



Solomons
Flooring

MODERN SLAVERY STATEMENT 2022

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 2021 through 30 June 2022.

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 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 have so far 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 recognise therefore that there is a 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 the 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. 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.

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 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 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.

In addition to the measures outlined in our earlier Modern Slavery Reports, during the year under review we obtained and reviewed the Modern Slavery Statements of 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.

In the 2022/2023 year we intend 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.

With some of the travel restrictions attributable to government responses to Covid-19 issues having eased, we were able to have face-to-face meetings with some important overseas suppliers and also to visit and inspect an important supplier's facilities located in the Middle East. During these meetings and visits we were able to discuss and reiterate, face-to-face, the focus and importance Carpet Call places on the risks of modern slavery within our supply chain and we have reason to believe that our concern is appreciated.

6. COVID-19

Reference is made to statements in our previous reports as to restrictions of various types imposed by National, State and International Governments as part of their respective responses to issues arising from the Covid-19 pandemic.

Now that international travel is more readily available, we expect to be able to continue the face-to-face meetings and facility visits of suppliers in overseas countries.

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

7. EFFECTIVENESS OF ACTIONS

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.

8. 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.

9. 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. Harrison', with a long, sweeping horizontal line extending to the right.

MICHAEL G HARRISON
MANAGING DIRECTOR

21 December 2022