



Solomons
Flooring

MODERN SLAVERY STATEMENT 2023

Carpet Call (Holdings) Pty Ltd ABN 78 010 037 144 ("Carpet Call") makes this statement pursuant to, and for the purposes of, the Modern Slavery Act 2018 (Cth).

1. REPORTING ENTITY

The reporting entity is Carpet Call which through its wholly owned subsidiaries carries on the Carpet Call & Solomons Flooring businesses in Australia.

Carpet Call recognises the importance of protecting human rights and is committed to a legal and responsible approach to conducting business.

This statement is in respect of the period from 01 July 2022 through 30 June 2023.

2. STRUCTURE, OPERATIONS & SUPPLY CHAINS

(1) *Structure*

As mentioned above, Carpet Call carries on the Carpet Call and Solomons Flooring businesses in Australia through its wholly owned subsidiaries. Carpet Call itself is ultimately owned by Group Director James L Smith.

(2) *Operations*

Carpet Call was established in 1975 and is currently one of the largest participants in the Australian flooring industry. Its core functions are the wholesaling and retailing of flooring products both on its own account and through franchised stores. In so doing it provides a wide range of products including carpet, timber, laminate, vinyl plank, rugs, blinds and window coverings.

The Group's retail operations currently comprise approximately 50 company owned and operated retail stores and approximately 70 franchised retail stores (trading either as "Solomons" or "Carpet Call") which are independently owned and operated by franchisees.

Additionally, Carpet Call also supplies flooring through its Builders' Division to some of Australia's home builders.

(3) *Supply Chains*

Carpet Call does not own or operate any production facilities either in Australia or overseas.

The products it uses or sells in its business are sourced both locally and overseas with the majority of the flooring products including rugs being obtained from outside Australia.

We have spent many years building long term relationships with our trusted suppliers and have confidence in them.

As Carpet Call sources all flooring products directly from the relevant manufacturers our processes in relation to modern slavery have been focused on managing issues and risks at that level but we also recognise that our supply chains have some level of complexity as the raw materials for the products we purchase are themselves bought in by the product manufacturers before being formed, or incorporated, into the finished flooring product which is supplied to us.

We continue to recognise therefore that there is a continuing need to explore and better understand any risks further up the supply chain.

3. MODERN SLAVERY RISKS IN OUR OPERATIONS & SUPPLY CHAINS

Carpet Call acknowledges the risk of modern slavery and is committed to ethical practices which recognise and take into account the welfare and well-being of those who are, or would likely be, impacted by our actions. In particular, Carpet Call recognises the increased likelihood of modern slavery being involved in supply chains which originate in certain countries outside Australia and acknowledges in such cases both possible lack of transparency and also the possibility/likelihood of different attitudes, values and ethics applying.

(1) *Our Operations*

There is negligible, if any, risk of modern slavery in our own operations. All our operations occur in Australia and Carpet Call complies with all applicable Workplace Health & Safety legislation and with all applicable Industrial legislation and awards. Our divisional managers are well aware of, and trained in respect of, that legislation and those awards and are required to observe and implement them in so far as applicable to their areas of control and satisfactorily doing so is an element of their performance reviews.

(2) *Supply Chains*

(a) *Australian Suppliers*

Our Australian suppliers are established and reputable companies and we have confidence in them and the way in which they conduct their operations. That confidence is enhanced by their responses to modern slavery questionnaires we administered to them. We believe that they, like us, comply with all applicable legislation and conduct their operations in appropriate conditions. Added confidence in the modern slavery context is achieved in that many of these operations are “unionised”.

Those suppliers themselves, however, import some of the raw materials for the finished products which we purchase and in that case the situation is more opaque and less certain.

(b) ***Overseas Suppliers***

Carpet Call's overseas suppliers are based in various parts of the world. The majority of these suppliers manufacture their products in highly automated factories many of which we have visited and inspected and found to be operating apparently satisfactorily and this imparts a certain level of confidence.

Investigations made, and representations received, give us a high degree of confidence that our suppliers from the United States of America and from countries in the United Kingdom and Europe are compliant with their own, and hence our, obligations in respect of modern slavery issues and that the risk of any offence in those instances is, if not non-existent, then extremely low.

Additionally, our suppliers from those areas are themselves highly likely to be "encouraged" by their own other customers in those jurisdictions to comply with, and to satisfy those customers as to the satisfactory discharge of, their obligations in the modern slavery sphere.

Our suppliers from those countries each has its own anti modern slavery practices, procedures and statements addressed not only to their own operations but to their own supply chains and their confidence in the integrity of those measures in turn gives Carpet Call enhanced confidence.

4. NOTE

The foregoing very largely repeats similar sections of our previous Modern Slavery Reports as the various matters referred to therein continue to remain relevant and substantially the same during the year under review. The legislation also requires the repetition.

5. ACTIONS TO ASSESS & ADDRESS ABOVE RISKS

We continue to raise awareness of modern slavery issues generally with our senior personnel involved in areas where the risks might be expected to be encountered and/or to be possibly higher. That awareness training is implemented under the joint authority of the Managing Director and the Chief Financial Officer.

Additionally, we communicate our desire, intention and commitment to meeting our obligations in the modern slavery sphere across the organization as appropriate.

In addition to the measures outlined in our earlier Modern Slavery Reports, during the year under review we continued to review the Modern Slavery Statements obtained from our major overseas suppliers. They understood, but we nevertheless still stressed to them, our concerns and obligations in respect of this issue and are confident that

they, like us, place high importance on minimising the risks associated with modern slavery in our joint supply chains.

As in the 2022/2023 year, in the 2023/2024 year we intend to continue to focus more heavily on supply chains originating in, or traversing, regions other than those mentioned in paragraph 3(2)(b) above as we recognise that, although volume from those suppliers represents a much smaller portion of our supply chain, they are nevertheless areas of higher potential risk.

We have had discussions with those suppliers in relation to our commitment to reducing the risks of modern slavery in our supply chains and to our expectations, indeed requirements, that not only do they comply with their obligations in relation to modern slavery as defined in the legislation but that they, in their turn, monitor and influence their own suppliers to be doing likewise.

In this regard we use such leverage as we have as a customer to influence any necessary changes although we must recognise that the results of our efforts can sometimes be limited as we are not among the largest, nor the most important, customers of those suppliers.

In the forthcoming year our activities will more specifically focus on suppliers from higher-risk countries and areas.

We also remain committed to supporting our suppliers and business counterparties, as appropriate, in their efforts to deal with issues arising in the modern slavery context.

6. EFFECTIVENESS OF ACTIONS

The fact that our efforts and enquiries have not so far disclosed any evidence of modern slavery in our operations and supply chains gives us confidence that our efforts in the area are effective.

We have a framework in place to oversee and report on modern slavery risks and procedures and processes to assess information and responses concerning the issue.

We also undertake periodic assessment and review of the compliance network.

We consider that the results of the Questionnaire exercise (referred to in previous statements and continued during the year under report) are, as previously mentioned, sufficiently satisfactory to enable us to deal with the relevant suppliers with confidence.

7. CONSULTATION WITH ENTITIES

Carpet Call's operating subsidiaries are centrally managed under common management and there has been all necessary consultation with, and amongst, all entities.

8. AUTHORITY

This Statement is authorised by the Board of Directors of Carpet Call and issued under the hand of

A handwritten signature in black ink, appearing to read 'M. G. Harrison', with a long horizontal flourish extending to the right.

MICHAEL G HARRISON
MANAGING DIRECTOR
4 December 2023