



## Communication on Progress



Mai 2016



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# I. Renewal Letter

Damart markets clothing, accessories, linen and household products to a senior customer base. It has become apparent that the way in which the company carries out its purchases is becoming a major concern in a constantly changing world.

This is why, in 2015, we committed to a 'responsible purchasing' approach to uphold the principles of human rights, labour laws, respect for the environment and the fight against corruption.

This commitment is consistent with an approach of continuous improvement and transparency which is now reflected in the initial draft and publication of our COP.

Because we make it our priority to offer excellent products to our customers, and because it is also extremely important for us to do this in an ethical way, in 2016 I am renewing our commitment to the United Nations Global Compact. I am therefore committed to incorporating the 10 principles in our strategy and making them known to our colleagues, suppliers and customers.

Patrick Seghin  
Chairman

## II. Damart Way

- Damart is one of the leading European distributors of clothing, accessories and household products for seniors (55+), distributed by catalogue, in stores and on the internet in its main markets in France, the UK, Belgium and Switzerland.
- Our objective is to satisfy our customers through the design, manufacture, purchase and marketing of textile products.  
This is why we thought purchasing would be a powerful tool for committing to CSR.
- We have therefore committed the Damart brand to an approach of continuous improvement regarding the way in which we purchase products.  
Our aim is  
to purchase excellent products,  
from responsible suppliers,  
in a well-balanced business relationship.
- This initiative is called 'The Damart Way'.

# II. Damart Way

## II.1. The Setting-up Process.

Our approach focusses on a new way of making purchases. In order to do this 3 initiatives have been set up:

- At our DMT production site, based in Tunisia, a 'test bed' for Damart's responsible purchasing with a desire to be exemplary.
- For long-distance purchasing, the introduction of constructive discussions with the suppliers and methods of control, the use of online systems for the process, Damart knowledge and the mobilisation of all the stakeholders involved in purchasing.
- Internally, raise awareness and mobilise people as much as possible regarding the Damart Way approach.

## II.2. The Team.

We have structured our approach around a team made up of:

- One person responsible for CSR: the creation of a role and appointment in January 2015.
- 3 project groups made up of 12 volunteers from various departments within the company to work on our 3 initiatives.
- 4 CSR advisers in our Business Units in the UK, in Belgium, at our production site in Tunisia and for our chain of stores in France to explain the approach at the various sites.

## II.3 Internal Mobilisation.

We have chosen responsible purchasing in order to commit ourselves to a continuous improvement approach regarding the 10 Global Compact principles. However, we felt it was very important to make this approach known and to involve all colleagues, this is why we are keen to announce the approach internally and make people aware.

- Internal awareness:
  - 16 presentations of the approach made to all the executives in the various sites within the company: France, Belgium, the UK and Tunisia.
  - 1 introductory page about the approach included in the induction book for those in charge of stores.
  - 2 Damart Way articles in the group's internal newspaper.
  - 3 Totem Damart France announcements in the 'Damart and You' column.
  - A leaflet explaining the approach distributed to all colleagues in France and Belgium.
  - An awareness campaign about transparency for our customers regarding questions about the conditions under which our products are produced: creation of a FAQ.
- Organisation of a Damart Way Day:
  - As part of our social commitment, we felt it was important to create local links through joint action. This is why we organised a large collection of warm clothing from our colleagues for the less well-off:
  - In France, on 20 November 2015, 250 kg of clothes were collected and distributed to the *Association Amitié Partage* in Roubaix
  - In Belgium, on 26 January 2016, 120 kg of clothes were collected and distributed to the Red Cross in Mouscron.
- Outcome of the internal awareness campaign:
  - 100% of colleagues informed about the Damart Way approach,
  - 100% of store and call centre workers in France, Belgium and the UK have been trained about the FAQ.

# III. Our Sustainable Purchasing Charter

We have written our Responsible Purchasing Charter with the desire to:

- Express Damart's strong commitment regarding CSR,
- Guarantee and uphold the 10 principles of the Global Compact, written into our Charter,
- Formalise our Responsible Purchasing policy,
- Define the framework of relationships between Damart and its suppliers.

The charter is based on 3 initiatives:

- A summary of our commitments with regard to our membership of the Global Compact.
- The commitment asked of our suppliers regarding practices concerning human rights, labour and the environment.
- The implementation of a support process for a long and rewarding partnership.

The Charter is presented and explained to the suppliers as being the starting point of a new partnership focussing on improving working conditions, respect for human rights and the environment, and the fight against corruption.

It forms the basis of the CSR dialogue with suppliers and the implemented process:

- Sending the charter to the supplier,
- Analysing factory audits,
- Factory visits,
- Constructive dialogue regarding evaluating the supplier and potential improvements that could be implemented,
- Signing the charter.



# IV. Human Rights and Working Conditions

- Principle n°1: Businesses should support and respect the protection of internationally proclaimed human rights.
- Principle n°2: Businesses should make sure that they are not complicit in human rights abuses.
- Principle n°3: Businesses should uphold the freedom of association and the effective recognition of collective bargaining.
- Principle n°4: The elimination of all forms of forced and compulsory labour.
- Principle n°5: The effective abolition of child labour.
- Principle n°6: The elimination of discrimination in respect of employment and occupation.

## **Extract from our Charter:**

Damart wants to guarantee to its customers and colleagues that the men and women who have manufactured its products are treated with respect.

### **IV.1. At our DMT production site there is a desire to be exemplary.**

After carrying out diagnostic analysis and providing support at our production site, (which was found to be a site that is relatively new, modern, clean and well organised) improvement initiatives have been implemented.

- Implementation of a 'Safety our priority' plan at the factory:
  - Aim: to ensure the health and safety of the 180 factory workers.
  - Staff awareness training every week known as 'Wednesday Safety'. Subjects covered in 2015 were: fire prevention, evacuation, electrical hazards, the correct way to handle heavy loads, wearing protective clothing, first aid training.
  - Monitoring accidents at work with investigations and action plans.
  - Monitoring the health of all staff with periodic checks by the work's doctor.
- Outcome of the 'Safety our priority' plan:
  - 100% of workers are following the 'Wednesday Safety' programme.
  - 20 people have received fire training.
  - 9 people have received first aid training.
  - 25% reduction in the number of accidents at work.
  - 100% of staff have access to periodic medical checks.
  - Improved lighting and ergonomics of the quality control work stations.
- Implementation of quarterly surveys for factory workers to find out how satisfied they are with working conditions.
- Results of the surveys:
  - 75% response rate.
  - 71% satisfaction rate regarding working conditions.

# IV. Human Rights and Working Conditions

- Implementation of an awareness and monitoring plan at all our subcontractors in Tunisia.
  - Start a social audit campaign of the factory's garment manufacturing subcontractors.
  - Creation of audit monitoring systems.
  - Implementation the initial follow-ups of the action plans after carrying out the audits.
  - Implementation of support for the subcontractors.
- Outcome of the awareness and monitoring plan:
  - 100% of our garment manufacturers audited.
  - 75% of audit follow-up visits after 3 months carried out.
  - 2 system tools created: audit follow-up table, good practice forms.
  - Support for subcontractors put in place: good practices sent out.

## IV.2. Purchasing Long-Distance Imports.

- Implementation of our Responsible Purchasing policy:
  - Implementation of a constructive CSR dialogue with our agents and suppliers starting with the definition of the process: Presenting the Charter, audit monitoring, factory visits, signing the charter.
  - Creation of support and evaluation tools for the suppliers.
  - Mobilise the buyers: training on support and evaluation of the suppliers, allocate a factory visit objective for each buyer.
- Outcome of implementing the responsible purchasing policy:
  - 1 CSR article included in the agents' contracts.
  - 3 supplier support and monitoring system tools developed: audit interpretation chart, factory visit check-list, FAQ to answer suppliers' questions.
  - 66 Charters signed.
  - 46 factory visits carried out.
  - 100% of buyers informed about Responsible Purchasing.
  - 100% of buyers trained on support and evaluation of suppliers (90% satisfaction rate).



# V. The Environment

- Principle n°7: Businesses should support a precautionary approach to environmental challenges.
- Principle n°8: Businesses should undertake initiatives to promote greater environmental responsibility.
- Principle n°9: Businesses should encourage the development and diffusion of environmentally friendly technology.

## Extracts from our Charter:

Damart products should not have a negative influence on neither the health of those who produce or consume them, nor on the environment.

### V.1. The Safety of Products.

- ✓ The design of products as part of a global approach to quality and safety, with strict enforcement of international regulations.
- ✓ Checks made by certified independent laboratories.
- ✓ Results of the approach and checks:
  - 34% reduction in the number of reported allergy cases in 2015. No incidents of non-compliance linked to these cases were detected.
  - Results of the checks: no incidents of non-compliance were detected during the 770 tests performed by independent laboratories in 2015.

### V.2. At our DMT Production Site.

After carrying out diagnostic analysis and providing support at our production site, improvement initiatives have been implemented, especially regarding waste processing.

- ✓ Implementation of waste management procedures with regard to cardboard, brown paper, plastic, textiles, waste oils, aerosol cans, light bulbs.
- ✓ Outcome of the waste management procedures:
  - Investment in a waste compacting machine,
  - 550,000 kg of textile, cardboard and plastic waste have been compacted, collected and recycled; 400 wooden pallets, 100 litres of waste oils, 100 aerosol cans and 100 used light bulbs are nowadays sorted, collected and recycled.

### V.3. At our subcontractor dyers in Tunisia.

- ✓ Starting an environmental audit campaign at our dyers.
- ✓ Outcome: 50% of our subcontractor dyers have been audited.

### V.4. In our stores in France.

- ✓ Implementation of a pilot project: 3 'good practice' test stores in the Paris region with the aim of rolling it out large-scale:
  - Implementation of waste sorting: general waste/recyclable waste.
  - Cleaning: the exclusive use of eco-friendly products.
  - Procurement: exclusive use of recycled products (envelopes, pens, paper, etc.).
  - Printing: only black and white, eco-friendly quality.
  - Energy consumption: turning lights off in offices and coffee break rooms when not being used, limit heating (19°C) and air conditioning (maximum differential with the outside temperature of 4°C), turning off heating and air conditioning at closing time.
  -
- ✓ Outcome:
  - 75,000 litres of waste sorted during the year of the test
  - Average drop in energy consumption of 0.5% during the test

# VI. The Fight against Corruption

- Principle n°10: Businesses should work against corruption in all its forms, including extortion and bribery.

## **Our Commitment in the Responsible Purchasing Charter.**

### **Extract from our Charter:**

Our teams are committed to selecting suppliers in an impartial way and dealing with them a fair and just way.

Outcome: 65 charters signed.

# CONCLUSION

One year ago we established the basis of our CSR policy by joining the United Nations Global Compact and creating a role for someone to be responsible for CSR at Damart.

Over the course of the first year we have implemented and rolled out our Responsible Purchasing policy.

We are now entering a phase to speed up the progress we are making in the 4 main areas, namely:

- Labour law
- Human rights
- Respect for the environment
- The fight against corruption.