



# Pillow Talk

## Modern Slavery and Human Trafficking Statement 2021

***This statement covers the activities of Pillow Talk Pty Ltd ABN: 69 010 861 711.***

*It demonstrates Pillow Talk's commitment to understand and implement actions to minimise the risk of modern slavery and human trafficking in its operations and supply chain.*



**THE REPORTING ENTITY:**

**PILLOW TALK PTY LTD**

Pillow Talk is a family-owned omni-channel retailer, specialising in home furnishings and home decoration products with 62 retail stores across Australia, an online web store, click and collect and home delivery shopping channels. The company has a workforce of just under 1000 employees engaged under Award agreements or contracts.

In addition to homewares product ranges for its retail stores and online business Pillow Talk sources a variety of goods, services, and consumables via external suppliers, ranging from stationary, IT and managed services, uniforms, and packaging from both domestic and international suppliers. The company operates out of several distribution centres and administration support offices located in Brisbane, Queensland.

Pillow Talk understands the importance of its people, customers and suppliers and strives to ensure that it creates a workplace culture and supply chain that is reflective of this.

Product ranges featured in Pillow Talk’s retail and online stores are sourced from a range of domestic and international suppliers from approximately 19 different countries, the largest of which are India, Turkey, China and Australia, respectively.



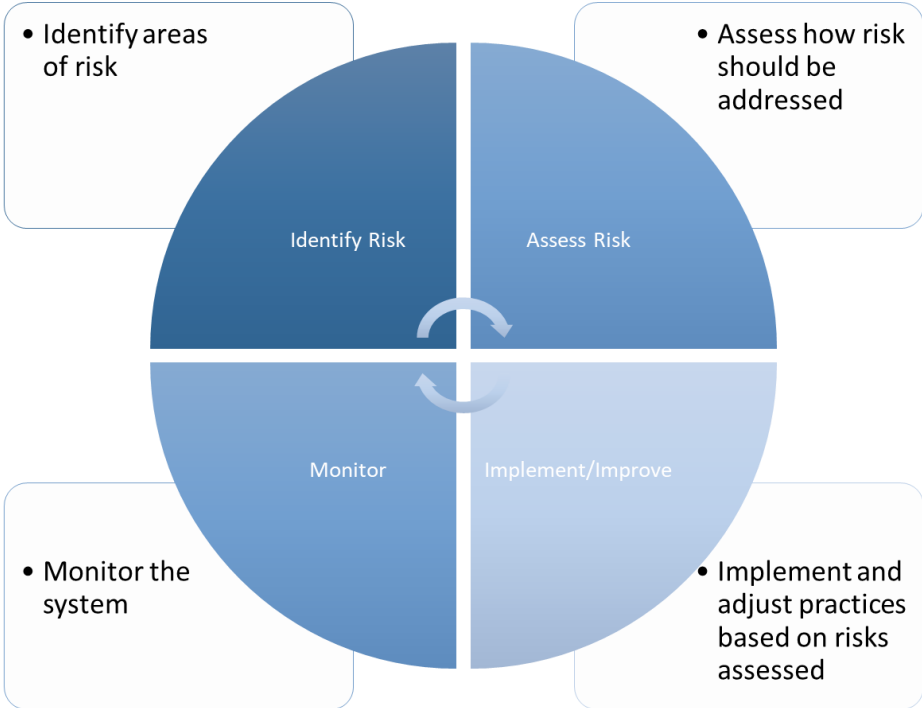


**RISKS OF MODERN SLAVERY:**

Pillow Talk recognises that slavery and human trafficking can occur in many forms and is committed to ensuring that it carries out its business in a responsible and ethical manner. The company is committed to doing what is reasonably practical to ensure that it reduces the risk of contributing to modern slavery both within its direct operations and the wider supply chain.

Due to the diversity, nature, and geographical origin of some of the products sourced, Pillow Talk is conscious of the associated risk that may come with this, particularly those related to its international supply chain. The company acknowledges that there can be an elevated level of risk when dealing with suppliers in certain regions or industries or where suppliers may sub-contract work or product sourcing to third parties and therefore, the company will apply appropriate risk assessment measures to suppliers in those regions.

When determining levels of risk Pillow Talk utilises information from a wide range of resources including The United Nations, Walk Free Foundation’s Global Slavery Index, and information available through industry associations, governments, and suppliers. The below risk assessment method has been applied when assessing supply chain risk.





## ACTIONS TAKEN TO ADDRESS MODERN SLAVERY RISKS

Pillow Talk is committed to operating its business lawfully and ethically and in working with suppliers that are aligned to its values. We expect suppliers to operate in accordance with all applicable modern legislation and laws including Modern Slavery laws.

Throughout 2021 Pillow Talk undertook steps to identify and assess potential risks of Modern Slavery within its supply chain both domestically and internationally, and act where required.

When assessing risk factors, the company considered industries which may have a higher indication of risk (such as international textiles and manufacturing industries), and supplier locations where modern slavery is potentially more apparent.

Once the company assessed its likely risk across its workforce and supply chain, a strategy was implemented for how to adjust its practices and/or implement new compliance measures to address any perceived or actual risk.

Risk assessment measures have highlighted the need for a greater level of governance in relation to international supplier expectations and responsibility. This has led to the creation of a Modern Slavery Policy and a more cohesive approach to international supplier onboarding via the creation of Supplier Guidelines and a commitment to implement this throughout our supplier database over the coming 12 months to ensure that suppliers have taken appropriate steps to protect their workers and supply chains from Modern Slavery. It is important to Pillow Talk that our suppliers share the same values and expectations that we as a company are committed to.

Implementing our Supplier Guidelines will enable Pillow Talk to gather information on, and relating to, a supplier's general operations, factory assessments (including information of the supplier's operations and workforce) and third party and/or sub-contractor arrangements where applicable and practicable. If supplier's have undertaken their own social compliance audits, this information will also be reviewed.

Social and human rights awareness is inherent in our business operations and embedded in our core values, shaping our behaviors and organisational culture. Pillow Talk's People and Culture Team have existing policies and processes in place that support the company's day-to-day operations to ensure that all staff meet Pillow Talk's core values and operating requirements, including environmental and workplace safety protection, staff inclusion and diversity. These policies will be reviewed at appropriate intervals to ensure that they consider and acknowledge Modern Slavery and Human Rights requirements. The below table shows the relevant company Policies that relate to and/or reference Modern Slavery and Human Rights.



**Examples of current Policies within the Business:**

Policies	Overview	Relationship to Modern Slavery
Supplier Guidelines	Outlines expected supplier behaviors including supplier letters and questionnaires	Specifically outlines Modern Slavery and our expectations of suppliers
Modern Slavery Annual Statement	Outlines our actions relating to Modern Slavery for a 12-month period	Outlines our commitment and steps taken to identify and address modern slavery as it relates to our business practices
Modern Slavery Policy	Policy designed to outline our actions and inform employees of our requirements	Outlines our expectations as a business in relation to our internal processes, that of our suppliers and our employees
Recruitment Guidelines	Designed to ensure all recruitment activities meet with relevant legislation and are fair and equitable	Designed to ensure that all recruitment practices do not directly or indirectly contribute to modern slavery
Grievance Procedures	Process for identifying and reporting internal grievances	Outlines all general grievance procedures also relevant to grievances relating to Modern Slavery
Whistleblowers Policy	Avenue for reporting inappropriate, illegal activities not in line with the company's code of conduct without fear of reprisal or <u>victimisation</u>	Can be used in relation for reporting concerns over modern slavery
Code of Conduct	Outlines the companies expected basic principles in relation to codes of conduct	Covering employees' responsibilities in relation to professional codes of conduct including those with suppliers
Company Values/Ethics	Business code of conduct outlining our internal core values and ethics	Covers human rights and ethical business processes, references internal company culture and acceptable behavior.

Pillow Talk recruits and employs most of its labour force internally, limiting the risk of contributing to modern slavery within its direct workforce. However, it recognises that when outsourcing services, the risk of modern slavery increases and therefore the company has a responsibility to ensure that it evaluates any increased risk in areas such as cleaning, freight distribution, logistics and IT where a higher percentage of workers are often employed from vulnerable populations or form part of the lower skilled workforce.

Pillow Talk will also commit to raising awareness and promoting best practice by:

- Ensuring all employees have access to this statement and our Modern Slavery Policy
- Undertake the necessary training for relevant staff where required
- Limit or reduce associated risk factors that might lead to, or constitute modern slavery; and
- Raise any concerns and report any actual or suspected modern slavery via the appropriate channels as detailed in our Modern Slavery Policy.

Pillow Talk commits to publishing its annual modern slavery statement at the end of each financial year to the relevant regulatory authorities (Modern Slavery Statement Register: [Modern Slavery Statements Register \(modernslaveryregister.gov.au\)](https://modernslaveryregister.gov.au)) as stated in the Modern Slavery Act 2018.

The annual Modern Slavery Statement will detail the steps that Pillow Talk has taken in the last financial year to ensure that it is identifying potential modern slavery risks and taking the appropriate action and ongoing continuous improvement initiatives, such as:

- Supplier guidelines and expectations
- Collaboration with supply chains



- Supply chain risk assessments
- Onsite supplier visits (including mills & factories) where possible
- Staff training/awareness
- Continuous improvement initiatives

Applying internal risk assessment methods will assist in identifying key areas of focus for the coming 12 months (FY22). Supplier engagement and its international supply chain will continue to be an area of attention and key consideration.

This includes regular site visits to international suppliers (when COVID-19 travel restrictions allow for this) and undertaking independent ethical audits where required.

## **ASSESSMENT AND REVIEW OF ACTIONS TAKEN**

Pillow Talk is committed to measuring and evaluating the effectiveness of actions taken to reduce modern slavery risks and to drive and influence change within its operations and supply chain.

The company has committed to regular internal audits of both its core operations and those of its wider supply chain, its risk assessment framework and the effectiveness of its Modern Slavery process. Pillow Talk is dedicated to raising awareness within its internal operations and wider business community and remains focused on improving and developing its modern slavery processes and outcomes.

## **MONITORING AND CONTINUOUS IMPROVEMENT**

Pillow Talk takes a continuous improvement approach to Modern Slavery and in recognition of this commits to regularly reviewing its policies, procedures, third party suppliers, manufacturers, and supply chain.

Pillow Talk will continue to work with its suppliers both locally and internationally to facilitate these processes and communicate its expectations in relation to supplier codes of conduct.

A rating system for suppliers based on the level of perceived risk in relation to modern slavery will be developed in order to focus efforts for improvement on high-risk suppliers, along with a centralised database to track supplier information, audit outcomes and other relevant information.

## **OTHER MATTERS (COVID-19)**

COVID-19 has and continues to have a significant impact across the world and specifically in relation to Pillow Talk's supply chain. The company is conscious of the impacts of COVID-19



and its potential to disproportionately affect some workers and therefore increase the vulnerability and exposure to modern slavery. Many workers may be subject to workforce restrictions, job losses, and factory shutdowns thus creating greater potential for loss of income, low awareness of workplace rights, requirements to work unreasonable overtime to cover capacity gaps or increased demand within supply chains due to shortages or the inability to return safely to home countries.

Pillow Talk recognises this impact and is committed to maintaining supplier relationships, including honouring current contracts and orders where practical, and recognising the need to limit, where possible, short production windows and last-minute orders as these may lead to an increased risk of modern slavery in some regions and industries.

**POLICY STATEMENT**

For over 40 years, Pillow Talk has travelled the world to find the best materials and the latest techniques to ensure our customers get that satisfying feeling of comfort every time they hop into bed or fall among their cushions on the couch. It’s because of this experience, that we like to think of ourselves as the comfort experts.

When we talk about comfort, we don’t just mean the physical feeling of comfort. Our pledge is to bring our customers, the comfort of confidence. The confidence of knowing that they are shopping with a wholly Australian-owned company whose core values are integrity, design and quality, expert knowledge and conscious practice. This confidence extends to our supply chain and ensuring that our suppliers are providing safe, clean, and fair working conditions for their people.

This statement has been prepared in consultation with Pillow Talk staff and management to meet reporting requirements under the *Modern Slavery Act (Cth) 2018* and outlines the actions that have been taken by Pillow Talk to identify, assess, and address the modern slavery risks across its operations and supply chain. Relevant parties have been consulted and provided with the opportunity to give their input and feedback prior to finalisation of this statement.

*This statement has been reviewed and approved by Heath Goddard as the Sole Managing Director of Pillow Talk and Kate Spencer (CEO) on 25<sup>th</sup> October 2022.*

Heath Goddard: Sole Managing Director

Signature:  .....

Kate Spencer: CEO

Signature:  .....