

### Transparency in Supply Chains Statement

#### Introduction

This statement is made by Interface Europe Ltd (**IEL**) pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes IEL's slavery and human trafficking statement for the financial year ending 31 December 2018 (the "Year")

#### Our Business, Values and Supply Chains

IEL is a member of the Interface, Inc., group of companies (**Interface Group**). The Interface Group is the world's largest manufacturer of modular carpet. The Interface Group embraces and supports core values in the areas of human rights, labour standards, the environment and ethical practices (**Core Values**). The Core Values reflect the Interface Group's global commitment to conduct its business in an ethical and responsible manner.

As part of this commitment the Interface Group operates a Supplier Code of Conduct (**Supplier Code**) which defines expectations and key standards regarding the operation of its key suppliers. One of the key standards within the Supplier Code relates to employment and labour, expectations in respect of which include (amongst other things) an expectation that suppliers "*must not directly, or indirectly through a third party, employ child labour or forced labour (whether in the form of prison labour, slave labour, bonded labour, trafficked labour or otherwise)*". During the Year the Interface Group reviewed the Supplier Code with the purpose of strengthening the commitments of suppliers with regards to ensuring the detection and eradication of any Modern Slavery both within their businesses and their supply chains. The updated policy will be issued in the second half of 2019.

During the Year the Interface Group's global activity was (as in previous years) spread across three business regions; Americas, Asia- Pacific and Europe although in that Year plans were developed to consolidate global activity into two regions, Americas (as previously) and a new region combining Europe and Asia Pacific (EAAA region). The change took effect on 1 January with IEL now operating within the enlarged EAAA business region. As the Year progressed, and in anticipation of this consolidation the Interface Group's European Procurement Director began to work closer with colleagues in Asia Pacific and particularly Australia (where the Interface Group has a manufacturing plant) where domestic legislation concerning modern slavery has been enacted. Through this closer co-operation it is expected that there will be learning around, and enhancement of, due diligence and checks on the EAAA region's supply chain.

The principal activity of IEL and its subsidiaries is the manufacture and distribution of interior floor coverings in the UK, Ireland and the Middle East. Product which IEL supplies to its customers is predominantly manufactured between the Interface Group's manufacturing sites at Scherpenzeel, Netherlands and Craigavon, Northern Ireland; with small percentages sourced from the Interface Group's manufacturing plant in Thailand and a third party global supplier in South Korea. By reason of this and the fact that all raw materials used in the manufacture of the products are sourced either through suppliers to the business region in which IEL operates or in some cases through global suppliers to the Interface Group, IEL plays a significant role in the Interface Group's commitment to eradicate modern slavery.

IEL's customers are spread across the corporate office sector as well as non-office commercial sectors such as hospitality, education, healthcare and government. Its sales force is predominantly UK based.

#### Our Policies on Modern Slavery and Human Trafficking

Supplier commitment to ethical practices and to the standards in the Supplier Code is of prime importance to IEL and the wider Interface Group. Supplier evaluation is an important and integral part of supplier commitment.

IEL, as with all members of the Interface Group, is totally opposed to the use of slave labour within the making of its products.

## **Areas of Risk and Due Diligence Processes for Slavery and Human Trafficking**

The vast majority of product supplied by IEL to its customers is manufactured within the Interface Group. Approximately 98% of the raw materials and outsourced services used at/by the Craigavon and Scherpenzeel manufacturing plants are sourced from 40 suppliers, with 10 of those 40 suppliers supplying 80% of the raw material purchased. Equally, as in previous years, during the Year procurement of all raw materials purchased by the Europe region was undertaken by the Interface Group's European Procurement department ("**Procurement Department**"), headed by its European Procurement Director ("**Procurement Director**"). Having previously undertaken supplier evaluations of those 40 suppliers, during the Year the Procurement Department began a further review through an improved evaluation process, of the top 10 suppliers, which evaluation covered not only the supplier's themselves but their supply chains as well.

In addition, as part of the supplier assessment processes, intermittently the most business critical of the raw material suppliers may undergo an enhanced evaluation process, including an on-site audit. This process was updated in the previous financial year to specifically provide for modern slavery, with one of our global suppliers being the first to undergo the revised audit. All raw material procurement for product manufactured by the Interface Group is undertaken by its global supply chain team (of which the European Procurement Director is a member). This ensures a consistent approach to supplier evaluation.

During the Year within the UK IEL operated from three locations. At all three locations certain facility requirements (such as security and cleaning) are to differing degrees and extent, outsourced. By reason of the working knowledge of the service providers and in some cases the long standing nature of the relationships, it is not considered that there is a high risk of modern slavery and human trafficking within that part of IEL's supply chain. Where any supplier changes, diligence on and commitments around modern slavery is part of the new supplier evaluation process.

There is a similar assessment process with regards to any UK agencies providing temporary staff to IEL and any flooring fitting contractors which IEL engages if fitting is required by a customer in addition to the supply of flooring product. In both cases due to the strength of the relationship between IEL and the close working with them, these businesses are not considered to be a high risk. Periodic reviews and checks are however undertaken.

## **Evaluation of Measures Taken**

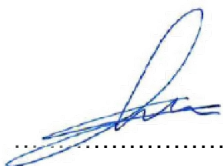
The Interface Group has a culture of continuous improvement. Through close co-operation with other teams within the Interface Group the Procurement Department regularly reviews best practice and procedures and effective ways of identifying and managing risks. During the Year nora systems GmbH ("**Nora**") became a member of the Interface Group. Nora is a global supplier of resilient flooring. The Nora business will progressively become integrated within the Interface Group and as it does so there will be opportunity for learning and development of procurement processes as part of the continuous improvement culture.

Through this IEL continues to re-assess supplier due diligence processes and purchase terms in order to ensure that modern slavery diligence is as integrated as possible into its overall approach. In particular, when finalised, updated purchase terms will include specific clauses on modern slavery issues.

## **Training**

Members of the Procurement Department have attended external training courses on supply chain transparency and take steps to stay up to date with developments in this area.

By reason of existing processes and procedures the Interface Group's global supply chain team is already considered to have knowledge of the Core Values and supply chain transparency. Outside of this central procurement function, IEL will deliver training on modern slavery to those directly involved in procurement at a local site level.



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Approved by the board of Interface Europe Ltd on 10 June 2019 and signed by Anton van Keken,  
Director, for and on behalf of Interface Europe Ltd

Date: 26 June 2019