



## DAMARTEX UK LIMITED MODERN SLAVERY STATEMENT 2021/2022

This statement has been published by Damartex UK Limited and has been developed in accordance with the Modern Slavery Act (“MSA”) 2015. It sets out the steps we have taken in the financial period of 2021-22 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.

We’re confident from the steps we’ve taken over the past 6 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 UK LIMITED

#### 1 ORGANISATION STRUCTURE AND SUPPLY CHAINS

Damartex UK Limited is a subsidiary of the Damartex SA group of companies which is a multi-channel European business. The Damartex SA group predominantly develops and distributes quality clothing and accessories for seniors as well as home and lifestyle products. The three group brands which are sold in the UK are Damart, Afibel and Sedagyl.

### 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 650 skilled employees work across our UK head office in Bingley and our distribution centre in Steeton, both in West Yorkshire.

## OUR SUPPLY BASE COMPRISES 3 CATEGORIES

- 1** Internationally sourced products - clothing & footwear. We share much of our supply chain with our parent group equating to 258 suppliers.
- 2** Our UK based sourced products – gift incentives and household goods. We have over 70 active suppliers, a majority of which are agents who source on our behalf.
- 3** Damartex UK Limited also has several suppliers of goods and services not for resale.

## 2 POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

The company 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, we require that our product suppliers comply with our Responsible Purchasing Sustainable Procurement Charter. An essential condition for our suppliers, without whom we could not enter into contracts.

The supplier guarantees compliance with this 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 the company, the supplier must ensure that the Charter can be adhered to from all parties.

By agreeing to work with us, the supplier acknowledges its social and environmental responsibilities and commits to complying with the principles set out according to the International Labour Organisation, the 10 principles of the United Nations Global Compact and national laws in the sustainable procurement charter including:

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

### Whistleblowing

The Damartex Group has a whistleblowing platform called “Transparency”. It is designed to offer colleagues, workers, contractors and third parties a confidential way to raise issues of concern. Transparency is there to help raise awareness and report any actions that appear detrimental to the ethics or integrity of a person or group.

Our business has compulsory online learning modules for both Inclusion & Diversity, and Modern Slavery within our internal Learning Management System. Our colleagues receive annual refresher training with an emphasis on reporting. Both include a knowledge check at the end of the module and are designed to promote and encourage our business ethics. This includes our Transparency platform and how to use it.

### Policies

The following policies continue to reflect our commitment to raising awareness of 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)
- Recruitment Policy

We have introduced a Modern Slavery Policy which highlights our commitment to raising awareness of Modern Slavery and actions that our colleagues can take to report any suspicions or concerns they have.

### 3 DUE DILIGENCE PROCESSES

The UK company, and wider groups, ambition is to have 100% of the products placed on the market from ethically audited factories. Currently we are at 80% for internationally sourced products and 94% for locally sourced product.

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. Whilst it's vital that we visit new suppliers before any orders are placed to make sure our standards are met, it was a challenge to carry this out during the pandemic. In the 2nd half of the financial year, physical factory visits for new and current suppliers have once again increased with a continued focus into 2023.

Factories are also audited by a third party auditing company, according to the Initiative for Compliance and Sustainability ("ICS") standards 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, factories are assessed on the following criteria:

- 1 Management system, transparency and traceability
- 2 Minimum age, child labour and young workers
- 3 Forced labour
- 4 Discrimination
- 5 Disciplinary practices, harassment and abuse
- 6 Freedom of association and grievance mechanisms
- 7 Working hours and overtime
- 8 Remuneration and benefits
- 9 Health and safety

### Recruitment

When recruiting, we adhere to UK legislation to check "Eligibility to work in the UK".

This year we undertook a review of our labour providers to establish what their commitment is to eradicate or prevent modern slavery. We conducted an audit of our labour providers memberships, affiliations and licences to anti modern slavery organisations.

Our labour providers are affiliated or partnered with the following organisations:

- Stronger Together
- The Association of Labour Providers (ALP)
- The Gangmasters and Labour Abuse Authority (GLAA)

Earlier this year, key managers and team leaders attended a training and awareness session with the Stronger Together organisation which highlighted the signs of modern slavery in recruitment.

### 4 RISK ASSESSMENT AND MANAGEMENT

Our group Corporate and Social Responsibility department ("CSR"), in collaboration with our purchasing departments, maps out supplier risks and prioritises the factories to be audited according to several criteria:

- Country risk
- Supplier's weight in purchasing volume
- Availability of a valid social audit

The country risk is assessed using the ICS Country Risk Mapping methodology based on the 9 criteria shown in section 3. Most countries are classified according to 3 levels of risk: risky, medium-risk, and low-risk.

### 5 KEY PERFORMANCE INDICATORS TO MEASURE EFFECTIVENESS OF STEPS BEING TAKEN

In 2021-2022 our key performance indicators were assessed using the following parameters:

- **Number of concerns raised through the Transparency platform.**  
There were no issues raised through the Transparency whistleblowing platform in the 2021-22 period
- **Training**  
100% of colleagues to complete the Inclusion & Diversity and Modern Slavery training every year. This is annually reviewed and updated.

- **Third party audits**  
The total volume of international purchased products from ethically audited factories has increased by +4% on the previous year.  
88 audits were conducted throughout the year.  
Locally sourced product started its first season with 94% of the goods purchased being from ethically audited factories.
- **Regular reviews**  
A wider project team are constantly reviewing and amending current processes in our supply chain.
- **Board level awareness**  
The board of directors, and the company's leadership team, include Modern Slavery awareness, incidents and actions in their regular update meetings.

## 6 TRAINING ON MODERN SLAVERY AND TRAFFICKING

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

- A refreshed Modern Slavery eLearn and Inclusion, Diversity & Belonging eLearn was launched with further information from Stronger Together, including an awareness video.
- We have further raised awareness for our distribution and contact centre colleagues with digital communication of the modern slavery helpline in communal areas of the business across both sites.
- Anti-Slavery Day awareness communication was shared among all colleagues in October 2021.
- Our new starter and refresher training on Inclusion & Diversity and Modern Slavery has continued and we are introducing a specific e-learn for our internal recruiters.
- Key team members from operational areas attended a training and awareness session facilitated by the Stronger Together organisation to gain more understanding of the challenges and complexity of Modern Slavery and how to recognise the signs and report it.

## REVIEW AT DAMARTEX 2021-22

For the financial year, our focus was to redefine our Tackling Modern Slavery strategy.

### Achieved

- Implemented a new process for UK lifestyle and incentives suppliers ensuring goods purchased are from ethically audited factories.
- New traceability project for Internationally sourced products bought through agents and importers.
- We continued to drive forward our Modern Slavery and Human Rights policies through refreshener e-learn training, sign posting colleagues where to seek help and raising awareness through our internal communication systems.
- Engaging with "Stronger Together" to deliver training and awareness sessions to key stakeholders.
- An audit of labour providers to ensure compliance in the prevention of modern slavery.
- Due to the worsening human rights and general rule-of-law situation in Myanmar since the February 2021, Damart has reassessed the situation and has not placed any orders with factories in Myanmar since March 2022.

### Next Steps 2023:

- Review our recruitment and onboarding process.
- All colleagues will be required to complete annual refresher training.
- Continued progress with ethical audits of our product suppliers.
- Maintaining continued awareness and highlighting issues amongst our colleagues
- Remaining current on developing worldwide issues relating to Modern Slavery and reviewing supplier location to ensure risk is minimalised.

## **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 SA group companies, 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 Nov 2022**