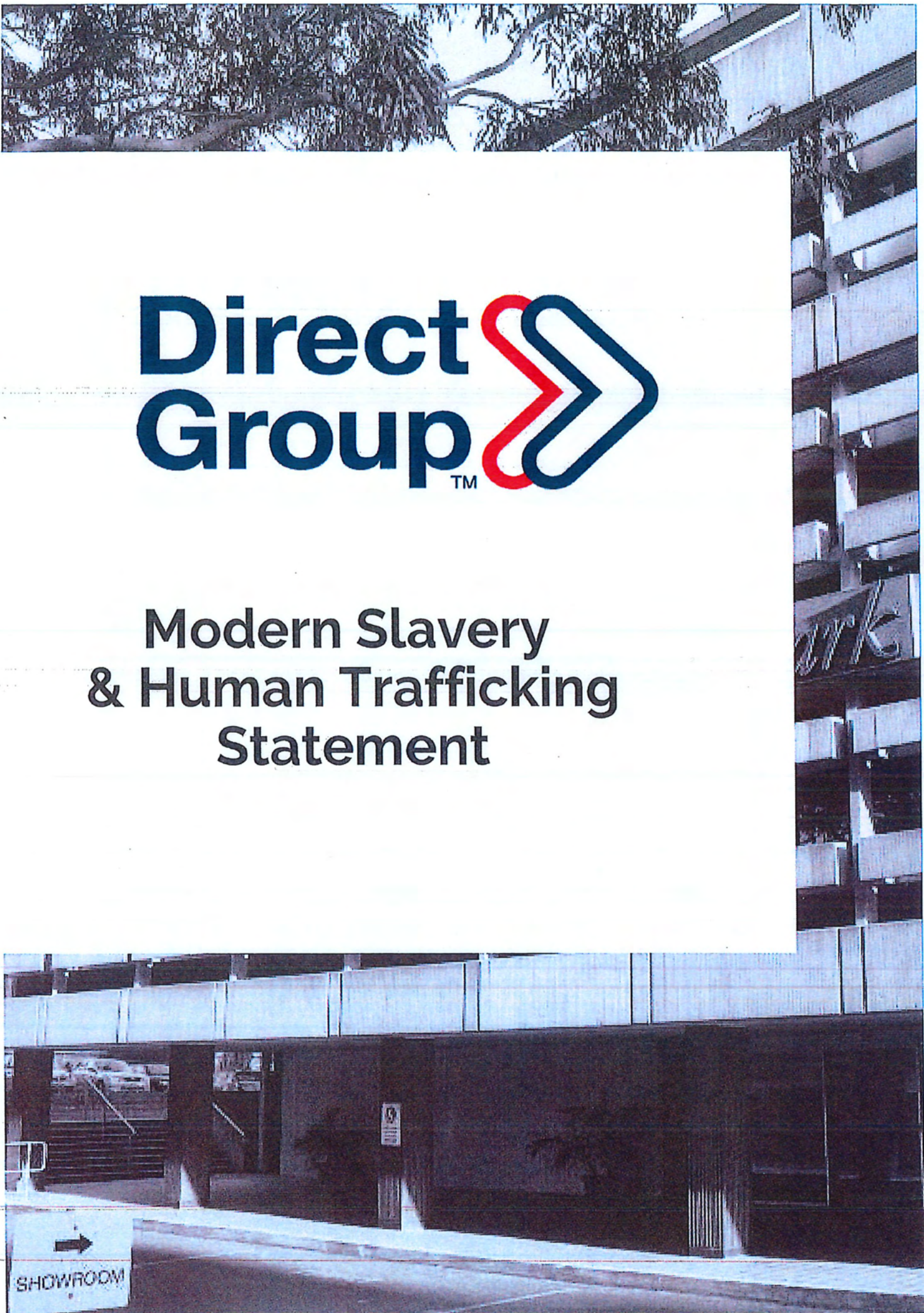




Modern Slavery & Human Trafficking Statement



The Direct Group 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 understand and implement actions to minimise modern slavery and human trafficking risks in our operations and supply chain for the financial year ending 30 June 2020*

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*Direct Group Investments Pty Ltd ACN 602 302 205, 431 Warringah Rd Frenchs Forest, NSW 2086, subsidiaries:

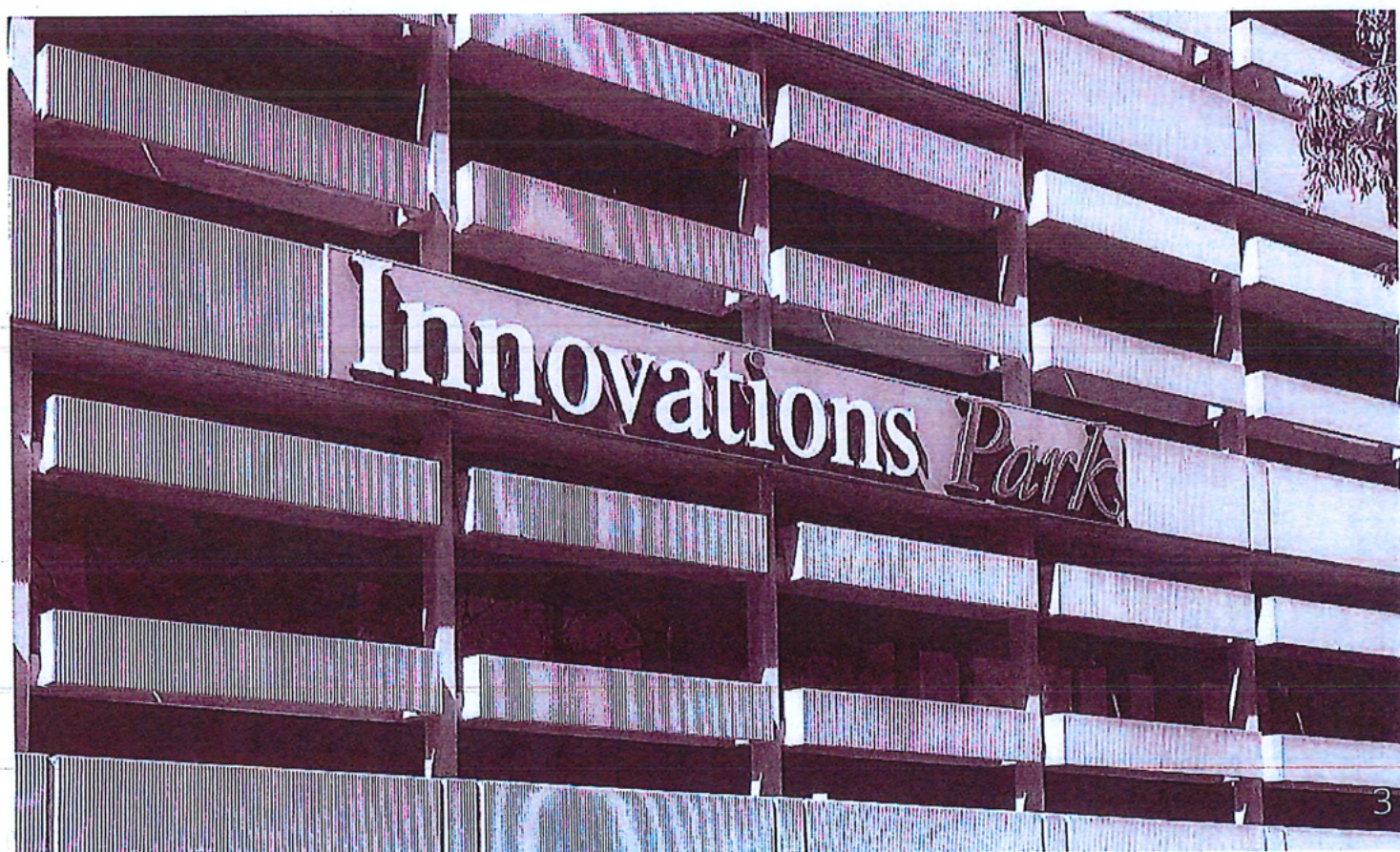
Direct Group Pty Ltd ACN 065 432 199, Innovations Direct Pty Ltd ACN 002 899 701, Damart Australia Pty Ltd ACN 001 440 802, Magnamall Pty Ltd ACN 063 154 174, Homecare Direct Shopping Ltd AK 812252, Interline Sport and Entertainment Pty Ltd ACN 116 747 883, Entertainment Masters Pty Ltd ACN 057 408 590, EJJV Pty Ltd ACN 111 128 959, Galam 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 ACN 121 987 933, The Seniors Ad Network Pty Ltd ACN 167 436 188, 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 Ltd CN 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 Pty Ltd RN 200607506M, Direct Publishing Association Far East Ltd CRN 35872, Direct Publishing (East Asia) Ltd CRN 92813, Direct Publishing (Malaysia) SDN BHD CRN 120074-H

1. Introduction

This is the first Modern Slavery Statement for Direct Group Investments Pty Ltd (Direct Group) and its purpose is to outline our approach to ensuring that Direct Group has robust frameworks and processes in place to 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 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.

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 in our business and we work closely with our supply chain to identify potential risks.



2. Our structure & 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 variety of products to millions of loyal customers. Our direct purchase proposition is offered increasingly online and is more targeted to the seniors market.

All the specialist knowledge gained over the years has allowed the group to optimize 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 42 websites as well as through call centres, emails, catalogues, television and digital publishing.

Direct 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 the 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 almost 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.

2. Our structure & supply chain continued

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 delivery 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 environmental 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 Red Kite, Starlight Foundation, Pink Hope, Oz Harvest, Look Good Feel Better, The Stroke Foundation and many others.

Our values

Drive

Integrity

Respect & Empathy

Environment

Community

Teamwork & Communication

Growth

Results Orientated

Organised

Understanding

Productivity & Profit

3. The Implementation Roadmap

The Direct Group ethical program is developing an implementation roadmap with 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 Operations, Procurement and Human Resources.

Formal policies are in place that are intended to promote ethical and legally compliant business conduct. Our policies contribute to our commitment to prevent violations of human rights such as modern forms of slavery in our business including our Code of Conduct, Whistle-blower Policy and Hotline.

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

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.



3. The Implementation Roadmap Continued

In FY20, we undertook a review of potential risk of modern slavery practices across our operations and supply chains within 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 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 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 including apparel and technology products 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 (FY21). 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. 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 the risks of modern slavery practices. This will ensure that our organisation has robust and effective processes that are firmly embedded in how we do business.

4. Our FY 2020 compliance actions

Brief board on emerging Modern Slavery Act 2018 compliance requirements

Establish modern slavery compliance working group in 2019 to identify key risks and requirements, oversee, escalate and monitor integration into existing compliance

Determine supply chain modern slavery risks

Incorporate measures into Direct Group FY20 compliance and assurance processes

Create Modern Slavery Supplier Guidelines and Questionnaires

Create and deliver Modern Slavery presentations, documentation and training with all relevant stakeholders

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

Initiate contact with local suppliers and some key overseas suppliers to outline our Modern Slavery program and expectations

Prepare for the first reporting cycle under the Act.

The first public Statement provided in March 2021.

5. Our Assessment

In our sourcing, manufacturing and supply of products we know 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.

6. Actions taken Review & 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 in the process of updating our supplier agreements and purchase orders with terms and conditions that outline our expectations to the suppliers who work with us

All suppliers, including contractors and subcontractors engaged by our suppliers should now agree to and abide by supplier guidelines

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 commenced the 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 operate a confidential whistle-blower hotline so that all team members know where they can raise concerns about working conditions, how workers are treated, or regarding practices within our business and supply chain

6. Actions taken Supply Chain Guidelines

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

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 where 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 & 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. Direct Group has traced the first tier supply chain and identified various risks levels to assist in focusing our assessment efforts correctly.

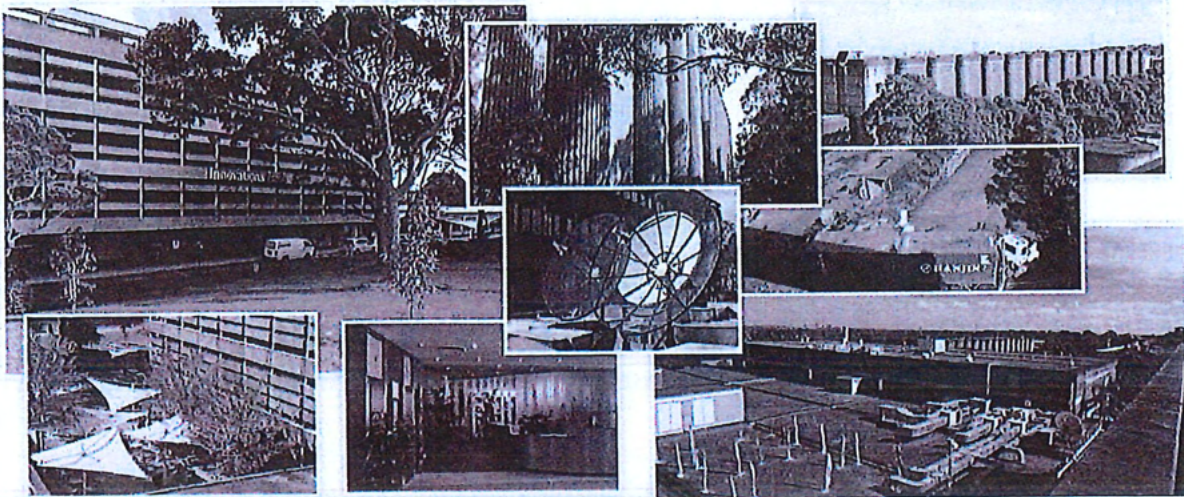
Direct Group conducts due diligence checks on new suppliers. In doing so Direct Group maintains an approved supplier list prior to engaging with any potential new supplier. The due diligence checks includes, where relevant, a factory visit and a general assessment of working conditions. In addition to this, we require all existing suppliers to confirm to us that:

- They are consistent with Direct Group Supplier Guidelines in all areas of their operations
- All our overseas employees are paid at least the national minimum wage in line with local labour law/regulations applicable within their country of operation
- The suppliers are aware that we may review contracts at any time should any instances of modern slavery or any other breach of human rights issues come to light

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 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 evaluations, undertake their own assessment, provide practical assistance and escalate any non-compliance and potential risk.

In cases where remedial action is required, we work closely with suppliers to be satisfied that improvements are made.



7. Monitoring & Remediation Verification

We monitor the effectiveness of our Modern Slavery Act 2018 compliance program 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 whistleblower hotline
- Conducting an annual review of our risk assessment process and compliance program 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

8. Future Commitments

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

- Reviewing and updating our suite of risk-related policies and governance control measures
- Stakeholder engagement on this issue, including delivering appropriate awareness training refresher 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

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.



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 affect 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 including 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, such as hotlines
- 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

The Impact of Covid-19

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

- Maintaining supplier relationships and fostering open communication with suppliers about COVID-19 risks. Direct Group 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 maintaining 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 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 aim to making key modern slavery training accessible online and we will continue to engage with selected suppliers throughout its 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.



Reporting Criteria

Criteria	Relevant section in statement
Identifying the reporting entity	Introduction
Describe the structure, operations and supply chain of the reporting identity	Structure & 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	Actions Taken, Monitoring & 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 Modern Slavery Act Compliance Key Actions
Provide any other information that the reporting entity, or the entity giving the statement, considers relevant	The Impact of Covid-19

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

Name _____ On _____

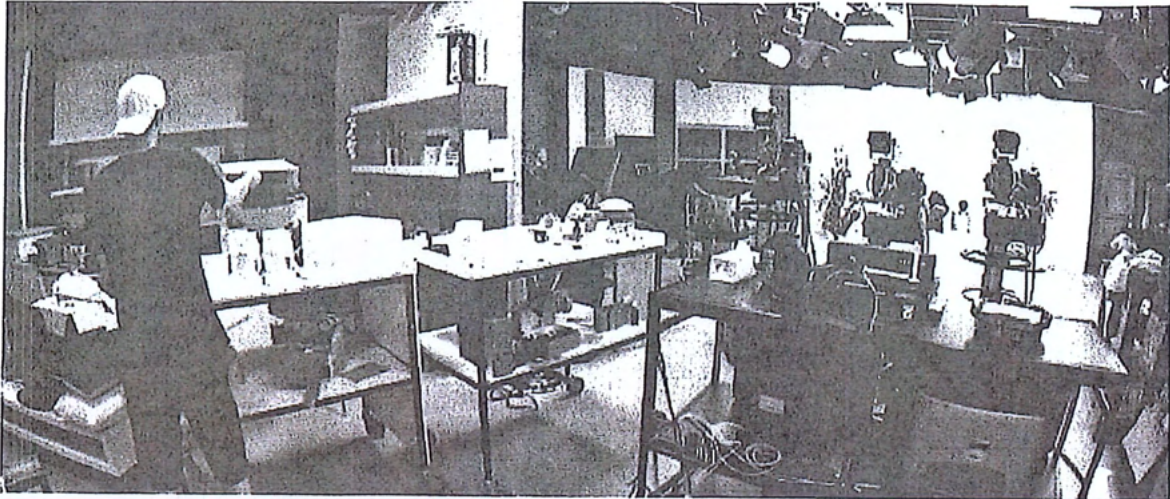


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Provide any other information that the reporting entity, or the entity giving the statement, considers relevant	The Impact of Covid-19

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

Name G.A. Smith On 20/03/21



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 29 March 2021 and constitutes the statement for the year ended 30 June 2020.

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

Graham Alexander Shaw
Chairman of the Board and Non-Executive Director

Date 20/9/2021