



national tiles

tiles | stone | timber

**modern
slavery
statement
FY21**

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modern slavery statement

Modern slavery is a term used to cover a range of serious exploitation practices including human trafficking, slavery, forced labour, child labour and slavery like practices. It can take the form of ownership, debt bondage, servitude, forced and compulsory labour, human trafficking and child labour.

Child labour, whilst not always illegal in the jurisdiction in which it takes place, involves the employment of children which is exploitative or is likely to harm the health, safety or morals of children. For the purpose of this policy, a child is anyone who is less than 15 years of age. Forced labour is the extraction of labour or services from any person, whom because of the use of coercion, threat, or deception, does not offer himself or herself voluntarily.

This Modern Slavery Statement is made in accordance with the Australian Modern Slavery Act 2018 (Cth), prepared for National Tiles Co Pty Ltd (ACN 007 381 599), including information related to the risks of modern slavery identified and actions taken for the better and safer future.

national tiles purpose

To invest in our team, customers, partners, and community to create a better future.



structure, operations and supply chain

National Tiles has been in operation since 1979 as a family owned business, selling tiles, timber flooring and associated products, along with installation services utilising subcontractors.

The retail network currently operates from 38 stores across VIC, SA, NSW, QLD and TAS, employing around 480 staff. Retail stores are predominantly company owned along with a Franchise network in some regional areas. National Tiles also service builder and commercial clients from within the retail showrooms as well as from specialised design centres or operating directly from the builders selection centres.



Inventory is sourced from both local and international suppliers, either direct from manufacturers, via agents or via resellers. Inventory is then generally delivered to and stored within distribution centres in each state in which we operate as well as within retail stores before being collected by or delivered to our customers.

Additional to inventory requirements, a variety of other items are purchased to assist in the general business operations. This consists of items such as office supplies, warehousing equipment and showroom displays.

Subcontractor services are sourced, predominantly from within Australia, and mainly to service the businesses installation requirements. In addition, service companies are regularly utilised to enable a variety of tasks, such as cleaning, store maintenance or waste removal.





risk identification

National Tiles have identified and categorised various areas of risk of modern slavery practices within its operations and supply chain. The primary areas of risk are identified below, with different levels of risk within and between each area of not conducting business to minimum standards required to prevent modern slavery practices.

purchase of inventory

Inventory is being purchased both locally from within Australia, from Asia and from Europe. Purchases are made directly from manufacturers, through agents and from wholesalers. We believe the highest level of risk stems from purchases of product manufactured in Asia, which includes purchases direct from the manufacturer as well as via agents or wholesalers. Our next level of risk stems from the European markets, followed by the local market. Further classification and analysis is being undertaken at an individual factory level.

subcontractor services

Product installation services are being undertaken within Australia by subcontractors. Some administrative functions are also undertaken by subcontractors located within Asia.

consumable and capital suppliers

All the usual business consumable requirements, such as office supplies, packaging materials and uniforms, as well as capital requirements, such as IT equipment or showroom fit-outs, are purchased primarily from local manufacturers and resellers. Primary risks here are from re-sellers who source their product from overseas factories.

service providers

A range of services are provided within the operations. These range from cleaning services to freight and logistics providers to provision of marketing services.

internal employment practices

Our internal employment practices are under regular review to ensure we uphold as a minimum each of the standards required under the various Australian laws and regulations.

labour hire

Some labour hire services are utilised, generally to assist with peak warehousing requirements. The potential exists that the labour hire company is not following minimum standards required with their employment practices.

franchise network

As part of our network, we must work with each of our Franchisees to ensure they are also following minimum standards and deal with appropriate suppliers and service providers.

actions taken to assess and address risks of modern slavery

For many years we have also had our Whistle-Blower Protection Policy to promote a culture of compliance, honesty and ethical behaviour within National Tiles. We encourage staff to report any “wrong-doing” such as dishonest, illegal or inappropriate activities in good faith and in an environment free from retribution so that the Board and Senior Management can adequately investigate and manage risk and cultural issues within National Tiles.

we have developed an Ethical Sourcing Policy to ensure we are:

outsourcing

sourcing products in a responsible manner

suppliers

working with our suppliers to improve their social and environmental practices

guidance

providing clear guidance to our buying staff

industry reputation

protecting our corporate reputation, the reputation of our individual businesses and brands

A modern Slavery Policy has been developed to outline National Tiles’ commitment to minimising the risk of modern slavery occurring within its own business, supply chains or through other business relationship and to ensure we will only conduct business with organisations which fully comply with this policy or are actively working to meet this minimum level of standards.

For over 30 years, both the company owner and key executives have been visiting our supply partners and factories throughout Australia, Asia and Europe. This has provided regular opportunities to sight any concerning activities and to work with our supply chain to make ongoing incremental improvements as needed. The impacts of COVID-19 have reduced the opportunity to visit supply partners in person, so we have relied on other methods, including the assistance of local agents, and much greater use of technology to assist with communications.

A Modern Slavery Committee has been formalised, which includes a number of team from across the business and key members from the Executive Team. This committee is meeting regularly to ensure ongoing progress is made to strengthen our commitment towards the elimination of Modern Slavery. It is responsible for the setting of strategy in relation to modern slavery, assessing progress and addressing feedback. Over time, this committee will be able to track progress made by each of our direct suppliers and manufacturers based on annual reporting feedback. Any critical concerns will be reported to the Board as required, with as a minimum an annual report back to the Board to provide a statement of progress and deliverables.

Other action items include:

Creation of an introductory letter and information pack for distribution throughout each of our direct suppliers, wholesalers and agents.

Creation and distribution of a self-assessment checklist/audit and confirmation statement to be distributed initially to each of our high risk suppliers and signed by their senior management.

Appointment of an independent auditor initially to address tier one suppliers.

Creation of a pre-signup checklist for new suppliers.

Provision of training to each staff member with a role relevant to the Modern Slavery Policy.

Develop reporting to assist with measurement of the effectiveness of our Modern Slavery Policy.

Implement annual reporting requirements for suppliers.



other relevant information

We are committed to ensuring we comply with relevant legislation (Modern Slavery Act 2018 (Cth)), appropriate standards and reporting requirements, codes of practice and other guidance material and act in accordance with the expectations of our customers and the community, and we expect the same from our suppliers.

Maintaining a reputation for the highest legal, moral, and ethical standards in our dealings with our customers and other key stakeholders is critical for our ongoing success. Policies that support National Tiles day to day operations are designed to make sure all relevant universally recognised human rights are safeguarded.

Our company policies have been developed to complement our core values of relentless

improvement, customer obsessed, respect, safe and teamwork.

We are committed to working with our suppliers to help them support the ethical standards set out in our Modern Slavery Policy and improve their standards and codes of practices to meet community expectations and minimise the risk of modern slavery in our business or supply chains.

National Tiles recognise we must take further steps to identify and address any actual or potential adverse impact with which we may be involved whether directly or indirectly through our own activities or business relationships. We commit to undertake the following actions:

- 1.** Have a Zero tolerance approach to modern slavery in any part of our operations and facilities as well as the operations and facilities of our suppliers and business partners.
- 2.** Prohibit exploitation of children through their engagement in hazardous work and the punishment, abuse or involuntary servitude of any worker.
- 3.** Support temporary workplace internship and apprenticeship education programs for younger persons as well as customary seasonal employment so long as such persons are closely supervised, the work is of short duration and their morals, safety, health and compulsory education are not compromised in any way.
- 4.** Restrict work tasks for any person under the age of 18 to non-hazardous activities,

including but not limited to work which exposes them to a possibility of physical or psychological abuse; work underground or at dangerous heights; work with dangerous equipment; work in an unhealthy environment; and work under particularly difficult conditions.

- 5.** Verify the age of applicants to ensure compliance with child labour legislation and our own policy.
- 6.** Perform risk assessments on suppliers and business partners to understand the measures they have in place to ensure modern slavery is not occurring in their business.
- 7.** Request that suppliers and business partners hold their suppliers and business partners to the same standards.

National Tiles provides this Modern Slavery Statement after consultation with the companies Executive Team and approval from the companies Board of Directors on 04/08/2022.



Campbell Stott
CEO and Board Director



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