

Modern Slavery Statement

Applicability:	Sirdar/WATG/Rowan/Tilsatec
Date:	<i>20th March 2021</i>

Introduction

This statement is prepared pursuant to section 54 of the Modern Slavery Act 2015 and describes the steps that Lion Cashmere Bidco – The DMC Group – and its subsidiaries have taken, and are continuing to take, to make sure that modern slavery or human trafficking is not taking place within our business or supply chains.

Modern slavery is a heinous crime and a morally reprehensible act that deprives a person's liberty and dignity for another person's gain. It is a real problem for millions of people around the world.

At DMC Group we have a zero-tolerance approach to modern slavery and are fully committed to preventing slavery and human trafficking in our operation and supply chain. We continue on our journey to take concrete steps to tackle modern slavery, as outlined in this statement. This statement sets out the actions that we have taken to understand all potential modern slavery risks related to our business, and the steps we have implemented to prevent slavery and human trafficking during the financial year 2020.

Our business

Lion Cashmere Bidco owns Sirdar Group Ltd (Tilsatec Ltd and Sirdar Holdings Ltd), Wool And The Gang and Mouline' & Co SAS (DMC SAS); collectively the group is known as the 'DMC Group'. The DMC Group carries out its main activity in the textile industry and in particular in the manufacturing and distribution of yarn and embroidery products. The DMC Group also manufactures high quality technical yarns for cut and thermal resistant gloves.

The DMC Group employs in excess of 440 staff operating across seven sites. Overall the combined Group is a truly global company, with 52% of its sales in Europe and the UK, 37% in the US, 7% in Asia and 4% in the ROW.

Our supply chain

Our supply chain includes cotton vendors, yarn vendors, accessories vendors, freight providers, IT equipment and sundry suppliers whilst our clients include retailers, distributors and on line customers.

During the 2020 financial year, the Group has developed a master supplier contract which is in the process of being rolled out. Amongst others, the master contract focuses on the following areas:

- Suppliers are required to comply with all applicable local laws and regulations
- Suppliers are required not to process any materials which are classified as being harmful to the environment or human health or banned by law
- Suppliers are required to comply with international standards with particular concern to child labour, animal welfare, environmental regulations and the Modern Slavery Act

Once in place we will look to conduct risk assessments with our key suppliers to review:

- The risk profile of individual countries based on the Global Slavery Index
- The business services rendered by the suppliers
- Their internal processes and stated own commitment to the eradication of Modern Slavery and human trafficking

This assessment will determine our response and the risk controls that we implement.

Policies

DMC Group has recently invested in their HR function. Early priorities of the HR team include:

- Creation of a Whistleblowing Policy (called Speak Out) - we encourage all employees, customers and suppliers to report any suspicion of slavery or human trafficking without fear of retaliation. We provide a confidential email address that is monitored only by the Global HRD with escalation to the CEO to protect the identity of whistle-blowers.
- Creation of a Code of Conduct - our code will encourage employees to do the right thing by clearly stating the actions and behaviour expected of them when representing the business. We strive to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing our supply chain
- Recruitment practices – our commitment to equal opportunities of employment, promotion and training for all is detailed in our Equality, Diversity and Inclusion Statement. Our recruitment processes relating to directly employed colleagues in the UK include vigilant checking of potential employee documentation to ensure individuals have the right to work in the UK. For temporary labour we work in tandem with partner agencies to ensure such Right to Work checks are also carried out by them prior to anyone working within the UK DMC Group. In other geographies, local legislation is followed
- Employment Contracts – all our directly employed UK colleagues are provided with a transparent and fair contract of employment. The DMC Group is currently in the midst of a project to bring these up to the latest standard of UK employment law. In other geographies, local legislation is followed as a minimum

This statement covers the financial year 1 January 2020 to 31st December 2020 and has been approved by the CEO of DMC on 31st March 2021.

Justin Wraight

CEO