



R J Beaumont & Co Pty Ltd

MODERN SLAVERY STATEMENT

2020

1. INTRODUCTION

R J Beaumont & Co (Beaumont Tiles) has prepared its Modern Slavery Statement for the financial year ended 30th June 2020. This joint statement is required under the Modern Slavery Act 2018 (Commonwealth) and addresses the following:

- ▶ Information pertaining to business structure
- ▶ Review of internal / external risks that Beaumont Tiles faces with relation to modern slavery
- ▶ Outcomes on actions undertaken and implemented to address associated risks
- ▶ Information required by the Modern Slavery Act 2018

2. BEAUMONT TILES BACKGROUND

Beaumont Tiles is a large privately owned Australian tile and bathroom ware retailer with over 400 staff and 120+ stores comprising of over 88 franchised stores. Beaumont Tiles operates a number of wholly owned subsidiaries identified in Appendix 1. Beaumont Tiles also operates Tilers Plus, a tile installation business operating across QLD, NSW, VIC and SA.

Beaumont Tiles main operations is the retail sale of tiles and bathroomware through company stores and a national franchise network of stores. In addition to the retail network Beaumont Tiles operates a construction division comprising of residential and commercial construction customers. A corporate structure supports the sales functions and includes marketing, finance, people and culture, purchasing and distribution.

Beaumont Tiles supply chain includes the importation and the purchase of locally manufactured tile, supplementary tiling products and bathroom ware products. In this context the Beaumont Tiles supply chain includes overseas manufacturers.

As part of its statement, Beaumont Tiles reports on our actions to assess and address modern slavery risks associated with our operations, including our employment practices, training for business owners in the overseas supply chain, Tilers Plus and Franchise network.

3. IDENTIFYING RISK ASSOCIATED WITH MODERN SLAVERY

Beaumont Tiles engages with a number of local and international suppliers in order to facilitate requirements our supply chain. There are a number of risks that have been identified with relation to existing and potential new suppliers. The impact of COVID-19 with relation to engagement with new suppliers poses new challenges that have been identified. As part of reviewing the associated risk the business has undertaken:

- ▶ Review of all existing supplier relationships to identify any existing gaps with current suppliers
- ▶ Reviewed current supplier regions to determine potential high-risk suppliers on the Global Slavery index.
- ▶ Implemented required standards for reviewing new potential suppliers
- ▶ Implemented annual reporting requirements for all suppliers
- ▶ Reviewed requirements for inspections of factories / suppliers*
- ▶ *With the impact of COVID-19, travel to overseas suppliers has not been possible, therefore higher emphasis on transparency of operations such as ongoing supplier self-audits to minimise risk

KEY RISKS TO BEAUMONT TILES FOR MODERN SLAVERY

Overseas supply of products for sale	Beaumont Tiles sources finished product from overseas suppliers for sale. There is a risk that Modern Slavery occurs in these supply chains, this level of risk will vary depending on the country of origin.
Local supply of products for sale	Beaumont Tiles may source product from local Australian companies such as wholesalers who could be sourcing product from at risk overseas companies, or conducting business with their own workforce/sub-contractors which does not comply with Australian workplace laws.
Tile Installation Business	In the tile installation business, local companies are sourced to provide install services for tiles. In managing their own workforce, the installation business could avertedly, or inadvertently contravene Australian workplace laws & provide unfair working conditions for their employees.
Goods sourced not for resale	Beaumont Tiles will source items such as IT equipment, store fit out materials to support operations of the business.
Service Providers	Beaumont Tiles will engage with service providers such as cleaning, electrical and international shipping providers, and local freight/logistics providers. There is a risk providers are not meeting Australian workplace laws (or country of origin for freight forwarders)
Labour hire companies	Beaumont Tiles utilizes labor hire companies to support warehouse operations. Risk of providers not meeting Australian workplace laws with relation to rates of pay or conditions.

SUPPLIER RELATIONSHIPS

Beaumont Tiles has been in operations for over 60 years, with a number of long-standing supplier relationships. While product is sourced from a number of local and international suppliers, long standing relationships that build value are highly regarded in order to safe guard both product quality, manage risk and promote long term sustainability for the business. Beaumont Tiles have implemented a rigorous due diligence process in order to review potential suppliers and audit existing suppliers in order to minimize associated risk of Modern Slavery occurring in our supply chain.

Beaumont Tiles has identified the main sourcing of product and identified issues of risk for individual countries:

- ▶ Australia, Italy, Portugal and Spain – Migrant labour exploitation
- ▶ China – Freedom of association, excessive overtime, forced labour
- ▶ Turkey – Migrant Labour Exploitation
- ▶ Thailand – Migrant labour exploitation
- ▶ India – Excessive overtime, forced labour
- ▶ Malaysia – Forced labour, bonded labour, migrant labour exploitation
- ▶ Indonesia – Forced labour, bonded labour, migrant labour exploitation

BEAUMONT TILES SOURCES OF SUPPLY



4. ACTION TAKEN TO ADDRESS MODERN SLAVERY RISK

- ▶ Mapped and prioritised examination of areas of our supply and service chains based on the factors of sector and industry risks, product and services risks, geographic risks, entity risks.
- ▶ Prepared a consultation letter to each direct supplier and service provider
- ▶ Prepared and completion of an annual self-assessment checklist – required to be signed annually by supplier CEO, Director or equivalent [Appendix 3]
- ▶ Prepared a supplier and service checklist process to assess direct or indirect risks of Modern Slavery Practices [Appendix 3]
- ▶ Adjusted new supplier and service provider engagement practices to include assessment of Modern Slavery risks [Appendix 2]
- ▶ Trained buying staff in the supplier assessment process
- ▶ Procedure for internal audit of supplier assessment process [due diligence]
- ▶ Review of purchasing processes for franchise network to upskill decision making, and enhance purchasing from Beaumont approved suppliers

REVIEW OF SUPPLIER ASSESSMENT AUDIT

- ▶ 67 suppliers audited as part of supply chain
- ▶ 2 suppliers have historical breaches which are reviewed in line with risk prioritisation tool
- ▶ 5 suppliers have acknowledged current deficiencies in internal processes, and ongoing work undertaken to improve supplier’s knowledge gap during FY21

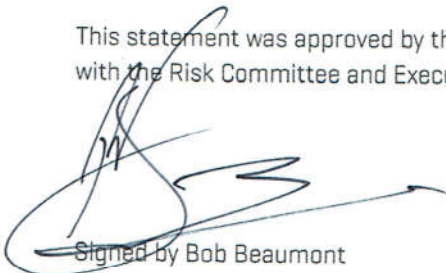


5. REVIEWING EFFECTIVENESS OF ACTIONS UNDERTAKEN

- ▶ The Risk Committee meets regularly and receives updates from the relevant executive and how the company is meeting actions
- ▶ The Executive team is briefed by the CEO on progress with relation to performance against actions
- ▶ Annual reporting from suppliers to provide updated information and initiatives surrounding Modern Slavery in their business
- ▶ Reviewing incident reports & whistle blower feedback to identify whether any incidents of modern slavery have been reported.

6. APPROVAL OF THIS STATEMENT

This statement was approved by the board of Beaumont Tiles, following consultation process with the Risk Committee and Executive Team.



Signed by Bob Beaumont
Director

26 March 2021

APPENDIX I – JOINT PARTIES

WHOLLY OWNED AND MAJORITY SHAREHOLDING SUBSIDIARIES OF RJ BEAUMONT & CO PTY LTD AS AT 30 JUNE 2020

Name of Entity	2020 % ownership
Beaumont Tiles Pty Ltd	100
Beaumont's Discount Tile Warehouse Pty Ltd	100
Crosby Tiles Pty Ltd	100
Tilers Plus Pty Ltd	100
Beaumont Bathrooms Renovator (SA) Pty Ltd	100
Beaumont Australia Pty Ltd	100
Life's Tiles Pty Ltd	100
Tilewerx Pty Ltd	100
Beaumont Tiles NZ Pty Ltd	100

APPENDIX 2 – RISK PRIORITISATION TOOL

To be used for existing/potential suppliers to determine level of risk	Risk Weighting	Answer	Score	Weighted Score
Product Category and Country is on UN high risk list	15%	1 = Yes 0 = No		
Is the supplier contracted to Beaumont Tiles	15%	1 = Yes 0 = No		
Does the supplier have a site based labour agreement or employment contracts	5%	1 = No 0 = Yes		
Does the supplier have its own high-profile brand	15%	0 = Yes 1 = No		
Is there any historical reason for concern	10%	1 = Yes 0 = No		
Does the supplier have a code of conduct policy	10%	0 = Yes 1 = No		
Does the country of the supplier have labour laws which provide minimum conditions	10%	0 = Yes 1 = No		
Are these minimum conditions enforced by a regulatory body	5%	0 = Yes 1 = No		
Does the country of the supplier have modern slavery act	10%	0 = Yes 1 = No		
Are these minimum conditions enforced by a regulatory body	5%	0 = Yes 1 = No		
Total Risk %				

• SUPPLIERS SCORING > 30%, WILL BE REQUIRED TO BE REVIEWED BY THE RISK COMMITTEE, IF APPROVED AS A SUPPLIER, STEPS WILL BE IMPLEMENTED TO REDUCE ASSOCIATED RISK, AND SUPPLIER REVIEWED ANNUALLY TO ENSURE ONGOING STEPS TO IMPROVE PERFORMANCE

APPENDIX 3 – SUPPLIER ASSESSMENT TOOL

All existing/new suppliers to complete annually and return. Responses to be monitored and reviewed by the Risk Committee.	
GENERAL MODERN SLAVERY RESPONSE	Yes No
Does your organisation have policies and processes to identify, investigate and remedy the risk and any instances of modern slavery within your organisation?	<input type="checkbox"/> <input type="checkbox"/> Please describe.
Do you provide training to your employees on modern slavery risk?	<input type="checkbox"/> <input type="checkbox"/>
SUPPLY CHAIN MANAGEMENT	Yes No
Does your organisation conduct due diligence for modern slavery risks on your suppliers?	<input type="checkbox"/> <input type="checkbox"/> Please describe.
Does your organisation require your suppliers to conduct due diligence for modern slavery risks on their suppliers?	<input type="checkbox"/> <input type="checkbox"/>
What action does your organisation take if modern slavery practices are suspected?	Please describe.
WORST FORMS OF CHILD LABOUR	Yes No
Does your organisation comply with the United Nations ILO Conventions ² that prohibit the worst forms of child labour, hazardous child labour and minimum age for work?	<input type="checkbox"/> <input type="checkbox"/>
Does your organisation undertake checks to ensure child labour is not being used within your organisation or by your suppliers?	<input type="checkbox"/> <input type="checkbox"/> Please describe.
FORCED LABOUR, BONDED LABOUR, HUMAN TRAFFICKING	Yes No
Does your organisation have a policy or process that prohibits modern slavery including all forms of forced labour, bonded labour and human trafficking in its operations and in those of its suppliers?	<input type="checkbox"/> <input type="checkbox"/> Please describe.
Are any original identity related documents of workers (e.g., passports, birth certificates, national identity cards) retained?	<input type="checkbox"/> <input type="checkbox"/>
Are workers required to lodge any 'security deposits' (this could include financial or personal property) or pay any recruitment fees?	<input type="checkbox"/> <input type="checkbox"/>
Does your organisation deduct wages, impose monetary fines, and/or withhold pay or pay entitlements of workers? This includes fines for misconduct and poor production.	<input type="checkbox"/> <input type="checkbox"/>



EMPLOYMENT CONDITIONS	Yes	No
Are all workers provided with a written contract in a language they understand, where terms of employment including wage rates and hours of work are clear?	<input type="checkbox"/>	<input type="checkbox"/>
Where accommodation is provided to workers (for example, dormitories, hostels or other forms of shared accommodation), are regular checks conducted to ensure that the living conditions are adequate and meet legal requirements (for example, fire safety, space, temperature, lighting, sanitary facilities, privacy, ventilation).	<input type="checkbox"/>	<input type="checkbox"/> Please describe.
Where accommodation is provided, are workers free to leave at will?	<input type="checkbox"/>	<input type="checkbox"/>
Are workers free to lawfully resign their employment without restriction or penalty?	<input type="checkbox"/>	<input type="checkbox"/>
Are workers paid their legal pay entitlements, on time and provided with pay slips clearly showing how wages have been calculated and details of any deductions?	<input type="checkbox"/>	<input type="checkbox"/>
GRIEVANCE AND REDRESS MECHANISMS	Yes	No
Do workers have mechanisms to anonymously raise concerns related to labour conditions or workplace grievances and access appropriate remedy?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, please describe how these mechanisms are monitored and remedy is provided?	Please describe.	
QUESTIONNAIRE HAS BEEN COMPLETED BY SUPPLIER AND SIGNED BY CEO, DIRECTOR OR EQUIVALENT		