

**K I N G**

**KING FURNITURE AUSTRALIA PTY LTD  
MODERN SLAVERY STATEMENT 2020**

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### 1. Introduction

King Furniture Australia Pty Ltd ('King Living'), ABN 79 002 757 333, is a company incorporated under the laws of Australia, with its registered office at C/- Strategic Wealth Management, Suite 234, 7-11 The Avenue, Hurstville, NSW 2220.

Since 1977, King Living has been at the forefront of Australian furniture design. With a reputation that is built on steel, King Living designs and manufactures contemporary, award-winning furniture that is made to last. Renowned for structural integrity and lasting personal comfort, King product is a representation of the brands vision to enable a more conscious way of living through authentic Australian design.

King Living is a vertically integrated business whereby we design, manufacture and retail our products for customers in Australia and across the globe.

The King Living Group includes the following related entities:

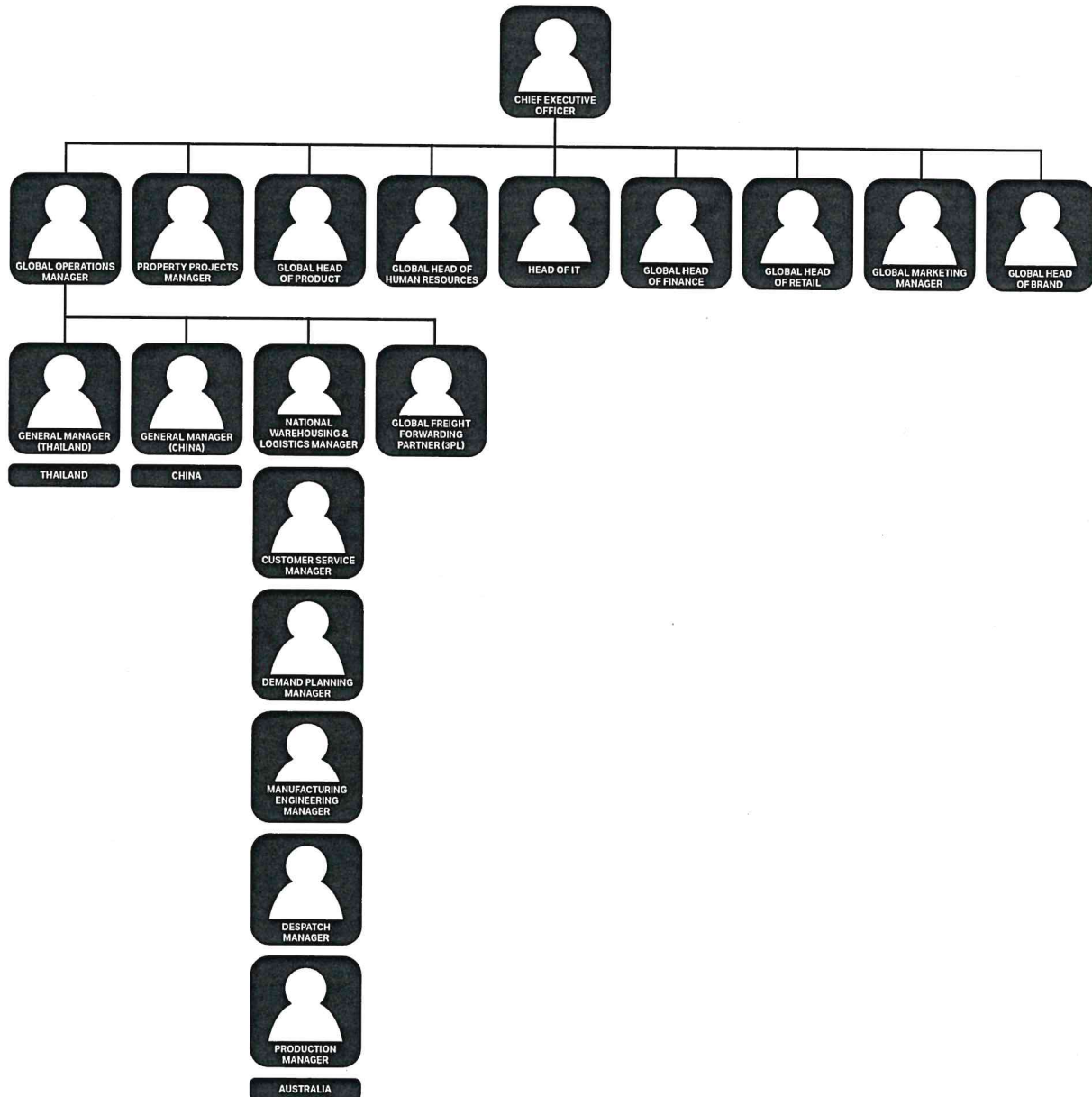
- 1) King Furniture Australia Pty Ltd, who for the Purposes of the Modern Slavery Act No. 153, 2018 ('The Act'), is submitting this statement for a Single Reporting Entity as provided for in Section 13.
- 2) Standard Distribution Pty Ltd, ABN 13 002 259 270.
- 3) King Living Inc. (Canada), Company Registration 1054248-2.
- 4) King Living New Zealand Ltd, NZBN 9429041548196.
- 5) Design On-Line Pty Ltd, ABN 25 629 161799.
- 6) Gold Lion Furniture Shanghai Co Ltd ('Gold Lion').

King Living is committed to providing equal opportunities and the principle of equality in accordance with relevant legislative provisions. We will not tolerate any unlawful discriminatory act or attitude by our employees in the course of their employment or in their dealings with our clients, suppliers, and contractors, members of the public or fellow colleagues. Acts of unlawful discrimination, harassment or victimisation result in disciplinary action. This is outlined in our Employee Handbook, which also outlines further policies on Equal Opportunities and Anti-Discrimination.

King Living recognises that we, along with all businesses have an obligation to identify, report and remove all modern slavery practices including child sex trafficking, sex trafficking, forced labour, servitude, debt bondage and forced marriage. We further understand that the term 'Modern Slavery' is used to describe situations where coercion, threats or deception are prevalent. King Living acknowledges our obligations under the Act and will continue to embed processes to help identify slavery and be vigilant when working with our supply chain to ensure any form of slavery is eradicated.

## 2. Structure, operations and supply chain

King Living Organisational structure is best described via the below:



King Living employs approximately 380 staff in Australia and approximately 500 staff in our Global Showrooms and our Manufacturing Plant in China (Gold Lion). King Living's supply chain structure sits under the portfolio of the Global Operations Manager. This includes the provision of Ocean, Air and Road supply.

In April 2019, King Living collaborated with Visa Global Logistics (and their joint ventures) to provide a global solution for our Supply Chain, including but not limited to:

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- Cross Trades, EU & NA into China.
- Origin trucking in China and export customs clearance.
- Ocean freight outbound from China to all destination ports.
- Customs clearance.
- Delivery to warehouses.
- Adhoc Air freights, when required.

As such, Visa Global Logistics provides the majority of logistics related services to King Living. We have entered into a draft Service Level Agreement with them, which incorporates an agreed rate chart. Visa Global Logistics has submitted a Modern Slavery Statement and provided us with a copy of the statement. This has provided us with a level of assurance that our primary supplier of logistics is committed to upholding the intentions of the Act.

Our Procurement is jointly controlled: Head of Product in Australia for Cased Goods; Global Operations Manager in Australia for Leather and Fabric; and suppliers of RAW materials into our owned factory in China is managed by our China based Purchasing Manager. They are also responsible for managing the associated risks.

Our Recruitment falls under the remit of the Global Head of Human Resources, based in Sydney, Australia, supported by a Human Resources Manager in China, who is responsible for the day-to-day activities in that country. Our Human Resource related policies include: Recruitment; Diversity; IT Policy; Drugs and Alcohol and Bullying and Harassment. The policies in China are further consistent with the relevant local legislation.

### 3. Operational risks

King Living is significantly vertically integrated with our single biggest operational entity being our furniture factory in Shanghai China. The majority of raw material suppliers are localised to China, with the exclusion of the following major commodities, which pose a low risk of modern slavery:

- 1) Leather imported from Germany and Italy.
- 2) Fabric from USA.
- 3) Bed Mechanisms from Italy.

The two largest operational risks have been identified as:

- 1) Local raw material supplier failures, resulting in factory stoppages. This risk is being mitigated through additional space being acquired (third party logistics and leased premises) for the storage of 'Safety Stock'.
- 2) Having a single source of manufacturing. This risk is being mitigated through an approved business case for implementation of a second manufacturing footprint in Thailand.

King Living does not utilise the services of Sub-Contractors or Agents. We do however, engage with re-

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cruitment agencies and our Finance portfolio is responsible for entering into written executed agreements with these agencies. Our Recruitment Policy ensures the recruitment of staff complies with all legal requirements, and in accordance with Equal Employment Opportunity principles and other policies and procedures adopted by King Living.

We currently do not have a documented Supplier Management Procedure or Supplier Code of Conduct. Our Employee Code of Conduct requires employees to amongst others, comply with any relevant legislation, industrial or administrative requirements, including observance and application of anti-discrimination policy. It further prohibits employees from engaging in any activity that may compromise the company's integrity and reputation. We believe this Code also applies to Modern Slavery and the requirement to comply with the Act.

### **4. Actions taken by king living to assess and address modern slavery risks**

We commenced our risk assessment over our current suppliers, by concentrating on our international suppliers, including suppliers who operate in geographic locations that are at high risk to modern slavery. The suppliers were identified and agreed to by our various heads of department responsible for procurement, as provided for in Section 2 of this Statement. We considered risks that may potentially cause, contribute to or be directly participating in Modern Slavery. Many of our suppliers are however, long standing and we have formed deep collaborative relationships with them.

We compiled and issued a Modern Slavery questionnaire, in the form of a survey, to better understand our international suppliers and their knowledge and commitment to complying with Australian Modern Slavery requirements. The questionnaire is based on the template provided by the Australia Border Police. The supplier is required to provide the name of the company, as well as the name of person completing the questionnaire, signed and dated. This ensures some form of accountability and preventative measures from King Living's standpoint.

King Living have received approximately 95% completed questionnaires. Those received in Chinese have been translated into English.

Our next step in the risk assessment process is to review the replies, identify any risks of modern slavery and respond to and address these risks appropriately.

We have performed a risk assessment of our suppliers from a business continuity perspective and intend rolling this out to perform a modern slavery risk assessment of our top spend suppliers.

Our Whistleblower Policy further makes provision for all employees, directors, officers, contactors, suppliers, associates and consultants, to report any misconduct or state of affairs, without being subjected to victimisation, harassment or discriminatory treatment. We believe this also provides for the reporting of suspected modern slavery and confidentiality may be retained where requested by the whistleblower.

### **5. Assessing the effectiveness of actions taken by us**

We have identified a number of our policy documents that require reference to modern slavery. These are currently being prepared by our external Employment Legal Team, who are responsible for amongst others, drafting of our Employee Handbook, Contracts and Policy updates.

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We have further rolled out information and literature to our CEO and Executives, both via written communications and face to face, regarding the Act and the modern slavery risks the company may be potentially exposed to.

As part of our continuation of our supplier questionnaire, we aim to build on our transparent and collaborative relationships with suppliers. This will ensure that our expectations of reporting of modern slavery risk, within the supplier's own supply chain has been clearly communicated to King Living.

### **6. The process of consultation with any entities the reporting entity owns or controls**

The King Living Group is effectively centrally controlled and managed by our Australian office. However, we have had consultations, discussions and reached consensus on our approach to modern slavery, the steps taken to date and the way forward, with all associated entities as outlined in Section 1 of this Statement.

### **7. Other relevant information - the way forward**

In order to build on the Modern Slavery framework we have established to date, we will be focusing on the following areas:-

- We have engaged a private external firm to conduct an independent audit of our social responsibility to international standards. We are also in the process of engaging the said firm in China to have our owned factory audited against AS8000/ISO26000. Following this we will plan a random audit of suppliers in a timely manner.
- Onsite inspections of our suppliers will be performed to evaluate their practices with respect to the treatment of their workers, and identifying and determining any potential risks, including modern slavery and human trafficking.
- We will continue with our risk assessment of the modern slavery questionnaire and follow up on potential risks identified.
- Finalise and approve all policies that now incorporate and reference Modern Slavery.
- Introduce modern slavery training to our staff, which may entail online courses, in-person meetings with management and/or written resources.
- Where deemed necessary, introduction of more intensive training of management employees, particularly those in charge of supply chain management to ensure they are aware of latest trends and developments.
- Develop a Supplier Management Procedure or Supplier Code of Conduct.
- Perform a desktop modern slavery risk assessment of our top spend suppliers and perform additional due diligence of suppliers who rated at medium or high risk to modern slavery.

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- Develop internal accountability standards and procedures further, to hold our employees and contractors accountable for non-compliance with our standards on modern slavery and human trafficking.

Signed by

ANTONIETTA SPIENDORA  
Full Name CARRABS

A. C. Carrabs  
Signature

Director King Furniture Pty Ltd

The Board of King Furniture Pty Ltd has approved this Statement on 31 March 2021