

## **MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT**

### **Our Commitment**

Arrow XL Limited is fully committed to taking appropriate action to prevent acts of modern slavery and human trafficking within our business.

Arrow XL intends to impose the same high standards on our supply chain through appropriate systems and governance that identify and assess potential risks and protect whistleblowers.

This is our fifth annual modern slavery statement, outlining the steps we've taken over the last 12 months up to and including 30 June 2020.

### **Structure and Supply Chain**

Arrow XL Limited is a two-person home delivery and collection service within the logistics sector with national coverage across the UK & Ireland. We have approximately 1,200 direct employees and operate across a network of five main warehouse and distribution hubs supported by a number of remote satellite locations across the UK.

Our workforce consists of a combination of employed and agency staff depending on local labour conditions and requirements. Arrow XL works with service partners to meet fluctuating levels of demand throughout the year and to provide coverage in remote areas of the UK.

### **Risk Assessment**

It is considered that the main risk to the business in terms of potential exposure to slavery and human trafficking lies in the utilisation of agency staff and use of sub-contracted delivery services to its service partners. However, the majority of our delivery services are carried out by employed delivery crew members in conjunction with agency staff.

We continue to make progress increasing the level of permanent colleagues as a reflection of continued growth and part of an ongoing strategy to utilise agency colleagues and service partners in a more controlled, consistent and transparent manner. This work will continue in 2021.

We have recently introduced an applicant tracking system to automate and streamline administration throughout the recruitment process. This system ensures that correct identification and right to work information compliance requirements are completed for all new AXL employees.

### **Due Diligence Processes**

We have zero tolerance to slavery and human trafficking. To ensure all those in our supply chain and contractors comply with our values we have implemented the measures set out below by way of a supply chain compliance programme.

Our supplier Code of Conduct framework includes provisions outlining our expectations concerning the prevention of slavery and human trafficking. The Code of Conduct is reviewed and revised regularly and is published on our website. We insist that the labour agencies and sub-contractors that we use contract on our standard written terms which make compliance with our supplier Code of Conduct compulsory regardless of the size of the supplier's organisation. Failure by a supplier to comply with the Code gives rise to an immediate and automatic right for us to terminate the relationship.

This Code of Conduct is combined with a documented review process at the procurement stage for all contracts with new suppliers. Procuring managers are required to consider whether a supplier poses a potential risk in terms of slavery or human trafficking. Contracts will not be approved and signed off by our Executive team and legal department unless the procuring manager adheres to this process.

### **Policies on Modern Slavery**

In addition to our supplier Code of Conduct, we have a number of policies to ensure that acts of modern slavery and trafficking are prevented including a Recruitment and Selection Policy and a dedicated policy on modern slavery to increase awareness and vigilance across the business. The policy has been published internally to all

staff and included in our staff induction materials to make all new colleagues aware of our procedures from the outset.

Our Whistleblowing Policy, which protects members of staff who report any concerns in relation to malpractice and unlawful conduct (including slavery or trafficking), was relaunched in February 2020. Further our Anti-Bribery and Corruption Policy was reviewed and updated in May 2020.

### **Training for Staff**

Our Modern Day Slavery Statement is included in our staff induction process to make all new colleagues aware of our procedures from the outset.

To maintain a high level of understanding of the risks of modern slavery and human trafficking in our business we provide refresher awareness training to relevant members of staff. We also require our business partners to provide training to their staff and suppliers.

### **Measuring Effectiveness**

Arrow XL uses the following key performance indicators (KPIs) to measure how effective we have been in ensuring that slavery and human trafficking is not taking place in our business or supply chains:

1. Staff training levels – action recommended as outlined;

Staff receive awareness materials as part of their induction in addition to refresher training. Staff are made aware of Arrow XL's Modern Slavery policy and are required to complete risk assessments for new suppliers as part of the contract sign-off process. Arrow XL is introducing workshops for staff with procurement responsibilities to build on the refresher training and embed new processes.

A cross functional working party is being set up which will cascade knowledge on best practice throughout the business and provide important feedback on any training needs and recommendations.

2. Actions taken to strengthen supply chain auditing and verification – action recommended as outlined;

Arrow XL is in the process of standardizing its assessment of suppliers as part of its pre-contract due diligence. Moving forward, suppliers will be required to fill out a standard questionnaire and the responses will be assigned a RAG status to indicate the risk level allocated. This RAG status will inform whether any further due diligence and/or risk mitigation is required.

The requirement for the questionnaires has been built into the contract approval documentation to ensure that the process and corresponding actions have been satisfactorily completed prior to contract sign-off.

3. Steps taken to assess higher risk suppliers' awareness and their ability to detect and mitigate risks in supply chain – action recommended as outlined;

Suppliers providing responses to the standard questionnaire which are assigned a red or amber status will be required to complete a further, more detailed questionnaire which is tailored to the transaction and the particular risks identified. Based on the answers to the follow-up questionnaire and Arrow XL's own investigations, the original RAG status will be re-visited and updated or upheld as necessary. Where suppliers receive a red or amber status, Arrow XL will consider what steps (if any) can be taken to satisfactorily mitigate the risk which, for the highest risk suppliers, may include an audit and on-site assessment.

4. Investigations undertaken into reports of modern slavery and human trafficking and the actions taken in response – N/A.

No reports of modern slavery and human trafficking have been received. Arrow XL will continue to promote awareness and understanding of modern slavery and human trafficking by its staff. Further, Arrow XL commits to the actions below.

### **Further actions**

Following a review of the effectiveness of the steps we have taken to prevent modern slavery and human trafficking in our supply chains, as discussed above, Arrow XL will take the following further steps:

- Utilise a system of questionnaires with appropriate follow-up actions to standardize Arrow XL's approach to assessment of its suppliers and provide an audit trail of the risk assessments undertaken for suppliers;
- Provide workshops to staff with procurement responsibilities to build on the refresher training and embed the new questionnaires process; and
- Set up a cross functional working party with representatives from across the business to help measure effectiveness and inform new initiatives moving forward.

**Board approval**

Following our review of actions this year to prevent slavery and human trafficking from occurring in our business and supply chains, we are committed to continuous improvement to further strengthen our approach to combatting modern slavery and human trafficking during our 2020/21 financial year and beyond.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Arrow XL Limited slavery and human trafficking statement for the financial year ending 30 June 2020. This statement has been approved by our Board of Directors and our group CEO through our appropriate governance structure, who will review and update it annually.



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**Charlie Shiels, Chief Executive Officer**  
**On behalf of Arrow XL Limited**

**December 2020**