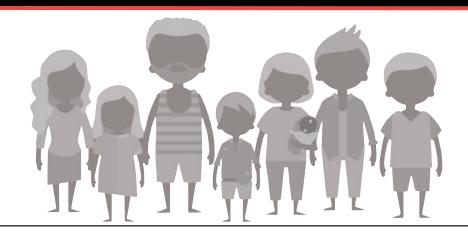


Modern slavery and human trafficking statement 2016/17



Arco Limited (Arco, We Our) 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 organisation in the supply of equipment, clothing, personal protective equipment and professional services related to health and safety.

It is Arco's policy to protect all workers from modern day slavery or human trafficking and promote Health, Safety and Welfare in its supply chain. Arco has been a member of the Ethical Trading Initiative (ETI) for ten years and is committed to the principles of the ETI Base Code which are based on the standards of the International Labour Organisation.

The Arco Ethical Guide for vendors has been prepared in order to give guidance and instruction on the minimum and recommended standards acceptable to Arco in the manufacture of their products or procured services globally. Vendors are expected to comply with national and other applicable law and, where the provisions of law and the contents of this document address the same subject, to apply that provision which affords the greater protection.

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.

Supply chain policy

Our procurement activities take place globally with over £270 million of sales primarily within the UK private and public sectors.

 48^+ Sales locations throughout the UK

100k+ Product range

30+ Countries within our supply chain

1 + Own brand and Proprietary Vendors

150+ Own brand manufacturing facilities

100+ Own brand manufacturing facilities based in emerging markets

Arco expects all vendors we engage with to ensure their goods, materials and labour-related supply chains:

- Fully comply with the Modern Slavery Act 2015;
 and are
- Transparent, accountable and auditable.

Individuals with evidence of non-compliance within the Modern Slavery Act 2015 about Arco's supply chains are encouraged to make use of our Whistleblowing Policy in the event that they feel unable to speak with their Line Manager.



Steps taken Phase 1

the next steps Phase 2

Management responsibility and general awareness

We have:

- Agreed management responsibility for this statement from our Main Board and Audit Committee.
- 2. Reviewed this statement and progress against our plans annually.
- As members of the ETI for ten years, continued our approach of Guide, Assess, and Enhance to ensure we protect workers within our own brand label supply chain.
- Assessed our extended supply chain to include our complete vendor base to determine the most effective way to ensure we meet our obligations under the Modern Day Slavery Act 2015.
- Raised organisational awareness through learning and development training for relevant colleagues about modern day slavery and human trafficking.

Risk assessment

We will:

- Undertake an assessment using our business risk, procurement teams and ethical partners to determine our risk exposure.
- Include the Modern Slavery Act 2015 within our risk compliance regime to ensure the risk continues to be assessed and appropriately addressed.

Risk mitigation

We will require:

- 1. All vendors to sign up to terms which confirm they comply with and have not been convicted of an offence under section 1, 2 or 4 of the Modern Slavery Act 2015 and will terminate contracts for failure to comply.
- 2. All vendors to agree to the principles of the Arco Ethical Guide for Vendors in all new contracts.

Management responsibility and general awareness

We will:

- Report progress in delivering our plan to the Main Board and Audit Committee for review.
- 2. Raise overall external supply chain awareness by developing training for them.

Risk mitigation

We will:

- Act promptly where a compliance breach has been identified or flagged.
- 2. Continue to feed-back lessons learned into our compliance risk management process.

Risk assessment

We will:

- Review our policies and activities to establish whether the approach we have taken follows emerging best practice by:
 - Assessing and interpreting any recent or emerging prosecutions or best practice guidance.
 - Benchmark our activities against statements and action plans undertaken by similar organisations.
- Vendors will be prioritised based on risk for further assessment where required. Arco will work to ensure compliance with our requirements as defined in the Arco Ethical Guide for Vendors via additional self assessment questionnaires and/or independent audits.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Arco's slavery and human trafficking statement for Arco Ltd's financial year ending 30th June 2016.



Neil Towsey

Neil Jowsey Joint Managing Director





