

Modern Slavery Statement

Modern slavery can be defined as a situation in which an individual is exploited by others for personal or commercial gain. Individuals lose their freedom by being tricked, coerced, or forced, and are thus unable to extricate themselves from the situation.

Our Commitment

Sustana will not tolerate the use of any form of forced labor, nor will Sustana tolerate the exploitation of children or the use of child labor. This applies to any of Sustana's facilities and suppliers worldwide. We are committed to preventing and reducing the risk of both forced labor and child labor being utilized in our facilities or in our supply chain.

Sustana is signatory to the [United Nations Global Compact](#) (UNGC) and supports its Ten Principles, including those on protecting human rights, eliminating all forms of forced and compulsory labor, and abolishing child labor.

Sustana also recognizes, and its policies and actions are informed by, the following:

- United Nations (UN) Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- International Labor Organization (ILO) Declaration of Fundamental Principles and Rights at Work
- ILO Forced Labor Convention, 1930
- Organization for Economic Co-Operation and Development (OECD) Guidelines for Multinational Enterprises and Due Diligence Guidance on Responsible Business Conduct
- UN Transforming Our World: the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs) and related targets, including:
 - SDG5 5.2 *Eliminate all forms of violence against all women and girls in public and private spheres, including trafficking and sexual and other types of exploitation.*
 - SDG8 8.7 *Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor...*

Our Company

Sustana is a leading manufacturer of sustainably produced, premium recycled fiber and paper, utilizing post-consumer material to create high-quality, low-carbon products. Our facilities and procurement personnel are in Canada and the US. The direct material we procure for our fiber and paper products is primarily sourced from Canada and the US and includes wastepaper, FSC-certified virgin and recycled fiber, chemicals, and packaging materials. A small percentage of Sustana's goods and services are sourced outside of the US and Canada.

Regulatory Compliance

Sustana is **not** subject to the following regulations on modern slavery:

- California Transparency in Supply Chains Act
- UK Modern Slavery Act
- Australia Modern Slavery Act

Nevertheless, we treat this issue with the utmost seriousness and are committed to reducing risks in our operations, facilities, and supply chain.

Governance and Internal Accountability

Sustana is committed to integrating human rights considerations, including modern slavery, throughout our governance structures, policies, operations, and risk management frameworks. Responsibility for oversight of risks and actions pertaining to modern slavery primarily rests with the Board of Directors (BoD) and Senior Management level ESG Committees. The BoD Audit and the Senior Management Enterprise Risk Management (ERM) Committees also have oversight of risks, opportunities, and external disclosures deemed financially material. Furthermore, individual risk oversight may be delegated to representatives of various business units and functions within the ESG Technical Working Group, including Human Resources, Operations, and Procurement and Supply Chain Management.

Policies

Sustana has integrated human rights considerations throughout its corporate level policies to prevent, and manage risks related to, modern slavery across its value chain.

- **Sustainable Procurement Policy:** This policy expresses our commitment to protecting human rights, including the prevention of child or forced labor, and states our requirements for suppliers and other partners to abide by these commitments. It describes our Sustainable Procurement and Supply Chain program and activities on training, adherence to our Supplier Code of Conduct, requirements for certification, and risk management.
- **Anti-corruption and Whistleblower Policy:** *“Corruption is an underlying cause of and a facilitating tool for practices arising from contemporary forms of slavery.”*¹ Our policy states our zero-tolerance for corruption and retaliation against whistleblowers for reporting instances of corruption. It also details the process and media for reporting instances and codifies our protection of whistle blowers.

Employee and Supplier Codes of Conduct

Sustana’s organizational values, expressed within its Code of Conduct, set standards around integrity, transparency, accountability, and sustainability for all our employees. We expect these values to be upheld by our suppliers and require them to sign and conform to our Supplier Code of Conduct. It addresses in detail our expectations for suppliers around labor and human rights issues, including child labor, forced and compulsory labor, freedom of association, respect and dignity, discrimination, and health and safety.

¹ [United Nations Development Program, “Corruption and Contemporary Forms of Slavery: Examining Relationships and Addressing Policy Gaps”, September 30, 2021.](#)

Suppliers and their employees, contractors and agents are expected, at a minimum, to comply with the requirements set forth in our Supplier Code of Conduct and with the provisions of the laws and regulations in each jurisdiction(s) in which the suppliers operate. Furthermore, suppliers are expected to adopt appropriate policies, standards, procedures, contingency measures, and management systems to ensure its operations are managed sustainably.

Modern Slavery Risk Management: Verification, Certifications, and Auditing

All Sustana’s facilities and major operations are in the United States and Canada and most goods and services are procured from North America. While we recognize that modern slavery exists in all countries, states, and provinces; we have adopted a region and industry-specific approach to managing modern slavery-related risks in our supply chain.

The table below illustrates some of our recent actions to verify, audit and require certifications related to modern slavery risk for both our own operations and that of our suppliers.

Verification	<ul style="list-style-type: none"> • Since 2022, through EcoVadis (an independent third party), Sustana conducted a high-level ESG risk screening of over 930 suppliers using a geographic and industry-based risk approach. • Since 2022, Sustana worked with Sphera (an independent third party) to engage and survey over 200 suppliers, representing more than 90% of total spend in 2021, on environmental and social topics. Specifically, we sought to verify if our suppliers had a policy on human rights addressing forced and child labor, and whether they engaged their own supply chains on social issues.
Audits	<ul style="list-style-type: none"> • Sustana’s facilities are audited annually by certified independent third parties (e.g., Preferred by Nature and SCS Global) to maintain their FSC certifications, which includes the areas of child, forced and compulsory labor. These audits have historically been announced on-site audits, but since the Covid-19 pandemic, some have been remote. All facilities passed their audits in 2022 and maintain their certification, which are valid until 2026. • Through EcoVadis (an independent third party), Sustana conducted announced desktop audits of 29 suppliers on ESG risk, including on human rights and modern slavery. • All Sustana’s wood fiber suppliers were audited by independent third parties to receive their FSC certification, which included the areas of child, forced and compulsory labor.
Certification	<ul style="list-style-type: none"> • Sustana (e.g., Sustana Fiber) holds FSC certification for all fiber products produced. • All Sustana’s virgin wood fiber suppliers are FSC certified.

Training

In 2022, all Sustana’s buyers, its Chief Operations Officer, and its Director of Logistics and Supply Chain were trained on sustainable procurement, which covered the topics of labor and human rights, such as child labor.

Legal Disclaimers

Sustana reserves the right to modify this policy at its discretion. Updated policies will be shared in a timely manner.

Effective: March 6, 2023

Document Control

This policy must be reviewed and approved by the ESG Committee on an annual basis.

Action	Major Revisions and Comments (if any)	Version and Date
First Edition	First version drafted by the Vice President of Sustainability, and reviewed by the CEO, COO, and Director of Logistics and Supply Chain.	Version 1 March 6, 2023



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