

A woman wearing a white hard hat with the 'DGL' logo, safety glasses, and a high-visibility yellow vest is looking at a tablet computer. The background shows a warehouse with orange shelving units. The image is framed by a white diagonal shape in the top right and a red diagonal shape in the bottom left.

**DGL**

# MODERN SLAVERY STATEMENT

2023

**DGL GROUP LIMITED**

ABN: 71 002 082 646

on behalf of the DGL Group, including  
DGL Manufacturing Australia Pty Ltd.

## About DGL Group Limited's Modern Slavery Statement 2023

This publication is DGL Group's Joint Modern Slavery Statement (**Statement**) for the financial year ending 30 June 2023, made pursuant to s.14(1) of Australia's Modern Slavery Act 2018 (Cth) (**MS Act**) on behalf of DGL Group Limited for DGL Group, and approved by the DGL Board on 22<sup>nd</sup> December 2023.

For the purposes of the MS Act, the reporting entities covered by this Statement are identified below and in Appendix 1. DGL Limited's Board's approval was given as the 'higher entity' within the meaning of section 14(2)(d)(ii) of the MS Act.

DGL Group Ltd is a public company listed on the ASX which owns and controls the DGL Group. As DGL Group's consolidated annual revenue exceeded \$100M in FY23, DGL Group Limited is a reporting entity under s.5 of the MS Act. DGL Manufacturing Australia Pty Ltd is private company, a member of the DGL Group, and a reporting entity for FY23 because its standalone revenue was greater than \$100M in that reporting period.

In this Statement, "DGL Group" and "DGL" means DGL Group Limited and its controlled entities, including DGL Manufacturing Australia Pty Ltd.

Further details about DGL Group Limited, DGL Manufacturing Australia Pty Ltd and entities in the DGL Group are included in Appendix 1. More information on the DGL Group can also be found on our website: [www.dglgroup.com](http://www.dglgroup.com).

### 1. Introduction

DGL Group acknowledges that we are active members of a global community in which, sadly, serious human rights abuses of the most vulnerable occur. We are proud of the extent and variety of ways in which the DGL Group supports our diverse and dynamic customer base across multiple industries, and that our clients and stakeholders can and do rely on DGL to take care and responsibility in our management of dangerous goods, and in all we do. Assessing, addressing, and working to eradicate the risks of modern slavery from our operations and supply chains is no exception.

Modern slavery takes many forms,<sup>1</sup> exists in supply chains, across multiple industries, in every country, including in Australia and New Zealand, where DGL Group operates. No modern slavery incidents were detected within the DGL Group in FY23, but we accept that DGL's management of our modern slavery risks is maturing. We are committed to continuous improvement, to ensuring that our people can and do identify red flags, and that they are empowered and compelled to raise their concerns, without hesitation, so that we can act.

### 2. DGL Group's Structure, Operations, and Supply Chains

#### 2.1. DGL Group's Structure

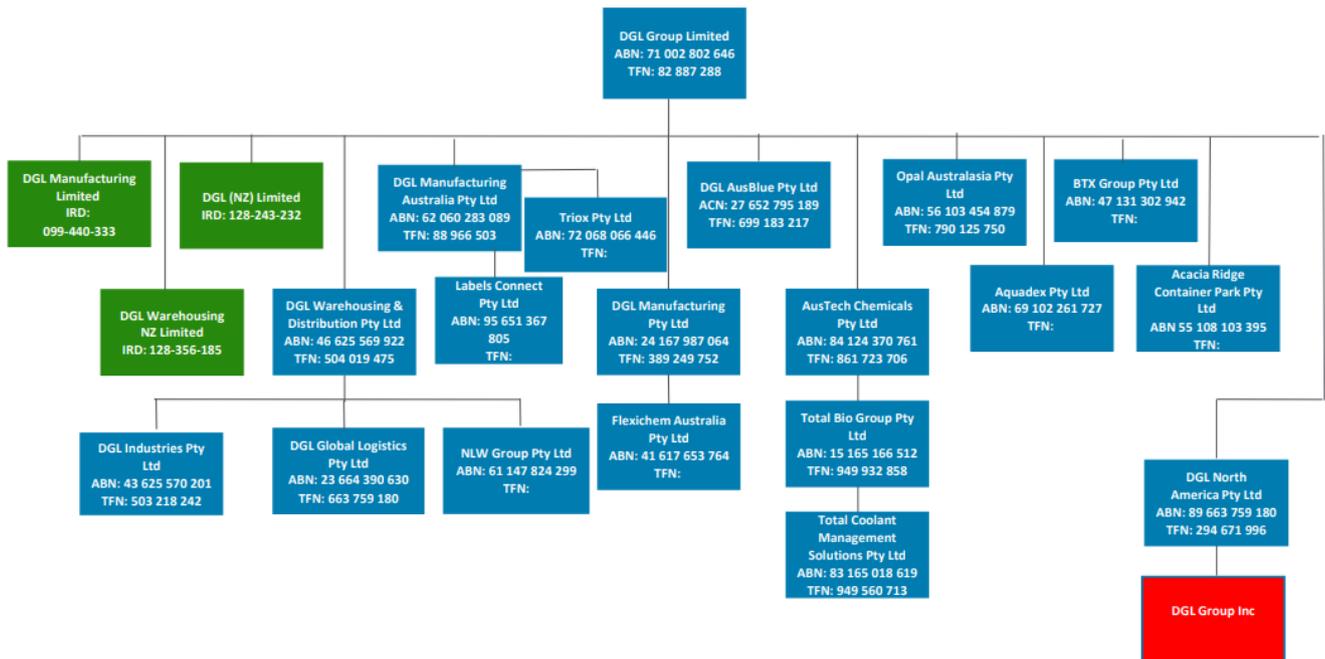
DGL Group Limited is a public company listed on the ASX. It controls the DGL Group<sup>2</sup>. The DGL Group operates as a diversified industrial group with three distinct segments: [Warehousing and Distribution](#), [Chemical Manufacturing](#), and [Environmental Solutions](#). The functions of each segment of the DGL Group are described below (2.2.1, 2.2.2 and 2.2.3).

At the conclusion of FY23, DGL Group's structure was as follows:

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<sup>1</sup>As per the *Modern Slavery Act 2018* (Cth) references to 'modern slavery' in this Statement mean trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour and occurs where coercion, threats, or deception are used to exploit victims and undermine their freedom.

<sup>2</sup> See Annexure 1 for identifying information on DGL Group (DGL Group Limited and its controlled entities).



### 2.1.1. Employees and Location

In FY23 DGL Group employed approximately 800 employees and operated from more than 70 sites in Australia and New Zealand.<sup>3</sup>

## 2.2. DGL Group's Operations

DGL Group's operations are conducted across three segments, each of which is a total product management business unit, aiming to free clients from resource-intensive back-end processes. DGL Group serves more than 4,200 customers based in Australia, New Zealand, and internationally, from a wide range of industries including: agriculture, water treatment, mining, construction, automotive, food, pharmaceutical, lead smelters, plastic recyclers, galvanizers, manufacturing, home and garden, and chemical companies.

### 2.2.1. DGL's Chemical Manufacturing segment

DGL's Chemical Manufacturing segment provides materials and formulations to a range of industries, and supplies products to end-user consumer and industrial companies. Related services include procurement, full-service formulation and packing services, formulation development and contract manufacturing.

### 2.2.2. DGL's Logistics (Warehousing and Distribution) segment

DGL's Logistics segment offers transport, logistics and warehousing services and is focused on hazardous goods across Australia and New Zealand. Key components include freight forwarding, inventory management, warehousing, and transport.

### 2.2.3. DGL Group's Environmental Solutions segment

DGL's Environmental Solutions segment undertakes resource recovery and hazardous waste management activities. Its core activities comprise liquid waste treatment, end-of-life lead acid batteries (ULAB) recycling and lead smelting and refining.

<sup>3</sup> See Annexure 1 for further detail.

#### **2.2.4. Investments and Financial Lending**

DGL Group does not engage in external financial lending activities.

#### **2.2.5. DGL's Supplier Relationships and Business Partnerships:**

DGL Group maintains a diverse network of suppliers, with relationships varying in nature from short-term to long-term, depending on the specific requirements of our operations. In addition to DGL's supplier network, DGL Group collaborates with partners and other business entities to enhance our capabilities and offerings.

### **2.3. DGL Group's Supply Chains**

DGL Group's supply chains form an integral role in our business operations and include the sourcing and procurement of goods and services for our customers and to meet our own requirements for the formulation and manufacturing of a range of potentially dangerous and reactive chemicals, for the warehousing and distribution of these chemicals within a highly licensed transport and warehouse network, and for disposal or recycling required to safely manage the full life cycle of these products.

#### **2.3.1. Goods**

Goods for Resale sourced by DGL Group include chemicals, ingredients, and raw materials such as emulsifiers, minerals, antioxidants, phosphates, acids, fertilisers, salts, solvents, plasticisers, scrap metal are sourced from manufacturers and distributors in Australia, New Zealand, China, Korea, Japan, Indonesia, Malaysia, India, Thailand, and Vietnam.

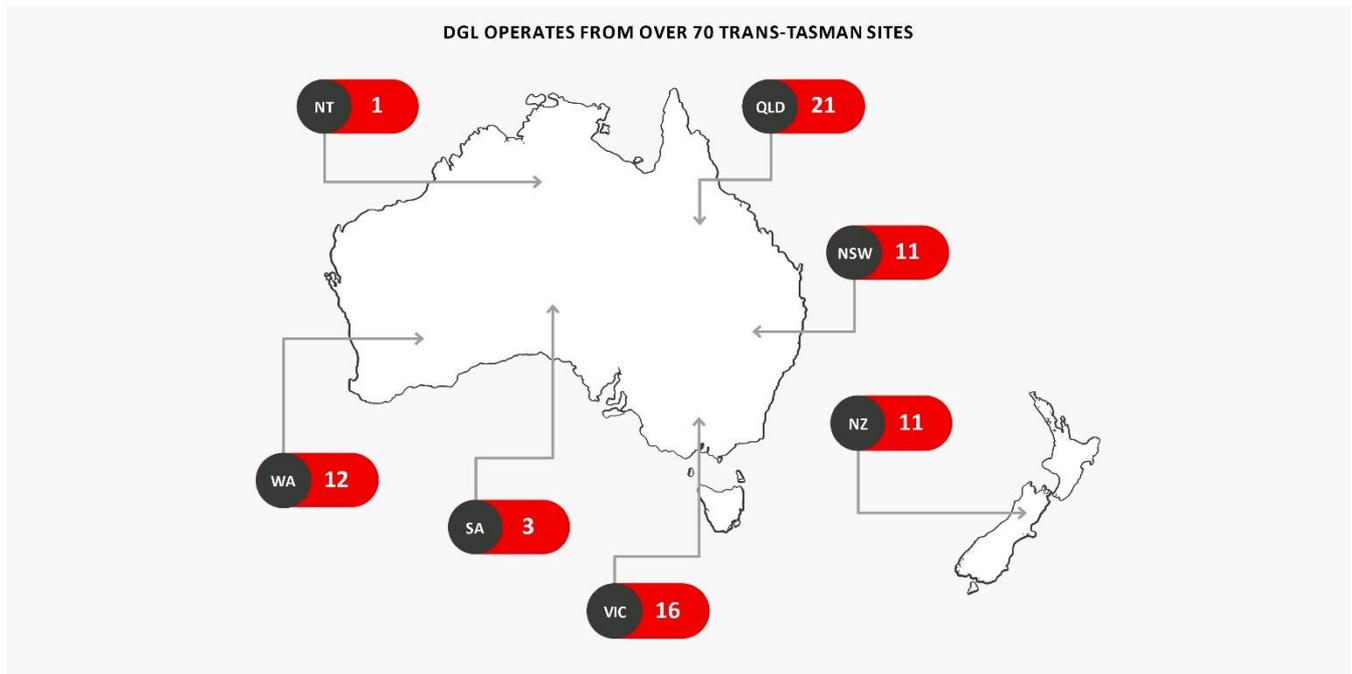
Goods consumed by DGL Group include minerals, salts, IT equipment, tools, machinery, packaging, office supplies and uniforms that support DGL Group's operations are sourced from manufacturers and distributors in Australia, New Zealand, Italy, Korea, China, and India.

#### **2.3.2. Services procured by DGL Group**

Services procured by DGL Group for our clients include transport logistics sourced from service providers in Australia, New Zealand, Switzerland, Italy, Denmark, France, China, Germany, Taiwan, Japan, South Korea, Israel, and Singapore.

Services procured by DGL Group for our own needs include transport logistics sourced from service providers in Australia, New Zealand, Switzerland, Italy, Denmark, France, China, Germany, Taiwan, Japan, South Korea, Israel, and Singapore.

### 2.3.3. Geographic regions



## 3. Modern Slavery Risks in DGL Group's Operations and Supply Chains

### 3.1. Assessment of modern slavery risks: DGL Group's Onshore and Overseas Operations

DGL's risk management strategy is applied to modern slavery risks in our operations. It involves five steps:

1. Assessment of the risk landscape.

DGL Group's operations and workforce are based in Australia and New Zealand. Walk Free's 2022 estimates indicate that the prevalence of modern slavery in both Australia and New Zealand has increased in recent years,<sup>4</sup> and the NSW Modern Slavery Commissioner recently highlighted higher levels of forced labour risks in the operations of ASX-listed companies than in listed companies in other developed countries, particularly in sectors including mining, oil and gas extraction, manufacturing, and construction.<sup>5</sup>

However, Australia has the lowest rates of modern slavery in the Asia Pacific region and New Zealand's rates are only slightly higher.<sup>6</sup>

2. Identify and assess specific modern slavery risks and uncertainties.

DGL undertook risk assessments of modern slavery risks in our operations and supply chains over the reporting period to consider the risk that we are causing, contributing, or directly linked to modern slavery practices. The greatest areas of vulnerability, risk, and uncertainty in DGL Group's operations were identified and assessed to be those arising from:

- outsourced services and use of labour hire contractors;

<sup>4</sup> Walk Free, Global Estimates of Modern Slavery, Forced Labour and Forced Marriage, September 2022.

<sup>5</sup> 'Modern slavery as a governance risk' 2023 Phil Spathis Governance Address – Australian Council of Superannuation Investors Remarks of Dr James Cockayne, NSW Anti-slavery Commissioner for delivery on 16 October 2023 in Naarm/Melbourne, Victoria.

<sup>6</sup> Walk Free, Global Estimates of Modern Slavery, Forced Labour and Forced Marriage, September 2022.

- labour and human rights violations;
  - due diligence processes which require greater focus on the identification and assessment of modern slavery risks; and
  - procurement processes which require greater focus on the identification and assessment of modern slavery risks.
3. Implement control measures to mitigate modern slavery risks (based on assessed residual risk and by applying assessed measures).

The control measures implemented by DGL Group to mitigate modern slavery risks in FY23 in our operations included:

- Retaining a central focus on the provision of a safe and inclusive workplace for all employees. In FY23 there were no major safety or environmental incidents experienced at DGL.
  - Continuing to apply equitable and transparent remuneration, comply with applicable laws in relation to wages, working conditions and the rights of workers to be represented collectively, did not employ forced, bonded or child labour, applied regular measures to mitigate the risks of modern slavery and labour exploitation, did not hold original copies of any employee's passport, engaged reputable recruitment agencies with ethical recruitment practices, completed work rights and skills checks and provided all employees with written employment contracts setting out terms and conditions.
  - Provided key suppliers, identified to have a high potential for risk, with our Modern Slavery Policy, advised them of our expectations and goals related to acting ethically in the marketplace, behaving with integrity with respect to all workers, and providing transparency to stakeholders.
  - Prepared a questionnaire for provision to key suppliers identified to have a high potential for risk.
4. Recording and reporting modern slavery risks, controls, and treatments, and escalating identified risks.

All modern slavery risks identified must be recorded in the DGL Group's risk register and all identified risks must be escalated consistently with our risk management strategy.

5. Monitoring and reviewing quality and effectiveness (plan, gather and analyse information, provide, and apply feedback).

DGL Group will continue to regularly review the quality and effectiveness of our risk strategy as it applies to modern slavery in our operations.

In FY23 we identified the need for a procedure to assist us to better understand the third parties we interact with – suppliers, contractors, customers, acquisition targets – and to require completion of a baseline screening questionnaire which more comprehensively assesses sanctions and regulatory enforcement actions.

Where a third party meets higher risk criteria: country, activity, or value criteria, we identified a need to escalate our due diligence processes to highlight integrity and human rights risks, including modern slavery risks.

We have identified the need for a due diligence report to identify potential red flags for human rights and modern slavery which includes more detailed criteria on how best to address human rights and modern slavery risks through high-risk activities and countries and the need to apply a more defined risk rating methodology.

Based on the above, DGL Group's risk assessment of modern slavery in DGL Group Limited's operations and the operations of our controlled entities, onshore and offshore was assessed to be **low** in FY23.

### **3.2. Assessment of modern slavery risks: DGL Group's Supply Chains**

DGL's five step risk management strategy which is outlined above, was also applied to modern slavery risks in our supply chains. DGL recognises that modern slavery risks could exist in our supply chains and in the supply chains of businesses we have acquired in FY23. It is therefore critical for the DGL Group to work in partnership with our suppliers, business partners and customers to address these risks.

DGL Group is committed to responsible management of our supply chains, and we acknowledge that the risks of modern slavery are or may be heightened in some of our groups' supply chains because:

- Geographical risks associated with the location of some of our suppliers and where we source certain goods or services;
- The sectors in which we operate;
- The supply chain model involved, meaning that suppliers may not have evidenced certain approaches or practices; and
- There are vulnerabilities in the ways that work is performed, or that it is performed by particular groups.

Our supply chains include greater geographical breadth than do our operations. They extend to: Italy, Korea, China, India, Thailand, Vietnam, Switzerland, Denmark, France, Germany, Taiwan, Japan, South Korea, Israel, and Singapore. Due to this diversity and the associated complexity in our supply chains and the limitations on our direct oversight of working conditions within our supply chains, DGL Group's risk of exposure to modern slavery within supply chains has been assessed to be greater than those which apply in DGL Group's operations in FY23, as well as being more variable, given there are greater forms of exposure, across higher risk geographic regions, including high-risk industries.

### **3.3. Policies and Procedures**

DGL Group's Modern Slavery Policy has been approved by our Board. It forms a vital part of our suite of best practice policies and procedures, which operate in conjunction with and are complementary to our Modern Slavery Policy. DGL's Modern Slavery Policy is underpinned by our commitment to respecting the human rights of our employees, including their freedom from modern slavery. Our policies aim to create transparency and accountability for addressing modern slavery and human rights issues within our workforce, but it also applies to our consultants, agents, contractors, and suppliers, who are expected to respect and comply with the standards the Policy sets.

Our key governance documents, including our Modern Slavery Policy, help us to assess and address our modern slavery risks. The policies included in our corporate governance framework can be accessed via our website and reflect our continuous improvement approach to governance and human rights.

### **3.4. Training**

DGL Group's people are our first line of defence in managing modern slavery risks. We are committed to ensuring that our employees can identify red flags for modern slavery and are compelled and empowered to report any concerns identified.

DGL's approach to eliminating modern slavery risks is communicated to all workers and suppliers at, or prior to the time of hire, onboarding, or other initiation of the relationship and is periodically reinforced.

#### **4. Actions taken by DGL Group to address identified modern slavery risks.**

During FY23 all members of the DGL group have supported DGL's group-wide focus on developing our systems and processes to identify, prevent, mitigate and remedy actual or potential adverse human rights impacts, including that DGL Group has:

- Applied our established risk management strategy to assessment of the risks of modern slavery in our operations and supply chains.
- Implemented CENTRL's Modern Slavery Act Compliance Platform (MSA360) to provide fully automated capability for assessing and managing risks within internal operations and with suppliers.
- Identified indicia for the risks of modern slavery and unethical practices in our operations and supply chains at each of the five stages of our risk management strategy as those stages apply to modern slavery risks, operationally and in our supply chains.
- Provided key suppliers identified to have a high potential for risk with our Modern Slavery Policy, and advised them of our expectations.
- Provided a questionnaire to key suppliers, identified to have a high potential for risk.
- Included in our reporting procedure prompts whether an incident, including a complaint, has human rights implications and identified the specific human rights the incident may have impacted, including through introduction of a targeted questionnaire relating to labour rights and modern slavery.
- Established and allocated responsibility for the management of DGL Groups' obligations in relation to modern slavery.
- Reviewed and developed frameworks and policies to clearly outline the processes DGL Group will implement to address modern slavery risks and clarify our expectations for employee responses where concerns or red flags in relation to modern slavery are identified or raised.
- Developed our processes for greater direct engagement with our suppliers in relation to modern slavery, including screening and qualification to aid supplier evaluation and the communication of clear expectations.
- Considered the need for a broader human rights strategy to be developed and adopted by DGL Group, aligned with our approach to modern slavery. Human rights risks, including labour rights, health and safety, equality, and discrimination, have been identified as issues which would fall within this strategy.
- Committed to greater ongoing stakeholder engagement to ensure that DGL's approaches to modern slavery risks are consistent with stakeholder values.
- Via the Board, DGL Group has committed to transparency in our approach to addressing modern slavery risks and implementing actions and policies to mitigate these risks and move beyond compliance.

#### **5. Effectiveness of DGL Group's assessment and action on modern slavery risks**

As outlined in 3.1 (above), DGL has applied our comprehensive risk management system to combatting modern slavery risks because it has proven to be effective, adaptable, and appropriate and we are confident that its application will support us to ensure that the measures we take to combat modern slavery risks in our operations and supply chains are successful.

Our risk management system has been applied to assist us to assess the effectiveness of our supplier questionnaires. Our analysis revealed that the questionnaires, dispatched to 20% of DGL's suppliers, elicited responses of high quality. However, only a third of the suppliers contacted provided a response and a higher hit rate from suppliers will support us to more effectively assess the risks associated with modern slavery in our supply chains by providing us with more comprehensive data of high quality. To improve our hit rate, we will distribute questionnaires to more targeted supplier contacts to support us to act more effectively on modern slavery risks in our supply chains based on high quality data from a greater number of our suppliers.

DGL Group monitors and assesses the effectiveness of our evaluation systems based on:

- Whether it supports us to track, measure, and evaluate the outcomes of our actions in identifying and managing modern slavery risks;
- Whether regular impact assessments to determine how our actions affect human rights risks indicate that there is efficacy and merit in the efforts applied to preventing and mitigating modern slavery risks;
- Given that we recognise that addressing modern slavery risks is both a moral imperative and critical to safeguarding our business interests, we will assess the impacts of our actions on business risks, including legal, financial, and reputational aspects, to ensure that our measures are aligned with the broader goals of our organisation;
- The health and standards of collaboration between the entities and segments in the DGL group will be assessed and standardised assessment procedures and reporting mechanisms will be applied across the DGL Group to ensure consistency in our approach;
- Based on the results of these processes, we will adapt and strengthen our actions as we strive for continuous improvement in this, as in all our processes.

## **6. Consultation with members of the DGL Group.**

DGL Group is committed to ensuring that the actions we take are appropriate to and consistent across the Group. Therefore, the needs of each of DGL's divisions have been closely considered during with whom we have engaged and consulted in the development of this Statement.

The next stage of our consultation efforts is designed to ensure that all members of the DGL brand are well-informed about our reporting requirements under the *Modern Slavery Act 2018*, and that the actions DGL Group proposes to take to address our obligations are agreed by a collaborative exchange of ideas.

We are committed to monitoring and assessing the actions taken by all members of our brand to ensure they align with DGL Group's overarching goals and compliance requirements.

## **7. Additional information**

DGL Group recognises that preventing and addressing modern slavery risks in our operations and supply chains requires an ongoing commitment to minimise the risks and continuously improve our approach. During FY24, DGL's aims include:

- Establishment of a Modern Slavery Training platform, accessible by all members of the DGL Group.
- Review all supplier contracts amongst the Group.

## **8. Principal Governing Body Approval**

This Statement is made by DGL Group, including DGL Group Limited and DGL Manufacturing Australia Pty Ltd, and was approved by DGL Group Limited's Board in their capacity as the principal governing body of the DGL Group, on 22<sup>nd</sup> December 2023.

## **9. Signature of Responsible Members**

This Modern Slavery Statement is signed by Mr. Tim Hosking, in his role as Chair and Non-Executive Director of the Board of Directors, DGL Group Limited, on 22<sup>nd</sup> December 2023.



Timothy Hosking  
Chair, Board of Directors, DGL Group Limited

## Appendix 1

DGL Group's reporting entities for this Statement and FY23			
Name of Entity	ABN/ACN	Location of registered office	Description
DGL Group Limited	ABN 71 002 802 646	Level 4, 91-97 William Street Melbourne, VIC 3000	DGL Group Ltd is an Australian public company listed on the Australian Securities Exchange (ASX: DGL) which controls the DGL Group, including the entities listed below and DGL Manufacturing Australia Pty Ltd. DGL Group's consolidated annual revenue for FY23 exceeded \$100M. DGL Group Ltd is therefore a reporting entity under the MS Act.
DGL Manufacturing Australia Pty Ltd	ABN 24 167 987 064	120 Fulton Drive, Derrimut, Melbourne, VIC 3026	DGL Manufacturing Australia Pty Ltd, is an Australian private company and a member of the DGL Group, controlled by DGL Group Ltd. In FY23 as a standalone entity, DGL Manufacturing Australia Pty Ltd exceeded \$100M and is therefore a reporting entity under the MS Act.

Australian entities owned or controlled by DGL Group Limited in FY23:				
Name of Entity	ABN/ACN	Description of ownership	Location of registered office	Number of employees
DGL Group Ltd	ABN: 71002802646	Publicly listed on the ASX	Level 4, 91-97 William Street, Melbourne Vic 3000	82
DGL Warehousing & Distribution Pty Ltd	ABN: 46 625 569 922	Wholly owned by DGL Group Limited	Level 4, 91-97 William Street, Melbourne Vic 3000	312
DGL Industries Pty Ltd	ABN: 43 625 570 201	Wholly owned by DGL Warehousing & Distribution Pty Ltd	Level 4, 91-97 William Street, Melbourne Vic 3000	No employees
DGL Global Logistics Pty Ltd	ABN: 23 664 390 630	Wholly owned by DGL Warehousing & Distribution Pty Ltd	Level 4, 91-97 William Street, Melbourne Vic 3000	9
DGL Townsville Pty Ltd (formerly NLW Group Pty Ltd)	ABN: 61 147 824 299	Wholly owned by DGL Warehousing & Distribution Pty Ltd	Level 4, 91-97 William Street, Melbourne Vic 3000	9
DGL Manufacturing Australia Pty Ltd	ABN: 62 060 283 089	Wholly owned by DGL Group Limited	Level 4, 91-97 William Street,	72

			Melbourne Vic 3000	
Triox Pty Ltd	ABN: 72 068 066 446	Wholly owned by DGL Manufacturing Australia Pty Ltd	Level 4, 91-97 William Street, Melbourne Vic 3000	9
Labels Connect Pty Ltd	ABN: 95 651 367 805	Wholly owned by DGL Manufacturing Australia Pty Ltd	Level 4, 91-97 William Street, Melbourne Vic 3000	9
DGL AusBlue Pty Ltd	ABN: 27 652 795 189	Wholly owned by DGL Group Limited	Level 4, 91-97 William Street, Melbourne Vic 3000	13
DGL Manufacturing Pty Ltd	ABN: 24 167 987 064	Wholly owned by DGL Group Limited	Level 4, 91-97 William Street, Melbourne Vic 3000	59
Flexichem Australia Pty Ltd	ABN: 41 617 653 764	Wholly owned by DGL Manufacturing Pty Ltd	Level 4, 91-97 William Street, Melbourne Vic 3000	15
AusTech Chemicals Pty Ltd	ABN: 84 124 370 761	Wholly owned by DGL Group Limited	Level 4, 91-97 William Street, Melbourne Vic 3000	38
Total Bio Group Pty Ltd	ABN: 15 165 166 512	Wholly owned by AusTech Chemicals Pty Ltd	Level 4, 91-97 William Street, Melbourne Vic 3000	No employees
Total Coolant Management	ABN: 83 165 018 619	Wholly owned by AusTech Chemicals Pty Ltd	Level 4, 91-97 William Street, Melbourne Vic 3000	No employees
Opal Australasia Pty Ltd	ABN: 56 103 454 879	Wholly owned by DGL Group Limited	Level 4, 91-97 William Street, Melbourne Vic 3000	13
Aquadex Pty Ltd	ABN: 69 102 261 727	Wholly owned by DGL Group Limited	Level 4, 91-97 William Street, Melbourne Vic 3000	16
BTX Group Pty Ltd	ABN: 47 131 302 942	Wholly owned by DGL Group Limited	Level 4, 91-97 William Street, Melbourne Vic 3000	10
Acacia Ridge Container Park Pty Ltd	ABN: 55 108 103 395	Wholly owned by DGL Group Limited	Level 4, 91-97 William Street, Melbourne Vic 3000	20

## Appendix 2

This table identifies where each of the seven mandatory reporting criteria under the MS Act is addressed by DGL in this Statement.

Seven Mandatory Criteria under the MS Act	Section of this Statement in which the criterion is addressed
1. Identify reporting entities.	Section 1 including: Cover Page About this Modern Slavery Statement Introduction Appendix 1
2. Describe the reporting entities' structure, operations, and supply chains.	Section 2 Appendix 1
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entities and any entities it owns or controls.	Section 3
4. Describe the actions taken by the reporting entities and any entity that the reporting entities own or control, to assess and address those risks, including due diligence and remediation processes.	Section 4
5. Describe how the reporting entities assess the effectiveness of such actions.	Section 5
6. Describe the process of consultation with (i) any entities the reporting entities own or control; and (ii) for a reporting entity covered by a joint statement, the entity giving the statement.	Section 6
7. Include any other information that the reporting entities consider relevant.	Section 7



# DGL

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