

Arco Modern Slavery & Human Trafficking Statement 2022

For the financial year ending June 2022

Arco Modern Slavery & Human Trafficking Statement 2022

Wherever you live and wherever you work, our vision is to make your world safer.

People are the lifeblood of any business, and for us, safety means so much more than just delivering products or services. We pride ourselves on having an ethical supply policy and providing ethically sourced products.

Partnering with Arco means you're making a responsible and sustainable choice. As a family-run business, our culture and ethos is built on integrity and driven by our core goal of keeping people safe. We're committed to making a difference in maintaining a supply chain free from Modern Day Slavery. We also strive to help manage your obligations to eradicate Modern Day Slavery from our supply chain.

In this year's statement, you will be able to gain insights into our supply chain, how we identify modern slavery risks and how we continue to improve the way we tackle ethical issues across our business. You'll also see that ethical trading is a key element of our overall approach to sustainability and that our supplier engagement goes well beyond modern slavery risk as we strive to ensure a transparent and sustainable supply chain.

We remain committed to continual improving our processes and shall continue to report our progress in an open and transparent way.



Guy Bruce
CEO

January 2023

This Modern Slavery Statement has been published in accordance with the UK Modern Slavery Act 2015 and was approved by the Board of Directors of Arco Limited.



Structure and business

Arco Limited is a family-owned organisation specialising in the provision of Health & Safety Equipment and Services, established in 1884. Arco works with all sizes and types of organisations in the supply of equipment, clothing, personal protective equipment, and professional services related to health and safety.

Arco employs over 1500 colleagues across the UK and Ireland, with two primary operational sites - our Distribution Centre in Hull and our Clothing Centre in Preston. We also have an international sourcing office in Xiamen, China.

We seek to protect all workers from modern day slavery or human trafficking and promote Health, Safety and Welfare in our supply chain. We have been a member of the Ethical Trading Initiative (ETI) since 2007 and are committed to the principles of the ETI Base Code which are based on the standards of the International Labour Organisation (ILO).

Our commitments

We engage with a number of independent third parties to help ensure that we strive for the highest standards of ethical performance.

- In 2022, we achieved the ECOVADIS Gold medal, which affirms company's commitment to social and environmentally responsible business practices.
- We are members of SEDEX and use the platform to support our engagement with our supply chain.
- We are regularly audited under the Labour Standard Assurance System scheme as part of our engagement with the NHS.
- As supplier to NHS Scotland, we are committed to NHS code of conduct.
- We are independently audited by BSI against ISO 45001 in respect of Health & Safety.
- We have undertaken due diligence addressing any human right risk that appear within our business.
- Closely monitoring performance against our supply chain code of conduct.

All Arco colleagues understand from our colleague induction programme our commitment to ethical trade and how responsible procurement sits at the heart of our business. We provide additional, refresher and focussed training to colleagues where relevant.



Sedex | Member



**Ethical
Trading
Initiative**
Member

Governance, reporting and accountability

Overall accountability for the Modern Slavery Statement lies with the Board, which has delegated oversight of our ethical frameworks to the ESG Committee, chaired by an independent non-executive director. The CEO is accountable for ensuring that our compliance frameworks are fit for purpose, are operating effectively, and are supported by suitable and risk assessment processes. Day-to-day executive responsibility for our compliance frameworks lies with the General Counsel. Our risk management processes are overseen by an internal audit function, which regularly engages directly with the Audit Committee and the Chair of the ESG Committee.

Our Arco Compliance Team, which reports directly to Arco's General Counsel, oversees our ethical compliance activity in our supply chain, monitors progress against our modern slavery commitments, and identifies any emerging risks. We review

our risk profile at least annually, allowing us to ensure that we continue to focus our actions on areas where we perceive the greatest risk of modern slavery. We consider the full Arco business but, given its significance in terms of scale and risk, our primary focus is on our goods for resale supply chain. Additionally, routine risk management is undertaken by functions across the business supported by the Arco compliance and internal audit teams.

Our compliance team continue to analyse human right abuses and non-compliances against the ETI base code and our Code of conduct. Ethical reporting is reviewed monthly with the Executive team, and our overall ethical compliance framework (including this statement) is overseen by the ESG Committee and Audit Committee.

Our compliance team routinely engage with our Product and Procurement Teams to share ethical data and to discuss action points. Where required, remedial action plans are agreed between, and tracked by, the vendor, our product and procurement teams, and our compliance team.

Our regular reporting includes performance against agreed Key Performance Indicators (KPIs) across 6 measures relating to the ILO Labour Standards. Granularity includes country and industry sector and by exception, individual factories should issues be identified. Our performance is measured against global and industry benchmarks conducted at similar factories. All areas of concern are investigated.

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An overview of our supply chains

Products and services for resale

Our procurement activities take place globally. Just under one-third of our product sales are Arco own brand products, manufactured at over 113 factories located in 24 countries. Over 90 factories are located in emerging markets, with 50 in China and 10 in Bangladesh.

Due to our significant footprint in China, Arco have a representative office located in Xiamen, Fujian province in which Arco maintains a team, including ethical lead auditor, to support management of local vendors. The ethical auditor helps factories to develop and monitor their social systems, provide training and monitor progress. This greatly supplements our external audit programme for which we utilise independent external auditors.

We also engage extensively with our significant base of proprietary vendors in order to ensure that we work with reputable and ethical partners. However, our supply chain compliance focus is primarily addressed to those suppliers manufacturing on behalf of Arco.

Products and services not for resale

Goods not for resale includes those products and services we buy to run our business – such as professional services, logistics operations, facility management, packaging, stationary, etc. Our indirect procurement team and department of purchase goods and services required to run our business from over 1000 local and national suppliers.

Sales > £307 million					
Our Business		Our Supply Chain	Our Own Brand Supply Chain		Our Supply Chain Engagement
2 Primary operational locations Our Distribution Centres in Hull and our Clothing Centre in Preston	40 Sales locations throughout the UK & ROI	800+ Own brand and proprietary vendors	20 Countries within our supply chain	84 Own brand suppliers	100% Own brand suppliers signed up to the principles of the ETI Base Code
5 Safety Service Centres including a Service Division HQ in Eccleshall	1 Sourcing office in Xiamen, China	200 000 SKUs product range	55,000 Workers in Tier 1	113 Own brand manufacturing facilities	84% Own brand suppliers audited. We use a combination of third-party audits (including SMETA and WCA) and Arco audits.
1500 Employees	1 Head office in Hull	2 Labour providers	53% Females 47% Males	90+ Own brand manufacturing facilities based in emerging markets	16% Own brand suppliers monitored through self-assessment questionnaires. We typically use these where we do limited business with a supplier.
					33% Own brand suppliers on SEDEX

Arco takes a risk-based approach in relation to our efforts to prevent modern slavery in our supply chain. In certain areas determined to be higher risk, such as apparel manufacture in particular higher risk territories, we are increasing our understanding on tier 2 suppliers to allow us to identify and track effective improvement actions where considered appropriate, in addition to our expectations of tier 1 suppliers to drive standards through their own supply chain.

The vulnerability score

51 - 100	Red
26 - 50	Amber
1 - 25	Green

Hong Kong	1	24.7
Poland	1	24.4
Taiwan	6	20.3
USA	1	15.9
UK	13	11.1
Germany	1	10.4
Portugal	2	8.5
Denmark	1	1.0

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Most salient human right risks





We use a number of sources within our risk assessments of our product supply chains to help and better understand where we are more likely to be potentially linked with negative human rights impacts. This allows us to target our audits, assessments and interventions where we believe issues are most likely to be occurring in our supply chain and operations.

We conduct research using existing external reports and sources publicly available credible information to build profile on every country we sourced. This includes political, economic, social and legal analysis and risk mapping including modern slavery. Analysis also considers sectoral risks across our key sectors- garments, footwear, PPE.

In some cases, the different risk aspects or different data points can deliver different risk profiles which means our risk assessments supply chain activity is dynamic and evolves continually.

An example of how we can segment our supply chain through risk profiling is shown below using the 2018 Global Slavery Index published by Walk Free (recognising that there are limitations on any scoring of this type). The vulnerability score identifies where the risk of modern slavery is heightened because of other related factors - those highlighted as red score have a weighted score of 51-100, amber 26-50 and green 1-25. The prevalence rank shows a ranking based on the estimated population in modern slavery per 1,000 people - those highlighted red fall into the bottom 50% of countries, amber 26-5%, and green 1-25%.

We also monitor Workplace Conditions Assessment scoring, which allows us to understand where a country scores against global averages but also how our vendors score against country and global averages. We have shown some WCA information for the higher risk countries where we have greater concentrations of supplier factories.

	Own Brand Manufacturing Facilities (#)					Global Slavery Index*			WCA Country Score (Global Average 79)
	Total	Footwear 	Clothing 	Gloves 	Other 	Prevalence Rank (out of 167)	Prevalence Incidence (per 1,000 population)	Vulnerability Score (normalised, weighted)	
China	50	6	12	10	22	111	2.8	50.6	77
UK	13				13	132	2.1	11.1	84
Bangladesh	10		10			92	3.7	50.0	72
India	6	1	1	2	2	53	6.1	55.5	71
Taiwan	6				6	165	0.5	20.3	82
Pakistan	5	2	1	2		8	16.8	74.1	77
Malaysia	3			3		42	6.9	39.2	78
Cambodia	2	1	1			9	16.8	63.5	
Portugal	2	2				120	2.5	8.5	
Turkey	2	1			1	48	6.5	51.6	
Albania	1	1				43	6.9	45.2	
Denmark	1				1	150	1.6	1.0	
Germany	1	1				134	2.0	10.4	
Hong Kong	1				1	156	1.4	24.7	
Indonesia	1	1				74	4.7	50.5	
Israel	1				1	90	3.9	36.4	
Italy	1	1				122	2.4	26.3	
Madagascar	1		1			34	7.5	62.0	
Morocco	1		2			121	2.4	48.3	
Poland	1		1			100	3.4	24.4	
Sri Lanka	1			1		130	2.1	42.5	
Thailand	1			1		23	8.9	51.1	
USA	1			1		158	1.3	15.9	
Vietnam	1		1			77	4.5	41.5	

* Published by Walk Free, 2018, <https://www.globalslaveryindex.org/>

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Additional research allows us to identify particular types of risks in different territories:

	China	India	Pakistan	Bangladesh	Malaysia	Thailand
Working Hours						
Social Security						
Transparency						
Sub-Contracting						
Gender Inequality & Discrimination						
Low Pay						
Freedom of Association						
Health & Safety						
Building Safety						
Migrant Workers						
Recruitment Fees						

Our policies in relation to modern slavery and human trafficking

Our corporate policies set out our clear approach on a number of ethical matters, encapsulate the ETI Base Code principles, and provide the framework in which we operate. We publish these on our website at www.arco.co.uk/legal. Our required standards are embedded in our Supplier Code of Conduct which is available at all times to our Suppliers via our Supplier Portal and also forms a specific part of our supplier onboarding process.

We have several policies in place that are relevant to modern slavery, all of which are approved by the Board. We continually review and develop our policies with input of the compliance team, suppliers and external stakeholders.

- **Our Anti-Slavery Policy**

<https://www.arco.co.uk/legal/modern-day-slavery>

- **Our Ethical Policy**

<https://www.arco.co.uk/legal/ethical>

- **Our Responsible Procurement Policy**

<https://www.arco.co.uk/legal/responsible-procurement>

- Human Resources policies, including **Recruitment and Selection policy** and **Right to Work Policy** address modern slavery and human trafficking, providing both guidance for our recruitment teams and employees.

Setting the standards for our suppliers

We establish clear standards for our suppliers to achieve and we ensure that suppliers clearly accept these standards as part of our onboarding process. For our own brand vendors, we use these standards as the basis against we (and third parties we nominate) undertake ethical audits.

We require suppliers to comply with applicable law and, where applicable law and our supplier documents address the same

topic, apply that provision which affords the greater protection to workers.

Our supplier documents are available on our Supplier Portal at all times and we provide copies to suppliers directly where appropriate (such as when we are onboarding a new vendor).

- **Supplier Code of Conduct** - sets minimum standards expected of suppliers
- **Arco Ethical Guide for vendors** - a more detailed guidance document for our own brand suppliers providing more detailed guidance on matters addressed within the ETI Base Code.
- The **Arco Ethical Compliance Requirements for Vendor Approval** procedure clearly describes the process all stakeholders must complete for the Arco Compliance Team to approve a factory.

Facilitating compliance

We provide confidential reporting procedures to our colleagues and our business partners to report allegations that Arco or any of its business partners is failing to operate to the high standards we expect. Our external third party hotline is independently administered by **Safecall** and concerns can be raised anonymously in multiple languages.

We have a clear **Whistle Blowing policy** accessible to all colleagues and details of our **Safecall** whistle blowing hotline are embedded in our Supplier Code of Conduct.

Continual improvement, training and capacity building

Arco is committed to ongoing and continual improvement, training and capacity building in the area of ethical trade, with measurable targets set annually as part of its broader performance review and as a fundamental part of its commitment to ETI membership.

Arco colleagues are provided with Ethical Trade and Modern Slavery training relevant to their roles. Forms of training include internal and external classroom, on-line Learning and Development system, 1-2-1 coaching and conferences hosted by our ethical and sustainability partners.

Arco are an active member of the ETI Modern Slavery Working Group.

We have provided training to our vendors and we are exploring additional ways in which we can deploy learning and development materials to our supply chain.

Our Xiamen team in China have a lead social compliance auditor who has completed the Compliance Practitioners Initiative certified CSR lead auditor course. To increase our coverage of ethical issues, we ensure that all members of our Xiamen product inspection team conduct ethical trade assessments within supplier factories when on-site. This also helps to extend the amount of collaboration work we can undertake with each business.

Improvement area 1

During 2021-22, we have reviewed and updated our ethical framework and how we engage with our suppliers, including by updating our policies and supporting documents.

We created an enhanced Arco Supplier Code of Conduct and embedded this within our terms of purchase and our supplier documents. We have reinforced key elements of the Code by creating supplemental Supplier Standards addressing Child labour, Homeworkers, Climate Change and International Trade compliance. Our documents clearly state our commitment to ethical trade and sustainability and make clear our expectations of suppliers.

All vendors must agree to the principles of the Code of conduct in all new contracts. Additionally, own brand suppliers must read, agree and sign our Ethical Guide for Vendors.

We also invested in helping a colleague successfully complete Social System Auditor/Lead auditor training course (CQI and IRCA Certified) in May 2022. This certification helps to enhance knowledge and skills required to perform audits of an organisation's conformance with social responsibility specifications.

Risk assessment and mitigation

In line with the ETI Human Rights and Due Diligence Framework, Arco adopt several methods to assess and manage risk throughout our operations.

We have evolved the processes and tools we use to risk assess our suppliers,

- Self-Assessment Questionnaire.
- Social Compliance Audit Reports. (WCA, SMETA, BSCI, Arco audits)
- The SEDEX portal- to understand country lever risk;
- Information received through our membership with Ethical Trading Initiative.
- Information and intelligence from Arco China sourcing and social auditing team.
- Modern Slavery Index and the ITUC information channel.
- Dow Jones RiskCenter compliance screening tool

Risk categorisation primarily focuses on risk to vulnerable workers and considers country, region and industry using information published by global NGOs. Our priority is to those workers in high-risk situations where we can make the biggest positive difference to their welfare and we prioritise our resources accordingly.

Higher risk arco own brand vendors must accommodate a social compliance audit and resolve improvement areas to an agreed timeframe. This applies to Tier 1 sites and beyond when necessary. Vendors are encouraged to establish and improve their own processes and assess risks within their supply chain.

Lower risk own brand vendors are screened using Self-Assessment Questionnaire and other desktop tools with on-site audits implemented.

On-site health & safety training is conducted at high-risk sites, primarily in China. We plan to extend our capability to deploy educational and training resources to our vendors during the coming year.

Improvement area 2

Assessment and identification of risk is increasingly critical to businesses. Those risks intensify when managing global supply chains. To help Arco mitigate risk these risks, we implemented a third party risk tool, Dow Jones RiskCenter, and over the year we have enabled this solution to screen vendors as well as to continually monitor those vendors against third party risk and adverse media databases for risks including modern slavery

We have also further evolved our use of our newly implemented quality management technology system to make improvements to our vendor onboarding and review processes. This system allows us to continually evolve our supply chain compliance requirements and to consistently apply these. We continue to explore how we can further systemise our processes and workflows relating to ethical compliance to improve our overall compliance framework.

Addressing salient risks

Access to remedy within the Malaysian gloves sector

In 2019, we became aware of potential risks of modern slavery within the Malaysian disposable glove market, particularly the treatment of migrant workers from Bangladesh, Myanmar and other countries. As we noted in our previous statement, we collaborated closely with our suppliers to understand those risks and ensure that they were adequately addressed, including through engagement with the ETI's Access to Remedy Programme

During 2021, we continued to engage with key vendors in this area and further details can be found in the 'Thought Leadership and Collaboration' section. We are pleased that one of our supplier's has built on the engagement by enhancing their overall performance and gaining the Worldwide Responsible Accredited Production Gold certificate of compliance within several of their facilities with a roll-out plan in place for the remaining sites.

COVID-19 pandemic

The travel restrictions caused by the pandemic affected our factory audit programme and created a risk that we were not able to actively monitor and review compliance as effectively as we would normally. During the year, we have taken steps to increase our audit programme to return to our more typical audit cycle. We have also:-

- Used our Chinese team based in Xiamen to visit factories, conduct audits, follow up on corrective action plans, and review compliance issues identified in third party Social Compliance reports (WCA, Smeta, BSCI).
- Increased our use of third party resources and tool to offset and supplement our own audit activities.

Arco also collaborated with the ETI and 6 other ETI members to support vulnerable workers in Bangladesh by helping create a project to support the Bangladesh ready-made garment sector through the COVID-19 pandemic. Further information can be found in the 'Thought Leadership and Collaboration' section.

Reports of forced labour in Xinjiang, China

We previously noted the acknowledged concerns surrounding the use of forced labour in the Xinjiang province of China and how we were addressing them.

One particular risk identified related to the production of cotton within the region, which had the potential to inadvertently enter our supply chain due to the lack of transparency across the global cotton trading industry.

Improvement area 3

To help us address this risk, Arco joined Better Cotton Initiative, which aims to improve the ability to trace cotton from source into the textile industry.

Our partnership will allow us to make a commitments and sourcing decisions on own brand product responsible sourcing. This enables better engagement and collaboration with our suppliers on our transparency journey. This also will help to engage with the non-profit, multistakeholder group on its mission to help cotton communities survive and thrive whilst protecting and restoring the environment. This includes supporting Better Cotton to continue to build robust requirements regarding decent work into the principles and criteria of its framework.

Better Cotton Farmers must work to uphold and continue to comply with thereafter, four decent work standards such as freedom of association and the right to collective bargaining, the elimination of forced labour, the abolition of child labour, the elimination of discrimination in employment and corruption. Better Cotton principles and Criteria framework includes 22 criteria for upholding these standards. Better Cotton farmers are also required to follow national and occupational health and safety laws, unless those laws fall below ILO standards.

Perceived country risk

Over the year, media reports continued to show that modern slavery risks remained real even in perceived low risk territories such as the UK. Although our priorities remain focussed on higher risk regions and vendors, over the year we have taken steps to reinforce the importance of ethical issues in the UK by increasing our UK audit programme and taking increasing advantage of available third party audits, assessments and sustainability accreditation schemes.

Due diligence

As part of our existing due diligence processes, regular assessments of new and existing factories are conducted. Several methods are employed to conduct due diligence, with most resource given to higher risk supply chains.

Throughout 2018/19, and in line with industry guidance to reduce the reliance on auditing, our procurement team use their time during factory visits to identify signs of Modern Slavery and exploitation and consult with the ethical team on their observations.

Our quality control teams use their time spent at factories to observe changes in both the demographics and culture and report back when necessary.

High risk vendors, including those high spend and business critical vendors to Arco continue to receive regular audits. The frequency of audits reduces as compliance improves and trust develops between our organisations.

High risk vendors with a potentially vulnerable workforce (e.g. low-paid or high proportion of migrant workforce) are given additional focus to ensure good practice.

To ensure compliance with our minimum standards in our Goods not for resale supply base, all our new suppliers have been scanned through Dow Jones system and have been enrolled to EQMS system. The system helps to review our commitments with suppliers.

In order to address supply chain risk Arco recognise that it is important to have a great relationships with our suppliers and promote open and honest conversations to understand the root cause of any issues. We proud to see that two of our own brand suppliers are ETI members.

Trade unions

Arco new diversity, equality and inclusion policy has been implemented. Arco respects trade unions and freedom of association and support effective worker voice mechanisms, collective bargaining.

Arco recognises and respects workers' rights to join trade union as a free choice. Trade union play an important role in democracy and support their members to negotiate with their employees. We also recognise that not every worker in our supply chain wants to join trade union, and in some cases union representation is not in place. Our suppliers also encouraged to support effective processes to give workers a voice and worker committees.

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Summary

Our Whistle Blowing Policy has been amended to specifically focus attention on Modern Slavery. The policy document is complete and released to all colleagues during 2021. Refresher training will be published to all colleagues during 2022.

The performance of our goods for resale supply chain continues to be reported to the highest level with the Company. KPIs are built into the objectives of the procurement teams who work closely with the Compliance Team to identify and mitigate risks.

Arco have invested significant funds and time towards a five-year program to help develop disadvantaged children, by means of a scholarship award at a school in Datian, Fujian Province, China. The agreement was formally signed by Arco and School principals in April 2019, and we have now donated over £17,000 with over 350 students benefitting from the award.

Arco continue to support the wider community, to increase understanding and develop programmes to mitigate the risk of modern slavery.

During the year a Smeta audit on the Arco National Distribution Centre was conducted. The audit model replicates that conducted on our supply chain and ensures we meet the standards we expect of others.

In May 2022, SGS, a global inspection company audited Arco against the labour Standards Assurance System (LSAS). LSAS evaluates a business against 15 defined areas (some of which include Policy, Roles and Responsibilities and Supply Chain Management) and measures its maturity against each.

Within our previous statement, we set ourselves the following targets to achieve. Beneath each target is a brief update on progress.

Policies and Procedures relating to modern slavery	Target
All policy documents relating to Modern Slavery to be reviewed. Arco invited Ernst and Young in to undertake an assessment of our Diversity and Inclusion maturity against the National Equality Standard. A report has been produced which makes several recommendations for improvement and will be planned into future objectives. Ethical Guide for Vendor has been updated in March 2022. Additional 4 standards for CoC incorporated. Our Procurement, Diversity and Inclusion policies approved and published.	Completed
Risk assessment and workflow processes to be reviewed and implemented Please see 'Risk assessment and mitigation' section.	Completed
Training relating to modern slavery	
Extend frequency and content of modern slavery awareness training across the organisation. Our Partner "Bright Future" performed awareness session on Modern Slavery at the Head Office. Our existing training remains as detailed in 'Continual improvement, training and capability building' section.	Completed
Salient risks	
Continue to collaborate with suppliers and the ETI to deliver the Access to Remedy programme in Malaysia Project is completed. Please see 'Thought Leadership and Collaboration' section.	Completed
Continue to collaborate with the ETI to deliver the DfID Vulnerable Supply Chain Facility (VSCF) project in Bangladesh Project is completed. Please see 'Thought Leadership and Collaboration' section.	Completed
Recommend improvements based on the gender research within international supply chains (linked to the VSCF project) The VSCF Project was completed in H1 2021. Learnings from the project will be understood and implemented where relevant.	Completed
Community and Collaboration	
Continue to invest funds and time at the school in Datian, Fujian Province, China. Since launching our 'Hard Work and Enterprise Scholarship', which celebrates achieving educational targets and a positive attitude towards learning, Arco has supported 1,364 Xiamen students.	On-going

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Continuous improvement is important and for transparency we have shared several of our targets for 2021/22 in the table below. These reflect a continuation of the goals set within the previous statement. We will adapt and add to our goals to help both our business and that of our vendors as we strive to mitigate the terrible effects of the pandemic. In 2023 we are planning to work alongside the Product and procurement team to understand how can close gaps and evidence our controls for Modern Slavery.

Policies and Procedures relating to modern slavery	Target
All policy documents relating to Human Rights to be reviewed and implemented.	June 2023
Strengthen Risk assessment and workflow processes for all vendors, including services. goods for resale, goods not for resale and	June 2023
Enhance the Arco website to include a supplier portal for access to key documents and information to help gain acceptance onto the approved vendor list.	On-going
Proactively engage with suppliers to ensure successful collaboration on SEDEX platform. (Currently 33% own brand suppliers joined us on SEDEX)	On-going
Training relating to modern slavery	
Extend frequency and content of modern slavery awareness training across the organisation.	On-going
Salient risks	
Continue to collaborate with the ETI on different projects related to salient risks.	On-going
Recommend improvements based on the gender research within international supply chains (linked to the VSCF project)	On-going
Community and Collaboration	
Continue to invest funds and time at the school in Datian, Fujian Province, China.	On-going

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Thought leadership and collaboration

Arco are proud to take a leadership approach to our stakeholders and wider community. We firmly believe that sharing knowledge and experience of ethical trade and modern slavery raises awareness across all communities and is a key step in the path to its eradication.

On an ongoing basis we present our approach to modern slavery and ethical trade to organisations including customers, their suppliers, sustainability consortia and Health, Safety and Environmental Groups and have won several awards for Responsible Sourcing.

In our experience, influencing change within the supply chain can present challenges which are difficult for one business to overcome. However, with help from expert organisations in the field of ethical trade, both on a global and in-country basis, these challenges can become opportunities for our suppliers, the wider industrial sector and more importantly vulnerable workers within the supply chain. Our membership of the Ethical Trading Initiative facilitates this approach. The ETI's expertise and global partnerships provides members with a platform to collaborate with others to effect change and help businesses keep workers safe during challenging times.

Malaysia – access to remedy for vulnerable migrant workers

The ETI's Access to Remedy programme, supported by UK Government and ETI members, exists to support migrant workers susceptible to risks of modern slavery.

The aim of the project was to provide migrant workers with a technology tool to raise grievances in way which will not compromise their employment or expose them to further exploitation.

The project will also provide members, suppliers and local manufacturers with a commonly agreed set of principles which can be signed up to and which workers themselves have been involved in specifying.

The project is now complete and has delivered the following results.

A technology app to be used and assessed by workers. The app provides workers in Malaysia with information about their rights and how to access them. The app also enables workers to anonymously log workplace issues. These grievances are managed by a local NGO.

A set of principles, which are published on the website <https://migrantworkerremedy.org/>. These principles are categorised as following:

- Foundation principles
- Company roles and responsibilities

- Government roles and responsibilities
- Workers' rights and responsibilities
- Third parties

Arco has publicly signed up to these principles, as can be seen on the website above. Arco's customers can also support these principles by signing up at: <https://migrantworkerremedy.org/principles>

Further details of ETI programmes can be located at <https://www.ethicaltrade.org/programmes>

Malaysia – Kossan, a major gloves supplier to Arco, has arrived at a milestone in it's remediation plan for workers.

Kossan Group, a major gloves supplier to Arco has arrived at a milestone for its remediation programme to workers. Representatives from Kossan have remained in regular contact with Arco's Head of Ethics and Sustainability to discuss the programme along with other initiatives to enhance worker welfare throughout the organisation.

Details of the remediation programme can be found at;

https://kossan.com.my/media/pdf/2021/MediaStatement_KossanGroup-Remediation-Programme_20210610_ii.pdf

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Supporting the Bangladesh RMG sector through the COVID-19 crisis

The DFID Vulnerable Supply Chains Facility has partnered with expert organizations and leading UK businesses to improve working conditions and access to healthcare and health information for workers in Bangladesh and other key supplier countries. This will help make workplaces safer, meaning employees can return to work and supply chains can keep moving and become more resilient.

To this extent, the Ethical Trading Initiative (ETI) partnered with 7 corporate members, including Arco, to quickly and effectively address the risks related to a safe return to work following the COVID-19 pandemic. The project started its activities at the end of August 2020 and ran until 31st July 2021.

The project is now complete, and the following results have been achieved.

- 47,577 factory employees (22,031 / 46.3% female) in 20 factories have received safety kits.
- 25,262 workers (14,395 / 56.9% female), 847 supervisors (123 / 14.5% female) and 128 managers (27 / 21% female) in 20 factories have received tablet-based OHS / Covid-19 awareness raising training.
- Launch of QR-code with an app-based version of the awareness training available on Google Play.

- 987 factory managers and supervisors (110 / 11% female) have received ETI's bespoke online OHS / Covid-19 training.
- 144 factory focal points have received Master Trainer training and received toolkits.
- 67 suppliers have joined the Expert Support Network established by the project. It is anticipated that suppliers will be able to continue to convene through ETI Bangladesh's forthcoming platform bringing together key stakeholders within the RMG sector in the country.
- Details of ETI programmes can be located at <https://www.ethicaltrade.org/programmes>

Two factories manufacturing Arco products are directly involved in the project. Work undertaken at these factories during the course of the project included.

- Tab-based OHS & Covid-19 Awareness Training for 1,233 workers
- OHS and Covid 19 Preparedness Training for 100 Managers and Supervisors
- Training of Trainers for 9 Master Trainers
- Safety Committee Training
- Distribution of 1950 safety kits

Supporting Bright Future

We are committed to making a difference in eradicating modern slavery and joined the Bright Future Cooperative in 2018. The charity supports survivors of this global issue by providing them with access to employment for a safer future.

As members of the Cooperative, we have committed to providing safe employment opportunities to survivors of Modern Slavery who are matched with us at Arco, with training and support from their mentors.

In 2021 we provided a placement to a matched candidate and are actively working to expand the number and types of role available in different parts of our business and around the country so that we can help provide safe employment options to other survivors too.

ETI Corporate transparency framework requirements

As members of the ETI, we have committed to ensuring that our annual Modern Slavery Statement meets the ETI requirements save where we have obtained specific exemptions. We have highlighted where the relevant information can be found in our statement.

ETI Minimum Requirements - Checklist	Where you can find the information
1.1 Publish a statement articulating company’s commitment to respect labour rights in its supply chain activities, in line with the ETI Base Code.	Page 3: Structure and business
1.2 Set out internal governance and accountability structures.	Page 4: Governance, reporting and accountability
1.3 Describe how you have identified and prioritised human rights risks in your operations or supply chains.	Page 10: Risk assessment and mitigation
1.4 Include a description of your supply chains [1], including the geographical spread of production and/or sourcing, and areas of highest risk; and a list [2] of first-tier[3] suppliers[4] .	Page 6: Our own label supply chain. *Exemption applies
1.5 Describe the company’s approach with regard to respect for trade union rights including respect for freedom of association and collective bargaining.	Page 12: Trade unions
1.6 Report on salient risks found and plans made to mitigate risk.	Page 11: Addressing salient risks



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