

This statement is made by the Arnold Clark Group in accordance with the Modern Slavery Act (MSA) 2015 and sets out the measures we take to prevent slavery and human trafficking from occurring in our business and supply chains.

The statement covers the Arnold Clark group of companies, which comprises Arnold Clark Automobiles Limited, Arnold Clark Finance Limited, Arnold Clark Insurance Limited, Assure Alarms Limited, Central Car Auctions Limited, and GTG Training Limited.

We are fully committed to preventing acts of modern slavery and human trafficking from occurring, in our business and supply chain. We require our suppliers to apply the same standard.

This statement will be made available on all of our websites and to all who engage with us, whether in employment or in business, so that those parties may familiarise themselves with the contents.

Who we are

The Arnold Clark Group operates retail sites and service centres across the UK for the sale, hire, and servicing of new and used automobiles. We represent 27 new car manufacturers and operate 193 dealerships, 160 service centres, 17 accident repair centres, and 14 parts centres. We also have 37 car and van rental locations, six vehicle leasing business centres, three training facilities, two auction houses and an electric vehicle charging business. We directly employ over 10,000 people and have sites from Elgin in the north, to Southampton in the south.

Our business functions are broad. We buy and sell vehicles and assist customers to arrange finance. We sell parts and accessories from our parts centres and hire vehicles to the public and to businesses throughout the UK. Our vehicle aftercare includes MOT testing, accident repairs, servicing, and maintenance of vehicles for both businesses and the public. We provide a suite of fleet management services to businesses in the public, private and third sectors. We provide and organise insurance. Our EV charging business provides and installs a range of charging products for electric vehicles to retail customers and businesses. Our training centres deliver various qualifications, apprenticeships, business courses and automotive courses.

Our supply chains

The broad nature of our business means that our supply chains are equally varied. We source and sell products and parts from a wide range of national and international suppliers. Supply chains in the automotive industry are inherently complex due to the huge number of components and materials involved.

Areas of risk

Our assessment for 2023 has concluded that while risks exist in our recruitment practices and operational site management, the most significant risks remain in our material and subcontract procurement.

We source goods from a wide range of suppliers, both nationally and internationally. Our suppliers will have similarly diverse supply chains, making it difficult to conduct full audits of each tier. In addition, raw materials commonly used in the automotive industry, such as cobalt (which is used in electronics), mica (used in some paint finishes), and rubber (used for tyres and seals), can be supplied by higher risk countries.

Some of our staff members are required to wear company uniforms. The garment industry is considered to present a high risk of modern slavery in both its national and international supply chains.

Construction has been highlighted by The Chartered Institute of Building as high risk for modern slavery. This is due to a combination of factors, such as a high turnover of staff, a reliance on migrant workers and low profit margins across the industry. Our construction and maintenance work is outsourced.

Cleaning and valet services also face a higher risk of modern slavery due to similar factors as those in the construction industry, including high staff turnover and a reliance on migrant workers.

The steps we take to prevent slavery and human trafficking

We have a zero-tolerance approach to the use of child labour, slavery, or human trafficking of any kind across our business and supply chain. We are committed to taking action to prevent any cases from arising within our business and to mitigate against the risks of any exploitation throughout our supply chains.

We ensure that our suppliers commit to our company values by obtaining written confirmation from each that their business practices and supply chains operate in accordance with the MSA. In procurement, this is evaluated as part of the tender process, and then re-evaluated on a regular basis. We monitor supplier compliance with suitable levels of due diligence according to their level of risk, which we assess for the potential of human trafficking and/or modern slavery. However, due to the complexity of the global supply chains in the automotive industry, we are unable to check every business relationship between each tier.

Our Estates department only contract with those contractors who are “Alcumus SafeContractor” approved, in order to guarantee that construction companies are appropriately accredited. Alcumus SafeContractor are committed to stamping out modern slavery within the construction industry. For workers on our own sites and locations, we require our contractors to check that all on-site workers carry Construction Skills Certification Scheme (CSCS) cards, which are only granted to licensed labourers and engineers.

Finally, one of our main protections against modern slavery is our employment policies process, which ensures that our organisation complies with minimum wage legislation and that all of our employees have the right to work in the UK. We also require our contractors to comply with these standards. While we acknowledge that this does not completely eradicate the risk of modern slavery, it is one of the most effective ways of combating this risk.

Wherever possible, we employ our own cleaning and valet staff. However, the use of third-party contractors is, at times, inevitable, and to minimise the risk, these are limited to a small number of contractors who have been approved by our Group Valet and Cleaning Manager after carrying out appropriate diligence.

Compliance

We adopt a zero-tolerance approach to modern slavery and human trafficking, therefore we do not record key performance indicators, as any reported instance would be a breach of our policy.

Any instances of non-compliance with this policy, of alleged modern slavery or human trafficking that we are made aware of will be assessed on a case-by-case basis. We will quickly and thoroughly investigate any claim or indication that any area of our business or supply chain is engaging in human trafficking or slave labour. Any such claim would be reported to senior management as appropriate. The Board of Directors will be informed of the issue, including the findings and outcome of the investigation.

If such instances are proven, remedial action will be taken and tailored to suit the circumstances. We will only trade with those who are taking steps towards full compliance. If we are not satisfied with the steps being taken towards full compliance, we will temporarily suspend our business with that supplier (to the extent allowed in contract or law). The ultimate sanction for the continual failure to comply will be for us to cease to trade with that supplier.

Our whistleblowing and employee conduct policies are available to all members of staff on our employee portal. This modern slavery statement is also readily available on our employee portal.

During 2022, we continued to engage with the British Standards Institute (BSI) to conduct social and ethical supplier audits on a number of higher risk suppliers. These suppliers were selected using a number of factors, such as the inherent risk of modern slavery in their supply chain and their expected maturity in respect of ESG issues, including modern slavery. The audits continue to be well received by the suppliers and the results were positive.

Action we are taking to combat modern slavery in 2023

While we continue to make progress towards reducing the risk of modern slavery and human trafficking within our business, we understand that there is still more that all businesses, including our own, can do.

Some of the steps we are taking in 2023 include:

- Continuing to roll out the social and ethical audit programme to a wider range of suppliers to provide further assurance that our significant suppliers and those suppliers in higher risk industries are taking the steps necessary to mitigate any risks from their own supply chains.
- Launching our supplier code of conduct.
- Exploring options for automating and standardising our supplier on-boarding and periodic reconfirmations.
- Extending our processes and policies to our latest subsidiaries, Bumblebee EV Limited and ID Computer Software Limited, which have been acquired since the reporting date.
- Investigating options to extend our whistleblowing policy to our suppliers, their employees, and their supply chain.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ending 31st December 2022. It has been approved by the Arnold Clark Automobiles Limited Board of Directors and the original statement was signed by our Chief Executive Officer and Group Managing Director, Eddie Hawthorne, on 19 June 2023. This statement will be reviewed and updated annually.