

# PARAMOUNT EXPORTS (PVT) LTD



# SOCIAL REPORT 2017

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## **I. INTRODUCTION**

Paramount Exports (Pvt) Ltd is a private Enterprise established in 1948. The Family-Business in its 3<sup>rd</sup> Generation has become the leading Manufacturer of Protective Clothing in Zimbabwe as well as the leading distributor of Work Safety Products in Zimbabwe. Besides its local strong-hold 50 % of its Production is being exported of which 60% to neighboring countries especially South Africa and the rest to Europe Germany. Most of its qualified workforce as well as Management Staff have been with the company for many years. The (Pvt) Ltd Company has three major production plants:

- Paramount Garments Works (Pvt) Ltd, Harare
- Archer Clothing (Pvt) Ltd, Bulawayo
- Paramount Elastic and Tapes (Pvt) Ltd, Harare
- 

The following is an attempt to explain our value's., which we also encourage our stakeholders to respect. We are committed to achieving our sustainability goals and to a continual improvement process monitored by self-assessment.

## **II. STAKEHOLDERS:**

- Owners
- Management
- Staff
- Customers
- Contractors
- Suppliers
- Community
- Government Authorities
- Associations



### III. SUSTAINABILITY

Our motivation comes from the human desire to improve our lives as well as the awareness that our personal and the company's well-being are not isolated from our environment and cannot exist and prosper without considering and supporting our stake-holders.

In order to hold ourselves accountable and instill confidence regarding our commitment to international quality and sustainability-standard as well as procedures we had decided to become

- ISO 9001 certified
- Member of the UN Global compact/ISO 26000
- Environment Africa Gold Member
- Oekotex Standard 100 certified

We have appointed a team that can focus, lead and guide our values and commitments:

- Bain Adcock – Textile Engineer is responsible has been elementary in getting ISO 9001 certified and as leader of the Management team still holds the leading capacity



- Patience Dzingai - MBA Business Admin - has been newly appointed as CSR coordinator and has been asked to extend our commitment



We have also enrolled Franz-L. Keck (CSR-Manager Vorest AG, Germany) to assist and advise.

#### IV. CODE OF CONDUCT

In consultation with the stakeholders mainly from within Paramount and considering the human rights Principles we have established OUR VALUES; CODE OF CONDUCT AS WELL AS GENERAL BEHAVIOUR (which in our local languages is called HUNHU and UBUNTU) . This Code of conduct has been formulated on a separate document (attached)!

#### V. SELF-ASSESSMENT

Building on our last year's report and self-assessment we have tried to structure, consolidate and substantiate more facts and achievements in the various fields. More effective access to relevant data will increasingly enable us to monitor and make improvements in the following areas.

1. Human Resources
  - Gender
  - Prohibition of child labor
  - Working hours
  - Collective bargaining/works-council
  - Staff awareness
  - Clinic
  - Training
  - Project: Deaf Inclusion/support plan
2. Environment
  - Water
  - Energy/Electricity
  - Waste-Management
  - Usage of materials
  - Project: Environment Africa
  - Staff awareness
3. Stakeholders
  - awareness
  - Government/Compliance
  - Other institutions
4. Community
  - Football-team
  - School visits
  - Donations

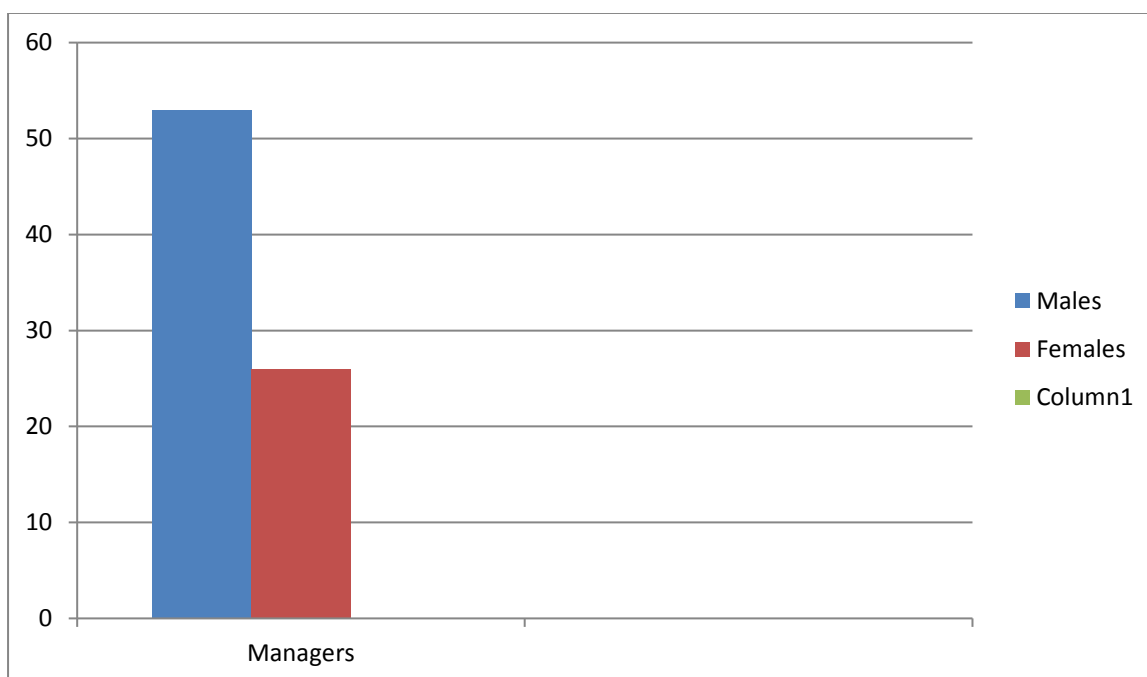
## 1. Human Resources

### Gender

Paramount believes excellence doesn't distinguish between genders..Equality in salaries is guaranteed for all the employees. Paramount wants to create a work environment that does not discriminate and is free of any form of harassment. The Graphs below show the total number of employees of different gender as well as in management positions

<b>Males</b>	1143
<b>Females</b>	926

### **Management Gender Composition**



The Management comprise of 56 middle /lower employees with 45 being male and 11 being female. Upper Management comprises of 23 employees with 15 being male and 8 being female.



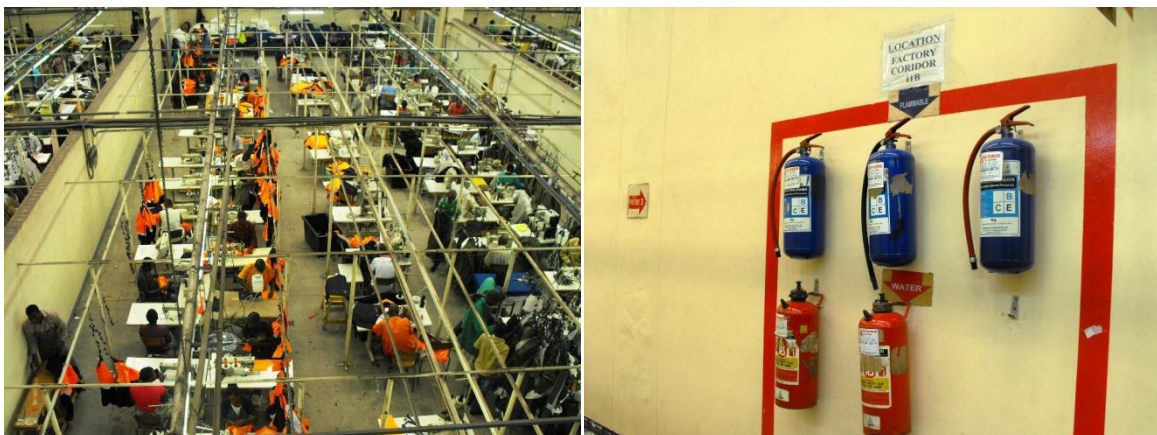


### **Disputes/Sexual harassment/human relations**

We live in a society encourages social integration and human considerations. There have been claims of sexual harassment but it was difficult to get a clear picture and find proof. Human resources department together with the Works council came up with a works council agreement that requires the offended person to make a clear NO-statement ideally in public. If the offender persists it becomes a disciplinary issue.

### **Child Labour**

Paramount has over the years been consistent with the international child labor laws e.g. the UN Convention on the Rights of the Child, 1989, the ILO Minimum Age Convention, 1973 (No. 138), and the Worst Forms of Child Labor, 199 (No. 182). At national level the Zimbabwe Labor Act states that the general minimum age for entry into employment is 15 years. In tandem with the above Paramount prohibits the employment of underage children. Currently all employees are above 18 years old which is the Zimbabwean legal age of majority.



### **Working Hours**

Paramount follows the guidelines provided by the Collective Bargaining Agreement which stipulates that employees are required to work for no more than 45 hours a week. In circumstances where workers are required to work overtime Paramount pays on stipulated rate which is 1.5 on normal days and double rate on public holidays. Overtime work is only executed after a mutual agreement is reached between the workers and the employer.

## **Collective Bargaining**

Paramount acknowledges collective bargaining as a fundamental right of employees. Workers are provided with the platform for negotiating for their working conditions, health and safety, training and working time. Adhering to this policy has resulted in employer satisfaction as they feel that the company is passionate about their well-being.

The Collective Bargaining Agreement S.I 1 of 1999 of the Clothing Industry and Section 4 of the Labor Relations Act 28:01 provides for *“Employees’ entitlement to membership of trade unions and elected workers committees who represent the workers needs at the work place.*

## **Works Council**

This refers to a group of employee’s representatives that represents workers in discussions with the employers. Paramount’s employees elect their representatives yearly. The workers committee represents the workforce in all the issues that pertains to workers welfare. The management will not make a decision that involves employees without consulting the employees. Workers council meetings are held whenever each party feels there is an important issue to be discussed. An agreement is made between the parties the workers committee therefore communicates the message to the workforce.

Year	2014	2015	2016	2017
Elected workers representatives	Yes	Yes	Yes	Yes
Number of Works council meetings	10	8	6	5
Number of GDC Hearings	30	33	14	11

## **Freedom of Association**

Freedom of association refers to the right of an employee / employer to join or create an organization such as a trade union of their choice. This also includes the freedom not to be forced to join a group. Paramount upholds the freedom of association of its employees and the effective recognition of the right to bargain collectively. Clothing Industry code of conduct and Section 4 of the Labor Relations Act 28:01 provides for “Employees’ entitlement to membership of trade unions and workers committees. As such Paramount Exports as an employer does not interfere in any aspect of nomination of workers representation. The workers have the freedom to choose their workers council and unions.

Year	2014	2015	2016	2017
Number of employees	1263	1451	1456	2069



Union Members	160	169	102	220

### **Staff Awareness**

The Human Resources department makes use of engaging tools that encourages employees to report any complaints dissatisfaction that they come across at their work stations. Staff awareness program is an ongoing process at Paramount it begins at induction is reinforced by regular updates throughout the year .Notice boards have all the information concerning the complaint procedure.



### **Clinic/Compasionate consideration**

Paramount offers an onsite clinic that is designed to streamline employee access to care, encourage healthy behaviours, prevent injuries, manage work-related and personal health care cost, and enhance worker health and productivity. The clinic help reduce absenteeism, disability, employee turnover and health care cost. The clinic staff work closely with employees and whenever there are serious cases they attend to the patient first before transferring the person to a major hospital which is not far from our premises.

Year	Treated Employees	Referrals to Hospital
2016	1846	78
2017	882	25



### Company Funeral Assistance Policy

When an employee dies all colleagues/staff contribute (\$1,00) and whatever total has been collected is being doubled by the company. Three employees are chosen to represent the company at the burial.

If the deceased has an un-employed wife or children the company makes every effort to employ them.

### Training and Development

Paramount provides in-house learner ship programmes that are meant to develop and better the employee skills in order to progress and produce better results within the organisation.

Practical's/attachments: In pattern-making and Clothing-design there are every year several young students coming to Paramount for attachment and training

Management-training: internal Management-training is being done from time to time (Graham Kennard)

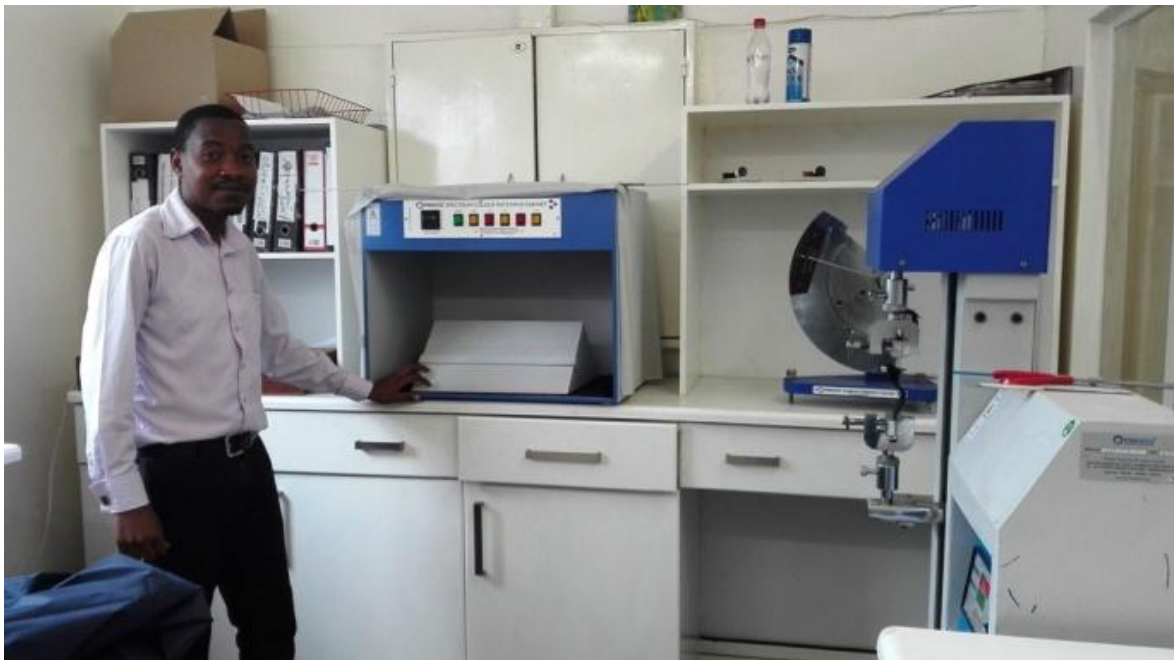
## **2. Environment**

### Water and Energy

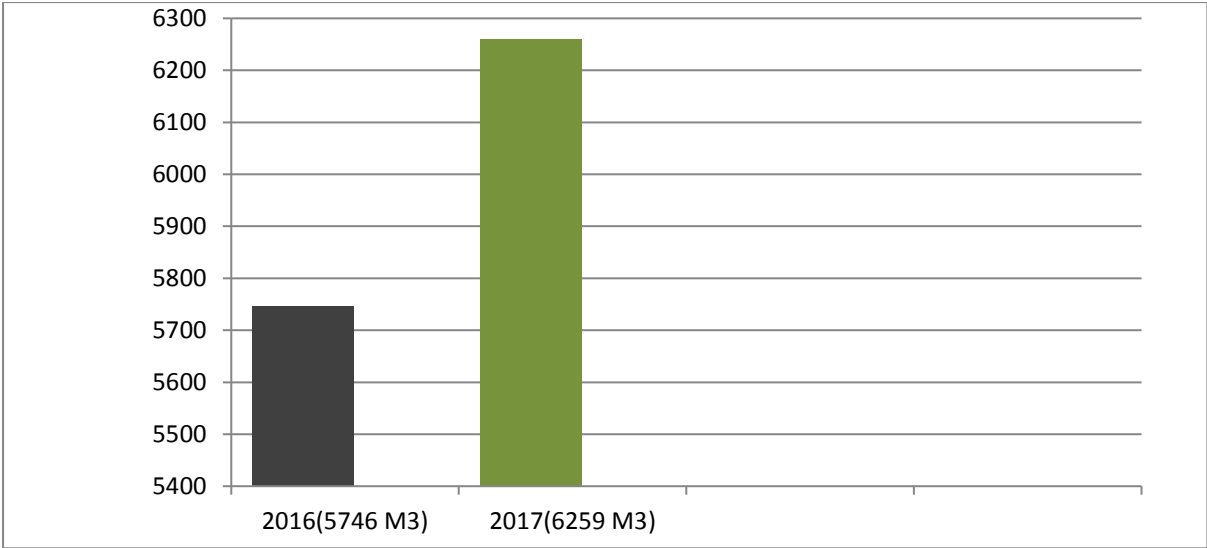
We are reducing the relative amount of water and energy being used considering the growing number of employee and production-capacity of the Group. We admit this is a constant process especially due to challenges in the availability of supply and services by the various Partners/suppliers.

Just an example: Since the municipal water-supply is very erratic it is necessary to actually buy water from private Water-suppliers. We are therefore forced to find a good balance of saving water but at the same time ensuring adequate availability of water.

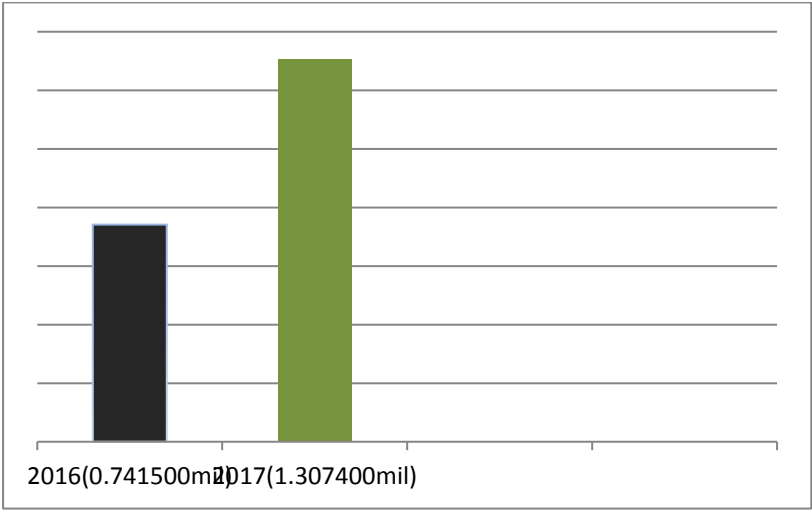
In this connection it also needs to be said that it is company policy to only buy AZO-free dye-stuffs, chemicals and materials. An in-house Laboratory fundamental quality-checks and analyses are being carried out but it does not cater for chemical analyses.



**Water Graph M3**



**Energy Graph /100,000KWH**



Paramount has successfully moved from coal powered boiler systems to small efficient 4 KW mini electrical boilers. This has increased the electricity consumption significantly as shown on the graph.

At the same time we have converted all lights in the Sales-Store to LED lighting and are in the process of converting also the lights in the factory and administration area to LED.

## **Waste-Management**

### **- Solid Waste**

It is company policy to sell, donate or re-use as much waste as possible.

For example:

- a. Small off-cuts of materials are being sold to various customers.
- b. Very small textile waste is being donated to charity (ie. Leukemia Foundation)
- c. Plastic and other waste is collected and made available to waste-management agents on a regular basis.
- d. If it is not collected by these Agents we take it to the municipal Dump-yard in Pomona, Harare



## Waste before sorting

### - **Waste Water**

Waste water is being drained and filtered and goes back into the municipal system for recycling. The filtered waste is being collected by a private waste-collector. Where they take it is difficult to control but we will endeavor to find methods. Recycling of the final rinse water in our laundry has i.e. reduced the water consumption by 30%.

## **Reduction of carbon Foot Print and creating a green area**

Paramount has successfully moved from coal powered boiler systems to small efficient 4 KW mini electrical boilers to eliminate coal consumption and reduce carbon emissions. We are currently researching methods how to use the old boiler-house. Our idea is to use the inside for storage of cartons but make it into green and partly open and partly covered area with many plants. Possibly the walls can be painted by local artist in order to show what can be made out of a formerly harmful place.

### **Solar Energy**

Paramount is researching possible solar technologies for bulk water heating, especially to service our laundry effectively. Paramount has researched also solar electricity technologies with the aim of reducing reliance on the national Power Grid as well as moving towards renewable energy. For this 7 Megawatt-project (Factory roof) we are however hoping/looking for financial as well as technical support. We want to find out more about the “carbon-credit system”.

## **Material Usage/Office Supplies/Paper-consumption**

- It is a company-policy to use as little of all kinds of material as possible. For example:
  - Files and documents that used to be printed out and kept as hard copy are Now kept in digital form. Only very important documents are being printed.
  - Sharing is encouraged – procurement i.e. have set up folders on the network relating to all their purchases and specs/costing's for internal access-
  - Further efforts are being made for more internal monitoring systems to become digital



- With regards to packing of supplies within the Group it was decided to change from card-board-boxes to baling in polypropylene for re-use.
- Analysis of the new products before introducing them is done to avoid products that are not efficient and environmentally friendly.

Year	2016	2017
<b>Boxes Cardboard units</b>	105.500	111000
<b>Bond-paper packs</b>	490	246

### **Transportation and Sourcing**

- Trips are restricted to serious business only.
- Car-sharing is encouraged
- Delivery and receipt of goods are carefully planned and it is made sure that it is economic and no trips wasted
- Economic deliveries i.e. Motor-bikes with trailer for small deliveries

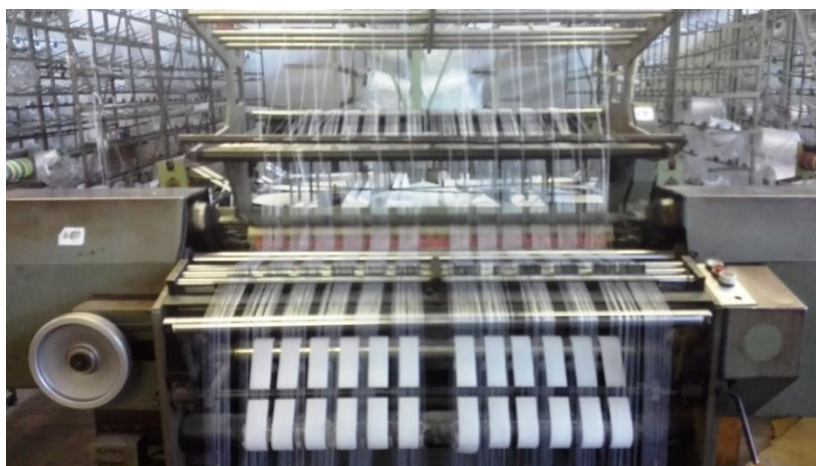


### **Sustainable supply Chain Management**

It is in the company interest and policy to source materials preferable from local or regional sources. In order to be able to do this it is sometimes necessary to pay higher prices. However, often the quality of the locally produced goods does not meet the standards of our and our customer's requirements. Other-times we have to put much effort into monitoring the quality of the local products.

### **Locally Purchased Products**

<b>Year</b>	<b>2016</b>	<b>2017</b>
Elastics and Tap	100%	100%
Fabrics	1%	3%
Cardboard boxes	100%	100%
Plastic bags	50%	60%



### **Regionally Purchased Products (South Africa)**

<b>Year</b>	<b>2016</b>	<b>2017</b>
Plastic-Bags High quality	50%	40%
Zips	20%	30%
Fabric	3%	5%

### **EnvironmentAfrica Project**

Paramount Exports is now a “gold member” of the “Environment Africa” project. An initial fact-finding visit to the factory by the Regional Director of Environment Africa Mr. Innocent Hodzonge was interesting and positive. The relevant report of this initial visit is enclosed.

### **3. Stakeholders**

#### **Communication**

Our code of Conduct as well as our Social Report will be made available to all our stakeholder either digital or where not possible as hard copy in order to raise and re-affirm our commitment. In case we notice any wrong-doings in the way stakeholders are acting we address them and ask for corrective of action.

#### **Government**

Paramount conforms and is committed to comply with Government regulations and legislations by being licensed with

- NSSA (National Social Security Agency)
- EMA (Environmental Management Agency)

Annual audits and inspections are taking place and are being documented.

In addition Management is regularly interacting with the Ministry of Trade and Commerce to inform them of grievances and give suggestions.

#### **Further Memberships/Initiatives**

Confederation of Zimbabwe Industry (CZI) member

Zim-Trade support/link

ZITMA (Zimbabwe Textile Manufacturers Association/Bain Adcock Vice-Chairman)

ZCMA (Zimbabwe Clothing Manufacturers Association/Jeremy Youmans Chairman)

Cotton to Clothing Initiative (ACVAZ – Association of Cotton Value Adders of Zimbabwe)

See attachment: Cotton to Clothing initiative

### **4. Community**

#### **Football-team**

Paramount has a vibrant functional football team that it sponsors. The team is doing so well such that it won the champion's league in the area zone. The football team comprises the

Paramount workers. The team has gone an extra mile in providing the employees with entertainment and leisure. They always have something to look forward to.

### **School visits**

Paramount is regularly visited by school-classes to give children an idea of an industrial work environment and how the Clothing they wear is being produced.



### **Disability and Deaf Inclusion Support Plan**

Our company believe in inclusive recruitment where by every person is valued according to what he /she brings to the company in that regards Paramount has partnered with Emerald deaf school where it recruits some of the school; leavers from the deaf school. Some people with other disabilities are employed by the company and are given support through designating to work stations that do not affect their disabilities.

3 deaf and 2 handicapped employees are currently employed.

The paramount mechanic has been tasked with assisting the training school at Emerald Hills School for the deaf with repairing and maintaining their machines. Regular visits to the school should enable to teacher there to understand better the requirements and qualifications needed to work in industrial environment.

## **VI. Conclusion**

Whilst improvements have been made there is still room for improvement in both social and environmental issues. Systems have been put in place to collect more data. The challenge is to relate the data to the growing production base and activities happening within the organization.