

2021



MOHAWK[®]
OCEANIA

Modern slavery

Statement

PREMIUM FLOORS

FLOORSCAPE

Griffey Hirst

Feltex

gh COMMERCIAL

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Who we are
& what we stand for.

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Mohawk Industries Inc and all its subsidiaries ("Mohawk Group") worldwide are committed to:



A standard of excellence in every aspect of our business and in every corner of the world



Ethical and responsible conduct in all our operations



Respect for the rights of all individuals



Respect for the environment

The Mohawk Group expects these same commitments to be shared by all its suppliers, agents and other third parties with whom we do business and down the supply chain to all their suppliers, and all their suppliers, who are also expected to meet the standards set out in the Mohawk Industries "Supplier Code of Conduct".

This Code of Conduct includes requirements that they are not linked to activities that would be considered abusive or exploitive, including human trafficking and slavery.

The Australian subsidiaries of Mohawk Industries Inc, and their New Zealand subsidiaries, appreciate that our operations and supply chain are exposed to potential

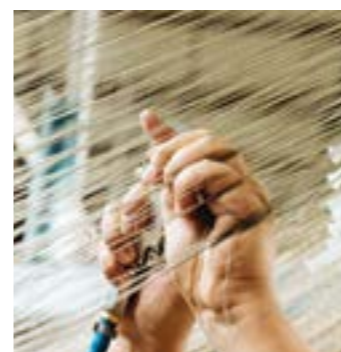
Modern Slavery risks and have implemented processes to identify, assess and manage such risks.

Our initial risk assessment has indicated our risk of Modern Slavery is higher in our supply chain and lower risk for our employees (all of whom are employed in Australia and New Zealand).

Based on this assessment, during 2020, we have focussed on mapping all our key tier 1 finished goods and raw material suppliers, undertaking due diligence of those suppliers, and building awareness of Modern Slavery through training of our people.



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Our Australian subsidiaries take a group-wide approach to managing Modern Slavery risks in our operations and supply chain.

This is a joint statement made on behalf of all Australian operational subsidiaries of Mohawk Industries Inc being **Premium Floors Australia Pty Ltd** and its wholly owned subsidiaries **Godfrey Hirst Australia Pty Ltd** and **Feltex Carpets Pty Ltd**.



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Premium Floors Australia Pty Ltd is a flooring distribution company and the holding company of Godfrey Hirst Australia Pty Ltd, a carpet manufacturing and flooring distribution company and Feltex Carpets Pty Ltd, a carpet distribution company.

Premium Floors Australia Pty Ltd is structured as a large proprietary company incorporated in Australia and is a wholly owned subsidiary of Mohawk Industries Inc.

Mohawk Industries Inc, head officed in Calhoun, Georgia, USA, is publicly listed on the NYSE being the leading global flooring manufacturer and the world's largest flooring company with operations in Australia, Brazil, Canada, Europe, India, Malaysia, Mexico, New Zealand, Russia and the United States of America with group turnover exceeding US\$9.5 billion and employing over 40,000 employees worldwide.

Premium Floors Australia Pty Ltd has 14 subsidiaries (of which eight of which are dormant) including its Australian incorporated subsidiary of Godfrey Hirst Australia Pty Ltd, who in turn is the holding company of Feltex Carpets Pty Ltd (who are reporting entities) and New Zealand incorporated subsidiaries of Floorscape Limited, a flooring distribution company, which has subsidiaries, Godfrey Hirst NZ Limited, a carpet manufacturing and flooring distribution company and Canterbury Spinners Limited, a woollen yarn manufacturing company.

This statement relates to the operations of Premium Floors Australia Pty Ltd and all of its subsidiaries, referred to in this statement as **"Mohawk Flooring Oceania"**.



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Mohawk Flooring Oceania’s main operations include manufacture and distribution of tufted carpet in Australia and New Zealand and the distribution in Australia and New Zealand of imported flooring products manufactured both by other entities within the Mohawk Group and external suppliers.

As at 31 December 2020, Mohawk Flooring Oceania employs around 960 people, of which 530 are employed in Australia and 430 employed in New Zealand.

Mohawk Flooring Oceania’s supply chain includes the manufacture and transportation of imported flooring products both from related entities within the Mohawk Group and external entities.

This includes the overseas factories where these products are made, the importation of these products and the subsequent sale and distribution of the products to flooring retailers, contractors and commercial

customers (including governments) throughout Australia and New Zealand.

Our supply chain also includes the supply of raw materials for its wool yarn and carpet manufacturing facilities.

This includes overseas wool growers and wool scourers producing and processing wool for the manufacture of wool yarn, overseas synthetic yarn manufacturers (both within the Mohawk Group and external entities), local and overseas manufacturers and suppliers of other raw materials, and the importation and transportation of these raw materials

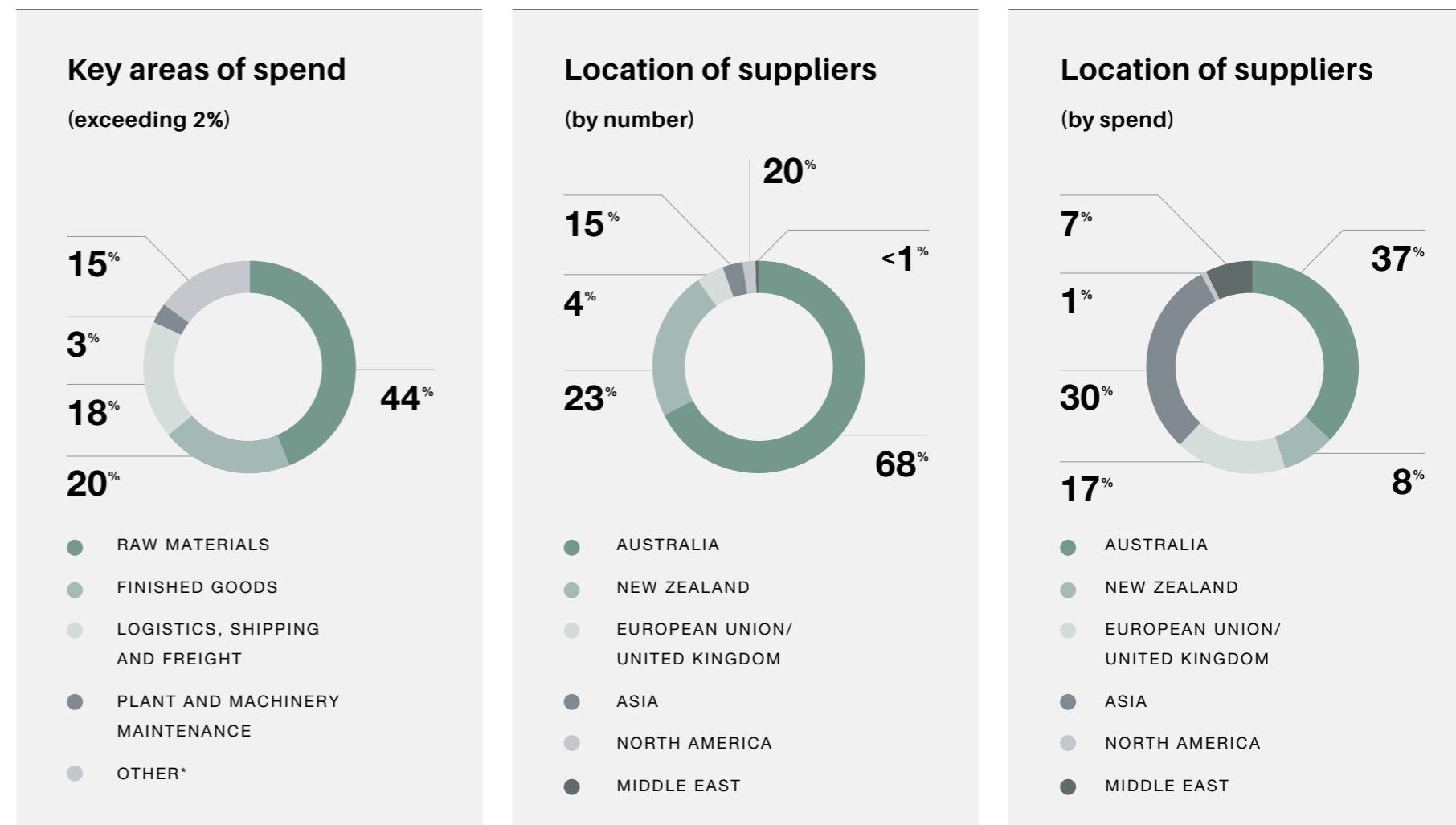
to its manufacturing facilities and the manufacture in Australia and New Zealand of Mohawk Flooring Oceania’s products.

Mohawk Flooring Oceania’s supply chains also include those services that contribute to its Australian and New Zealand operations as logistics, transport and shipping, property and maintenance services, utilities, cleaning, waste removal, security, provision of information technology (IT) equipment, provision of manufacturing equipment, professional services and financial services.



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In 2020 Mohawk Flooring Oceania spent circa AU\$250 million procuring contestable goods and services from over 1,300 suppliers (excluding goods and services sourced from entities within the Mohawk Group).



*Includes marketing, installation/repair contractors, professional services, utilities, IT equipment, software and communication, utilities, property, motor vehicle, material handling, security etc.



Less than 1% of our customers are based outside of Australia / New Zealand

Mohawk Flooring Oceania's key markets are focussed on Australian and New Zealand flooring retailers, commercial contractors, architects and property developers, property owning companies and government bodies. Less than 1% of our customers are based outside of Australia/New Zealand.

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Risks that may
cause Modern Slavery



All Mohawk Flooring Oceania operations are located in Australia and New Zealand and comply with all local employment and health and safety laws.

A majority of the people who work for Mohawk Flooring Oceania are employed directly and on a permanent basis. In both Australia and New Zealand, most manufacturing employees are employed under government approved/registered collective agreements negotiated with employees and relevant unions.

All employees are paid above minimum wages and the terms of employment comply with all local requirements.

All employees are required to provide evidence of right to work.

This lowers the Modern Slavery risk within Mohawk Flooring Oceania's direct workforce.

All our manufacturing operations are ISO9001 and ISO14001 accredited with our Australian manufacturing operations AS4801 accredited. We are audited annually by external auditing firms looking at various aspects of our operations and to ensure compliance with local laws and the global ISO standards.

Risk could be present in areas of our business using contracted service providers such as cleaning or security.

Mohawk Flooring Oceania has less direct visibility and control

over these workers and their employment terms although all agreements with these suppliers require payment of legal wages and terms of employment. However, these employees could include recent migrants, international students, or other vulnerable groups who may be less aware of their rights and more susceptible to exploitation.

Our Australian operations utilise an online contractor management system, requiring all contracting companies to complete and supply various documentation to ensure compliance with local work health and safety laws and systems and that all contracting employees are inducted and registered on the system.

Risks that may
contribute or be linked to Modern Slavery

Most suppliers to Mohawk Flooring Oceania are based in Australia or New Zealand and in low-risk sectors.

However, some third-party suppliers of raw materials and finished goods have operations in countries reported to have a high prevalence of Modern Slavery by international organisations and/or NGO's.

All raw material and finished goods suppliers are requested to disclose country of manufacture of goods supplied and those in high-risk countries are carefully monitored.

Mohawk Flooring Oceania has also identified that there is a risk that organisations may contribute to Modern Slavery by the purchase of items such as company uniforms based primarily on a cost criteria.

Risks have also been identified relating to the transparency of suppliers to our suppliers.



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The Mohawk Flooring Oceania Social Responsibility Policy sets out how we have integrated and embedded Modern Slavery risk analysis and management into our existing environmental, social and governance risk processes and how we will respond to any significant Modern Slavery risks identified through this process.

- a. Mohawk Flooring Oceania is committed to observing high ethical standards in the conduct of its business. The Mohawk Flooring Oceania Supplier Code of Conduct ("Code") demonstrates our commitment to establishing and maintaining relationships with third parties, including suppliers, that are committed to the same high ethical standards, and that are not linked to activities that would be considered abusive or exploitive, including human trafficking and slavery. Our Code supports our internal corporate values by providing guidelines intended to ensure that each of our suppliers is committed to maintaining similarly high standards. The Code communicates that as a condition of doing business with Mohawk Flooring Oceania, suppliers are expected to meet Code requirements applicable to human trafficking, labour practices, human rights and slavery.
- b. We include terms in purchase agreements and purchase orders requiring suppliers to adhere to the Code as well as all applicable laws, regulations and standards. The Code also calls for suppliers' subcontractors to comply with the terms of the Code. The Code is intended to ensure that materials incorporated into Mohawk Flooring Oceania products comply with laws and requirements in various contexts including social responsibility.
- c. Over the last 12 months all external finished goods and key raw materials suppliers in high-risk countries have been required to complete extensive supplier questionnaires to allow assessment of supply chain risk and formally accept and acknowledge the Code.

It is proposed over the next 12 months to implement a cloud-based questionnaire and extend to further suppliers (prioritised on risk assessment criteria).

The cloud-based questionnaire will streamline review processes. Currently it is proposed to seek suppliers to review and confirm questionnaire responses at least bi-annually. The cloud-based system will assist in facilitating this.

- d. In addition, Mohawk Flooring Oceania intends to conduct assessments of select new and existing suppliers to verify compliance with the Code – which include supplier questionnaires, management meetings and facility audits. Those audits may be attended by Mohawk Flooring Oceania staff or independent third parties. However, the audit process has been delayed due to COVID-19 travel restrictions. Mohawk Flooring Oceania does not currently retain a third-party verifier/auditor, but we reserve the right to retain one and requires suppliers to agree to and submit to third-party verification.
- e. Mohawk Flooring Oceania's Whistleblower's Policy provides a system for reporting of any instances of Modern Slavery within our operations in a confidential manner. Reports can be made anonymously by both employees and external parties as suppliers by a variety of methods including email, website and a Hotline. As part of bi-annual compliance training, we train and educate all our people on how to raise concerns under the Whistleblower's Policy.

- f. Mohawk Flooring Oceania recognises it is important to listen and respond to concerns raised by employees and contractors and as such, we have a Grievance Policy which allows for any employment related grievance, concern or dispute to be raised.
- g. Mohawk Flooring Oceania maintains internal accountability standards such that should a violation of the Code be discovered, Mohawk Flooring Oceania will promptly address the issue with the supplier and require the issue(s) be corrected. These controls include unannounced audits to verify correction and compliance, and the potential for termination of the supplier relationship in the event of violations or failure to adequately remedy violations.
- h. Mohawk Flooring Oceania provides training on Modern Slavery to supply chain employees and management and others responsible for implementing the Code on the requirements, management and enforcement of the Code, including how to identify and minimize the potential risk of slavery and human trafficking in the supply chain.
- i. In addition, all employees of Mohawk Flooring Oceania are required to undertake bi-annual training on the Mohawk Employees Code of Ethics (which includes consideration of Modern Slavery risks) and Mohawk Flooring Oceania Whistleblowing Policy.

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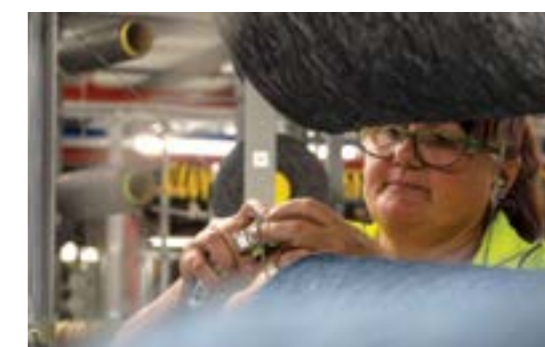
Assessing the effectiveness of actions taken to assess and address Modern Slavery

- a. Each year the Mohawk Flooring Oceania Chief General Counsel:
 - reviews Mohawk Flooring Oceania's response to Modern Slavery;
 - checks the risk assessment processes to ensure they are up to date; and
 - audits supplier registration of any new suppliers in high-risk countries and checks completion of the due diligence process.
- b. In 2020, all external finished goods and key raw materials suppliers in high-risk countries were required to complete extensive supplier questionnaires. These suppliers represented over 55% of our total contestable spend on goods and services. All questionnaires were returned and assessed. No instances of potential Modern Slavery were disclosed or identified.
- c. The Australian HR Manager is responsible to ensure bi-annual training of all employees in the Mohawk Employee Code of Ethics/ Whistleblower's Policy and Modern Slavery training to supply chain employees and management and others responsible for implementing the Code.
- d. During late 2019 and early 2020, we developed a number of internal training modules to build our employees' awareness of global Modern Slavery, human trafficking, social responsibility and global anti-corruption and fair competitive practices so our people are in a better position to understand, identify and report incidents.



We recognised the importance and need to build the capability of our employees, particularly those in procurement/planning and our product sourcing staff, we undertook a number of training courses to educate our people about how to identify potential issues of Modern Slavery and human trafficking and how to respond appropriately.

- e. All employees involved in our supply chain (including production planning and sourcing) (approximately 20 individuals) undertook in depth training modules on Modern Slavery.
- f. Since mid-2020, all new hires to the Australian businesses received Modern Slavery Awareness Training via our online LMS which outlines the concept of Modern Slavery, the proactive approach the company is taking to identifying and reducing Modern Slavery within our supply chain, and how to raise any concerns of Modern Slavery practices within our operations or supply chain.



- g. Within the last two years, all employees have undertaken Mohawk Employees Code of Ethics training and formally acknowledged their understanding of the Code of Ethics. In addition, during 2020, all Mohawk Flooring Oceania staff undertook two additional Mohawk Group training modules, including assessment questions, regarding our Global Anti-Corruption Awareness and Fair Competitive Practices and made aware of the reporting processes set out in the Whistleblower's Policy.

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The Boards of each reporting company comprise at least three of the directors of Premium Floors Australia Pty Ltd and consultation between the reporting companies required by the Act occurs at Senior Management Team meetings.

Mohawk Flooring Oceania operates and is managed as an integrated division of Mohawk Rest-Of-World Flooring Division (a division of Mohawk Industries Inc) with overreaching policies, systems and processes that are designed to be consistently applied in its operations.

As part of the development of new policies and systems, key management and other relevant employees in all aspects of the operations in both Australia and New Zealand are consulted and provide feedback into the development of these policies and systems.

Prior to being put to the Board for review and approval, this statement has been reviewed by Mohawk Flooring Oceania's Senior Management Team which includes the President – Mohawk Flooring Oceania, Chief Financial Officer, General Manager – Premium Floors, Chief Operating Officer (GHA), General Manager – GHNZ, Financial Controller – GHNZ and General Counsel/Head HR-IR who are responsible for the day to day management of Mohawk Flooring Oceania and leading the delivery of its strategic objectives.



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Impact
of COVID



In the past, Mohawk Flooring Oceania has regularly visited manufacturing sites of key external hard flooring suppliers and met with management of raw material suppliers.

It had been intended to include site visits to external hard flooring suppliers as part of the initial supplier due diligence but this has been prevented by COVID-19 travel restrictions such that the initial due diligence has been based upon responses to detailed supplier questionnaires and previous site visits (not specifically focussed on Modern Slavery risks).

COVID-19 has had limited impact on the Mohawk Flooring Oceania supply chain. From February/March 2020, the Senior Management Team commenced review of the supply chain and potential impact as a result of COVID-19.

Although initially only China was known to be impacted, the Senior Management Team sought to identify, across its overseas suppliers, any supplier currently or likely to be impacted (including through their supply chain) as a result of COVID-19.

At the height of the pandemic, frequent contact was maintained with suppliers and transport companies to keep abreast of any key risks within the supply chain.

Rather than cancelling orders, we delayed or phased some orders from suppliers and did not seek suppliers to pay any extra for logistics fees as a result of freight/shipment delays.

While the onset of the COVID-19 pandemic in early 2020 raised the potential of a highly challenging

operating environment, especially for manufacturing, our Australian and New Zealand manufacturing and warehousing operations were able to continue to operate within relevant state and federal government COVID-19 guidelines with increased safety and hygiene measures (including mandating PPE) implemented to ensure our people continued to work safely during this period.

This also meant we were able to continue to order from our suppliers and make payments on time and within payment terms.

Our absolute priority was, and continues to be, the health, safety and wellbeing of our people and the broader communities in which we operate.

Other
social initiatives

The Mohawk Flooring Oceania Social Responsibility Policy has been developed in consultation with all such entities who are obliged to comply.

We continue to look at new ways to reduce the risk of Modern Slavery

within our operations and more efficient and effective means to reduce risk and identify instances of Modern Slavery.

As a good corporate citizen, Mohawk Flooring Oceania is committed to utilising our influence, drive

change to improve peoples lives, seeking to eradicate risks of Modern Slavery in our operations.

This statement was approved by the Board of Premium Floors Australia Pty Ltd on 18 May 2021.

Tania Pauling
President

8 June 2021

Susan Rechenberg-Dupe
Director

8 June 2021

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