

## **Arran Isle Limited and its Subsidiary Companies (“Arran Isle”) Modern Slavery Act 2015 Policy and Statement 2020**

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Modern slavery encompasses slavery, servitude, human trafficking and forced labour. The Arran Isle Group has a zero tolerance approach to any form of modern slavery. Integrity and mutual respect are cornerstones of our business values. We are committed to acting ethically and transparently in all business dealings. We are determined to have effective systems and controls in place to raise awareness of, and to safeguard against, any form of modern slavery taking place within the Group or, to the best of our ability, anywhere in the Group’s supply chain.

### Our Business

This policy and statement covers all of our UK and Chinese businesses:

- Hardware businesses in the United Kingdom:
  - Heywood Williams Components Limited trading as Mila Hardware, as Window Ware and as Mila Maintenance
  - Carlisle Brass Limited trading as Carlisle Brass and as Eurolite.
- Group sourcing and manufacturing operations in Asia - Heywood Williams Components Limited Ningbo Representative Office and AI BEI XIN (Hangzhou) Machinery Ltd.

Currently this policy and statement does not formally extend to our businesses in Europe. Local management teams are governed by the Group’s overall philosophy regarding Modern Slavery and do share many common suppliers. We consider that the risk of modern slavery being perpetrated in the supply chains of these businesses is low but keep the need for extending processes under review.

### Our High Risk Areas

The Group recognises that exposure to modern slavery is likely to be more prevalent in low cost manufacturing regions and countries such as the Far East and India. The majority of the Group’s product supply comes from China, including from our own manufacturing facility. Here our China based Asian Sourcing Centre oversee a structured programme of vendor audits and regular compliance testing. There is a strong focus on trying to prevent modern slavery in any form, with regular communication with suppliers in addition to these processes.

Some limited product is sourced from a small number of well-established suppliers in India. All are visited on a regular basis by Group employees trained to identify signs of modern slavery, as well as by our Indian agent. In 2019, we commenced a programme of formal audits based on those conducted in China.

### Our Policies

We operate policies to ensure that we conduct business in an ethical and transparent manner. These include:

- Modern slavery policy. This policy and statement sets out the Group’s stance on modern slavery and explains how employees can identify any instances of this and where they can go for help.

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- Recruitment policy. We operate a robust recruitment policy, including conducting eligibility to work checks for all employees in each territory in which we operate, to safeguard against human trafficking or individuals being forced to work against their will.
- Whistleblowing policy. We operate a whistleblowing policy so that all employees know that they can raise concerns about how colleagues are being treated, or practices within our businesses or supply chain, without fear of reprisals.
- Code of business conduct. This code explains the way we behave as an organisation and how we expect our employees and suppliers to act.

### Our Suppliers

The Group operates a formal supplier management policy in the high risk territories described above, and as part of this, maintains an approved supplier list. We conduct due diligence on all suppliers in these regions before allowing them to become an approved supplier. This due diligence includes pre-approval audits and questionnaires, along with subsequent periodic on site audits which include a review of working conditions and cover health and safety and worker welfare generally as well as modern slavery in particular.

In the first instance, we will work with our suppliers to help them address any concerns we might identify, and will stop using suppliers should any instances of modern slavery come to light which are not rectified promptly.

### Training

We conduct appropriate training for our procurement/buying teams and senior managers, so that they understand the signs of modern slavery and what to do if they suspect that it is taking place.

### Reporting

If a Group employee becomes aware of or suspects that there may be the possibility of any modern slavery abuses occurring within the Group or its supply chain, this must be reported immediately to the employee’s line manager and the business’s General Manager or Managing Director. The claim will then be investigated immediately and the findings reported to the Head of Corporate Services. If the employee does not feel comfortable reporting the matter via this route, or considers that the matter is not being investigated fully or dealt with appropriately, the matter should be reported immediately using the Group’s Whistleblowing Policy procedures which are widely publicised internally.

### Our Performance Indicators

We monitor the effectiveness of the steps that we are taking to ensure that slavery and/or human trafficking is not taking place within our businesses or supply chains by reviewing at Group Board level any reports that are received from employees, the public, or law enforcement agencies indicating that modern slavery practices have been identified.

### Progress in 2019

As well as commencing formal supplier audits in India which include checking for signs of modern slavery, the audit programme used by our Asian sourcing centre was significantly expanded and enhanced with additional employee welfare aspects added.

### Areas for Development

The following areas have been identified for consideration:

- While forming a relatively minimal proportion of the Group’s supply, it is recognised that the audit process introduced in India in 2019 needs to be further developed and expanded.
- The Group also sources some product from Europe as well as a small amount from other locations. To date modern slavery audit processes have not been implemented across this element of our supply chain, as our suppliers here are considered to be low risk or low value. Our focus has been on covering the bulk of our supply from what we consider to be high risk areas. However, we will be updating our risk assessments and considering applying processes more widely.
- We plan to update agreements with suppliers regarding our expectations including in relation to modern slavery.

### Impact of COVID-19

While the COVID-19 crisis has, and continues to impact on our audit processes and plans over 2020, having a team based in China means we have been able to continue the programme. We are maintaining close contact with all our suppliers and endeavouring to support them as much as possible.

### Approval of this Statement

This statement, which covers the Group’s financial year to 31 December 2019, was approved by the Directors of Arran Isle Limited on behalf of the Arran Isle Group. It will be reviewed annually and is pursuant to Section 54 of the Modern Slavery Act 2015.



**Martin Wardhaugh**  
**Group Chief Executive**  
**17<sup>th</sup> June 2020**