

## Interface Australia Modern Slavery Statement

### Reporting Calendar Year - 2020

This Modern Slavery Statement covers Interface Australia Pty Ltd. (ABN 39 000 692 026) in accordance with the Australian Modern Slavery Act 2018.

The Statement has been developed to ensure adherence to requirements set out in this act. The Interface Group embraces and supports core values in the areas of human rights, labour standards, the environment, and ethical practices. Interface is committed to stopping the exploitation of people and committed to abolishment of modern slavery across the globe.

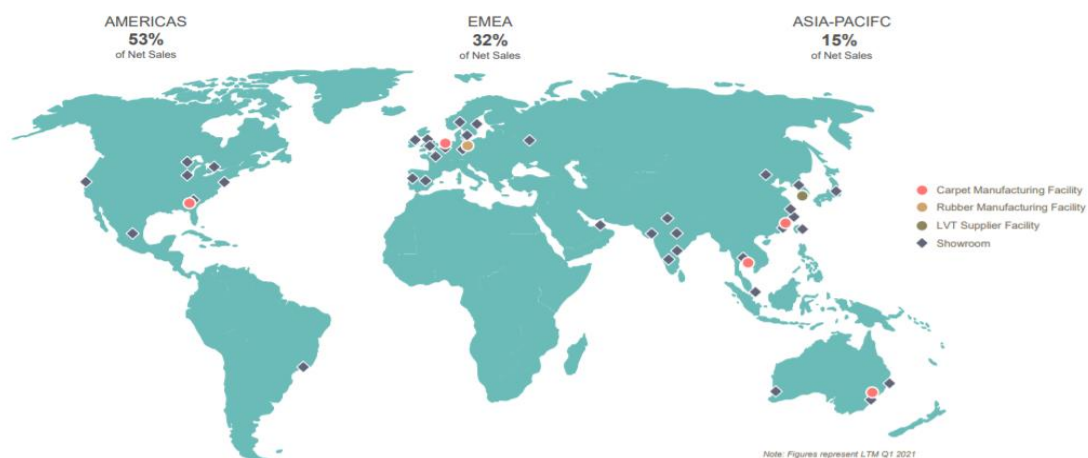
### OUR BUSINESS AND SUPPLY CHAIN

Interface Australia is part of the Interface Inc. a global commercial flooring business with an integrated collection of carpet tiles and resilient flooring, including luxury vinyl tile (LVT) and nora® rubber flooring. Our principal activity is the manufacture and distribution of interior floor coverings

Interface Australia operates within the EAAA group which covers Europe, Middle East, Asia Pacific and Australia. The goods we supply service many sectors including corporate office, non-office, hospitality, education, healthcare, and government primarily for the Australian and New Zealand markets. The Australian operations make up approximately 10% of the overall global business.

### Global Sales and Manufacturing Platform

- Sales & marketing offices in over 70 locations across 28 countries
- Global account management
- Seven manufacturing locations on four continents
- Global supply chain management
- Unique blend of efficiency and customization



Our local manufacturing operations account for 80% of total finished goods product sold. The remainder being imported from China, Thailand, USA, Germany, and the Netherlands which are all part of the Interface group of companies, as well as a South Korea, from a third party supplier.

Interface Australia's Local manufacturing operations are entirely based in New South Wales supported by a work force of 150 employees. Our sales force is based in NSW, Queensland, Victoria, SA, WA and includes an independent distribution arm in New Zealand.

Our supply chain extends beyond Australia, incorporating a number of global supplier partnerships with the Interface group. In 2020 more than 50% of raw materials used in manufacturing of our product was sourced from local suppliers with the remainder coming from our global supplier base. We have 46 primary suppliers with an expenditure of greater than \$AUD100,000, 31 of these suppliers were in Australia.

In 2019, Interface Australia formed a regional working group with our European procurement teams to better understand risk exposure and to develop improved synergy across our business in tackling threats of modern slavery across our shared supply chains. Our current methodology for focusing attention is based on spend. Priority been given to spend in the highest risk countries and sectors. Planned engagement with third party consultants and platforms will assist in improving supply chain mapping, filling knowledge gaps, and refocusing resources to the areas of highest risk.

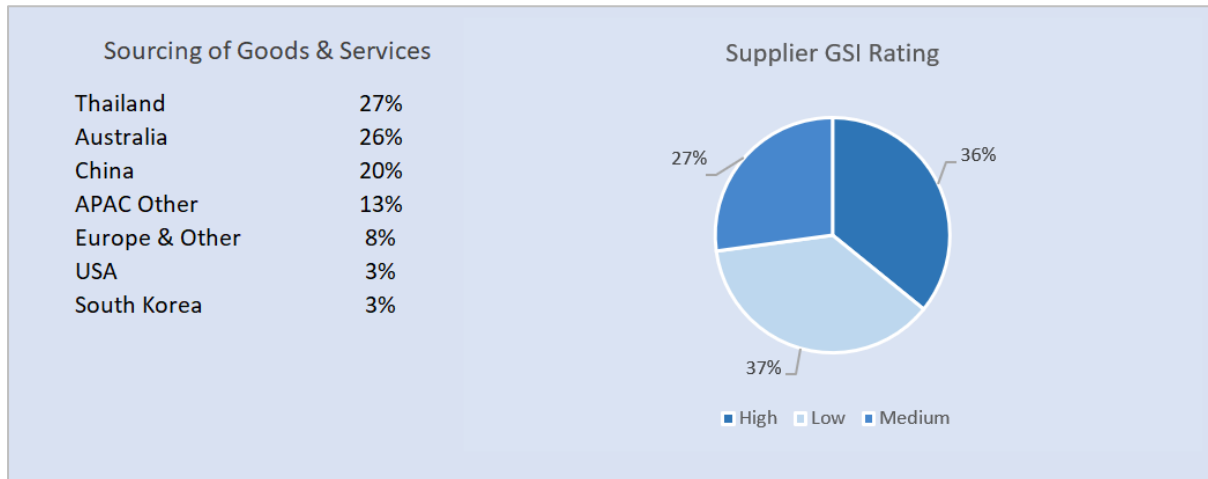
With this close cooperation, better understanding and developments have been made in supplier transparency, and lifecycle management. This covers the tendering, evaluation, selection, and on-boarding processes. These learnings are also being incorporated into strategic supplier management practices within our global procurement team.

## **RISK ASSESSMENT**

Interface Australia manufactures locally using a combination of locally sourced materials and services combined with imports of finished goods and raw materials.

In 2020, 85% of our suppliers were in low-risk countries based on Global Slavery Index (GSI) risk ratings

55% of our external expenditure was on finished goods and material from countries classified as higher risk. China and Thailand make up the majority of this exposure. The Interface group operates its own manufacturing facilities in these countries thus mitigating risks. In sourcing from other suppliers in this region, Interface's tier-1 supply chain is composed of multinational corporations that form its global supplier partnerships. These companies are supported by centralised governance systems and work closely with Interface to provide improved transparency in their supply chains. These companies were selected on product qualification needs alone, however, having this solid supplier base places us in a strong position to address modern slavery challenges more effectively going forward.



## ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

The major materials of risk revolve around yarn and woven fabrics supply. Most of these materials are co-developed between our key suppliers and Interface with high levels of transparency. However, these products also contain significant amounts of recycled content with complex and fluid upstream sources ( 2<sup>nd</sup> Tier & 3<sup>rd</sup> Tier suppliers ). These materials present the highest levels of risks to people participating in our supply chains and thus shape our priorities. Other raw items and services such as freight are planned for deeper investigation soon.

Working closely with our strategic long-term suppliers, as well as with platforms such as Manufacture2030, Interface has already established high levels of collaboration, alliance and commitment to tackle the threat of modern slavery. Going forward Interface plans to re-assess and audit selected high risk suppliers and verify compliance to our supplier code of conduct and anti-slavery legislation. For the Australian local operations, management minimising risks of labour hire and sub-contracting services has begun.

All our suppliers are required to comply to Interface’s global supplier code of conduct, with major suppliers additionally required to meet sustainable procurement standards.

Interface has a number of internal policies such grievance, gender equity & diversity, code of conduct & ethics and recruitment, which are actively being revised to adapt to new learning outcomes in minimising modern slavery.

Interface has evaluated a number of third-party platforms to support its goals and has committed to engaging with the Property Council of Australia Modern Slavery Supplier Platform, operated by Informed 365, in order to collaborate more closely with the Australian property and construction industry, as well as to engage, understand and assist suppliers within Australia and overseas.

## TRAINING

Members of our direct procurement team have attended external training courses on modern slavery and supply chain transparency. Training and is planned to be rolled out to

other employees who may sit in the broader sphere of influence or decision making. Additionally, learnings and experiences across the entire Interface group of business's are shared with the global procurement team which convenes on regular intervals.

## ASSESSING EFFECTIVENESS

On top of external training, Interface has consulted with third parties such as Better Sydney and Lloyds in reviewing and evaluating our risk assessment and diligence processes. This specialised assistance is also being used to formulate business strategy and identify gaps in Interface's supply chain management resources.

The Interface Group operates a culture of continuous improvement. While we are yet to implement advanced protocols to assess effectiveness of our measures, our global and regional procurement team convenes on monthly intervals with modern slavery as a recurring agenda item. Through close co-operation with other functional teams within the Interface Group, we are involved in regular reviews of best practice and procedures and effective ways of identifying and managing risks.

Interface is looking at how we can work with the Supply Chain Sustainability School as well as the Property Council Modern Slavery Supplier Platform to help us engage with our suppliers understand how effective our actions are proving.

## COVID-19

In 2020, COVID-19 pandemic generated enormous pressures on global supply chains particularly out of Asia. Whilst specific impact to materials in our supply chain appears to be minimal due to heavy reliance in automation, Interface recognises that upstream 2<sup>nd</sup> and 3<sup>rd</sup> tier regional supply chains may be exposed to increased labour pressures and exploitation risk. Locally, this pandemic is understood to have driven demand for cleaning and security services, increasing the risk of forced labour. In 2021, Interface will complete a thorough review and assessment of these services.

In addition, for our we have adopted new policies and procedures for our employees and all visitors and have taken steps within our workplace to promote social distancing, enhancing hygiene standards and providing necessary personal protective equipment including face masks.

This statement has been reviewed and approved by circular resolution, due to COVID restrictions, by the Board of Interface Australia as the principal governing body on the 30<sup>th</sup> June 2021.



**Rob Coombs**

Managing Director, Australia & New-Zealand.