



Modern Slavery Statement

Introduction

This statement is prepared pursuant to section 54 of the Modern Slavery Act 2015 and specifies the steps that Craft Group Limited and its subsidiaries (together, the “Group” or “DMC” and individually each a “Company”) has taken, and is continuing to take, to make sure that modern slavery or human trafficking is not taking place within our business or supply chain during the year ending 31 December 2019.

Modern slavery is a heinous crime and encompasses slavery, human trafficking and forced labour. At Crafts Group, we have a zero-tolerance approach to any form of modern slavery and are fully committed to preventing slavery and human trafficking in our operation and supply chain. We are devoted to acting ethically and with honesty and transparency in all business dealings and to implement robust effective systems and controls in place to safeguard against any form of modern slavery taking place within the business or our supply chain.

Our Business

Crafts Group Ltd owns “The DMC Group Holding Ltd” and DMC Group holding ltd owns trading entities “DMC SAS”, “Wool and the Gang”, “Sirdar”, and Tilsatec

The Crafts Group carries out its main activity in the textile industry and, in particular, in the manufacturing of yarn and embroidery products. The company also manufactures high quality technical yarns for cut and thermal resistant gloves.

While it has always been the go-to-brand for embroidery, since 2012 DMC has accelerated its diversification into adjacent needlecraft categories, notably crochet and knitting yarns. Such yarns are manufactured by trusted partners in Europe, then branded and distributed by DMC throughout the world.

The group employs in excess of 400 staff operating mainly across 3 sites. Overall the combined Group is a truly global company, with c. 35% of sales in Europe, 35% in the US, 10% in Asia, and 20% ROW. It has a production facility in Mulhouse, logistic centres in France, the UK, the US, Singapore and Japan, and commercial offices in Spain and Italy.

Our Supply Chain

Our supply chain includes cotton providers, yarn providers, wool providers, media, IT equipment, stationary and print suppliers, whilst our clients include retail businesses and online customers

Risk Assessment and Our Policies

Risk assessment is a fundamental step in our review process. We have adopted a robust risk assessment methodology which considers risk profile of each supplier/country, services rendered, and the demographics of each country.

We are a responsible business with awareness of our responsibilities towards our customers, suppliers, staff, and our environment. We are committed in ensuring that our business is not connected to ill practices of modern slavery or human trafficking in any shape or form. Our internal policies (outlined below) provide further clarity and explanation of our practices.

- We source all our products from well-established and reputed suppliers who have to sign up with our terms and contracts which contain anti-slavery and human trafficking clauses.
- Supplier on-boarding process also includes due diligence and confirmation of their policies for staff health and safety [To date we haven't been made aware of any ill practices from any of our suppliers]
- Periodic and compulsory audit checks for all our existing suppliers for the confirmation of adherence to anti-slavery and human trafficking articles.

Further internal policies to enhance transparency and deter modern slavery include:

a. All-inclusive Recruitment policy. We promote equal opportunities and fair treatment to all individuals in our commitment to provide inclusive and diverse working environment. Our recruitment policy includes conducting eligibility to work in the UK checks for all directly employed staff, and agencies on approved frameworks are audited to provide assurance that pre-employment clearance has been obtained for agency staff, to safeguard against human trafficking or individuals being forced to work against their will.

b. Employment contracts and code of conduct: Employment contracts drive our code of conduct which encourages all employees to perform their duties in a fair manner. We adhere to the principles of honesty and ethical behaviour at the highest level no matter where we operate.

c. Whistleblowing policy. We operate a whistleblowing policy and encourage all employees, customers and suppliers to report any suspicion or raise any concerns of slavery or human trafficking without fear of retaliation

We have a zero-tolerance to slavery and human trafficking and thereby expect all our direct and indirect suppliers/contractors to follow suit.

Awareness and Training

We will raise awareness of the pressing issue of modern slavery and human trafficking with our staff by regular communication during team meetings and via subject specific emails which exhibit our ongoing commitment to fight against modern slavery and how employees should report on any suspicious activities.

Advice and training about anti-slavery and human trafficking is available to staff through HR department.

The company is looking at introducing a mandatory e-learning module for all staff to be completed on an annual basis as we look at ways to continuously increase awareness within our organisation, and to ensure a high level of understanding of the risks involved with modern slavery and human trafficking in our supply chains and in our business.

Measuring Effectiveness

To measure the effectiveness of our safeguarding policies against modern slavery and human trafficking - we have set out below performance indicators

- Number of staffs with completed training
- Number of suppliers with returned questionnaires
- Response and results from the e-learning module.

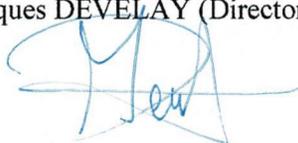
No reports are received from our staff, the public, or law enforcement agencies to indicate that modern slavery practices have been identified.

Approval of this statement

This statement covers 1 January 2018 to 31 December 2018 and has been approved by the director

Signature

Mathieu Louis Jacques DEVELAY (Director)



Date

15/01/19