



**MOHAWK**<sup>®</sup>  
OCEANIA

# Modern Slavery Statement

 **PREMIUM FLOORS**

 **FLOORSCAPE**

 **Godfrey Hirst**

 **Feltex**

 **COMMERCIAL**

*Identification, management and mitigation of modern slavery risks in our operations and supply chain.*



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*Acknowledgment of Country: Mohawk Flooring Oceania acknowledges the Traditional Custodians of the land upon which we operate throughout Australia and recognises their continuing connection to land, water and community. We pay our respects to Elders past, present and emerging.*

# President's Message

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This is Mohawk Flooring Oceania's third Modern Slavery Statement, outlining our progress in the identification, management and mitigation of modern slavery risks in our operations and supply chain.



Mohawk Industries Inc and all its subsidiaries ("Mohawk Group") worldwide are committed in investing today to make a better reality tomorrow. Combined these investments will drive greater growth and profitability while doing what's right for the people and the planet. As part of this commitment the Mohawk Group seeks:



**A standard of excellence in every aspect of our business and in every corner of the world.**



**Ethical and responsible conduct in all our operations.**



**Respect for the rights of all individuals.**



**Respect for the environment.**

The Mohawk Group expects these same commitments to be shared by all its suppliers, contractors and other third parties with whom we do business, who are also expected to meet the standards set out in the Mohawk Flooring Oceania "Supplier Code of Conduct". This Code of Conduct includes requirements that they are not linked to activities that would be considered abusive or exploitive, including human trafficking and slavery.

The Australian subsidiaries of Mohawk Industries Inc, and New Zealand, appreciate that our operations and supply chain are exposed to potential modern slavery risks and have implemented processes to identify, assess and manage such risks.

Our initial risk assessment indicated our risk of modern slavery is higher in our supply chain and lower risk for our employees (all of whom are employed in Australia and New Zealand). Based on this initial assessment, during 2020, we mapped all our key tier 1 finished goods and raw material suppliers, undertaking due diligence of those suppliers, and building awareness of modern slavery through training of our people. We have since extended our focus to all finished goods and all Australian raw material suppliers, including locally based suppliers.



**Tania Pauling**  
President  
Mohawk Flooring Oceania



# Structure and Governance

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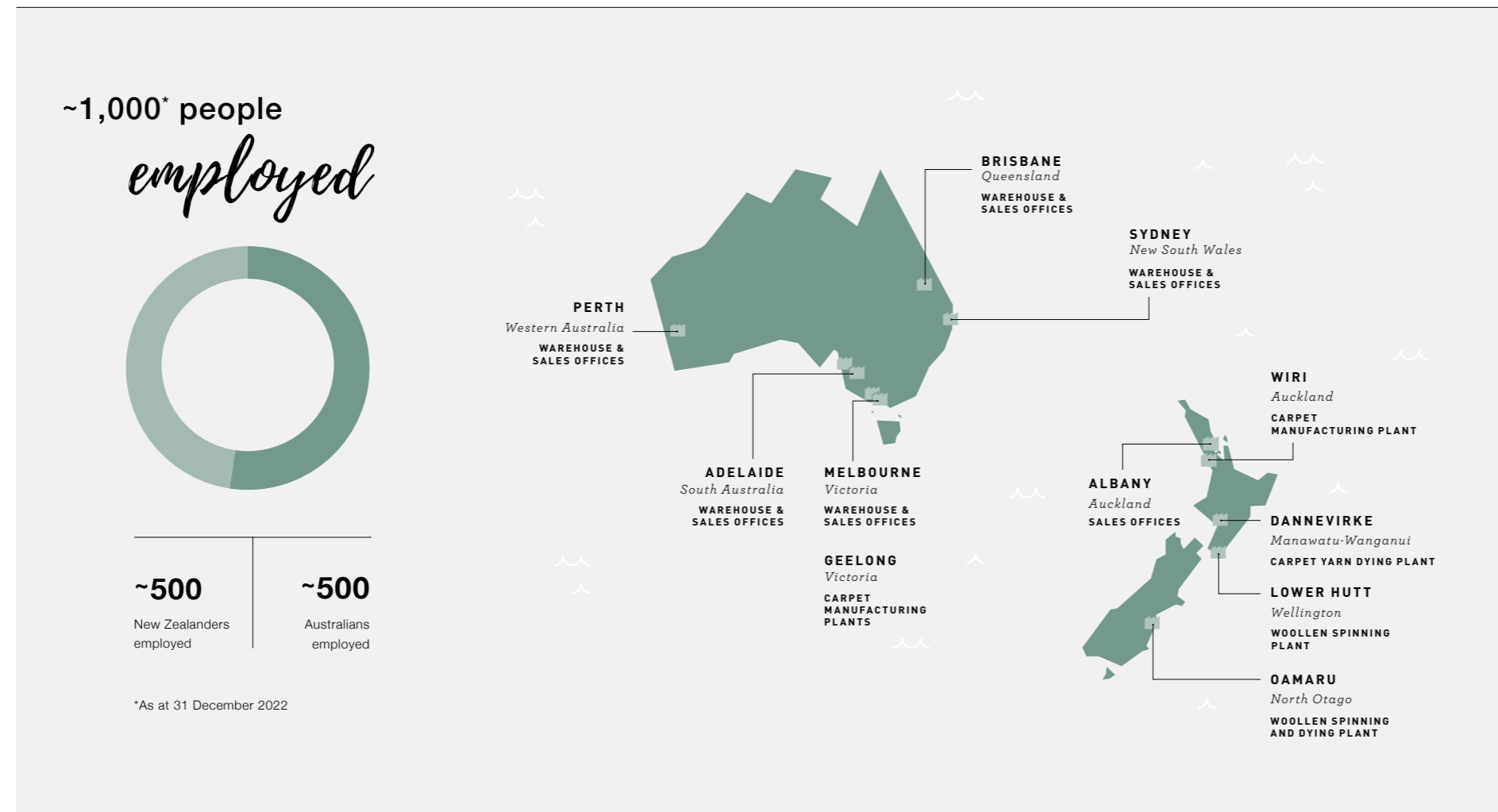
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**Premium Floors Australia Pty Ltd is a flooring distribution company and the holding company of Godfrey Hirst Australia Pty Ltd, a carpet manufacturing and flooring distribution company and Feltex Carpets Pty Ltd, a carpet distribution company.**

Premium Floors Australia Pty Ltd is structured as a large proprietary company incorporated in Australia and is a wholly owned subsidiary of Mohawk Industries Inc. Mohawk Industries Inc, head officed in Calhoun, Georgia, USA, is publicly listed on the NYSE being the leading global flooring manufacturer and the world's largest flooring company with operations in Australia, Brazil, Canada, Europe, India, Malaysia, Mexico, New Zealand, Russia and the United States of America with group turnover exceeding US\$11 billion and employing over 40,000 employees worldwide.

Premium Floors Australia Pty Ltd has 9 subsidiaries including its Australian incorporated subsidiary of Godfrey Hirst Australia Pty Ltd, who in turn is the holding company of Feltex Carpets Pty Ltd (who are reporting entities), and New Zealand incorporated subsidiaries of Floorscape Limited, a flooring distribution company, which has subsidiaries, Godfrey Hirst NZ Limited, a yarn and carpet manufacturing and flooring distribution company.



## Reporting Entities

Our Australian subsidiaries take a group-wide approach to managing modern slavery risks in our operations and supply chain.

This is a joint statement made on behalf of all Australian operational subsidiaries of Mohawk Industries Inc being **Premium Floors Australia Pty Ltd** and its wholly owned subsidiaries **Godfrey Hirst Australia Pty Ltd** and **Feltex Carpets Pty Ltd**.



# Our Operations

Mohawk Flooring Oceania’s main operations include manufacture and distribution of tufted carpet in Australia and New Zealand and the distribution of imported flooring products manufactured both by other entities within the Mohawk Group and external suppliers.



## Supply Partners



External suppliers of contestable goods and services

**Over 1,600**

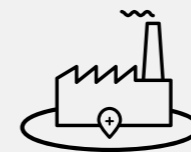


Annual Spend  
**~AUD350m**



Number of sourcing countries  
**~25**

## Operations



Carpet Manufacturing Facilities

**Total 4**

Australia 3  
New Zealand 1

Yarn Processing Facilities

**Total 3 (NZ)**

Distribution Centres

**Total 10**

Australia 7  
New Zealand 3

Sales Offices

**Total 14**

Australia 10  
New Zealand 4

## Team



Team members

**Over 1,000**

Located in Australia  
and New Zealand



Our Customer Network

**Total - around 2,000**

Australia 1,500  
New Zealand 500

Australasian Commercial  
and Residential Spaces

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# Our Supply Chain

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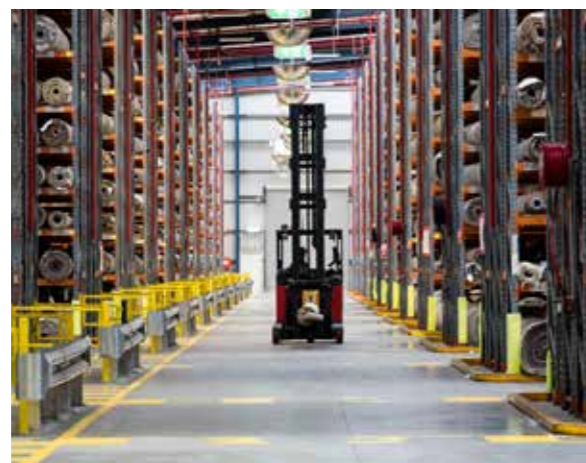
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**Mohawk Flooring Oceania’s supply chain includes the manufacture and transportation of imported flooring products both from related entities within the Mohawk Group and external entities.**

This includes the overseas factories where these products are made, the importation of these products and the subsequent sale and distribution of the products to flooring retailers, contractors and commercial customers throughout Australia and New Zealand.



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Our supply chain also includes the supply of raw materials for our woollen yarn and carpet manufacturing facilities. This includes overseas (overwhelmingly in New Zealand) wool growers and wool scourers producing and processing wool for the manufacture of wool yarn, overseas synthetic yarn manufacturers (both within the Mohawk Group and external entities), local and overseas manufacturers and suppliers of other raw materials, and the importation and transportation of these raw materials to our manufacturing facilities and the manufacture in Australia and New Zealand of Mohawk Flooring Oceania’s products.



Mohawk Flooring Oceania's supply chains also include those services that contribute to its Australian and New Zealand operations such as logistics, transport and shipping, property and maintenance services, utilities, cleaning, waste removal, security, provision of information technology (IT) equipment, provision of manufacturing equipment, professional services and financial services.



# Our Supply Chain

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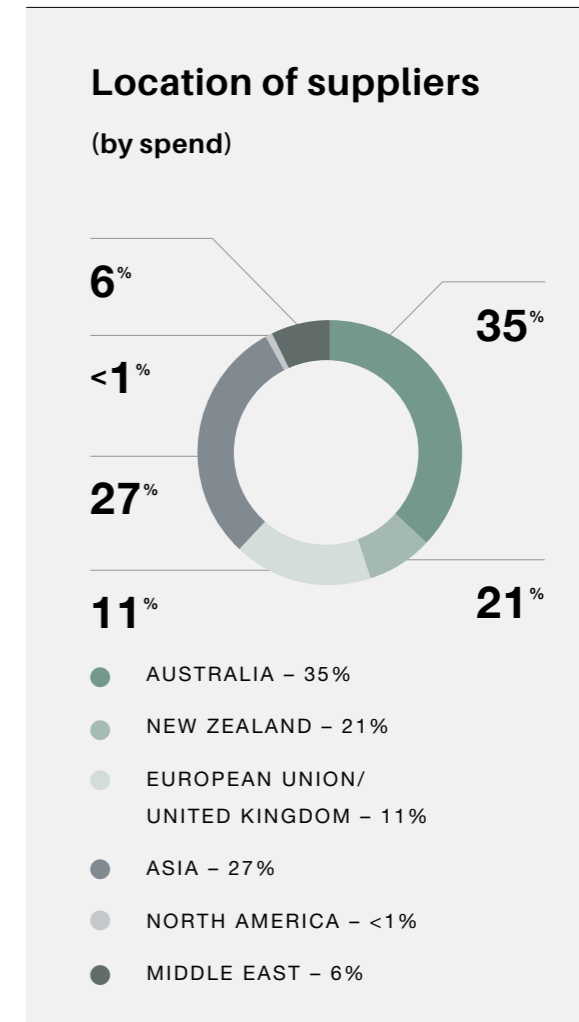
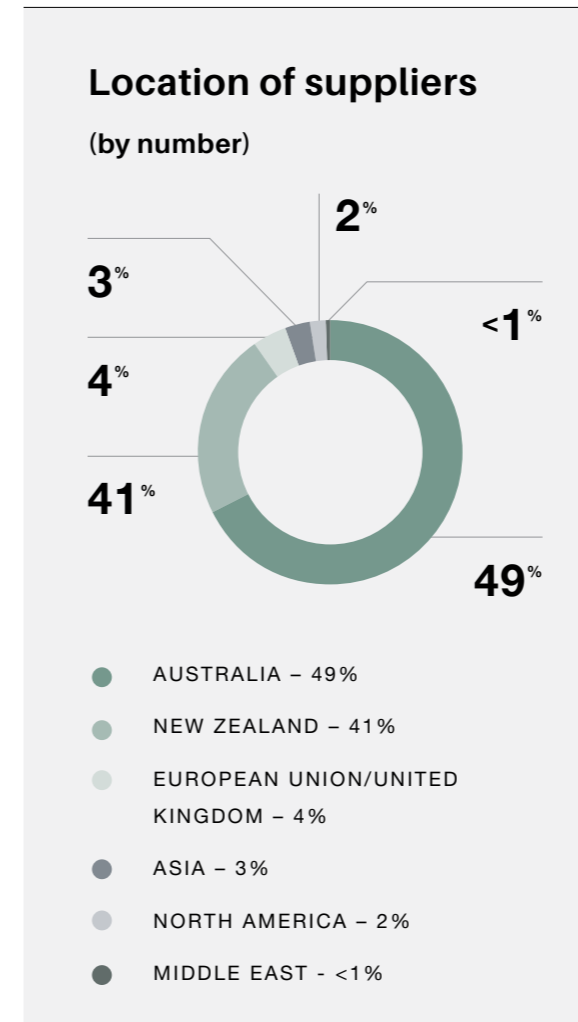
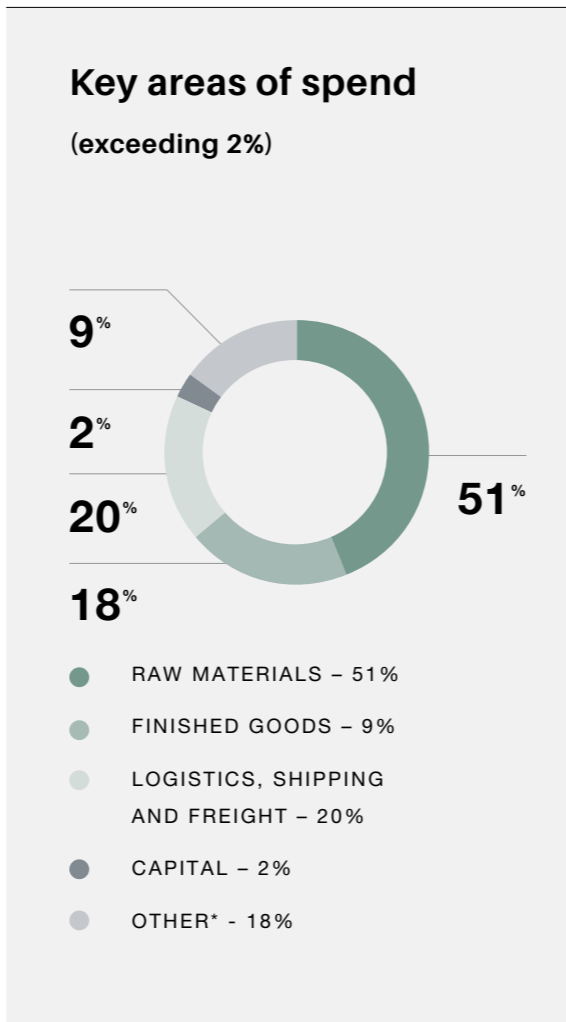
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In 2022 Mohawk Flooring Oceania spent approximately AU\$350 million procuring contestable goods and services from over 1,600 suppliers (excluding goods and services sourced from entities within the Mohawk Group) from approximately 25 countries.



\*Includes maintenance, marketing, installation/repair contractors, professional services, utilities, IT equipment, software and communication, utilities, property, motor vehicle, material handling, security etc.

**<1%** Less than 1% of our customers are based outside of Australia / New Zealand

Mohawk Flooring Oceania's key markets are focused on Australian and New Zealand flooring retailers, commercial contractors, architects and property developers, property owning companies and government bodies. Less than 1% of our customers are based outside of Australia/New Zealand.

# Modern Slavery Risks in Our Operations/Supply Chain

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Our commitment to assess and address the risks of modern slavery practices.



The Mohawk Flooring Oceania Social Responsibility Policy, developed in 2020, provides a clear and transparent framework setting out our commitment to understanding, monitoring and managing our social, environmental and economic impacts and to contribute to improvements in the communities in which we are based, operate and partner with. Our policy sets out our commitment to assess and address the risks of modern slavery practices and to maintain and improve our systems and processes to avoid modern slavery.

Our success depends on our people who are our greatest asset and we respect the human rights of all workers within our own operations.

All Mohawk Flooring Oceania operations are located in Australia and New Zealand and comply with all local employment and health and safety laws which prohibit all forms of modern slavery.

The vast majority (over 95%) of the people who work for Mohawk Flooring Oceania are employed directly and on a permanent basis. In both Australia and New Zealand, most manufacturing employees are employed under collective agreements negotiated with employees and relevant unions, covering more than 55% of our employees. All employees are paid above minimum wages and the terms of employment comply with all local requirements. All employees are required to provide evidence of right to work. Less than 1% of our workers are visa holders.





# Modern Slavery Risks in Our Operations/Supply Chain

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All our manufacturing operations are ISO 9001 and ISO 14001 accredited with our Australian manufacturing operations being AS45001 accredited. All accreditation and annual audits are undertaken by independent, third party certification auditors, on site, looking at various aspects of our operations and to ensure compliance with local laws and the global ISO standards.



On this basis it is believed the risk of modern slavery to be a low within Mohawk Flooring Oceania's direct workforce is low and at this stage of our modern slavery journey, we are focussing our attention on our supply chain.

Across our business, procurement is conducted through three channels – **Premium/Floorscape**, **Godfrey Hirst Australia** and **Godfrey Hirst NZ**. All three channels are subject to similar supplier registration processes.



We have assessed the risk of modern slavery in our supply chain in a staged approach based on an informed view of where we considered risk to be highest taking into account the countries and locations of operation of our suppliers, the nature of goods and services purchased, sector/industry risk profiles and annual spend.

This analysis identified that the greatest risk was in our procurement of raw materials for the manufacture of soft flooring and finished resilient flooring products from countries outside of Australia and New Zealand. For existing suppliers in these areas, we sought additional information relating to modern slavery risks in the form of detailed questionnaires; and for new suppliers required more detailed information during the supplier onboarding process.



# Key Identified Modern Slavery Risks

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Risk	Concern	Response
<b>Geography</b>	Though most suppliers to Mohawk Flooring Oceania are based in Australia or New Zealand and in low-risk sectors, some third-party suppliers of raw materials and finished goods have operations in countries reported to have a high prevalence of Modern Slavery by international organisations and/or NGO's in particular forced labour, child labour and debt bondage practices.	All raw material and finished goods suppliers are requested to disclose country of manufacture of goods supplied and those in high-risk countries are carefully monitored.
<b>Contract Service Providers</b>	Risk could be present in areas of our business using contracted service providers such as cleaning or security. Mohawk Flooring Oceania has less direct visibility and control over these workers and their employment terms although all agreements with these suppliers require payment of legal wages and terms of employment. However, these employees could include recent migrants, international students, or other vulnerable groups who may be less aware of their rights and more susceptible to exploitation.	All our operations utilise an online contractor management system, requiring all contracting companies to complete and supply various documentation to ensure compliance with local work health and safety laws and systems and that all contracting employees are inducted and registered on the system.
<b>Transparency of suppliers to our suppliers</b>	Current supplier questionnaires are focused on the location of supplier operations although country of origin of goods is sought.	We are assessing the feasibility of expanding our due diligence process to include a greater focus on the origin of goods supplied, even where sourced from local suppliers.
<b>Transparency of raw material suppliers to suppliers</b>	Current supplier questionnaires are focused on supplier operations and other than regulated timber products do not seek detailed information re: sources of raw materials.	We are assessing the feasibility of expanding our due diligence process from new materials and finished goods to include a greater focus on where our suppliers source their raw materials from.



# Actions Taken

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**The Mohawk Flooring Oceania Social Responsibility Policy sets out how we have integrated and embedded modern slavery risk analysis and management into our existing environmental, social and governance risk processes and how we will respond to any significant modern slavery risks identified through this process.**

### Supplier Code of Conduct

Mohawk Flooring Oceania is committed to observing high ethical standards in the conduct of its business. The Mohawk Flooring Oceania Supplier Code of Conduct ("Code") demonstrates our commitment to establishing and maintaining relationships with third parties, including suppliers, that are committed to the same high ethical standards, and that are not linked to activities that would be considered abusive or exploitive, including human trafficking and slavery. Our Code supports our internal corporate values by providing guidelines intended to ensure that each of our suppliers is committed to maintaining similarly high standards. The Code communicates that as a condition of doing business with Mohawk Flooring Oceania, suppliers are expected to meet Code requirements applicable to human trafficking, labour practices, human rights and slavery.

We include terms in purchase agreements and purchase orders requiring suppliers to adhere to the Code as well as all applicable laws, regulations and standards. The Code also calls for suppliers' subcontractors to comply with the terms of the Code. The Code is intended to ensure that materials incorporated into Mohawk Flooring Oceania products comply with laws and requirements in various contexts including social responsibility.

### Supplier Due Diligence

All new suppliers are required to complete supplier registration forms including acceptance of the Mohawk Supplier Code of Conduct. Any suppliers identified as not being low risk are required to complete an extensive supplier questionnaires to allow a more detailed assessment of supply chain risk.

We regularly review our initial assessment of suppliers through further enquiries and periodic site visits.



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### Systems for Reporting Modern Slavery

Mohawk Flooring Oceania's Whistleblower's Policy provides a system for reporting of any instances of modern slavery within our operations in a confidential manner. Reports can be made anonymously by both employees and external parties, such as suppliers, by a variety of methods including email, website and a third party run Hotline. As part of regular compliance training, we train and educate all our people on how to raise concerns under the Whistleblower's Policy, as well as such training being a part of all new hires induction training.

Mohawk Flooring Oceania recognises it is important to listen and respond to concerns raised by employees and contractors and as such, we have a Grievance Policy which allows for any employment related grievance, concern or dispute to be raised.

### Systems for Remediation

Mohawk Flooring Oceania maintains internal accountability standards such that should a violation of the Code be discovered, Mohawk Flooring Oceania will promptly address the issue with the supplier and require the issue(s) be corrected. These controls include unannounced audits to verify correction and compliance, and the potential for termination of the supplier relationship in the event of violations or failure to adequately remedy violations.

### Training

Mohawk Flooring Oceania provides training on modern slavery to supply chain employees and management and others responsible for implementing the Code on the requirements, management and enforcement of the Code, including how to identify and minimize the potential risk of slavery and human trafficking in the supply chain.

In addition, all employees of Mohawk Flooring Oceania are required to undertake bi-annual training on the Mohawk Employees Code of Ethics (which includes consideration of modern slavery risks) and Mohawk Flooring Oceania Whistleblowing Policy.

The Code, Mohawk Flooring Oceania's Terms and Conditions of Purchase and Mohawk Flooring Oceania Whistleblower's Policy are available on all our websites.





# Monitoring Progress and Assessing Effectiveness

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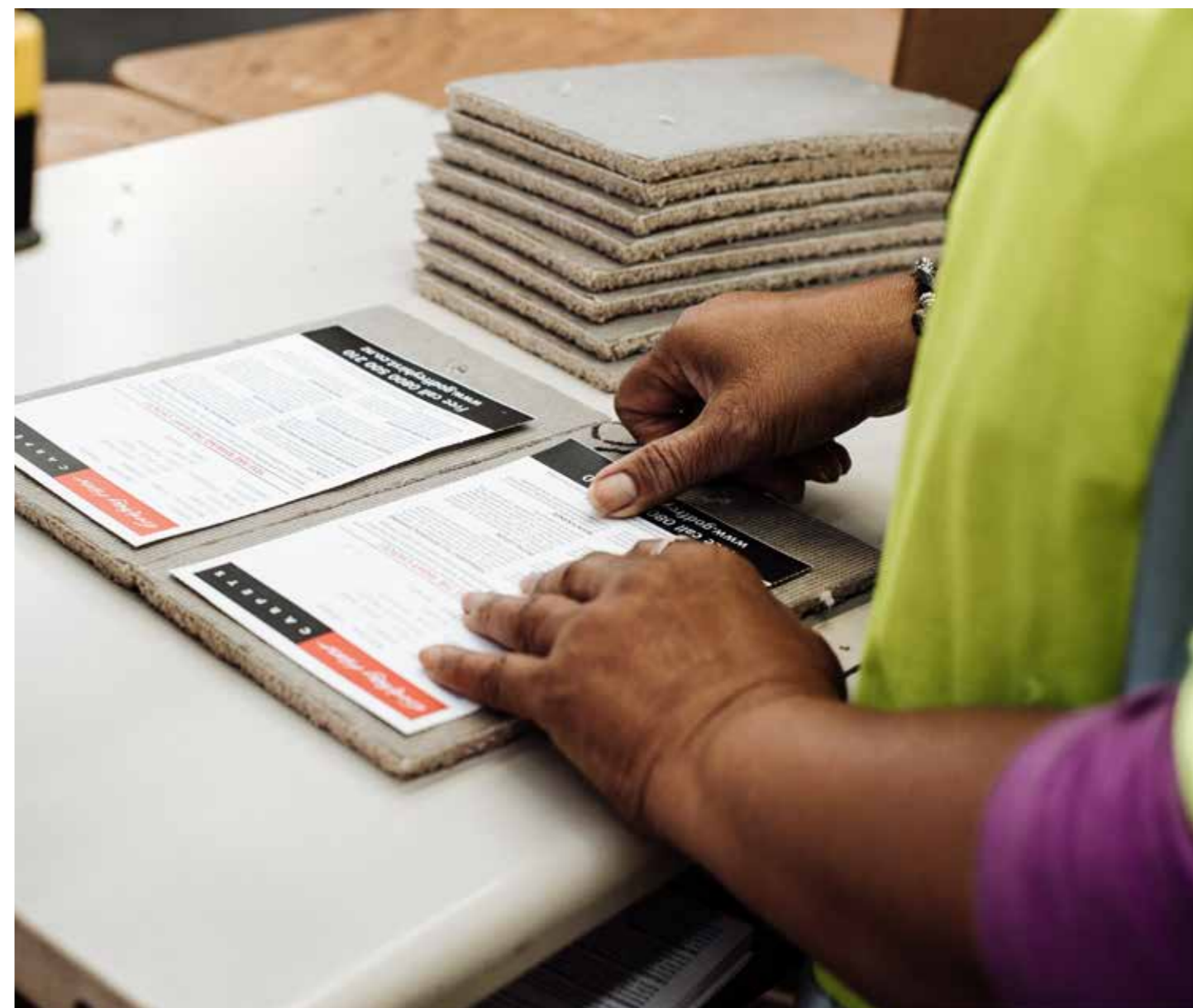
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All external finished goods and key raw materials suppliers in high-risk countries and all new external finished goods and raw materials suppliers have completed extensive supplier questionnaires. These suppliers represent over 55% of our total contestable spend on goods and services. As at 31 December 2022 no instances of potential Modern Slavery were disclosed or identified.

The Chief People Officer is responsible to ensure bi-annual training of all employees in the Mohawk Employee Code of Ethics/Whistleblower's Policy and Modern Slavery training to supply chain employees and management and others responsible for implementing the Code.

We have continued to engage the business to increase employee awareness with a number of internal online training modules to build our employees' awareness of global modern slavery, human trafficking, social responsibility and global anti-corruption and fair competitive practices so our people are in a better position to understand, identify and report incidents. We recognised the importance and need to build the capability of our employees, particularly those in procurement/planning and our product sourcing staff. As such, we undertook several training courses to educate our people about how to identify potential issues of modern slavery and human trafficking and how to respond appropriately.

We also recognise the links between bribery and corruption, and human rights risks. As such, all new hires have to undertake the global Mohawk Employees Code of Ethics training and formally acknowledge their understanding of the Code of Ethics. In addition, new hires undertake anti-corruption and fair competitive practice training. This training also sets out the reporting process under the company Whistleblower's Policy, including anonymous reporting. Every two years, undertake refresher training in Ethics, Anti-bribery and Corruption and Antri-trust and Competition. These training courses have examples/case studies that participants are to answer so as to test their understanding of the content. Employees engaged in sourcing, dispatching or selling our timber flooring also undertook PEFC Chain of Custody training which deals with social and ethical impacts.



# Consultation Processes

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**Each of the reporting entities are under common ownership and directorship, and consultation on modern slavery risks occurs at meetings of the Mohawk Flooring Oceania Senior Management Team.**

Mohawk Flooring Oceania operates and is managed as an integrated division of Mohawk Rest-Of-World Flooring Division (a division of Mohawk Industries Inc) with overarching policies, systems and processes that are designed to be consistently applied in its operations. As part of the development of new policies and systems, key management and other relevant employees in all aspects of the operations in both Australia and New Zealand are consulted and provide feedback into the development of these policies and systems.

This Statement has been developed through face-to-face meetings, via email communication and through consultation on actions throughout the year so as to seek input into this Statement. Prior to being put to the Board for review and approval, this statement has been reviewed by Mohawk Flooring Oceania's Senior Management Team which includes the President – Mohawk Flooring Oceania, Chief Financial Officer, General Manager – Premium Floors, Chief Operating Officer (GHA), General Manager Sales (GHA), Group IS Manager – Oceania, Chief Marketing Officer, General Manager – GHNZ, Financial Controller – Chief People Officer and General

Counsel & Company Secretary who are responsible for the day to day management of Mohawk Flooring Oceania and leading the delivery of its strategic objectives.

We have a broad range of stakeholders which reflects the diversity of our operations, activities and global reporting structure. When discussing this Statement and our response to modern slavery, our aim is to involve our stakeholders, and to build and maintain open, inclusive and constructive relationships. We are also members of Australian Industry Group, the Carpet Institute of Australia and the Geelong Manufacturing Council to name a few. Such memberships assist us to engage with peers and other stakeholders and to learn from other organisations' experiences in tackling modern slavery and to continuously improve and better our own approach. In addition, we are certified to ISO 14001, 9001 and 45001 standards, and PEFC and Code Mark certified, with each of these standards focusing upon human rights and social responsibility providing for a third party audit of our own systems, policies and procedures.



# Board Approval

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This statement was approved by the Board of Premium Floors Australia Pty Ltd on 19 June 2023.



**Tania Pauling**  
President & Director





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OCEANIA

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[godfreyhirst.com](http://godfreyhirst.com)

[premiumfloors.com.au](http://premiumfloors.com.au)

[feltex.com](http://feltex.com)

[floorscape.co.nz](http://floorscape.co.nz)

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**Thank you**  
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