



DAMARTEX MODERN SLAVERY STATEMENT 2018/2019

This statement has been published by Damartex UK and has been developed in accordance with the Modern Slavery Act 2015. It sets out the steps taken by Damart and our subsidiaries in the financial period of 2018-19 to prevent modern slavery and human trafficking within our business and supply chain.

Modern slavery continues to be a growing global and economic issue. We believe it's unacceptable within our business and our supply chain. That's why we're dedicated to championing human rights, so we can challenge, identify and address modern slavery. Over the last 12 months we focused our energy on four key areas.

- 1 Developing colleague awareness of modern slavery.
- 2 Significantly increasing factory ethical audits.
- 3 Providing more training for MSA group members.
- 4 Introducing a new reporting tool.

We're confident from the steps we've taken over the past 3 years, that we've made progress to mitigate the risk of modern slavery within our business and supply chain. For us, this is an ongoing process and we'll remain committed to supporting the eradication of this crime in our industry.

ABOUT DAMARTEX

1 Organisation structure and supply chains

Damartex UK is a subsidiary of Damartex SA. It's a company incorporated in France, that's become a multi-channel, multi-brand European business. In the UK we trade under the Damart brand. Established in 1953 in France, Damartex predominantly develops and distributes quality clothing and accessories for seniors, alongside a selection of home and lifestyle products.

THE DAMARTEX GROUP COVERS THREE SECTORS

Fashion brands:



Home & Lifestyle companies:



Healthcare:



Our own brand and third party branded products are sold in the UK through online shopping and our catalogue, through postal and telephone orders. Over 600 skilled employees work across our UK Head Office in Bingley and our Distribution Centre in Steeton, West Yorkshire.

OUR SUPPLY BASE COMPRISES 3 CATEGORIES

- 1** Internationally sourced products: Clothing & Footwear.
We share much of this supply chain with our parent group with over 300 suppliers.
- 2** Our UK based sourced product covers incentives and household goods with a total of nearly 70 active suppliers a majority of whom are agents who source on our behalf.
- 3** Damart UK also has over 480 suppliers of goods and services not for retail.

2 Policies in relation to slavery and human trafficking

Damart is committed to delivering best practice in human rights and employment rights. We also demonstrate a high respect for the environment and fully support the fight against corruption in every part of the business, including our supply chain, as part of our responsible purchasing approach.

In this context and within the framework of our purchasing policy, Damart requires that our Suppliers comply with our Responsible Purchasing Sustainable Procurement charter, an essential condition for our suppliers, without whom DAMART couldn't enter into contracts.

The Supplier guarantees compliance with the Sustainable Procurement Charter, regarding the supply, manufacturing and transportation of raw materials and products on its own behalf and on behalf of its suppliers and subcontractors. Before placing orders with its own suppliers or subcontractors for products intended for DAMART, the Supplier must ensure that the Sustainable Procurement Charter can be adhered to from all parties.

By agreeing to work with DAMART, the Supplier acknowledges its social and environmental responsibilities and commits to complying with the principles set out according to the ILO agreements and national laws in the sustainable procurement charter including:

- The prohibition of forced labour and slavery
- The prohibition of child labour
- The prohibition of trafficking in human beings (Modern Slavery Act)
- Compliance with decent working conditions
- Respect for the environment

Whistleblowing

In 2019 we introduced a new whistleblowing platform called 'Transparency'. It is designed to offer colleagues, workers, contractors and third parties a confidential way to raise issues of concern. We've also reviewed all aspects of reporting suspected incidents, to make the entire process easier and more accessible. Transparency is there to help raise awareness and report any actions that appear detrimental to the ethics or integrity of a person or group.

We've also introduced online learning modules for both Equality and Diversity and Modern Slavery within our E-Learn system. Both are designed to promote and encourage our business ethics. This includes our Transparency platform and how to use it.

Policies

We've updated the following policies to reflect our commitment to tackling modern slavery within our business and supply chain. We recognise this is a journey and our policies will be reviewed annually to ensure that they reflect our culture and commitment from the business as we progress.

- Business Code of Conduct
- Public Interest Disclosure (Whistleblowing)

3 Due diligence processes

We've focused our due diligence on high risk areas of our international product supply chain. Along the way our new supplier process has been updated. For us, it's vital that we visit new suppliers before any orders are placed to make sure our standards are met. Factories are also audited by ICS if a valid audit isn't already in place. As the process is on-going, we regularly conduct follow up audits to make sure standards are maintained. Since joining the ICS (Initiative for Compliance and Sustainability) in 2017, we've significantly increased our number of factory ethical audits with a 55% increase in 2019 compared to 2018.

FACTORIES ARE ASSESSED ON THE FOLLOWING CRITERIA

- 1** Management systems and traceability
- 2** Child labour
- 3** Forced labour
- 4** Discrimination
- 5** Disciplinary practices
- 6** Freedom of association and Grievance Mechanism
- 7** Remuneration and benefits
- 8** Health and safety

All product suppliers are also required to sign the Damartex sustainable procurement charter. This is a collaborative commitment between our brands and our suppliers to express the level of responsibility in the buying process. 99% of our suppliers have signed so far. The remaining 1% have committed to the new supplier process.

Recruitment

When recruiting, we adhere to UK legislation to check 'Eligibility to work in the UK'. We also recognise we have an obligation to review the recruitment and working practices of our labour providers' agencies too.

4 Risk assessment and management

Our risk assessment for our international product supply chain has been classified based on the following criteria for each sourcing country:

- Child employment
- Child labour
- Respect of Human Rights
- Corruption
- Modern Slavery
- Debt
- Country sourcing risk

EACH SOURCING COUNTRY IS SCORED ON THE ABOVE USING THE FOLLOWING SOURCES:

- Amfori BSCI, COFACE, ITUC Global Rights index, The Global Rights index and the Corruption Perceptions index.

This allows us to categorise the risk of our supply base into Very High, High, Reasonable and Low. We use this benchmark to prioritize all our factory audits.

5 Key performance indicators to measure effectiveness of steps being taken

Our key performance indicators are currently based on reports generated by our Transparency whistleblowing platform alongside incidents reported to the management.

IN 2020 OUR KEY PERFORMANCE INDICATORS WILL BE ASSESSED USING THE FOLLOWING PARAMETERS

- **Training**
Equality and Diversity, and Modern Slavery training will be given to every new starter. While current colleagues will receive refresher training every two years.
- **Third party audits**
We're introducing a programme to audit and measure how well our suppliers and labour providers are meeting our ethical, social and environmental responsibilities.
- **Regular reviews**
A wider project team will constantly review and adjust current processes in our supply chain.
- **Board level awareness**
The Board of Directors and the Damart Leadership Team will include Modern Slavery incidents and actions on the agenda every quarter.

TRAINING ON MODERN SLAVERY AND TRAFFICKING

Here's a quick overview of our actions to monitor, prevent and train to manage incidents involving or suspected of involving Modern Slavery.

- Equality and Diversity, and Modern Slavery online learning, through E-Learn for all UK colleagues and all new starters from 2018 onwards.
- Stronger together. We're tackling modern slavery in the work place with new processes since October 2018
- We launched warehouse training and a poster campaign to raise awareness from 2018/2019.
- We also created processes to assess and monitor modern slavery in the supply chain in November 2019.
- Anti-Slavery Day awareness was shared among all colleagues in October 2018 to raise its profile.

THE NEXT STEPS AT DAMARTEX

For the financial year 2019-2020 our focus will be to redefine the Tackling Modern Slavery Strategy with a focus on the following areas:

- A more integrated MSA team with contributions from across the business.
- Internal training with refresher courses so that the subject is at the forefront of colleagues minds.
- Define a process for UK Household and Incentives.
- Continue to drive forward the Modern Slavery and Human Rights Policies.
- Utilise the Stronger Together resources throughout the business.

MOVING FORWARD

Through collaboration, compliance and constant reviewing of processes, we're raising the bar in tackling Modern Slavery. By introducing training, transparency and fully supporting the international legislation we are promoting respect, protection and sustainability across our business. We want to keep everyone who comes into contact with Damartex from employees to supply chain workers, safe from such abuses by taking opportunities to learn from others on how to protect freedom and preserve human rights.

For and on behalf of the Board of Directors

Fiona Mannion

Managing Director Damartex UK

Dated: December 2019