is attended by nominated senior leaders and subject matter experts. This team assesses the effectiveness of the overarching ethical risk management system and supplies resources, policies and policy updates, management directives etc. as required to meet the business goals and reports a summary of activities to the Board regularly (minimum 6 monthly). Verification plans will include testing and review of this process from 2022.

Criteria	Action/Responsibility	Monitoring/Measurement
Governance	Develop Human Rights Culture - RSOC Document Review - policies and public statements - RSOC	Training completion % Audit assessment internal behaviours Documentation in place Documentation annual review %
Risk Management	Vendor Review - Ethical Trade Group	Annual Assessment % vendors and vendor engagement levels Annual review minimum
	Risk definitions and scope review - Ethical Trade group	Vendor Audit % according to plan
Risk Monitoring and Reporting	Records of risk management meetings and outcomes - RSOC Mitigation/Remediation action plans Verification processes - planned and executed - Ethical Trade Group	Within 2 weeks of meeting, action plans disseminated Each plan on a corrective action record with controls in place and deadlines managed adequately Records of verification processed documented and reported; issues raised as CARs, part of supplier ratings
Corrective Action/ Grievance Management	Complaint process followed when grievances/feedback provided - RSOC Remediation - RSOC	Reported to Board with CAR outcomes as necessary Remediation processes are documented, reported, and assessed for adequacy and timeliness. Non-compliance is managed via CAR system



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Internal consultation

Having regard to the corporate structure of Opal, consultation between entities that are owned or controlled by Opal is straightforward. There are joint directors of each Australian corporate entity, and updates are provided at Board meetings and Executive Committee meetings to ensure that all relevant corporate officers consistently approve the proposed approach to assessing and addressing modern slavery risks.

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7 Other

Summary of Actions Undertaken in 2021

- Recruited subject matter expert to become part of the Responsible Sourcing Committee/Ethical Trade Group and drive continuous improvement through improved risk management strategies.
- Established oversight group (Opal Responsible Sourcing Oversight Committee), challenging the business execution of the Human Rights management plan. Charter established with regular meetings.
- Introduced Ethical Trade Group, a cross-functional team of stakeholders responsible for supporting the execution of the Opal strategy throughout the business, finding solutions to performance issues, carrying out verification tasks, and developing and implementing reporting processes for Human Rights risk management through compliance programs.
- Risk analysis of high-risk commodities and services, including labour hire providers, imported products, ocean freight, contractual review mechanisms, Covid-19 movement restriction increased risks.
- Refined the policy and framework for supplier due diligence program and expansion of vendor management program for ethical trade requirements.
- Execution of online training packages to all of Opal's salaried staff as compulsory annual training module. Module upgraded in preparation for 2022 to include new learnings from reviewed risks. Development of expansion training modules for key employees, including procurement for 2022 execution.
- Connected with 100 high-risk suppliers via

SEDEX and EcoVadis to gain visibility of risk profiles and work in partnership to improve human rights processes and outcomes. Identified the bottom performing 5% of high-risk suppliers and established a review program to determine risk mitigation steps for these entities.

Continuous Improvement Plans 2022 and beyond

Opal expects to evolve the process and system for supplier ethical trade qualification, including gathering information to baseline current risks and identify opportunities to improve risk profiles through partnerships, support, and knowledge transfer.

We plan to scale up Human Rights due diligence across the supply chain, including internal consumption, operations, and service provider partners, whilst maintaining focus on identified high-risk entities, raw materials, and locations. We will reinforce the continuous improvement approach, refining risk assessment and management processes through thorough review at the senior management level, impactful review processes and inclusion in the internal audit program.

Engaging potentially affected stakeholders as part of mitigation and remediation is critically important to the effectiveness of the Opal Human Rights program. Opal acknowledges this is an area we have not yet been effective in implementing. From 2022, with the addition of the Vendor Management program directed by the Corporate Quality and Compliance Manager, we expect to include more upstream stakeholder engagement to identify better pathways for



our business via remediation, mitigation and new partner concepts and provide feedback for opportunities to improve our internal processes. Delving deeper each year, we expect to move through our supply chains, profiling by risk levels, to better understand how we can positively influence vendor activities. Please see Appendix 1 for the 2022 Action Plan.

The risk assessment was conducted using the following resources:

Global Slavery Index 2018, Walk Free Foundation

2018 List of Goods Produced by Child Labour or Forced Labor, U.S. Department of Labor

Trafficking in Persons Report, U.S. Department of State

Verité Responsible Sourcing Tool

Modern Slavery Act 2018 (Cth)

Forced Labour's Business Models and Supply Chains, Joseph Rowntree Foundation

Holding Redlich Modern Slavery Risk in Australian International Supply Chains

Australian Council of Superannuation Investors - Modern Slavery Risks, Rights & Responsibilities v 22

ILO Declaration on Fundamental Principles and Rights at Work adopted by ILO 18 June 1998

Australian Health Dept: Risky business: a resource to help local governments manage environmental health risks November 2012

A.M.S.A. (Australian Govt) Risks of Modern Slavery Practices Overview

Securing human rights through risk-management methods: Cambridge University Press: June 2019

Social Impact Assessment Practitioners HRIA Guidance & Toolbox Jan 2016



Appendices

Appendix 1

Procurement Segmentation: Key Procurement Activities

1. Feedstock is one of our largest categories of supplier spend during the reporting year, equating to 28% of the Total Spend from a broad range of countries, namely Australia, USA, Switzerland, Sweden, Singapore, New Zealand, Malaysia, Japan, Italy, Israel, Hong Kong, Germany, France, Finland, China, Canada, and Austria. Seventy-six percent (76%) of the total spend on Feedstock was from Australia. The Feedstock procured from outside Australia included the following categories:

- Paper
- Aluminium
- Board / Liner
- Recycled Material
- Pulp
- Traded Products

2. Internal Spend

Opal is a vertically integrated organisation; 16% of our Total Spend is via direct supply within our internal supply chain. The most significant internal spend was from Paper Australia Pty Ltd (OAP division).

3. Logistics

Transportation of Opal's products from suppliers and customers is a key focus area for the business. Opal spent 10% of Total Spend on this category. Opal understands that not all customers have the space, time, and money to operate and manage a fully functional warehouse and distribution network. As such, Opal engages third-party logistics providers to do this for them, engaging 661 different logistics providers during the reporting year. Twenty (20) of the 661 suppliers were located outside of Australia and New Zealand, with a spend of \$1.4 million.

Appendix 2

Scoping definitions (based on the Modern Slavery Act 2018 (Cth) and international conventions).

Type of Human Right	Description	Examples of Assessment
Equality, recognition of indigenous/tribal peoples, Diversity	Equal remuneration and treatment, positive recognition regardless of gender identification, physical capability, race, cultural identity.	Assessment of cross-sectional payment records and contractual agreements.
Fair Wages	Workers are entitled to regular payment of wages at or above minimum wage for the location.	Contract clause covering minimum wage requirement, audit cross-check of payment terms in vendor employment contractor and payment records.
Forced/bonded/ compulsory Labour	Forced labour is present when a person cannot voluntarily cease working or leave their place of employment. Bonded labour is the provision of persons services as security for a debt, where debt is onerous in length, demand, or nature, or where services provided are not fairly applied to relieve debt.	Vendor Management program to assess via audit that labour on-site is adequately contracted, and employees may leave voluntarily, contract definition is clear and excludes bonded labour.
Freedom of Association	The right to organise and form workers' groups to allow for collective bargaining and a voice on fair and equitable outcomes.	Audit checks, union accessibility to sites, knowledge/use of collective bargain by employees.
Health and Safety	Employees' rights are protected to prevent sickness, disease and injury arising from work practices, incl. working hours, leave sick leave provisions.	PPE available during checks, PPE training and use documentation, employment contracts include leave provisions.
Modern Slavery	Severe exploitation where coercion, threats or deception is used to exploit persons and undermine or deprive them of their freedom. The Act defines modern slavery as including eight types of serious exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour. The worst forms of child labour means situations where children are subjected to slavery or similar practices or engaged in hazardous work.	Inspections and on-site processes provide employees with knowledge of their rights, do not restrict movement, hold personal documentation, pay a living wage, allow a choice of living arrangements and direct payment of salary without disbursement. Vendor Management program to assess via audit for child labour on-site, contract definition and exclusion of child labour.

Appendix 3

2022 Action Plan

Focus Area	Action	Detail	Planned Timeframe
Corporate Policy	Update/review	Review and update policies based on 2021 learnings, feedback loops, legal requirements.	Q4 Board meeting
Corporate Governance	Reporting	Report presentation based on KPIs to Board – 6 monthly Review of resources for adequacy to meet business goals.	Q2 Board Meeting Q4 Board meeting
Due Diligence	Vendor Management	Develop Go/No Go/STOP policy for non-engaged and non-compliant high-risk vendors including training procurement Management of bottom 5% of vendors refusing linkage or assessments.	Q2 2022 Continuous
Risk Management	Supplier Training	Identify training programs through third parties for vendors, provide support to high-risk engaged vendors to improve scores.	Continuous
	Vendor Management – risk identification	Further risk reviews and audits to identify mitigation/remediation needs: Ocean freight, Labour hire (Cleaning, transport, segmentation and assessment for Malaysia, Indonesia).	End of year
		Include non-centralised vendor spend in risk process – corporate project.	Ongoing
Risk Management	Internal training	Roll out 2022 compulsory training Roll out Specialised Procurement Training Develop and run Senior Leadership Governance training Identify/attend specialist courses – Ethical Trade Group.	From Q1 From Q3 Q3 Continuous
	Relationship Management	Identify SMEs, NFP/Commercial groups, and industry groups to develop partnerships and gain knowledge to further risk understanding and control.	Continuous
	Contract Management	Development of statements for client contracts for client chosen vendors. Audit of cross section of procurement contracts for compliance to policies.	Q2 End of year
Remediation	Verification of risk assessments	Audit of 10% of top 200 high-risk vendors.	End of Year
	Promote Remediation	Culture change in business – build relationships with suppliers via transparency and collaboration, encourage feedback, actively look for and execute remediation opportunities. Test and review grievance & remediation processes and report.	Continuous Q4
Reporting and Evaluation	Implement Evaluation Framework	Ethical Trade Group to collect and collate data for RSOC review RSOC to review reporting, determine compliance and issue corrective actions to responsible parties.	Each quarter Continuous



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