

DETMOLD GROUP

Detmold Holdings Pty Ltd

(ACN 007 527 022)

**Modern Slavery Act
Statement FY20**

Detpak

 **PAPERPAK™**

**DETMOLD
PACKAGING**

Detmold Group Modern Slavery Statement FY20

1. The reporting entity

This is the Modern Slavery Statement for Financial Year 2020 (FY20) for Detmold Holdings Pty Ltd (ACN 007 527 022) and the entities which it owns/controls which form the “Detmold Group” which is headquartered in Adelaide.

2. Detmold Groups structure, operations and supply chains

Established in 1948, the Detmold Group is an Australian family-owned and operated business, supplying some of the world’s largest and most iconic food and retail brands.

The Detmold Group includes a number of production and sales entities located in 15 countries around the world.

The Detmold Group employs over 3,000 people.

The Group designs, manufactures and supplies the foodservice, fast-moving consumer good and industrial markets with world-class paper and board packaging solutions and premium packaging solutions to the retail sector. In all, the Group produces over 22,000 different food and retail packaging products.

The Detmold Group has manufacturing operations in Australia, China, India, Indonesia, Vietnam and the Philippines and a Joint Venture that manufactures in South Africa.

The Detmold Group produces the following Brands;

- Detpak
- Paperpak
- D&D
- Detmold Packaging
- Detmold Industrial
- RecycleMe
- Detmold Cartons

The Detmold Group currently has almost 4000 direct suppliers from 38 different countries around the world.

3. Risk of Modern Slavery in the Detmold Group Operations and Supply chains

The Detmold Group engaged Nathan Winter & Associates to conduct an initial assessment of the potential risk of Modern Slavery within its operations and supply chain utilising a number of published sources of known Modern Slavery risk including;

- The ‘Global Slavery Index’ produced by Minderoo’s ‘Walk Free’ Foundation
- The ‘Modern Slavery Risk, Rights & Responsibilities – A Guide for Companies and Investors’ commissioned by the Australian Council of Superannuation Investors (ACSI).
- The US Department of Labor’s ‘List of Goods Produced by Child Labor or Forced Labor’.
- The US Department of State’s ‘Trafficking in Persons Report – 20th Edition’.

The Risks of Modern Slavery within the Detmold Group manufacturing operations is believed to be low, due to regular auditing of the these operations by Detmold, customers and independent auditors.

Analysing the Group’s supply chain with reference to the ACSI ‘Modern Slavery Risks, Rights & Responsibilities – A Guide for Companies and Investors’ identified the following **sectors** as potential areas of risks for our “Corporate & Sales divisions”;

- Branded and unbranded goods (including garments) not for re-sale utilised for Marketing or Cleaning.
- Transport and accommodation utilised by our employees when they travel for work
- The manufacturer of the Information Technology equipment we use including computers and printers.
- Raw material extraction and the smelting of minerals that is utilised in the production of that Information Technology equipment.

The following **sectors** were identified as potential areas of supply chain risk for our “Manufacturing & Warehousing” operations;

- Security, maintenance and cleaning
- Asset and tenant Management
- Transportation: Ports, maritime freight and truck drivers
- Storage of Hazardous material
- Base skill processing labour
- Raw Materials: Paper and card

The Group’s direct suppliers were also analysed based on the country in which they are located against globally recognised data sources, such as, the Walk Free Foundation’s Global Slavery Index 2018 and the US Department of State “Trafficking in Persons report” 20th Edition, which classifies all countries as Tier 1, 2, 2 Watch List or 3 based on the following definitions.

Tier	Definition
1	Countries whose governments fully meet the US Trafficking Victims Protection Act (TVPA) minimum standards for the elimination of trafficking.
2	Countries whose governments do not fully meet the TVPA’s minimum standards but are making significant efforts to bring themselves into compliance with those standards.
2 Watch List	Countries whose governments do not fully meet the TVPA’s minimum standards but are making significant efforts to bring themselves into compliance with those standards, and for which: <ul style="list-style-type: none"> a) the estimated number of victims of severe forms of trafficking is very significant or is significantly increasing and the country is not taking proportional concrete actions; b) there is a failure to provide evidence of increasing efforts to combat severe forms of trafficking in persons from the previous year, including increased investigations, prosecution, and convictions of trafficking crimes, increased assistance to victims, and decreasing evidence of complicity in severe forms of trafficking by government officials.
3	Countries whose governments do not fully meet the TVPA’s minimum standards and are not making significant efforts to do so. <ul style="list-style-type: none"> •

Source: US Department of State ‘Trafficking in Persons Report’ 20th Edition.

This analysis identified that the Group has the following number of direct suppliers in Tier 1, Tier 2, Tier 2 Watch List and Tier 3 countries.

Tier	Number of Direct Suppliers	Countries in which Suppliers are based
1	22	Australia, Austria, Belgium, Canada, Chile, Colombia, Czech Republic, Estonia, Finland, France, Israel, South Korea, Netherlands, New Zealand, Philippines, Singapore, Spain, Sweden, Switzerland, Taiwan, United Kingdom (UK) and the United States of America (USA).
2	12	Denmark, Egypt, Germany, India, Indonesia, Italy, Japan, Mexico, Poland, South Africa, Thailand and the United Arab Emirates (UAE).
2 Watch List	3	Hong Kong, Malaysia and Vietnam
3	2	China and Russia

Our direct suppliers were also analysed against the US Department of Labor's 'List of Goods Produced by Child and Forced Labor' and have identified that we do purchase the following goods from suppliers in the listed countries.

Good	Utilised	Country
Christmas Decorations		China
Coffee		Colombia, Mexico, Vietnam
Cotton		China, Egypt, India
Cottonseed (hybrid)		India
Embellished Textiles		India
Electronics	IT Equipment	China, Malaysia
Footwear	PPE	China, India
Garments	Uniforms	China, India, Malaysia, Mexico, Thailand, Vietnam
Gloves		China
Matches		India
Rubber Gloves	PPE	Malaysia
Sugarcane		Colombia, India, Mexico, Philippines, Thailand, Vietnam
Tea		Vietnam
Textiles	Uniforms	China, Vietnam
Tin		Indonesia
Thread/Yarn		China, India

The suppliers of goods from these countries will be more closely examined in coming years.

We also have the following goods incorporated in the buildings we use in our operations;

- Bricks
- Nails
- Carpets
- Locks
- Timber
- Stone (including limestone) and
- Rubber

Going forward when engaging a builder to construct a building for us, we will stipulate that goods that on the current US Department of Labor's List of Goods Produced by Child and Forced Labor are not to be sourced from the countries on that list.

4. Actions taken by the Detmold Group to assess and address Modern Slavery Risks

4 a. We have an established **Business Code of Conduct** that prohibits the use, within Detmold Group production facilities and any subcontractors, of 'Prison or Forced' Labor and labor under any form of indentured servitude as well as the use of physical punishment, confinement, threats of violence or other forms of physical, sexual, psychological, or verbal harassment or abuse as a method of discipline or control. It also prohibits the use of forced work performed by unpaid or indentured laborers or those who must otherwise work against their will.

The Business Code of Conduct also prohibits the use of 'Child' Labor under the legal age of employment or under 15 years where no such minimum legal age exists.

4 b. We have a Whistleblower Policy and an independent Whistleblower reporting service provided by 'Deloitte' that can be utilised by any employee, customer or supplier to report any concerns regarding actual or potential misconduct or breaches of law including Modern Slavery Practices.

4 c. During FY20 the Detmold Group had;

- 3 Sedex Members Ethical Trade Audits (SMETA) conducted at our manufacturing sites in India, Indonesia, and Vietnam. Our manufacturing sites in China and Australia also had SMETA audits completed in 2020 however these were undertaken shortly after the end of FY20.
- 6 Supplier Workplace Accountability (SWA) audits conducted at our manufacturing sites in the countries listed above as well as the Philippines.
- An 'Ethical Sourcing' Audit conducted at our Indonesia facility.

All of these audits contain criteria which are designed to ensure that child labour or forced labour is not being used at our facilities.

5. Supplier Audit Program

We also conducted 13 on-site audits of our strategic suppliers. Our suppliers' audits contain a Business Ethics section, which has criteria on 'Prison and Forced Labour' and 'Child Labour'.

The number of supplier audits we conducted this year was lower than planned due to COVID 19 which prevented us from travelling to the overseas supplier sites to conduct the on-site audits.

In addition to the audits, we undertook of our strategic suppliers, we also requested some of our strategic suppliers to undertake self-audits. There were 23 self-audits conducted by our strategic suppliers during FY20.

6. Need to Remediate

As we have not identified any Modern Slavery Practices in our operations or supply chain to date, we have not had a need to remediate them. If we were to encounter Modern Slavery Practices in our supply chain which is caused or contributed to by us we will take action to cease and prevent our contribution to the Modern Slavery Practices and provide for or cooperate in remedying any actual impact. If we encounter Modern Slavery Practices in our supply chain, we will use our leverage to influence the entity causing the risk to take action and consider whether we should provide for or cooperate in remedying any actual impact. If we are unable to exert due influence to have the entity to cease the Modern Slavery Practices, we will consider terminating the business relationship.

7. Actions for 2021

During the 2021 calendar year we will;

- At a minimum have SMETA scheduled to be conducted at all of our manufacturing operations.
- Revise Business Code of Conduct to cover all of the forms of Modern Slavery as defined in the Legislation.
- Revise the current Pre-Qualification Process for strategic external material providers to include criteria specific to Modern Slavery in the Business Ethics Section.
- Include compliance with Modern Slavery along with other applicable legislation in Detmold Group Contracts and Purchase Order Term & Conditions.
- Develop a Detmold Group statement of commitment for the prevention of Modern Slavery.
- Commencing with strategic external material providers roll out an External Provider Code of Conduct based on Detmold's Code of Business Conduct and Values that includes a commitment to not engaging in any form of Modern Slavery practice.
- Request all current "High Risk" and "Strategic" providers to sign that they commit to Detmold's External Provider Code of Conduct.
- Use our "Influence" with External Providers that have greater abilities to identify and report Modern Slavery Red Flags, in particular our labour hire providers and the Financial Institutions we are a customer of.

In subsequent years we will conduct further mapping and analysis of our supply chain beyond our direct suppliers, with the view to using our influence to reduce and ultimately eliminate any modern slavery within our supply chain.

8. Effectiveness of actions taken

Our actions taken up until FY20 have been effective based on there not being any findings related to Modern Slavery practices from the SMETA, SWA and Ethical Sourcing audits of our operations undertaken to date. However, we acknowledge that the actions in relation to Modern Slavery we have taken to date have been primarily focussed on our own operations and not so much on our suppliers and extended supply chain.

The effectiveness of our actions in subsequent years will be determined by either the absence of Modern Slavery practices or how quickly any Modern Slavery Practices identified within our supply chain are ceased and remedied. Given the prevalence of Modern Slavery around the world as

highlighted by the 'Walk Free' Foundation we would be naïve to think that as we increase our efforts over the coming years to identify any Modern Slavery Practices anywhere in our supply chain that we won't eventually identify some that needs to be remediated.

9. Consultation with entities that the Detmold Group own or control

The Company Secretary and the Directors of all the Detmold Group owned, or controlled entities were consulted during the development of this Modern Slavery Statement.

This statement was approved by the board of Detmold Holdings on 16th February 2021.



Rodney Detmold

Director

Detmold Holdings Pty Ltd

3 / 5 / 2021