



Innovations *Park*



Modern Slavery and Human
Trafficking Statement

FY22

The Direct Digital Group Holdings Statement

This statement pursuant to the Australian Modern Slavery Act 2018 sets out the activities taken by Direct Group Investments Pty Ltd and its controlled entities* to address modern slavery risks in our business and supply chain throughout the reporting period for the financial year ending 30 June 2022. Each section in this Statement corresponds to a mandatory criterion of the Act.

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Direct Digital Group Holdings Pty Ltd - ACN 657 310 140 431 Warringah Rd Frenchs Forest, NSW 2086, subsidiaries : Direct Digital Group Finance Pty Ltd - ACN 657 318 020, Direct Digital Group Operations Pty Ltd – ACN 657 318 100, Direct Group Investments Pty Ltd ACN 602 302 205, Direct Group Pty Ltd ACN 065 432 199, Innovations Direct Pty Ltd ACN 002 899 701, Damart Australia Pty Ltd ACN 001 440 802, Magnamail Pty Ltd ACN 063 154 174, Homecare Direct Shopping Ltd ACN AK 812252, Interfine Sport and Entertainment Pty Ltd ACN 116 747 883, Entertainment Masters Pty Ltd ACN 057 408 590, EIJV Pty Ltd ACN 111 128 959, Gaiam Pty Ltd ACN 111 129 143, TVSN Channel Pty Ltd ACN 111 806 958, Expo Network Pty Ltd ACN 111 806 707, Innovations Park Studios Pty Ltd ACN 127 059 107, Clearance Outlet Pty Ltd ACN 093362 666, Innovations Network Australia Pty Ltd ACN 114 324 328, DG 123 Pty Ltd ACN 118 747 783, Direct Ventures Pty Ltd ACN121 987 933, The Seniors Ad Network Pty Ltd ACN167 436 188, Oversixty Insurance Pty Ltd ACN 169 088 662, Oversixty Travel Pty Ltd ACN 169 089 061, TSAN HR Pty Ltd ACN 169 090 091, TSAN Licencing Pty Ltd ACN 169 089 427, Peter Watts Designs Pty Ltd ACN 1315477, Direct Publishing Pty Ltd ACN 000 565 471, Direct Publishing APAC Holdco Pty Ltd ACN 144 816 455, RD Asian Holdco Pty Ltd ACN 144 816 884, Direct Publishing Asia Pte Ltd ACN 200607506M, Direct Publishing Association Far East Ltd ACN 35872, Direct Publishing (East Asia) Ltd 92813, Direct Publishing (Malaysia) SDN BHD ACN120074-H



1. INTRODUCTION AND SCOPE

Direct Digital Group Holdings is proud to support the efforts of the Australian Government in the implementation of the Modern Slavery Act 2018 and its actions toward advancing business's respect for human rights. All organisations have a role to play in making sure the way business is conducted does not have a hidden human cost.

Direct Group does not tolerate modern slavery in its operation and supply chain and this commitment is aligned to our values and ethics which encompass how we go about operating and conducting business responsibly.

This is the third Modern Slavery Statement for Direct Digital Group Investments Pty Ltd (Direct Group) and its purpose is to outline our approach to ensuring that Direct Group continues to put in place and develop robust frameworks and processes to identify and minimise the risk of modern slavery in our business operations and supply chain.

At Direct Group we recognise that modern slavery continues to be a complex global issue, which can occur in many forms as recognised by the Act, including: slavery, forced labour, human trafficking, servitude, debt bondage, deceptive recruitment for labour and services, forced marriage.

We understand that addressing modern slavery means not only preventing the exploitation of our direct employees, but also addressing potential risks to workers involved in our multi-layered sourcing of products and services. Direct Group is committed to respecting the rights and freedom of workers, operates responsibly and does not tolerate any forms of modern slavery, or modern slavery like practices.

We are confident from the steps we've taken over the past 3 years, that we have made progress to put in place the necessary framework to support our efforts to identify and mitigate the risk of modern slavery and in the last year in particular, we've gained increased transparency of our supply chain and potential risks. We understand the Modern Slavery Act requires year on year continuous improvement as this complex issue will not be solved with short term actions and quick wins. We therefore take a preventive and principled-based approach to identifying modern slavery risks, and this Statement provides an overview of our ongoing efforts and actions and our plans going forward.

2. OUR STRUCTURE, BUSINESS AND SUPPLY CHAIN

Since its launch in 1985 as a specialist direct marketer, Direct Group has developed into a comprehensive multi-channel retailer offering a wide range of products to millions of loyal customers. Our direct purchase proposition is offered increasingly online and is mainly targeted to the seniors market.

All the specialist knowledge gained over the years has allowed the group to optimise its processes, systems and infrastructure to service a direct to consumer business model.

The group operates in Australia, New Zealand, Singapore, Malaysia, Hong Kong, Taiwan and communicates directly with its customers through its websites as well as through call centres, catalogues, television and digital publishing.

The group's head office and supporting infrastructure of warehouses, TV and design studios, contact centres and computer facilities are located in the northern suburbs of Sydney, Australia. The corporate structure constitutes of a holding company, Direct Digital Group Investments Pty Limited, comprising three operating divisions and 32 wholly owned, or majority controlled subsidiaries. Direct Group has an annual consolidated revenue of over \$100m across the reporting period, therefore meeting the Acts definition of a reporting entity.

Organisationally, the group is divided into three main operating divisions. Each run relatively autonomously with selected services such as warehousing, distribution and IT infrastructure provided by a shared corporate team. An important aspect of Direct Group's success has been the ability to develop internal competence in all the core elements of our direct to consumer business. This strategy has led to the development of our headquarters at Innovations Park in the northern suburbs of Sydney. Built on 5.3 hectares of land in a non-industrial, campus environment, the premises now bring under one roof all of our administrative, marketing, TV, warehousing and logistics functions.

Direct Group is an equal opportunity employer of close to 700 diverse and well integrated team members. Our over-riding objective is to be an 'employer of choice' and we offer a safe, attractive work environment where staff morale and productivity are fostered. We aim for an open and common-sense culture.

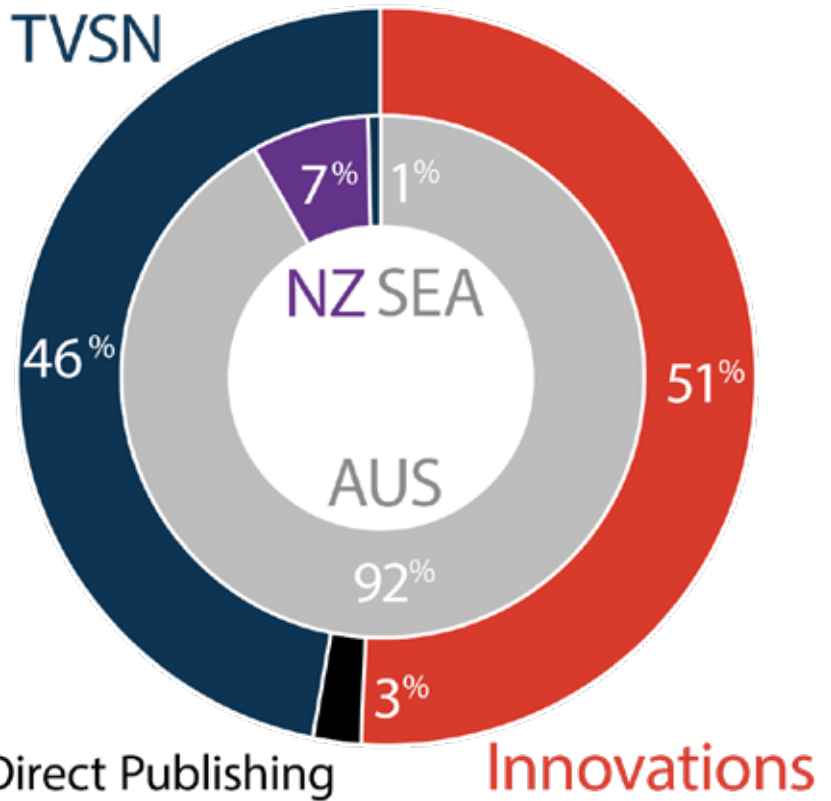
The Group's sourcing processes are extensive. We source products around the globe and have offices in Frenchs Forest, England, China, India and Taiwan, all devoted to product procurement, quality control, fulfilment and freight forwarding to our Sydney warehouses.

We have great working relationships with each of our suppliers, factories and agents and we continually work and communicate closely with them to ensure that the environment in which our products are made is safe, fair, sustainable and responsible.

As a proud Sydney's Northern Beaches local business, our community is important to us. We operate a sustainable business striving to create the lowest possible environment footprint. We appreciate that we need to be a good corporate citizen and we uphold the values of responsibility, duty of care and practical generosity.

We support numerous charities across a wide spectrum of causes. These include: **Pink Hope**, **Look Good Feel Better** and **The Stroke Foundation**.

Direct Group by divisions and geography



OUR VALUES:

- Drive
- Integrity
- Respect & Empathy
- Environment
- Community
- Teamwork & Communication
- Growth
- Results Oriented
- Organised
- Understanding
- Productivity & Profit



We are committed to operating as a responsible business and actively manage our social and environmental performance, delivering on our corporate responsibility and sustainability goals.

Snapshot of our organisation:

Total employees and estimated extended workforce - approx.700 (permanent + contractors + temporary at peak capacity)

By location	
Australia based	636
NZ Based	6
China Based	9
India based	6
Taiwan based	2
Singapore based	2
HK Based contractors	2
Malaysia	2
Philippines (third party)	30

3. THE IMPLEMENTATION ROADMAP

2019	2020	2021	2022
Modern Slavery Certified Resource	Roll out updated corporate policy	Procurement Resources Training	Accelerate Supplier Assesment Roll-out
Board Briefing	Assess Internal Risks Areas	Define DG Modern Slavery risks	Scale up and enhance staff training
Formed Working Group	Key Resources Training	Covid 19-policy and impact	Response and Remediation Plan Scoping
Initial Risk Assessment across the Value chain	Define Supplier Assesment Approach	Supplier Assesment Roll-out	Scope Supplier Assesment Tool
Set Targets	First Public Statement	Second Public Statement	Third Public Statement

As part of its ethical program Direct Group is developing a road map of key milestones and a framework to track and record progress.

We have established the following governance process as we embed requirements into existing Direct Group’s compliance framework.

A cross functional working group: Modern Slavery Compliance Team (MSCT) is responsible for identifying and implementing process improvements and compliance. The MSCT group is chaired by the Group Chief Finance Officer who reports to the Board. The MSCT involves representatives from Operations, Procurement, Human Resources and Corporate Services. The MSCT is a key mechanism in ensuring the effectiveness of our action, by allowing concerted planning and mutual accountability.

The team leads a business-wide program of work to address modern slavery risk. During FY22 the team has:

- Developed an annual plan with goals and objectives
- Held quarterly meetings with working team members, with each representative reporting on their progress
- Regularly briefed the CFO and reported on relevant targets as relevant for Board briefs
- Held training and capability building sessions
- Marked the International Anti-Slavery Day with informative posters around the business (see section 1)

Our Procurement teams have a number of risk mitigations and robust procurement processes in place including our supplier guidelines and supplier on-boarding requirements.

Formal policies are in place that are intended to promote ethical and legally compliant business conduct:

- Direct Group Modern Slavery Policy
- Direct Group Modern Slavery Policy – Supplier Guidelines
- Direct Group Modern Slavery Supplier Questionnaires

Our policies contribute to our commitment to prevent violations of human rights such as modern forms of slavery in our business including our Company Code of Conduct and Whistle-blower Policy & Hotline.

All of the above procedural controls are annually reviewed to ensure that we have robust processes in place to minimise the risk of modern slavery in our operations and supply chain. In FY22, we continued our review of potential risk of modern slavery practices across our operations and supply chains using all our current suppliers' database.

We considered risks that may possibly cause, contribute and/or be directly linked to modern slavery practices, in accordance with the Australian Government's Department of Home Affairs draft guidance document (2018).

We have reviewed other risk factors such as the industry sector, types of products and services, geographic locations and business models. Direct Group has been able to identify areas with no, or low risk, in all operational activities that are directly undertaken by Direct Group employees and covered by our internal processes.

We also identified potential risk 'hotspots' for example, where a local supplier may source a product, such as apparel and technology products/services from overseas regions, which may have a record of having modern slavery practices still in place. We have used these potential risk scenarios to prioritise our supplier engagement activities over FY22. We have already been working on improving our processes such as reviewing our supplier engagement principles and supplier on-boarding approach.

Direct Group is aware that there are wider potential risks with our overseas supply chain as we purchase a significant amount of our products via agents. We will seek to continually identify these risks and ensure relevant staff are aware of them as part of training.

Direct Group compliance framework and assurance processes now incorporate our approach to addressing risk of modern slavery practices. This will ensure that our organisation always has robust, effective and continuing evolving processes that are firmly embedded in how we conduct our business.

4. OUR FY22 COMPLIANCE ACTIONS

Briefed Modern Slavery Compliance Team (MSCT) and Direct Group Board on FY22 planned activities.

MSCT met every quarter to identify key risks and requirements, oversee, escalate & monitor modern slavery compliance.

Analyse FY21 procurement data to identify potential supply chain modern slavery risk.

Incorporate measures into Direct Group FY22 compliance and assurance processes and involve stakeholders as need it.

Create and deliver Modern Slavery presentations, documentation and specific training with all relevant stakeholders: procurement, HR, corporate services, warehouse/contact centre.

Create Modern Slavery Suppliers Guidelines and Questionnaires.

Initiate contact with major local suppliers and some key overseas suppliers to outline Direct Group Modern Slavery program and expectations. Understand suppliers own Modern Slavery initiatives and discuss the need of working together towards identifying Tier 2 and Tier 3 supply chain risks.

Modern Slavery Compliance Reporting to form part of Annual Reporting process with oversight by Direct Group Board.

Preparing Direct Group third reporting cycle under the Modern Slavery Act.

The third public Statement provided in December 2022.

5. OUR ASSESSMENT

In our sourcing, manufacturing and supply of products we know that we have a responsibility to ensure our supply chain is both ethical and sustainable and endeavour to identify opportunities to maximise a positive impact. We therefore concentrate our efforts on first identifying and assessing avenues for remediating modern slavery risks related to our operation and supply chain.

We recognise that relationships with other businesses via supply chain may contribute, or be linked to modern slavery risks and we aim to expand the scope of our ethical sourcing through the addition of new initiatives to ensure our practices are reflective of our business standards.

We have an internal resource who completed training with UTS/Law Faculty/Modern Slavery and obtained certification in A Practical Guide to Modern Slavery Act. Our relevant resources studied available information on modern slavery topics from Monash University, Walk Free Foundation, Baptist World Aid Australia and Global Slavery Index, also attended training sessions with a number of legal firms and had discussions with Sedex, Core Integrity and other agencies helping businesses to implement compliance to the Modern Slavery Act 2018.

The Direct Group HR team has completed Anti-Slavery Australia topical on-line training.

Modern Slavery training sessions were conducted with all key employees in procurement, human resources and managers of various teams and refreshing sessions were conducted with modern slavery related information being continually made available to key stakeholders.

We have completed a human rights and modern slavery assessment covering:

- Supply chain (fashion, general merchandise and jewellery)
- Non-trade procurement and corporate services
- Operations, policies and protocols

A risk assessment has been completed to identify the vulnerability in the supply chain based on:

- geographic location
- type of products/services
- value of spend per country/supplier

During the assessment process, we considered risks that may possibly cause, contribute and/or be directly linked to modern slavery practices, in accordance with the Australian Government's Department of Home Affairs draft guidance document (2018).

We also took into consideration other risk factors such as the sector, industry, types of products and services, geographic locations and business models.

We used risks measuring indicators from Global Slavery Index, corruption indices, labour rights provisions in various countries from where we source. We looked for NGO's and public information on locations with Forced Labour/Child Labour/Bonded Labour. We strengthen our internal policies for protecting Direct Group and its entities from Deceptive Recruitment and Bonded Labour Risks.

Examples of the risks within our operations and supply chain are:

- forced labour involved in the cultivation, harvesting and processing of cotton or similar raw materials in our fashion supply chain
- debt bondage occurring in the cleaning services sector in our corporate services supply chain
- deceptive recruiting
- the worst forms of child labour used in the mining of raw materials used in our electronics (cobalt), jewellery and beauty products (colour additive mica).

Facilities management which includes cleaning, maintenance and security are labour intensive and subcontracting is commonly used with migrant workers constituting a high percentage of the relevant workforce, where exploitation may occur.

Recruitment and temporary labour is extensively used in our operation, but we avoid as much as possible indirect recruitment to avoid the risk of deceptive recruitment.

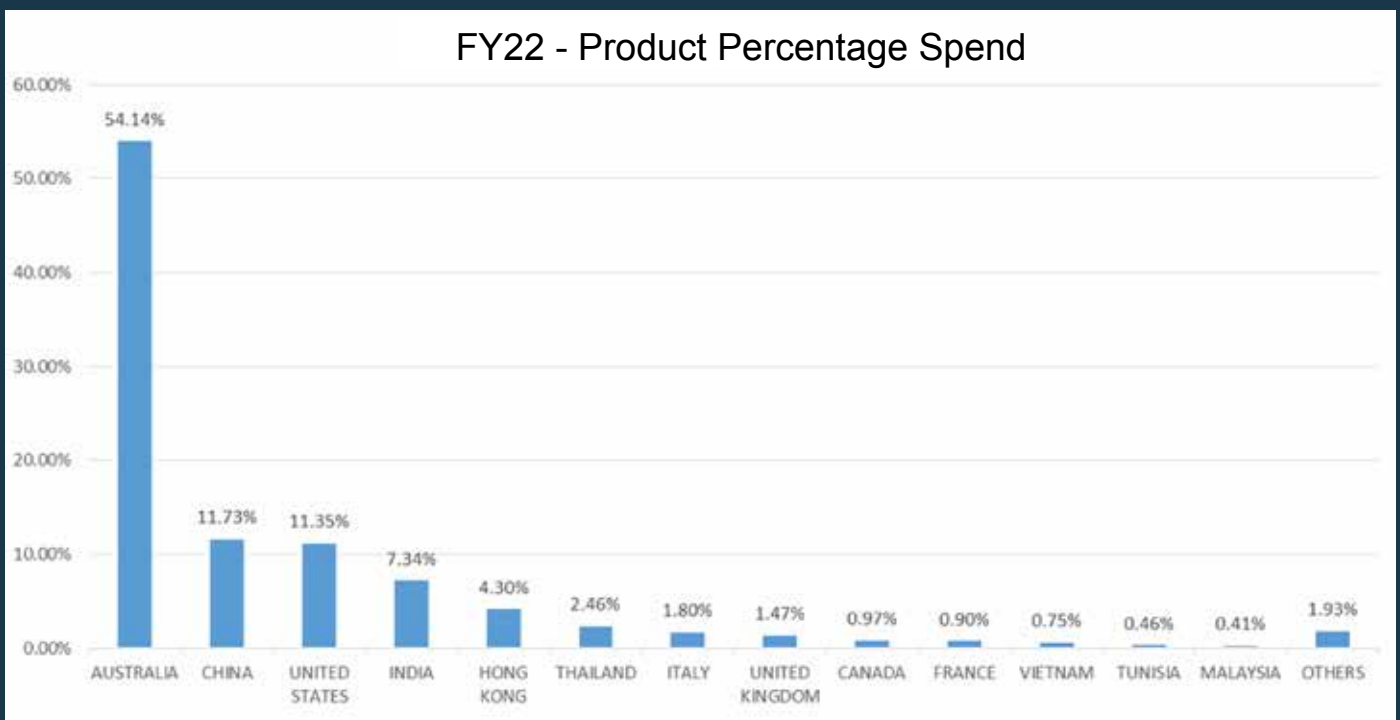
Shipping, freight and logistics straddle both international and domestic freight and distribution to retail and direct customers. These are also areas that can rely on contract workers and temporary labour, known to carry high risk of modern slavery.

The above identified categories will be a focus in our modern slavery work in the coming years and addressed in future reporting periods.

The majority of our spending is in Australia. We acknowledge that goods and services supplied by our direct suppliers may not be manufactured or provided in the direct suppliers' countries, but in jurisdictions that are a higher risk of modern slavery.

We analysed tier 1 supply chain per sourcing countries including Australia, China, India, Thailand, Turkey and Vietnam. Suppliers Ethical Sourcing Questionnaires were put together and we start working on adding modern slavery clauses to contracts, purchasing terms and conditions and to Suppliers Guidelines. A Supplier Modern Slavery Toolkit and reference manual are in progress.

We conducted training with our off shore offices and plan to organise awareness sessions with our agents. Due to the pandemic just a limited number of factory visits were conducted in China and India, but the practice will be re-introduced when deemed safe. We plan to investigate what grievance processes our main suppliers have in place and what degree of transparency can be achieved. All our large Australia based suppliers have Modern Slavery Policies in place.



Overall, Direct Group has been able to identify areas with no, or low risk, in all operational and procurement activities that are directly undertaken by Direct Group employees and covered by our internal processes.

Direct Group is aligned to internationally recognised, key labour indicators: right to a minimum wage, working hours, work place anti-discrimination, zero tolerance to child labour and bribery on all its forms and reducing our carbon footprint and impact on the environment. We are actively working on aligning ourselves with suppliers of both merchandising and services which have stated policies compliant with ours.

Going forward all new suppliers' contracts will have embedded ethical sourcing and modern slavery clauses.



We recognise the importance of providing a reporting procedure and mechanism for our employees to voice grievances that allows for confidentiality. This covers any potential modern slavery reporting and if the need will arise we will protect the interest of the victim and we will take appropriate measures by involving the relevant specialised third party agencies.

Based on our assessment the risk of modern slavery occurring in our operation and supply chain is relatively low.

No incidents of modern slavery or modern slavery like exploitation have been reported to date.

We acknowledge the need to work alongside with the government, NGOs and our peers to share information, knowledge and best practice in mitigating the modern slavery risks.



Inherent Risk by Category		
	Australia	Rest of the World
High Risk	<ul style="list-style-type: none"> Facilities cleaning 	<ul style="list-style-type: none"> Apparel and Garments products
Medium Risk	<ul style="list-style-type: none"> Warehouse and Call Center Labour Hiring Printing and Mailhouse 	<ul style="list-style-type: none"> Electrical and electronic products IT Hardware
Low Risk	<ul style="list-style-type: none"> Professional, Business Services and IT 	<ul style="list-style-type: none"> Software development

Our approach to managing supply chain risk		
Setting Guidelines	Assessing Risk	Managing Risk
Our Procurement Policies underpin our approach	All suppliers over a spend of \$15,000 are in scope	Evaluate Suppliers Questionnaires and conduct factories visits where feasible
We provide our Modern Slavery Policy to our suppliers	Our new suppliers screening considers the inherent risks of product category and country of origin	If gaps are found in the main suppliers practices we work with them to develop corrective action plans
Contractual clauses and T&C set out suppliers obligations	Suppliers with higher inherent risks are required to complete Modern Slavery Assessment Questionnaires	Risks are escalated for decisions making
We train procurement staff and people with purchasing authority on Modern Slavery red flags and compliance guidelines for vendors engagement and continuous assessment	We have covered with Questionnaires more than 55% of our supply chain and have received 27% responses, none of them into the high or medium risk	We reserve the right to review the supplier relationship if they refuse to provide information or transparently co-operate to improve their approach to Modern Slavery Risks

6. ACTIONS TAKEN: REVIEW AND CONSULTATION

We have a number of internal initiatives and policies to ensure we are conducting our business in an ethical and transparent manner

We are continuing our process of updating our supplier agreements and purchase orders with Terms and Conditions that outline our expectations to our suppliers.

All suppliers, including contractors and subcontractors engaged by our suppliers must agree to and abide by our code of conduct.

It is a requirement that all our procurement representatives are discussing with agents and suppliers the details of their subcontractors and raw materials sourcing.

We have a pre-screening approach with suppliers that draws on inherent risk for supply category and country-of-origin.

We have facilitated meetings/discussions with significant suppliers which present, by the nature of their services a residual risk to foster collaborative approach to knowledge sharing on the topic of Modern Slavery.

We are continuing our process of updating and creating policies that are aligned to our Modern Slavery program and that explain our response and actions taken in the event that instances are identified.

We carried out specialised and broad based training with our relevant internal resources: HR, all line managers, product sourcing and procurement personnel, call centre and warehouse supervisors, corporate facilities management.

We operate a confidential whistle-blower policy and confidential contact channels so that all team members know that they can raise concerns about working conditions, how workers are treated, or regarding practices within our business and supply chain.



ACTIONS TAKEN: SUPPLY CHAIN GUIDELINES

Direct Group Supply Chain Guidelines aim to protect worker's rights and strengthen our supplier relationships, commitment to traceability, transparency, raw material sourcing and sustainability.

Our ethical trade principles:

Child Labour – the suppliers/manufacturers and its subcontractors should not engage a worker under the legal age as stipulated by the country rules.

Forced Labour – the suppliers/manufacturers and its subcontractor should not use any form of forced or coerced/prison labour.

Minimum Wages – wages paid should be at the minimum the national benchmark applicable.

Bribery or Corruption – The Group will not tolerate under any circumstance the practice of bribery and corruption in any shape or form in dealings with suppliers or subcontractors, any of their employees, or associated parties.

7. MONITORING AND REMEDIATION

Through our modern slavery program and by monitoring NGO's publicly available information, we have been able to determine the high-risk areas of our supply chain. The Group has traced the first tier supply chain and identified various risks levels to assist in focusing our assessment efforts correctly.

Direct Group conducts due diligence checks on new suppliers. In doing so we maintain an approved trusted supplier list prior to engaging with any potential new supplier.

The due diligence checks include, where applicable and where possible, a factory visit and general assessment of working conditions. In addition to this, we require all existing suppliers to confirm to us that:

- There is no inconsistency with Direct Group's Supplier Guidelines in any area of a supplier's operations
- The suppliers are aware that we may review our engagement at any time should any instances of modern slavery or any other zero tolerance breach of human rights issues come to light

All our overseas employees are paid at least the national minimum wage and paid holidays in line with local labour law/regulations applicable within their country of operation.

We conduct internal training of our buying and sourcing teams to ensure they have a clear understanding of Direct Group's expectations for ethical sourcing. In addition, we provide training and refreshers on how to identify the signs of modern slavery and what to do if they suspect any form of modern slavery is taking place within our operation and supply chain.

Buyers have a check list available, which enables them to conduct supplier evaluation, undertake their own assessment, provide practical assistance and escalate any non-compliance and potential risk.

We are in the process of covering more of the supply chain with Modern Slavery Questionnaires and assessing the received responses. In cases where remedial action is required we will work closely with suppliers to be satisfied that improvements are made.

MONITORING & REMEDIATION VERIFICATION

We monitor the effectiveness of our programme to ensure that slavery and/or human trafficking is not taking place within our business or supply chain by:

- Reviewing any reports received from employees, the public, or law enforcement agencies that indicate that modern slavery practices have been identified
- Remediation and management reporting of breaches identified by our whistle-blower hotline
- Conducting regular reviews of our risk assessment process and compliance programme to ensure that they are relevant and up to date
- We provide regular training and capacity building for our team members and overseas agencies
- We engage with stakeholders to maintain a proactive dialogue on our performance

We also identified potential risk 'hotspots' for example, where a local supplier may source a product, such as apparel and technology products/services from overseas regions, which may have a record of having modern slavery practices still in place. We will use these potential risk scenarios to prioritise our supplier engagement activities over the next financial year (FY23).

We are also aware that there are wider potential risks, with our overseas supply chain as we purchase a significant amount of our products via agents. We will seek to continually identify these risks and ensure relevant staff are aware of them as part of training.

The Direct Group Modern Slavery Remediation & Response Plan is in its development stages. The work complements our existing mechanisms to remediate compliance issues, by having a process (ensuring we have effective grievance, reporting and escalation mechanisms in place to find out if there is an issue) and an outcome (ensuring we are equipped to act responsibly and address any adverse impacts) Key aspects include :

- guidelines for safeguarding victims or affected persons throughout any response
- reporting , escalation and referral process including strengthening the capability of our whistle-blower function as the main grievances mechanism
- define operational and supply chain "red flags"
- considering potential actions to take dependent on the degree to which we may have caused, contributed to or been linked to an incident and our degree of leverage

Area	Goal	Relevant KPIs and Measures
Governance Planning and Reporting	We have appropriate policies and processes to manage and report on modern slavery risk across the group. We are in the process of developing a system to assess vendors questionnaire responses	<ul style="list-style-type: none"> • policy documents • functioning governance mechanism • transparent consultative reporting
Assesing and Managing Risks	<p>We effectively scope and understand modern slavery risks across our business group</p> <p>We effectively scope and manage modern slavery risks to people in our extended workforce, including with those in facilities management</p> <p>We effectively scope and manage modern slavery risks in procurement of products and services</p>	<ul style="list-style-type: none"> • regular macro risk assessment • risk scoping with factory auditing • external engagement to inform risks business unit modern slavery risk profiles • updated contractual controls • investigating the options for a score card for high risk suppliers • audit completion rate of Suppliers Modern Slavery Questionnaires • improved risk based due diligence • Number and % of suppliers assessed on target for FY22 • Management of high risk suppliers (# corrective actions resolved) • Develop internal audit recommendations
Internal Engagement and Training	Our people know how to identify, reduce and report modern slavery risks	<ul style="list-style-type: none"> • HR modern slavery specialist training • Specialised training delivered to staff with relevant responsibilities • Staff participation rates
Response and Remediation	We are prepared to detect and respond appropriately to potential or existing cases of Modern Slavery	<ul style="list-style-type: none"> • Remediation plan in development and plan socialising • Red flag developed and key staff trained • Relevant complaints managed via whistle-blower



8. VERIFICATION AND FUTURE COMMITMENTS

Over the next year, our Modern Slavery compliance key focus areas will include:

- In FY23 we will focus our efforts on pre-screening the remaining suppliers and conducting detailed assessments and auditing for high risk suppliers as we identify them.
- Reviewing and updating our suite of risk-related policies and governance control measures around labour hire, facilities management and cleaners.
- Stakeholder engagement on this issue, including delivering appropriate awareness training sessions on modern slavery principles to relevant Direct Group staff and key suppliers.
- Risk mitigation and robust procurement processes in place including our review of the supplier guidelines and supplier on-boarding requirements.
- Finalise and implement a frame work for managing supplier risk after the assessment process is complete, including a process for escalating risks.
- Relevant people with functional responsibilities can identify risks and warning signs and respond appropriately. Modern Slavery training is part of our induction process and yearly refreshers are included for key personnel.
- Continue to scope modern slavery risks across second and third tier supply chain, especially in our overseas product sourcing.
- Anti-Slavery Day awareness will be popularised among all colleagues to raise its profile.

All of the above procedural controls will be annually reviewed to ensure that we have robust processes in place to minimise the risk of modern slavery in our operations and supply chain.

We continue to adapt our approach and actions in assessing and addressing modern slavery risks and we acknowledge there is a long road ahead for all and we are committed to this cause and our responsibility.



9. THE IMPACT OF COVID-19

Direct Group acknowledges the increased vulnerability of workers in operations and supply chains to modern slavery, including in Australia as an effect of the almost three years of the pandemic.

Factory shutdowns, order cancellations, workforce reductions and sudden changes to supply chain structures can disproportionately affect some workers and increase their exposure to modern slavery and other forms of exploitation. There are a variety of reasons why some workers may be more vulnerable to modern slavery. These include loss of income or fear of loss of income, low awareness of workplace rights, requirements to work excessive overtime to cover capacity gaps, increased demand due to supply chain shortages or the inability to safely return to home countries.

Direct Group has integrated consideration of modern slavery risks into our broader response to the pandemic. This includes:

- Using internal sustainability, human rights or modern slavery working groups to identify opportunities for action
- Ensuring workers continue to have access to grievance mechanisms
- Ensuring workers are protected from illness and related impacts by providing, for example, appropriate protective equipment, leave and pay arrangements during periods of self-isolation.
- Establishing new supply chains to source protective equipment for its workers, such as masks, disinfectants and rubber gloves

Key steps Direct Group entities are taking to protect its supply chain include:

- Maintaining supplier relationships and fostering open communication with suppliers about COVID-19 risks. Direct Group has maintained supplier relationships, including honouring current contracts where possible and recognising that purchasing practices such as short production windows and last-minute or short term orders may increase modern slavery risks for vulnerable workers.
- Paying for completed work and maintained supply chain stability to help ensure ongoing cash-flow for suppliers.
- Avoiding varying contracts unreasonably or seeking discounts from suppliers
- Asking suppliers for information on steps they have taken to protect their workers from COVID-19.
- Continuing existing supplier due diligence and remediation processes and adjusting these processes where necessary to ensure risks linked to evolving supply chains and changing workforce structures are identified and addressed.

Due to Covid-19 Direct Group was unable to fully implement some of the key actions planned, including our review program and face-to-face staff training. Over the next reporting period Direct Group aims to provide additional training with the aim of making key modern slavery training accessible online and we will continue to engage with selected suppliers throughout the reporting period where feasible.

Direct Group has established a Modern Slavery Compliance Team to monitor its Modern Slavery response, however the group met less frequently than planned due to the impacts of Covid-19. There were plans to track a range of key metrics to assess its effectiveness but we were unable to collect complete data for some metrics due to the impact of Covid-19.



10. MODERN SLAVERY ACT REPORTING CRITERIA

Criteria	Relevant Section in Statement
Identifying the reporting entity	Introduction and Scope
Describe the structure, operations and supply chain of the reporting identity	Our Structure, Business and Supply Chain
Describe the risks of modern slavery practices in the operation and supply chain of the reporting entity and any entities that the reporting entity owns or controls	Our Modern Slavery Assessment
Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	The Implementation Roadmap Actions Taken, Review and Consultation Monitoring and Remediation
Describe how the reporting entity assess the effectiveness of such actions	Verification and Future Commitments
Describe the process of consultation with any entities that the reporting entity owns and controls	Our FY22 Compliance Key Actions
Provide any other information that the reporting entity, or the entity giving the statement, considers relevant	The Impact of Covid-19

Additional resources:
 Commonwealth Modern Slavery Act – Guidance for reporting entities (2MB PDF)
 UN Guiding Principles on Business and Human Rights
 OECD Due Diligence Guidance for Responsible Business Conduct
 United Nations Global Compact ‘Decent Work Toolkit for Sustainable Procurement’
 2018 Global Slavery Index

GOVERNING BODY APPROVAL

This statement pursuant to the Australian Modern Slavery Act 2008 was approved by the Board of Direct Group Investments Pty Ltd in their capacity as principal governing body of Direct Group Investments Pty Ltd on December 2022 and constitutes the statement for the year ended 30 June 2022.

This Statement was signed on behalf of the Board of Directors by:

Bernie Brookes

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Bernie Brookes
Chairman of the Board

Date 9th February 2023
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