



## **Modern Slavery Statement**

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).

### **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.

The report is in respect of the period from 01 July 2019 through 30 June 2020.

### **Structure, Operations & Supply Chains**

#### ***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 Managing Director James L Smith.

#### ***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 and some other minor items.

The Group's retail operations currently comprise approximately 50 company owned and operated Carpet Call branded 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 largest home builders.

#### ***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.

We recognise that there is a need to explore and better understand any risks further up the supply chain.

### **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 possible lack of transparency and also the possibility/likelihood of different attitudes, values and ethics applying.

#### **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.

#### **Supply Chains**

##### **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 is achieved in the modern slavery context 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.

##### **Overseas Suppliers**

Carpet Call’s overseas suppliers are based in various part of the world. The majority of these suppliers manufacture their products in highly automated factories many of which we have visited and inspected which imparts a certain level of confidence.

However, it is recognised that those suppliers also buy in raw materials in the production process and, again, that situation is more opaque and the risk of unacceptable practices cannot necessarily be excluded.

### **Actions to Assess & Address Above Risks**

Carpet Call is addressing the likely utility and effectiveness of developing a questionnaire/certification approach in respect of suppliers who might be thought most at risk. This project is being developed jointly by the Office of the Managing Director and the Office of the Chief Financial Officer/Group Controller with involvement and assistance of others as required.

We will continue to assess and monitor the possibility of modern slavery in our supply chains and review and reassess the practices and procedures we have in place for addressing the issue.

We are also implementing awareness training for relevant personnel with a view to establishing and ensuring robust frameworks and processes are in place to minimise the risk of modern slavery in our supply chains.

Some actions which would have been taken during the reporting year were deferred due to restrictions imposed by various governments and government agencies in dealing with the Covid-19 pandemic.

### **Effectiveness of Actions**

We will be reviewing the effectiveness of the actions and controls implemented within our processes relating to our modern slavery risks and, in particular, the above-referenced development of the questionnaire/certification approach.

We will be seeking to better understand the learnings from that process and undertaking any necessary further communication with key suppliers in situations where they and their practices or products might be significantly exposed to risks of modern slavery.

### **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.

This Statement is authorised by the Board of Directors of Carpet Call and issued under the hand of



**JAMES L SMITH**  
**MANAGING DIRECTOR**

30 March 2021