



Modern Slavery and Human Trafficking Statement

FY24

The Direct Group Statement

This statement, under the Australian Modern Slavery Act 2018 (Cth) (Act), 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 2024. Each section in this Statement corresponds to a mandatory criterion of the Act..

CONTENTS

1. Introduction and Scope of the Statement
2. Our Structure and supply chain
3. The implementation roadmap
4. The Direct Direct Group Modern Slavery Act Risks Overview
5. The Direct Group Modern Slavery Risk Assessment
6. Actions Taken
7. Effectiveness, Monitoring & Remediation
8. FY25 Priorities
9. Meeting the reporting criteria

*Controlled Entities

Direct Digital Group Holdings Pty Ltd - ACN 657 310 140 431 Warringah Rd Frenchs Forest, NSW 2086, Direct Digital Group Finance Pty Ltd - ACN 657 318 100 , Interfine Direct Pty Ltd – ACN 154 363 925, 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 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 093 362 666, 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 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 169 089 427, TSAN Licencing Pty Ltd ACN 169 089 091, 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, RDAsian Holdco Pty Ltd ACN 144 816 884, Direct Publishing Asia Pte Ltd 200607506M, Direct Publishing Association Far East Ltd BRN 04023448, Direct Publishing (East Asia) Ltd BRN 07300053, Direct Publishing (Malaysia) SDN BHD 120074-H

1. INTRODUCTION AND SCOPE OF THE STATEMENT

Direct Group supports the Australian Government's efforts to assist the business community in addressing modern slavery, championing the drive for continuous improvement and implementing the Act and its actions towards advancing businesses' respect for human rights.

This is the fifth 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.

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. Of great concern is that more than 40,000 people in Australia live in modern slavery, representing a doubling over the past five years.

More than 50% of forced labour happens mostly in private sectors of middle to high-income countries. These dire statistics demonstrate that we must continue evolve and enhance the way we assess and mitigate modern slavery risk factors.

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.

Direct Group does not tolerate modern slavery in its operation and supply chain. This commitment aligns with our Environmental, Social and Governance (ESG) policies, processes and reviews, encompassing how we conduct business responsibly.

We understand the 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. We recognise that this is a work in progress and that the spirit of the Act is one of continuous improvement.

In FY24, we were committed to complete screening of 100% of our merchandise and 100% of our service suppliers via questionnaires, starting with high-risk locations and identifying any modern slavery red flags. We have achieved 80% of both these goals, establishing a strong foundation now embedded in our procurement processes.

There have been substantial changes in the executive team at Direct Group. As part of the renewal of the management and executive team, 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 commitment to a transparent approach for all risks in our supply chain, including risks of modern slavery.

The key focus in FY25 will be to continue to delve further in our compliance assessment of Tier 1 and Tier 2 suppliers, as we appreciate that modern slavery is more likely to be present in longer and more complex supply chains such as ours.

In the future, we will be 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 almost forty years ago, Direct Group has developed into one of Australia's leading comprehensive multi-channel retailer offering to a substantial customer base with a wide range of products. Our direct purchase proposition is offered increasingly online and mainly targets the senior demographic market.

The group operates in Australia, New Zealand and Asia and it communicates directly with its customers through its websites, call centres, catalogues, television, print and digital publishing.

The Direct 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 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 two main operating divisions. Each runs relatively autonomously with selected services such as warehousing, contact centre, distribution and IT infrastructure provided by a shared corporate team.

The first, Innovations, is a leading direct to consumer retailer with a portfolio of online and catalogue brands. Innovations markets to its customers in Australia and New Zealand.

The second, TVSN, is Australia's leading video e-commerce retailer with a live and on-demand presence, e-commerce sites and mobile application.

Both divisions offer a broad range of merchandise across apparel, jewellery, homewares, health, beauty, craft, bed linen, electronics, entertainments and pets products.

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.

OUR PURPOSE AND VALUES

Direct Group's headquarters is at Innovations Park in the northern suburbs of Sydney. Built on 5.3 hectares of land in a non-industrial, campus environment, the premises bring under one roof our administrative, marketing, TV studio, escalation customer care, warehousing and logistics functions.



Direct Group is an equal opportunity employer of close to 500 culturally 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 composition of our staff location is illustrated in the graphic on the left.



As a Sydney suburban 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 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:

Our staff numbers worldwide are summarised as follows.

Australia

Total employees including estimated extended workforce total approximately 282 permanent full-time employees, 85 part-time employees and contractors and 125 casuals at peak capacity.

By duties:

- Corporate head office staff including contractors
- Studio (Models & Presenters)
- Customer contact centre workers
- Warehouse (in-house)

Philippines

Customer Contact Centre (outsourced) - 56

Asia

Corporate, sales, advertising, shipping and sourcing staff

By location	
Australia	492
China	9
India	6
Taiwan	1
Singapore	2
Hong Kong	2
Malaysia based contractors	2
Philippines (outsourced contact centre)	56

OUR SUPPLY CHAIN

The Direct 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 good 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.

Direct Group Corporate Suppliers:	98
Direct Group Merchandise Procurement Suppliers:	490
Direct Group Corporate Spend:	AUD 17 Million
Direct Group Procurement Spend:	AUD 160 Million

3. THE IMPLEMENTATION ROADMAP

Direct Group's modern slavery compliance measures roadmap to date is summarised in the table below.

2019	2020	2021	2022	2023	2024
Modern Slavery Certified Resource	Roll out updated corporate policy	Procurement Resources Training	Accelerate Supplier Assessment Roll-out	Update all contracts and Purchase Orders	Undertook a review of the internal Modern Slavery Compliance Committee to add new members to represent high-risk areas within the business
Board Briefing	Assess Internal Risks Areas	Define DG Modern Slavery risks	Scale up and enhance staff training	Complete rolling-out Modern Slavery Questionnaires	Evolved our approach to supply chain due diligence through a deeper assessment
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	A compliance review of all the facilities of service providers
Initial Risk Assessment across the Value chain	Define Supplier Assessment Approach	Create a plan for Supplier Assessment Roll-out	Scope Supplier Assessment Tool Assessment Tool	Process suppliers responses and asses red flags	Review our Labour Hire compliance policies
Set Targets	First Public Statement	Second Public Statement	Third Public Statement	Fourth Public Statement	Delivered updated modern slavery red flag training for first line employees

4. OUR RISKS OVERVIEW

OUR APPROACH TO IDENTIFYING MODERN SLAVERY RISK

We have been formally assessing modern slavery across our entire value chain since 2019 and in doing so we have considered the Act’s 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 September 2023 release.

Using the information from our risk assessment in conjunction with our ongoing compliance activities, we consider the most relevant types of modern slavery risk exposure for Direct Group to be forced labour, bonded labour, deceptive recruiting and the worst forms of child labour.

SUMMARY AND ACTIONS

A committee of team members (across relevant functions) who formed a Modern Slavery Compliance Team (MSCT) sponsored by our General Counsel 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
People indirectly hired via agencies	Low visibility of third party hiring	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 who hire low skilled labour.	Contractual arrangements which incorporate modern slavery clauses into our contracts and limiting tiers of sub-contracting. Workforce training to identify potential signs of modern slavery. 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 suppliers	We acknowledge that certain services we use in our facilities are considered high-risk 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 direct 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.
Procurement of merchandise products, print and fulfilment	Workers producing goods procured by Retail Merchandise for sale and Operations/ Logistics Fulfillment teams	We source a range of goods for sale such as fashion, electronics, appliances imported directly, or via agents. Some of our suppliers are operating in industries and countries considered high-risk	Use of Direct Group Procurement policies for merchandise sourcing including suppliers due diligence, questionnaires and audits. 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 Business Social Compliance Initiative (BSCI) to obtain assessment/certification

5. OUR FY'24 ACTIONS OVERVIEW

The governance structure developed during FY24 was aimed at ensuring accountability and transparency with respect to modern slavery compliance.

An internal Modern Slavery Compliance Team (MSCT) was previously developed with representation that included People and Culture (employee relations), process transformation and sustainability, procurement, supply chain and logistics management, retail merchandise, governance and facilities management. The MSCT remained active during FY24.

The MSCT reported to our General Counsel who in turn provided reporting to the Board. The modern slavery compliance risks that the MSCT have identified are the most likely to arise within our operations and supply chain are:

- forced labour involved in the cultivation, harvesting and processing of cotton and similar raw input materials in our fashion procurement supply chain;
- debt bondage within the cleaning services sector in our corporate services procurement supply chain;
- deceptive labour recruitment practices; and
- child labour in the mining of raw input materials in our electronics products (such as cobalt), jewellery and beauty products (such as the mica colour additive).
- [pls check what other risks are relevant to us]

The MSCT's internal assessment has identified these key contributing risk factors specific to our supply chains:

- low skilled labour;
- temporary labour;
- migrant labour;
- strong pricing competition within the retail sectors that we operate in;
- multi-level subcontracting; and
- extensive procurement of completed products and other input from suppliers in high-risk geographies.

Facilities management, which includes operational cleaning, maintenance and security are labour intensive and are industries that materially feature subcontracting of migrant workers, being where exploitation is more common.

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.

We procure shipping, freight and logistics services that straddle both international and domestic freight and we also distribute to retail direct customers. These are areas that feature contract workers and temporary labour.

The MCST developed an annual plan with goals and objectives and met quarterly 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 the progress relevant to their areas.

Key actions during FY24 included the following:

- We have continued our process of updating and creating new policies that are aligned to our modern slavery policy and framework and which guide our response and actions in the event that potential modern slavery risks are identified.
- Continuing to create and deliver Modern Slavery capability building presentations, documentation and specific training with all relevant stakeholders (procurement, P&C, corporate services, warehouse/contact centre).
- Mandating our suppliers, including contractors and subcontractors engaged by our suppliers, to agree to and abide by our Code of Conduct
- Continuing our process of updating our supplier agreements and purchase orders with terms and conditions that outline our expectations to our suppliers, and mandating express warranties related to compliance with laws, including Modern Slavery laws.
- Continuing to initiate contact with our key local suppliers and key overseas suppliers to outline Direct Group's Modern Slavery program and expectations, understand those suppliers' own compliance initiatives, and commencing discussions with them regarding the need to work together to identify Tier 1 (new suppliers) and Tier 2 (existing suppliers located in high risk geographies) supply chain risks.
- Implementation of a pre-screening approach with new suppliers that seeks to identify inherent risks related to supply category and country-of-origin. That also includes issuing Modern Slavery supplier guidelines and questionnaires, processing and analysis supplier responses and following-up where risks are identified.
- Continuing to operate Direct Group's confidential Whistle-blower Policy and confidential contact channels so that all staff, suppliers and customers are aware that they can raise concerns about working conditions, how workers are treated, or regarding practices within our business and supply chain.

Direct Group conducted its annual review of its Modern Slavery compliance risks. In short, the review confirmed that the Direct Group's risk profile has largely remained unchanged for FY24, being that we remain unlikely to cause or contribute to modern slavery, but we are exposed to the risk of being indirectly linked to modern slavery through our supply chains, particularly on our Tier 2 supply chains (for which we will develop a new supplier questionnaire).

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

OUR GUIDING POLICIES AND PRINCIPLES

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

Organisational Policies	<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>
Sustainable Procurement Principles	<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.
Supplier Code of Conduct	<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>

MANAGING RISK IN OUR SUPPLY CHAIN

In FY'24 we further embedded our risk-based approach to managing modern slavery risk into our procurement process through the following three measures.

- We used our supplier pre-screening process to identify high risk suppliers in the supply category and country-of-origin, particularly strategic suppliers with potential for a long term procurement relationship.
- Suppliers that are identified as medium or high risk in our pre-screen were required to complete Sedex assessment. 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 accepting Business Social Compliance Initiative Certifications (BSCI) – India based.

Setting Standards	Assessing Risks	Managing Risk
Our Sustainable Procurement Principles underpin our approach	All suppliers over a spend threshold of AUD10,000 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

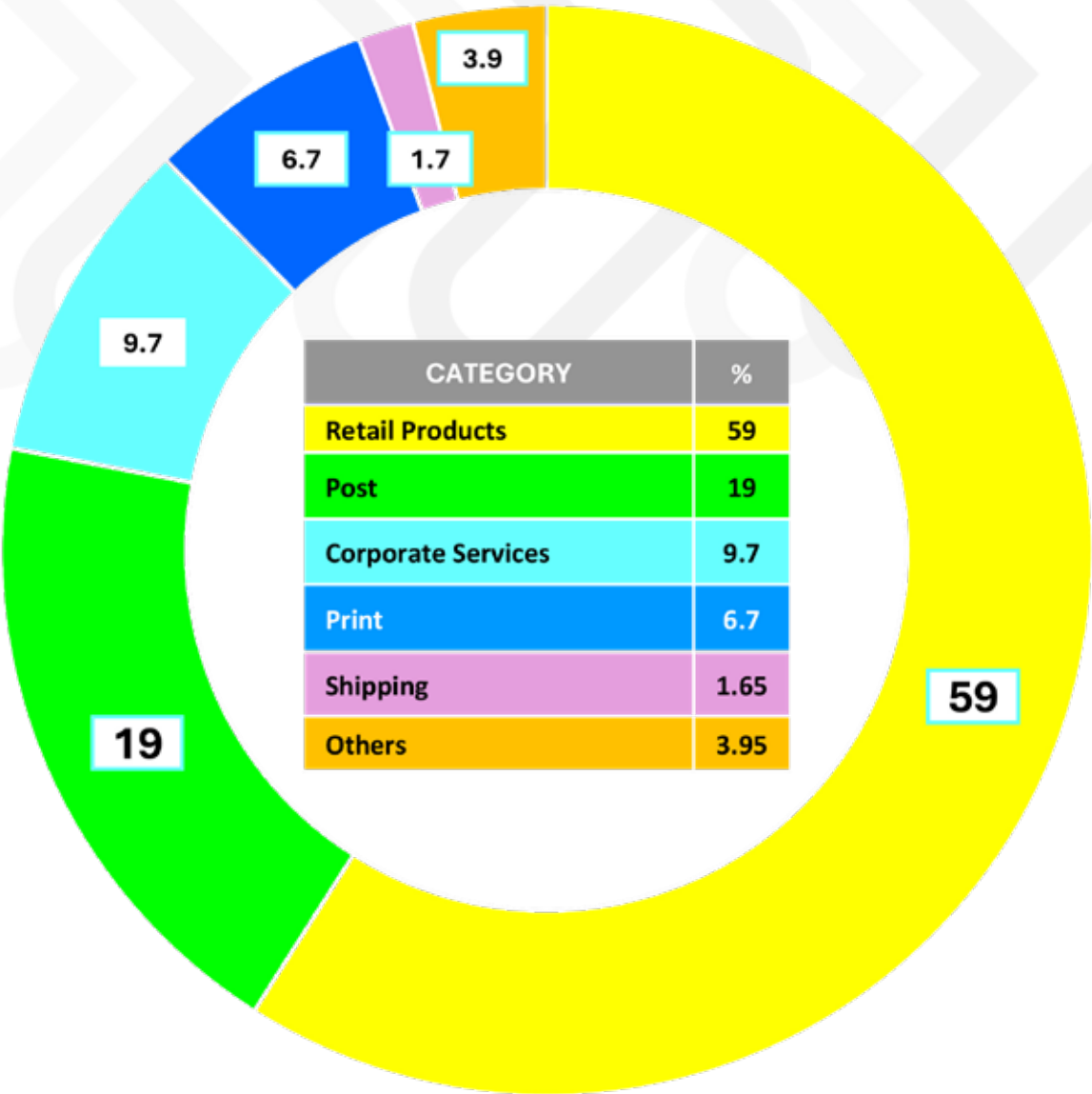
Our Supply Chain in FY'24

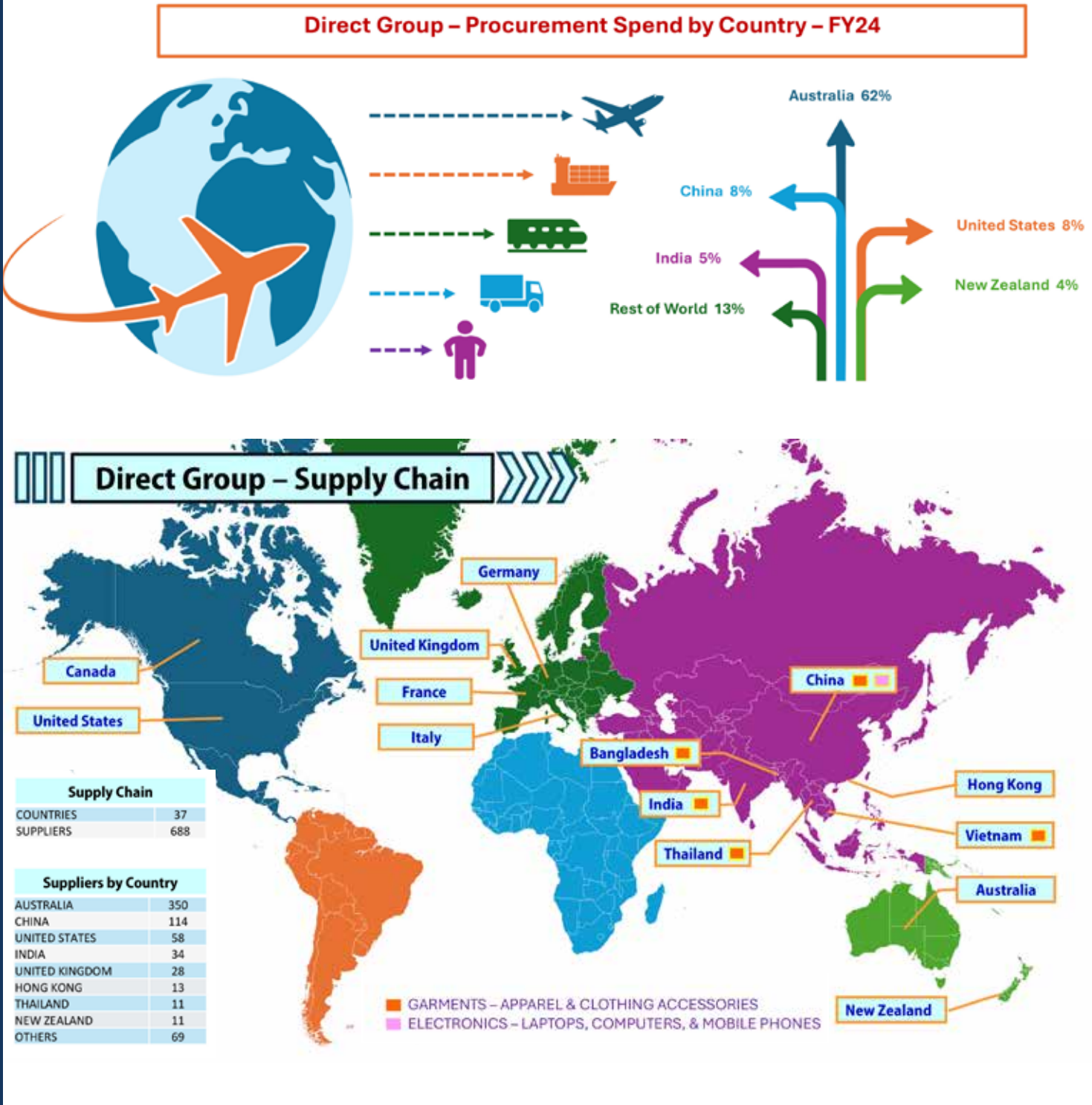
In recent years we have developed a better understanding of the inherent risks within our sourcing categories by leveraging data from the Global Slavery Index. This enables us to perform more in-depth due diligence on suppliers that have greater potential risk of modern slavery practices within their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

In FY'24 Direct Group engaged 588 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.

A break down of our supply chain spend by category and country follows.

Spend by Category (people cost not included)







6. PROCUREMENT SUPPLIERS ASSESSMENT

In FY'24 we engaged 735 suppliers with a spend each of over \$10,000, representing 85% of our almost \$130 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 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 guidelines 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 is in Australia (56%). 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'24 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 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 just then 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 modern slavery relevant reports were received during FY24.

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 direct 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'24 our focus was on continuing 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'23) 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; and
- 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.

As part of our ESG compliance our ethical trade principles cover:

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 specific country national benchmark prescribes.

Bribery or Corruption – The Direct 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 or agencies.

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 collaboration with Sedex provided us with up to date information on Modern Slavery hot spots and access to valued network of resources.

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 Act 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 most of the Tier1 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 major new and existing suppliers factory visits 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” type of breaches of human rights issues come to light; and
- We reserve the right to terminate engagement with suppliers who do not transparently co-operate with us on remedial measures.

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

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).

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.

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; and
- 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	We effectively scope and understand modern slavery risks across our business group	<ul style="list-style-type: none"> • Regular macro risk assessment • Risk scoping with factory visits, or third parties specialist auditing • External engagement to inform risks • Business unit modern slavery risk profiles
	We effectively scope and manage modern slavery risks to people in our extended workforce, including with those in facilities management	<ul style="list-style-type: none"> • Updated contractual controls • Investigating the options for a score card for high risk suppliers • Audit completion rate of Suppliers Modern Slavery Questionnaires
	We effectively scope and manage modern slavery risks in procurement of products and services	<ul style="list-style-type: none"> • Improved risk based due diligence • Number of suppliers assessed on target for FY24 • 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"> • People & Culture modern slavery specialist training • Specialised training delivered to staff with relevant responsibilities • Staff participation rates

8 FY'25 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'25.

We acknowledge the real challenges we face in traceability when tracing our supply chain beyond direct suppliers, but we are committed to pushing the boundaries and deepening our knowledge of Tier 2 and beyond.

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. This is a testament to our dedication to ethical practices, social responsibility and our mission to contribute to eradicating any modern slavery from our value chain.

We expect the finalisation of the corporate 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'25 we will focus our efforts on pre-screening new 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 third party service providers and 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 our internal Learning Management System with induction and refresh training modules for key functions.
- Review and update regularly the risk profile to accommodate changes in the business operations.
- Refresh 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'25 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 (Cth) 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 December 2024 and constitutes the statement for the year ended 30 June 2024.

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



Bernie Brookes
Chairman of the Board

