

Karndean
Designflooring

Karndean's Modern Slavery Statement

for the year ended 2022

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This statement sets out how Karndean International Limited, trading under Karndean Designflooring ("Karndean") complies with the Modern Slavery Act 2015 (the "MSA") and the guidance in relation to the MSA, which was released by the Government in October 2017. It sets out the steps taken during the financial year ended 31 December 2022 to prevent modern slavery and human trafficking in our business and supply chains.

We recognise that businesses should carry out due diligence to identify risks and implement achievable solutions in order to manage threats to human rights abuses.

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Our business and its supply chain

Karndean operates across the UK and Ireland through a network of independent retailers, both large and small and also through distributors and merchant counters as well as online. We also work closely with architects, designers, housebuilders and specifiers in the commercial sector as well as public contractors. Throughout mainland Europe we operate through our subsidiary companies, Designflooring GmbH, registered in Germany and Designflooring International Limited (UK).The products we sell are sourced from national and international suppliers including those from Germany, Taiwan, China, South Korea, Vietnam, The Netherlands. We are part of a group of Karndean Companies worldwide, with Karndean Holdings Limited (UK), being our parent company.

Our Commitment & Understanding of the Impact of Modern Slavery

Karndean and its subsidiary companies are committed to ensuring complete compliance with the Modern Slavery Act 2015 and demands the same of its suppliers. Karndean is committed to buying only from reputable suppliers that share our values and ethics. It is the company's moral and ethical responsibility to ensure that all individuals are treated fairly and respectfully whether in the manufacture and sale of its products or in the services we procure in the course of business. Ownership of this policy resides with the leader of the business but is fully adopted and adhered to by all its employees and we endeavour to ensure that it is also adhered to by customers, suppliers, contractors and consultants.

Our Policies and governance

Karndean has established an internal Code of Conduct on Ethical Sourcing. This details how we comply with the legislation which is applicable to Ethical Trading, and also sets out the standards we expect of our suppliers and of our employees. In particular, this code of conduct addresses such matters as: conditions of employment; wages and benefits; child labour; modern slavery (which may also be referred to as forced labour) and human trafficking. We request assurances from all major suppliers each year that they at least adhere to the same policies as Karndean in their working practices. All new suppliers are also evaluated in line with our current policies and all requisite background, visa and permit checks are made when hiring new employees whether directly or through recruitment agencies. We use, professional and respected recruitment agencies with whom we have long-lasting relationships.

During 2022, through our Group structure, we arranged for an independent audit on one of our suppliers and plan to conduct further independent audits on other Tier 1 suppliers based in Asia throughout 2023 and 2024.

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Risk Management

Although established in 2021, our Risk Committee's work continued in 2022 and ESG is a standing item at each Risk Committee meeting where company policy on Modern Slavery is reviewed and assessed. Any specific matters are highlighted to the UK Board and to the Holding Company's Risk Committee for further review and recommendations.

2022 also saw the recruitment at Group level of our first Head of Global Sustainability to develop and implement a new sustainability strategy across all aspects of the business. Karndean UK shall continue to liaise and take advice on all matters ESG and in particular to Modern Slavery and Supply Chain Transparency.

The due diligence processes in relation to modern slavery and human trafficking

We assess any instances of non-compliance on a case-by-case basis and will tailor any remedial action appropriately. We will only trade with those companies which comply with these requirements.

Our risk assessment of modern slavery or human trafficking taking place, and the steps we have taken to assess and manage that risk

Like many businesses with international supply chains, we consider that any risks of Modern Slavery are greatest within that supply chain although our Modern Slavery policy applies equally to Suppliers in the United Kingdom.

- Our business does not operate in any of the industries stated to be at higher risk of Modern Slavery.
- The responses from suppliers to our supply chain audits have been positive. We would propose remedial actions to our suppliers should any of them not meet our standards.
- We have a Group Level Commitment to joining the SEDEX Community from 2024 onwards.
- Modern Slavery policies form part of the assessment criteria when evaluating any new suppliers.

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Karndean remains committed to further enhancing its approach to and understanding of modern slavery concerns.

The training available concerning modern slavery and human trafficking

Karndean employees have each received training in a variety of areas relating to how we seek to operate as an ethical business. This includes amongst other things: Anti Bribery and Corruption training, equality and diversity policies and whistleblowing policies. These training needs are reviewed periodically and will be further refreshed and delivered again when appropriate. IN addition we have set a specific target of training senior managers and other relevant personnel in Modern Slavery issues.

KPI for 2023

Target

All Board Directors, Executive Directors, Risk Committee members and relevant procurement staff to have completed an identified e-learning module on Modern Slavery by the end of 2023.

Measured by

iE-Learning Module has a comprehension certificate at the end of the course which Directors & employees will be required to pass.

This statement was approved by Paul Barratt, Managing Director, for and on behalf of Karndean Designflooring on 19th May 2023 and will be reviewed on an annual basis.



Paul Barratt Managing Director
Previous statements can be found here [insert hyperlink]