

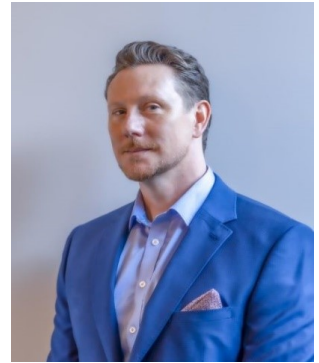
Report to the United Nations Global Compact (UNGC)

**Communication on Progress (COP) for
September 2020**

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Statement of continued support



1st September 2020

Dear Stakeholders,

For our fourth update report I am pleased to confirm that Solaris Paper Pty Ltd reaffirms its support for the Ten Principles of the United Nations Global Compact (UNGC) in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress (COP), we describe our actions to continually improve the integration of UNGC and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders.

Solaris Paper continues to support the UNGC and the seventeen SDGS initiatives. Achievement of which is aligned to our commitment to be an integral part of the need to see a global shift in the way we do business moving forward and the desire to create a better world for future generations.

Notable achievements over the last 12 months include the continued enhancement of our environmental footprint by only producing finished paper goods from plantation sourced fibre. The introduction of better operating procedures and working conditions for our human capital. Throughout 2019 we also continued to build on our Social Responsibility platform through our various community sponsorships and support programmes.

As a key requirement for participation in the UNGC, the following COP describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to reporting our progress annually according to the UNGC COP policy.

Kurt Hegvold CEO

The Sorbent Tissue Paper Company

Human Rights Principles

PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights

PRINCIPLE 2: Make sure that they are not complicit in human rights abuses

Assessment, Policy and Goals

Solaris Paper supports and respects the protection of internationally proclaimed human rights through upholding its performance and monitoring any potential risks. Our business activities continue to be low risk in relation to direct complicity in human rights violations, being an Australian small to medium enterprise with 96 employees.

It is Solaris Paper's policy to ensure that such rights are implemented for employees at all levels by promoting a culture of respect for the law, and respect of all members associated with our business, including employees and other stakeholders.

All employees have access to the company's Code of Conduct, which reflects who we are, what's important in how we work with each other and our partners, customers, suppliers and end users.

Our code also sets the expectations the company has of each employee, which are defined as follows:

1. Know your responsibilities – every employee has a responsibility to ensure they understand the Code of Business Conduct and how it relates to their role
2. Speak up without fear – the only way we can be successful in keeping our reputation in check is for each team member to commit to speaking up when they see or hear about a potential violation of our Code. As a Company we commit to addressing violations of the Code and putting in place steps to avoid further occurrences
3. Operate with transparency and with fairness – the more transparent we are with how we do our work, the more we can be sure we are operating within our Code of Business Conduct. This requires each of us to be comfortable in giving and receiving feedback and ensure fairness and consistency in how we deal with similar matters
4. Know where to go for help – the first point of contact should be your line manager, if you are uncomfortable doing this, please go directly to the second up manager or to the HR Manager

Implementation

Implementation of Solaris Paper's own human rights risk management is based on our Code of Conduct and policies, which are introduced to all Solaris Paper employees during their induction process.

Solaris Paper is committed to the principles of Equal Employment Opportunities and will use its best endeavors to provide a workplace free from discrimination, harassment and bullying and upholding relevant laws.

We value cultural diversity and recognise the significance of the many differences in backgrounds, cultures, and demographic characteristics of all personnel, including their family responsibilities. It is integral to the business to foster a fair and equitable working environment whereby all employees are treated with dignity and respect. As a result, we are committed to:

- Creating a workplace that promotes equal opportunity
- Maintaining a workplace where all employees, potential employees and contractors can perform their duties free from all forms of discrimination, harassment, and bullying
- Ensuring employment practices, recruitment, selection, and promotion procedures are based on the individual merit of applicants and the inherent requirements of the job
- Providing relevant training and awareness programs for all employees.

If an employee believes they have not been treated equitably in accordance with our Code of Conduct and associated policies, they are encouraged to report this following the process as outlined in our Grievance Procedure. All personal grievances are treated confidentially, seriously, and expeditiously.

The individual also has the right, at any time, to refer the matter to the Australian Industrial Relations Commission, the Equal Opportunity Commission and/or any other appropriate body for conciliation.

An employee who feels they have been treated unfairly or unreasonably should immediately advise their supervisor or manager at Solaris Paper who will be able to give them information in respect to the grievances process and available options.

Solaris Paper uses its “Think Safe. Act Safe. Be Safe.” safety slogan to promote safety, health and wellbeing awareness to its employees.

Solaris Paper continues to demonstrate its commitment to work health, safety and the wellbeing of its employees. This commitment has been reinforced by its injury frequency rate, number of serious occurrences or injury or disease for each one million hours worked, of zero as at 31 July 2019. This figure compares very favorably to the Work Safe Australia Industry benchmark for the converted paper product manufacturing sector standard of 7.1

Other safety initiatives are as follows:

- Warden training and evacuation exercise.
- First aid training
- Use of Myosh for online management of health, safety, quality and environment
- Improvement of site traffic management plan.
- Manual handling risk assessment.
- Review of Chain of Responsibility (COR) responsibilities to comply with new legislative requirements
- Weekly WHS Myosh open actions review focus on ensuring identified hazards and respective actions are progressing against target dates.
- Implementation of mandatory wearing of safety glasses for all employees, visitors and contractors.
- Lock Out Tag Out (LOTO) refresher training and implementation of improved resources.

Solaris Paper will continually improve its WHS management systems, processes, practices and performance to attain its vision of ‘TOWARDS ZERO HARM – Getting home from work every day without injury or illness.’

Solaris Paper understands the importance of strengthening communities and is committed to supporting initiatives and partnerships that are aligned with our business values, aim to educate, make a positive contribution and promote social change.

Since 2015, Solaris Paper has supported Foodbank NSW and ACT, a hunger relief organisation with national presence which acts as a pantry to the charities and community groups who feed the hungry. In addition to food items, there is a need for sanitary items which is sometimes less of a priority for those facing financial

hardship. To support, Solaris Paper donates tissue products to Foodbank NSW and ACT every fortnight.

Throughout 2019, Solaris Paper continued to support for Foodbank NSW and ACT by making regular donations of Solaris Tissue products.

Solaris Paper continued its partnership with the ZEST Awards, which saw Solaris Paper reaffirm its involvement as a Gold Partner for the second year. The Zest Awards supports, recognises, and celebrates the Greater Western Sydney community and is passionate about highlighting diversity, creativity, and innovative work.

In 2017, a new partnership was formed with Kids West, a children's charity that raises funds for medical research and equipment for children living in Western Sydney. The partnership saw the donation of a much-needed phototherapy unit for the Neonatal Intensive Care Unit (NICU) at Nepean Hospital to help treat newborns suffering from hyperbilirubinemia, more commonly known as jaundice. Solaris Paper is proud to have continued this partnership in 2019.

Solaris Paper is committed to respecting human rights throughout the business, this extends to our affiliation with our preferred supplier Asia Pulp and Paper (APP) and its mills. APP mills are also members of the United Nations Global Compact and adopt the United Nation's "Protect, Respect and Remedy" framework, acting responsibly and with due diligence to avoid infringing on the rights of others. This forms an essential part of APP's Sustainability Roadmap commitments and Forest Conservation Policy.

Measurement of outcomes

Solaris Paper had no reports of investigations, legal cases, rulings, fines, or other events related to human rights abuse in the workplace in the last 12 months.

Each year, all staff policies, processes and procedures relating to human rights are revisited and reviewed. Solaris Paper continually reviews these to ensure they are suitable, relevant, and up to date to meet the needs of employees.

Labour Principles

PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

PRINCIPLE 4: The elimination of all forms of forced and compulsory labour

PRINCIPLE 5: The effective abolition of child labour

PRINCIPLE 6: The elimination of discrimination in respect of employment and occupation

Assessment, Policy and Goals

Solaris Paper upholds the rights of its employees in relation to freedom of association and collective bargaining. Solaris Paper further recognizes the importance of having a well-balanced team through its policies that support diversity and non-discrimination. The nature of Solaris Paper's work means that labour related risks referred to in Principles 4 and 5 on forced and compulsory labour, and child labour are not applicable to Solaris Paper, nor do we engage where there are known risks relating to these areas.

Solaris Paper acts within the laws of Australia in providing a free and fair workplace for all and has systems in place to monitor and manage labour rights within the business.

We create a safe and secure workplace for our employees, with all having access to Solaris Paper's Health and Safety Policy. Solaris Paper consults with employees on health and safety matters through the working group, health and safety representative and the health and safety committee. Each employee has a responsibility to their colleagues and the organisation to report and act upon any potential workplace hazard or incident.

As a business, Solaris Paper is also committed to better protecting our employees and other stakeholders who visit the business. This is achieved by clear safety procedures notices and provision of safety glasses and high viz vests. All factory walkways for visitor traffic are marked.

We support the elimination of employment discrimination as stated in the Solaris Paper Code of Conduct.

APP, Solaris Paper's preferred supplier, does not tolerate any form of discrimination. Its Employee Welfare Policy includes commitments covering harassment and discrimination, and each mill emphasises this commitment in their Collective Labour Agreements, which also includes mechanisms to report any grievances or harassment of any description.

Implementation

Solaris Paper engages both internal and external stakeholders on the review of policies and other documentation that governs labour practices. Changes are clearly communicated to all employees in a timely manner through toolbox talk, safety notices, safety alerts and the monthly health and safety committee meetings. Additionally, any changes to legislation that cover employee rights, such as changes to Workers Compensation, are shared through regular team meetings.

The health and safety of our employees is ensured with a report completed after any Occupational Health and Safety incident. This is a very important step as we track the incidents and use the data to make the working environment safer for employees. Accurate documentation and reporting of all details enables both the organisation and employee's lessons to be learned from past incidents and may prevent a similar incident or event from reoccurring.

The health and safety of our employees is paramount. This is reinforced every quarter during a Safety and Wellbeing Week and employees are encouraged to adopt safe practices daily – Think Safe. Act Safe. Be Safe.

Solaris Paper is committed to social sustainability. This means supporting a highly engaged and capable workforce and contributing to a more sustainable and inclusive society for our employees and broader community. Our range of development and training programs show our commitment to not only developing talented people, but also ensuring our employees understand expectations and their obligations in the workplace.

Solaris Paper employees are encouraged to complete legal training and health and safety courses, including first aid on an annual basis. Two percent of payroll spend goes towards workplace development and training programs.

Solaris Paper has also established a compensation program that supports the company's vision and values. The program strives to develop exemplary employment practices for attracting and retaining quality staff and assists in the professional development of a talented and diverse workforce.

To achieve these goals, Solaris Paper has implemented a pay philosophy to drive its reward and recognition initiatives and encompasses a transparent and consistent company-wide pay philosophy for all permanent production staff employed under the Timber Industry Award 2010. This sees all permanent production staff compensated at Award rate plus increments of between 20-50%.

Measurement of outcomes

Health and safety of Solaris Paper employees is monitored on an ongoing basis, with incident reporting shared at regular team meetings.

There are no investigations, legal cases, fines, or other relevant events to report in the last 12 months.

Environmental Principles

PRINCIPLE 7: Businesses should support a precautionary approach to environmental challenges

PRINCIPLE 8: Undertake initiatives to promote greater environmental responsibility

PRINCIPLE 9: Encourage the development and diffusion of environmentally friendly technologies

Assessment, Policy and Goals

Solaris Paper supports the three environmental principles of the UNGC and is committed to the sustainable development of its business. We place environmental and social responsibility at the heart of everything we do.

It is our environmental responsibility to ensure that the raw materials we use in our products come from sustainably managed sources. This is achieved through the implementation of best practices such as Chain of Custody systems and Sustainable Forest Management certification.

Solaris Paper has PEFC Chain of Custody (CoC) certification which is the world's largest forest certification system and ensures 100 percent of the raw material in our products is either PEFC certified or non-controversial under PEFC guidelines. In the last 12 months, Solaris Paper's Chain of Custody was audited, and its certification renewed as a result.

Solaris Paper has met the due diligence requirements of the Australian Government's Illegal Logging Prohibition Bill 2012 and to August 2019 has received zero non-compliance outcomes as a result of our first compliance assessment. As an importer of raw materials and paper products, Solaris Paper and many other importers of timber-based products in Australia, are asked to carry out reasonable due diligence to ensure our products do not originate from illegally logged timber.

We continue to support our preferred supplier APP and its Forest Conservation Policy (FCP), which since February 2013 has seen the introduction of a moratorium on all-natural forest clearance, and assessments to identify High Carbon Stock (HCS) and High Conservation Value (HCV) areas within its supplier concessions. All of which will be protected as part of APP's Integrated Sustainable Forest Management Plan.

Implementation

As an environmentally conscious business, we encourage our staff to adopt environmentally friendly practices in the workplace. These are introduced to staff during induction, and we ensure training in this area is ongoing.

Since the announcement of APP's Forest Conservation Policy (FCP) in February 2013, Solaris Paper has made it a priority to update both staff and customers on the progress being made in implementing this policy. This has been carried out through hosting events, sharing regular updates, and holding one-on-one meetings to share the significant FCP developments with our stakeholders.

An extension of the FCP has been APP's commitment to support the protection and restoration of one million hectares of tropical rainforest in Indonesia, which it announced in April 2014. This is one of the most ambitious conservation commitments ever made by a private company.

Measurement of outcomes

In January 2014, international environment organisation, the Rainforest Alliance, agreed to conduct an external evaluation of the progress APP has made in implementing its FCP commitments through an

independent audit. This evaluation is complete, and a report released in February 2015 concluded that APP has made moderate progress towards meeting its commitments.

APP and Solaris Paper welcomed the report as it recognised the progress APP has made and shows its efforts to achieve zero deforestation are on the right track.

The report also highlighted several areas that require additional focus. Its findings, along with feed-back from other stakeholders, have been used to inform APP's FCP implementation plan for 2015 and beyond.

The above has been reported to Solaris Paper staff and customers as part of our regular updates. There are no investigations, legal cases, fines, or other relevant events to report.

Anti-Corruption Principles

PRINCIPLE 10: Businesses should work against corruption in all its forms, including extortion and bribery Assessment, Policy and Goals

Solaris Paper considers the risk of corruption within its business as low, however we expect all Solaris Paper employees to achieve a high standard of personal, ethical, and professional conduct. This is clearly explained in Solaris Paper's Code of Conduct.

As a signatory to the UNGC, we support the United Nations Convention against Corruption and are committed to ensuring Solaris Paper is not involved in any corruption, extortion or bribery in its business dealings.

Implementation

Initiatives in place to combat corruption and extortion have included staff training and Food and Grocery Code of Conduct training.

Solaris Paper's Code of Conduct is fully implemented within the business and included in both staff induction and annual performance review. This ensures employees maintain ethical and professional standards within the business. Specific responsibility for monitoring the conduct of staff formally lies with senior management and informally with all staff Solaris Paper.

Measurement of outcomes

There have been no investigations, legal cases, rulings, fines, or other relevant events related to corruption and bribery in the last 12 months.

End of 2020 report, September 2020

