

## Modern Slavery Act Compliance Statement

### Introduction

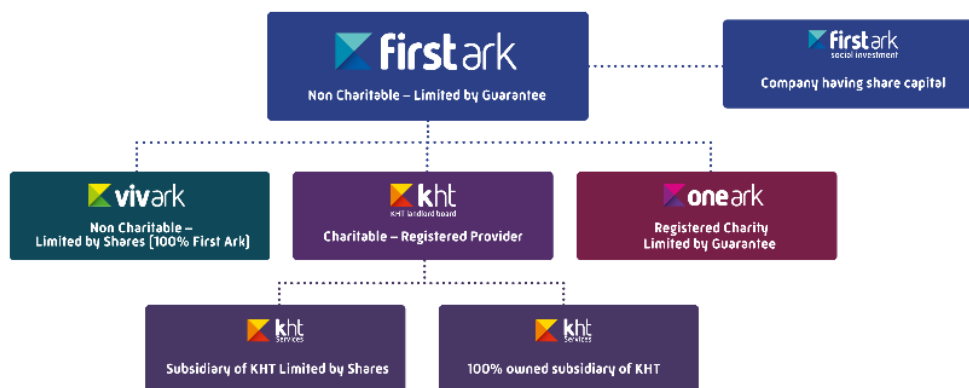
This statement sets out First Ark Group's (the Group) actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business or its supply chains.

This statement covers the activities of the Group for the financial year 2018 – 2019.

### Structure and supply chains

The Group is a unique social business model that provides a range of services to our customers and life changing opportunities, which will inspire people in the communities in which we work.

The Group's mission is to deliver first class homes, products and services that enable people, places and organisations to flourish. In order to create success that changes people's lives, the Group brings together the best aspects of public, private, social enterprise and third sector organisations as outlined in the structure below.



In order to achieve the aims and objectives of each individual entity, the Group procures a vast amount of different goods and services. As a result, the Group has a diverse supply chain including:

- Property contractors (repairs and maintenance)
- Marketing and Communications
- Office supplies
- Corporate goods (IT, recruitment services and training)

As a Group we are aware that we have a responsibility to take a robust and zero tolerance approach to slavery and human trafficking. We are also committed to ensuring there is transparency in our own business and our approach to tackling modern slavery is consistent with our disclosure obligations under the Modern Slavery Act 2015, we expect our contractors, suppliers and business partners to share the same high standards.

### **Policies on modern slavery**

The Group operates the following strategy and policies that describes its approach to the identification of modern slavery risks, as well as the steps to be taken to prevent slavery and human trafficking in its operations:

**Procurement Strategy** – The Group ensures that its procurement and financial processes follow best practice. This supports mitigating/eradicating procurement risks and a controlled environment is developed and constantly maintained.

**Whistleblowing Policy** – The Group encourages all of its employees, customers and other business partners to report any concerns related to any direct activities or the supply chains of the Group. The Group’s whistleblowing procedure is designed to make it easy for employees to make disclosures without fear of retaliation.

**Employee Code of Conduct** – The Group’s code makes clear to employees the actions and behaviour expected of them when representing the Group. It strives to maintain the highest standards of employee conduct and ethical behaviour when managing its supply chain.

**Recruitment and Selection Policy and Agency Worker Policy** – The Group uses only specified, reputable employment agencies to source labour and always verifies the practices of any new agency it is using before accepting workers from that agency.

**Adult Safeguarding Policy and Children Safeguarding Policy** – The Group works in partnership to protect adults and children from abuse. Employees, partners, contractors and volunteers are aware of the Group’s approach and the necessary steps they must take.

### **Due Diligence processes**

The Group undertakes due diligence when considering taking on new suppliers. Our standard tender documentation for businesses below and above the UK threshold requires organisations to declare whether they comply with the Modern Slavery Act 2015.

As part of the Group’s commitment we will only trade with suppliers who fully comply with the Act or are taking the necessary steps towards compliance. As a result any bids stating they are non-compliant will be rejected, unless they can demonstrate reasonable steps will be put in place to achieve compliance.

The Group is also a Living Wage employer. As part of this commitment, the Group requires all current and potential suppliers (above the UK threshold) to pay employees the Living Wage rate. As part of the Group’s tender documentation organisations are also required to declare whether they pay employees the Living Wage, or whether they are prepared to work with First Ark to increase pay to the correct Living Wage levels.

To ensure compliance with Living Wage requirements suppliers are contacted on an annual basis to which they must state whether they continue to pay Living Wage. If not, the Group will work with the supplier and take the relevant actions.

As part of our attempts to build long term relationships with our suppliers, we seek to work with companies who share our values and who are prepared to commit themselves to meeting the requirements as set out above. As a result the Group will assess any

instances of non-compliance with the Act on a case by case basis and take the necessary course of action suitable to the individual case.

### **Risk Assessment**

The Group has a Risk and Assurance Framework in place. The aim of the Framework is to achieve an optimum response to risk, prioritised in accordance with the evaluation of those risks. This includes how the extent and application of internal control frameworks support the effective management and mitigation of those risks and how assurance on the operation and effectiveness of internal control is obtained and reported at Management, Executive and Board level.

A risk assessment has also been completed in this area and identified that there are a range of controls and assurances in place to manage the risks. This includes arrangements to raise awareness across the Group and with the Group's contractors and suppliers. There are clear reporting mechanisms to enable incidents to be reported and investigated in a timely and comprehensive manner.

The Group has also considered risks in relation to the Country and sector within which it works and the transaction and business partnership arrangements it has in place and has identified that the Group operates at "low risk" of slavery and human trafficking within our operations. Potential risks are mitigated by our policies and procedures controls built into our business operations and the knowledge, skills and behaviours of our staff.

### **Measuring effectiveness**

#### **Training for employees**

The Group raises awareness of modern slavery by incorporating a mandatory training course for all employees into the internal training system. This course must be completed on an annual basis. Compliance is monitored and managers are made aware where employees have not completed mandatory training.

In addition, the Group Board undertakes a range of training and new members receive a dedicated induction, they are also required to sign up to a Code of Conduct, all of which includes references to the Group's key policies and procedures. Board members also have access to the Group's internal training system, including a module on modern slavery.

Moving forward, events and newsletters will be arranged and communicated to employees with regards to Modern Slavery on an annual basis. These will be incorporated into the Group's Equality and Diversity agenda. Again, employee compliance will be monitored by the Group and managers made aware of non-engagement.

#### **Working with suppliers and contractors**

The Group are in the process of developing a central register of contracts and framework to drive consistency across all areas of the Group. As such, controls, assurance activity and agreed actions are owned by the Executive Directors Team and are subject to Board and Audit and Risk Committee scrutiny.

## **Future Plans**

The Group will continue to work and communicate with its suppliers, partners and employees to ensure it maintains the risk mitigations that are in place aimed at ensuring there is no slavery or human trafficking in its own business or its supply chains.

This statement is made pursuant to Section 54(1) of the Modern Slavery Act 2015 and constitutes First Ark Group's slavery and human trafficking statement for the current financial year.

This statement was approved by the First Ark Group Board on 15 May 2019 and First Ark Social Investment Limited on 29 May 2019.