



Innovations *Park*



Modern Slavery and Human Trafficking Statement

FY23

The Direct Group Statement

This statement, under the Australian Modern Slavery Act 2018, sets out the activities taken by Direct Digital Group Holdings 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 2023. Each section in this Statement corresponds to a mandatory criterion of the Act.

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1. INTRODUCTION AND SCOPE OF THE STATEMENT

Direct Group is proud to support the efforts of the Australian Government in implementing the Modern Slavery Act 2018 and its actions toward advancing businesses' respect for human rights.

Modern Slavery is a complex issue with global impact. The Global Slavery Index (September 2023) shows that modern slavery has risen alarmingly, with 49.6 million people living in modern slavery, including 28 million in forced labour conditions. More than 50% of forced labour happens mostly in private sectors of middle to high-income countries. It is paramount for all organisations to take action and ensure responsibly that there is no hidden human cost in conducting their business.

This is the fourth Modern Slavery Statement for Direct Digital Group Holdings 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.

In assessing modern slavery risk, we aim to prevent exploitation of our direct workforce and identify potential risks to workers in our multi-layered supply chain of products and services.

We are confident from the steps we've taken over the past 5 years that we have made progress in putting 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.

In FY'23, we were committed to screening 50% of our merchandise and 50% of our service suppliers via questionnaires, with whom we spend over \$15,000 annually, starting with high-risk locations and identifying any modern slavery red flags. We have achieved both these goals, establishing a strong foundation now embedded in our procurement processes.

Direct Group does not tolerate modern slavery in its operation and supply chain. This commitment aligns with our values and ethics, encompassing how we conduct business responsibly.

There have been substantial changes in the executive team at Direct Group. With these changes has come a renewed supply chain strategy related to sourcing and a more strategic approach to risk management. As part of the renewal of the management and executive, opportunities have been identified to further improve and change the sourcing strategy and buying partners of Direct Group, and with this comes the opportunity to tailor the risk management approach for all risks in our supply chain, including risks of modern slavery.

In the future, we are implementing a modern risk management framework based on ISO31000, which will provide an even more tailored risk lens for all the key risks in our business, deepen our transparency with high-risk suppliers, further assess our workforce compliance and improve modern slavery risk mitigation across the markets we operate in and source from.

2. OUR STRUCTURE, BUSINESS AND SUPPLY CHAIN

WHAT WE DO

Since its launch in 1985 as a specialist direct marketer, Direct Group has developed into a comprehensive multi-channel retailer offering millions of loyal customers a wide range of products. Our direct purchase proposition is offered increasingly online and mainly targets the senior 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 the Philippines. It communicates directly with its customers through its websites, 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. We have small offices in New Zealand, India, Hong Kong, Singapore and Taiwan and an outsourced contact centre in the Philippines

The corporate structure consists of a holding company, Direct Digital Group Holdings Pty Ltd, comprising three operating divisions and a number of wholly-owned, or majority controlled subsidiaries (page 2).

These subsidiary entities have an annual consolidated revenue of over \$100m across the reporting period, therefore meeting the Act's definition of a reporting entity.

OUR BUSINESS STRUCTURE

Organisationally, the group is divided into three main operating divisions. Each run relatively autonomously with selected services such as warehousing, contact centre, distribution and IT infrastructure provided by a shared corporate team.

Innovations is a leading direct to consumer retailer with a portfolio of online, social and catalogue brands. Established in 1985, Innovations markets to its customers in Australia and New Zealand. Also operates digital and print content platforms comprising Reader's Digest, Over60 and WYZA.

Innovations offer a wide range of products for home, garden, fitness, beauty, office, recreation and leisure through online, catalogues, published media and showroom.

The TVSN website features 24-hour live streaming of the channel as well as over 8,000 products, many of them supported by demonstration videos. Other video content on the site showcases catch-up TV, brand profiles, live chats with presenters reaching almost 10 million households.

Under Direct Publishing, the group owns a range of digital and print publications that provide a significant reach in the mature market, including Reader’s Digest, Select Edition book series and Over 60.

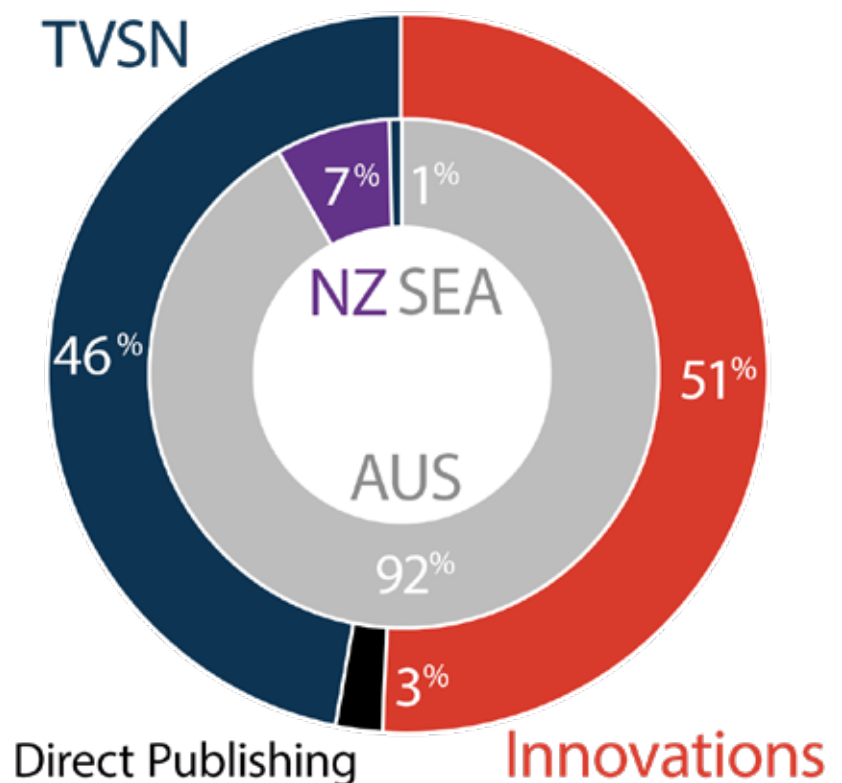
Acquiring the licence to publish the iconic brand Reader’s Digest in 2017, Direct Group is now responsible for producing digital and print versions of the magazine in Australia, New Zealand and across the Asia region in both English and simplified Chinese, along with country specific websites and social media pages for all regions.

These channels are boosted by the highly respected annual Reader’s Digest Trusted Brands Survey Awards and Quality Service Awards, which allow the business to deliver sophisticated advertising campaigns across both digital and print formats.

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, call centres, warehousing and logistics functions.

Direct Group is an equal opportunity employer of close to 550 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.

Direct Group by divisions and geography





OUR SUPPLY CHAIN

The Group's sourcing processes are extensive. We source products around the globe, from almost 35 countries, with both local and international teams devoted to product sourcing, 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.

Direct Group does not manufacture goods directly.

OUR PURPOSE AND VALUES

As a Sydney suburbs 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 a number of charities across a wide spectrum of causes. These include: The Stroke Foundation, Pink Hope, Australian Cancer Research Foundation and Northern Beaches Women's Shelter.

OUR VALUES:

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

Snapshot of our organisation:

Australia

Total employees and including estimated extended workforce: approx. 550
(permanent full-time and part-time, contractors and casuals at peak capacity)

By duties:

- Corporate office workers including contractors - 218
- Studio (Models & Presenters) - 20
- Customer contact centre workers – 154
- Warehouse – 158

NZ

Customer Contact Centre - 4

Philippines

Customer Contact Centre (outsourced) - 42

Asia

Corporate, sales, advertising, shipping and sourcing staff - 20

By location

Australia based	550
NZ Based	4
China Based	9
India based	6
Taiwan based	1
Singapore based	2
HK Based contractors	2
Malaysia	2
Philippines (outsourced contact centre)	42

3. THE IMPLEMENTATION ROADMAP

2019	2020	2021	2022	2023
Modern Slavery Certified Resource	Roll out updated corporate policy	Procurement Resources Training	Accelerate Supplier Assessment Roll-out	Update all contracts and Purchase Orders with Modern Slavery clauses
Board Briefing	Assess Internal Risks Areas	Define DG Modern Slavery risks	Scale up and enhance staff training	Complete rolling-out Modern Slavery Questionnaires
Formed Working Group	Key Resources Training	Covid 19-policy and impact	Response and Remediation Plan Scoping	Create an on-boarding process of new suppliers to include Modern Slavery Questionnaires
Initial Risk Assessment across the Value chain	Define Supplier Assessment Approach	Create a plan for Supplier Assessment Roll-out	Scope Supplier Assessment Tool	Process suppliers responses and asses red flags
Set Targets	First Public Statement	Second Public Statement	Third Public Statement	Fourth Public Statement

4. OUR RISKS OVERVIEW

OUR APPROACH TO IDENTIFYING MODERN SLAVERY RISK

We apply a systematic approach to risk and compliance at Direct Group. We understand that under the Modern Slavery Act “modern slavery risk” represents risks to people involved in our value chain. At the same time we have also considered the implications of this in terms of risk to our business.

We have been formally assessing risk of modern slavery across our entire value chain since 2019 and in doing so we have considered the Modern Slavery Act Guidance regarding sectors in which modern slavery has been found to take place, including high-risk countries, vulnerable populations, high-risk products/industries and high-risk business practices, such as sub-contracting and out-sourcing, where the visibility and control might be reduced. We have used the Global Slavery Index reference data, including its most recent 2023 release.

We recognise that modern slavery has the potential to occur in any location and sector and we are committed to creating and improving an ongoing program of assessment and mitigation.

SUMMARY AND ACTIONS

A committee of team members who formed a Modern Slavery Compliance Team have identified focus areas for assessing modern slavery risks across our entire value chain. The following table explains the rationale and nature of each risk including the workers it potentially affects. Section 5 outlines the actions in more details.



Area	Potential Risk	Risk Explanation	Mitigating Actions
Indirect hired people	People hired by a variety of third party agencies on our behalf	The people working for us and whom are not in our direct employment are under less direct control over the conditions of their engagement. We also use contractors and labour hire.	Contractual arrangements and limiting tiers of sub-contracting. Workforce education, employee training to identify potential signs of modern slavery. Whistle-blower awareness and access to independent hotline. Support suppliers understanding of modern slavery compliance.
Sub-contracted service providers in our facilities	Workers in service areas identified as higher risk such as cleaners and landscape maintenance supplier	We acknowledge that certain services we use in our facilities are considered high-risk industries for labour exploitation	Training and auditing our services providers, contractual arrangements including requirements for modern slavery clauses. Prominent whistleblowing hotline and “speak up” signs in areas contractors work.
Corporate Procurement Network	Workers producing goods and services sourced by our formal procurement process	The majority of our corporate spend is low risk categories and takes place in Australia from relatively large suppliers. We also note a very low degree of potential risk in relation to our decentralised low value purchasing by staff.	Our team is trained to better incorporate modern slavery risk into their sourcing decisions, including contracts. Group Procurement principles, systems and policies including pre-screening suppliers to identify high-risk.
Retail Direct Channel procurement of product, print and fulfilment	Workers producing goods procured by Retail Merchandise for sale	We source a range of goods for sale such as fashion, electronics, appliances imported directly, or via agents, from suppliers operating in industries and countries considered high-risk.	Use of Group Procurement policies for retail sourcing including suppliers due diligence, questionnaires and risk assessments. Utilisation of available desktop screening resources for red flags. Merchandise team trained to better incorporate modern slavery risk assessment into their pre-screening and decision making, and contractual requirements. Collaborate with suppliers to join Sedex or BSCI to obtain assessment.

5. OUR FY'23 ACTIONS OVERVIEW

The governance structure applied during FY23 was aimed at ensuring transparency and accountability regarding modern slavery compliance.

A Modern Slavery Compliance Team (MSCT) was developed with representation that included people and Culture (employee relations), sustainability, procurement, supply chain and logistics management, retail merchandise, governance and facilities management.

The MSCT reported to an accountable Executive sponsor who provided relevant updates to the Board.

The MCST developed an annual plan with goals and objectives, and met regularly to identify key risks and requirements and to oversee, escalate and monitor modern slavery compliance issues. Each representative of the MCST was responsible for reporting on progress relevant to their areas.



Key actions during FY23 included:

- Analysing FY22 procurement data to identify potential supply chain modern slavery risk and then incorporating measures to address those key risks into Direct Group FY23 compliance and assurance processes.
- Create and deliver Modern Slavery capability building presentations, documentation and specific training with all relevant stakeholders: procurement, HR, corporate services, warehouse/contact centre.
- Circulate Modern Slavery Suppliers Guidelines and Questionnaires, process responses and follow-up where necessary if red-flags were identified.
- Initiate contact with major local suppliers and key overseas suppliers to outline Direct Group's Modern Slavery program and expectations, understand those suppliers own Modern Slavery initiatives, and commence discussions regarding the need of working together towards identifying Tier 2 and Tier 3 supply chain risk.
- Continuing our process of updating our supplier agreements and purchase orders with terms and conditions that outline our expectations to our suppliers, and require warranties related to compliance with laws, including Modern Slavery Laws.
- Requiring all suppliers, including contractors and subcontractors engaged by our suppliers, to agree to and abide by our code of conduct.
- Completing a pre-screening approach with suppliers that draws on inherent risk for supply category and country-of-origin.
- 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.
- Operating 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.

The MCST was also responsible for preparation of the fourth Direct Group reporting cycle under the Modern Slavery Act.

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.

OUR GUIDING POLICIES AND PRINCIPLES

Direct Group has a range of policies and plans which underpin our commitment to actions against modern slavery.

<p>Organisational Policies</p>	<p>Our Code of Conduct embodies our group wide commitment for addressing modern slavery.</p> <p>Our Modern Slavery policy functions as a stand-alone policy document aligned to relevant standards and principles.</p> <p>Our workforce arrangements including our policies and procedures are developed and maintained in accordance with relevant Australian workplace laws.</p> <p>Our Group Whistle-blower Policy, Guidelines and Hotline provide a grievance mechanism for people both within and outside of our business.</p> <p>We have a clear Procurement Policy and framework which includes addressing modern slavery risks.</p>
<p>Sustainable Procurement Principles</p>	<p>Our sustainable procurement principles are :</p> <ul style="list-style-type: none"> • Workplace health safety and wellbeing is never compromised. • Zero tolerance for harassment, abuse and discrimination. • Prioritise social enterprise, ethically certified goods • No exploitative or forced labour and wage practice must be fair. • Environmental impacts and hazards are minimised where possible.
<p>Supplier Code of Conduct</p>	<p>Included in all supplier contracts, agreements and purchase orders, the Direct Group Supplier Code of Conduct sets our minimum expectations of our suppliers to ensure suppliers do not use any child labour, forced labour and operate according to recognised national and/or international standards.</p>

We have a principled approach to ensure our processes are focused on higher risk areas, with three stages in our approach.

Setting Guidelines	Assessing Risk	Managing Risk
Our Sustainable Procurement Principles underpin our approach	All suppliers over a spend threshold of \$15,000 per annum are in scope	If gaps are found in the supplier's practices or management of modern slavery risks we work with the suppliers to develop a Corrective Action Plan
We provide our Code of Conduct to our contractors, agents and suppliers	Our pre-screen assessment considers inherent risk of the product category and country of origin using The Global Slavery Index and where available Sedex data	Risks are escalated for decision making
Contractual clauses set out supplier obligations	Suppliers are required to complete Direct Group Modern Slavery Questionnaire	We conduct supplier audits and factory visits where relevant and feasible
We train procurement team members and people with purchasing authority	Questionnaire Responses are evaluated	We reserve the right to review the supply relationship should supplier not cooperate and improve performance

MANAGING RISK IN OUR SUPPLY CHAIN

In FY'23 we further embedded our risk-based approach to managing modern slavery risk into the procurement process around three principles:

- We used the pre-screening process to identify high risk suppliers in the supply category and country-of-origin, especially strategic suppliers with potential for a long term procurement relationship.
- Suppliers that pre-screened as medium, or high risk were required to complete Sedex assessment where possible. Alternatives were negotiated on a case by case basis where suppliers were not members of Sedex and membership was not able to be negotiated as a requirement.
- We broadened our approach to accept Business Social Compliance Initiative Certifications (BSCI) – India based.

Our Supply Chain in FY'23

In FY'23 Direct Group engaged 679 suppliers across our business operation, procuring goods and services. Key areas of spend included Products, Post, Print, Corporate Services, Warehousing, Call Centre, People and Professional Services, Information Technology & Telecommunications. The majority of our spending occurs with direct suppliers in Australia. We acknowledge that goods and services supplied by our direct suppliers may not be manufactured or provided in those direct suppliers countries, but on jurisdictions that are at higher risk for modern slavery.

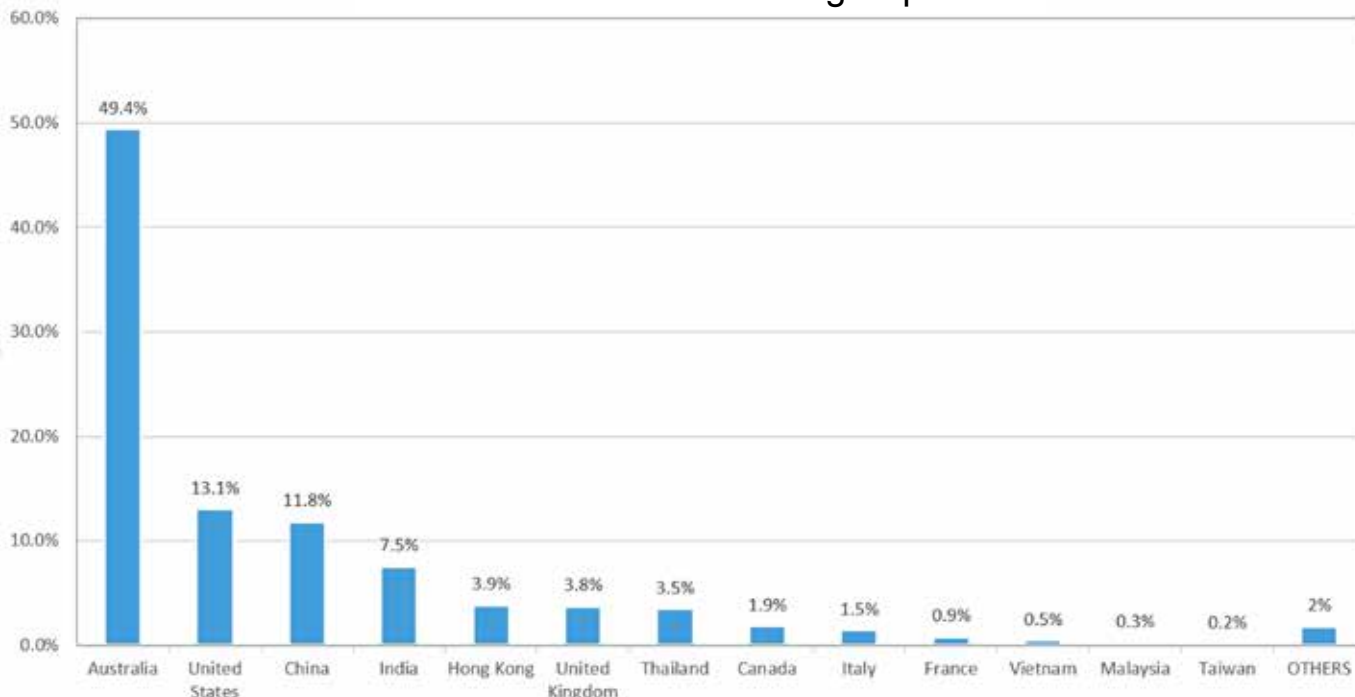
Spend by Category (people cost not included)

Retail Products	59%
Post	22%
Corporate Services	9.5%
Print	5%
Other	4.5%

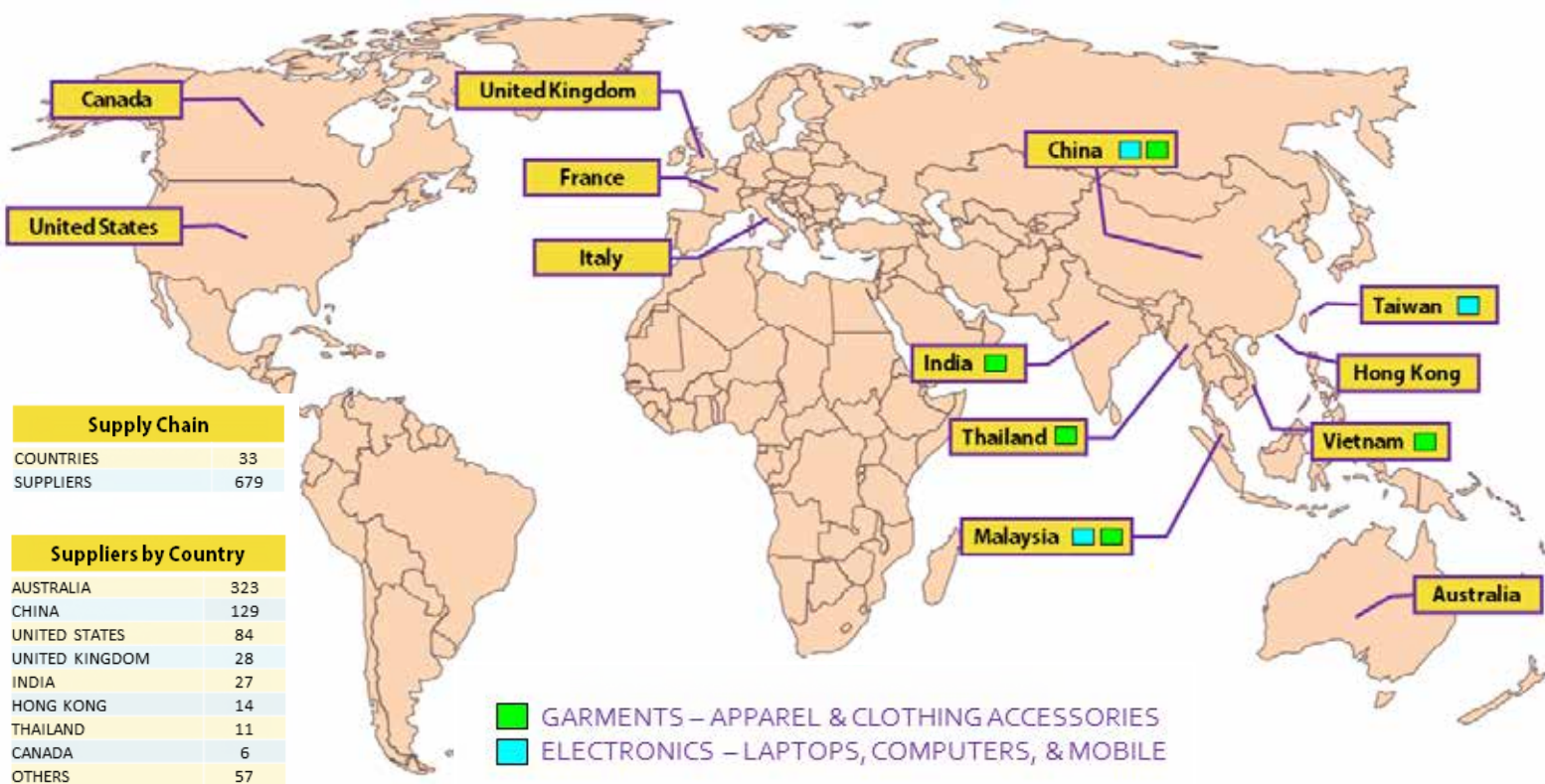
Spend by country of origin for merchandise and corporate services:

Australia	49.4%
United States	13.1%
China	11.8%
India	7.5%
Hong Kong	3.9%
United Kingdom	3.8%
Thailand	3.5%
Canada	1.9%
Italy	1.5%
France	0.9%
Vietnam	0.5%
Others	2.5%

FY23 - Product Percentage Spend



Direct Group – Supply Chain



In recent years we have developed a better understanding of the inherent risks within our sourcing categories by leveraging data from the Global Slavery Index. This enables us to perform more in-depth due diligence on suppliers that have greater potential risk of modern slavery practices within their own operations therefore delivering a more effective approach to risk assessment.

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



Examples of the risks that could potentially occur 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
- 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 of temporary labour is used in our operations, but indirect employment or recruitment is avoided as much as possible 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.

6. PROCUREMENT SUPPLIERS ASSESSMENT

In FY'23 we engaged all suppliers with whom we spend more than \$15,000 which represents almost 85 percent of our total of \$120 million spend, excluding personnel costs.

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 Modern Slavery Draft Guidance.

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 strengthened our internal policies for protecting Direct Group and its entities from Deceptive Recruitment and Bonded Labour Risks.

The majority of our spending 56% is in Australia. All our large Australia based suppliers have Modern Slavery Policies in place, many of them lodging statements with the Modern Slavery Registry (banking, utilities, print, post and shipping).

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, US, UK, Italy, China, India, Thailand, Turkey, Bangladesh and Vietnam. We conducted modern slavery awareness training with our-off shore employees based in India and China and they have conducted factory visits and work with key suppliers to provide relevant audit documentation.

We have circulated 296 Modern Slavery Questionnaires and by June'23 have received 256 responses. No supplier was deemed high risk, 36 suppliers were deemed medium risk due to their geographical location and the type of products we source from them. 12 of these suppliers were requested to provide Sedex SAQs and we were satisfied that some of the questions could not be answered due to limitation in the supplier structure and set-up. This is related mainly to small size suppliers who ultimately proved that they are actually managing effectively their labour force, especially in the health and safety aspects.

We had two key suppliers one based in Australia and one based in Singapore who requested a training session to further understand the Modern Slavery Act supply chain compliance requirements in order to be able to respond to our Assessment Questionnaires.

Based on the inherent risk of modern slavery within retail merchandise, due to the product category and country of origin we source from, all new merchandise suppliers to Direct Group will need to complete the Questionnaire Assessment as a pre-screen step. After receiving the relevant documentation and assurance we will raise a purchase order.

MANAGING MODERN SLAVERY RISK IN OUR OWN WORKFORCE

We are committed to ensuring that any person who works for Direct Group is engaged, paid and treated in accordance with Australian workforce laws, including laws aimed at protecting vulnerable workers.

Modern award updates are actioned with relevant pay changes applied in accordance with Australian law (including changes to minimum wages), and regular reviews of pay compliance are conducted by our internal people and culture team. We have a relevant whistleblowing policy and reporting framework (including third party independent hotline), however no relevant reports were received during FY23. We continue to limit subcontracting on key workforce segments and restricting it to just one layer.

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.

AWARENESS AND TRAINING

In FY'23 our focus was on relevant Modern Slavery compliance training for our key employees in addition with support for procurement team members who were tasked with executing the pre-screening, Suppliers Modern Slavery Questionnaires and audits on our suppliers. This built on broad modern slavery training during previous year (FY'22) including how to identify red-flags relevant to Direct Group workforce as well as general awareness sessions.

Our training objectives were that:

- All employees have general awareness of key areas: ethical behaviour and incident reporting and can report all relevant issues and access appropriate grievance mechanisms.
- All employees with purchasing authorities understand risks and make responsible sourcing decisions
- Relevant people with executive and functional responsibilities can identify risks and warnings signs and respond/escalate accordingly

SUPPLY CHAIN GUIDELINES

Direct Group Supply Chain Guidelines aims 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.

We engage our suppliers directly and proactively to ensure they understand our requirements and they are supportive and responsive to our approach

Representatives from Direct Group are regularly invited to engage in external forums on sustainability issues including modern slavery.

Our partnership with Core Integrity and Sedex provided information and assessments provides us valued resources and network.

RESPONSE AND REMEDIATION

We are continually working at improving our readiness response and remediation approach to deal appropriately with a potential modern slavery incident should one arise in our workforce or broader supply chain. We referred to the Modern Slavery Law Guidance and UN Guiding Principles on how businesses can “make good” and remediate compliance issues.

Through our modern slavery program and by monitoring topical 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 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 Supplier Guidelines in any area of a supplier 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 relevant national minimum wage and paid holidays in line with local labour law/regulations applicable within their country of operation.

Buyers have had the required training to enable them to conduct supplier evaluation, undertake their own assessment, provide suppliers with relevant information on the aspects of modern slavery 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.

7. EFFECTIVENESS, REVIEW AND CONSULTATION

The Modern Slavery Compliance Team (MCST) is a key mechanism in ensuring effectiveness of our actions. It allows focused planning and accountability across key functions and to the executive sponsor and ultimately to the board. 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 an annual review 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 consider both 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:

- Guidelines for safeguarding victims or affected persons
- A reporting triage, escalation and referral , including via our whistle-blower capability and defining operational and supply chain “red-flags” that require escalation
- Considering potential actions to take, dependent on the degree to which we have caused, contributed, or be 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 FY23 • 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

8 FY'24 PRIORITIES

Direct Group is committed to continually improve our efforts to combat modern slavery and we recognise that this requires an ongoing multifunctional program of work. Through our Modern Slavery Compliance Team we will continue to manage and identify modern slavery risks in a evolving business transformation, internal structure and supply chain.

Our past years progress of creating the existing compliance framework and embedding policies has created a strong base from which to evolve and improve going forward in FY'24.

As we update our Risk Management Framework during FY24, we will further tailor and refine a strategic risk based approach to identifying and eliminating modern slavery risk from our supply chain. We expect the finalisation of that risk management framework will result in further actions to those identified below.

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

Targeted and deeper assessment of high-risk suppliers

- In FY'24 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.
- Progress beyond Tier1 to start auditing Tier2 suppliers, focusing on factories that are involved in modern slavery at-risk regions with a significant value contribution to strategic suppliers.
- We will continue to assess our property services providers to make sure there are no gaps in their policies.
- We will continue audit compliance of underpayment and visa compliance of all our local agents.

Deliver enterprise-wide initiatives to improve management of modern slavery

- Anti-Slavery Day awareness will be popularised among all colleagues to raise its profile.
- Implement a new on-line training module as part of a new Learning Management System with help from specialised outside consultants with induction and refresh training modules.
- Review and update regularly the risk profile to accommodate changes in the business operations.
- Update core modern slavery training modules for procurement teams.

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 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	The Implementation Roadmap Our Risk Overview
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	Our Actions Overview Procurement Suppliers Assessment Monitoring and Remediation
Describe how the reporting entity assess the effectiveness of such actions	Effectiveness
Describe the process of consultation with any entities that the reporting entity owns and controls	Review and Effectiveness
Provide any other information that the reporting entity, or the entity giving the statement, considers relevant	FY'24 Priorities

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'](#)
[2023 Global Slavery Index](#)

STATEMENT APPROVAL

This statement pursuant to the Australian Modern Slavery Act 2008 was approved by the Board of Direct Digital Group Holdings Pty Ltd in their capacity as principal governing body of Direct Digital Group Holdings Pty Ltd on March 2024 and constitutes the statement for the year ended 30 June 2023.

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



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Bernie Brookes
Chairman of the Board

Date 6 / 3 / 2024
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