

Towards a Safer Future

Arco Sustainability Report 2024
Your world made safer



Contents

Introductions 3

Our Approach 7

About Arco	8
Supply relationships and industry partnerships	9
Our focus for 2025	10
Our approach to ESG	11

Safe Business 12

In summary	13
Introducing more responsible products	14
Arco's digital sustainability transformation	16
Working towards circularity	17
Safe Business – Measuring our performance	18

Safe People 19

In summary	20
Social Value	21
A socially responsible supply chain	23
Committing to fair pay	24
Safe People – Measuring our performance	25

Safe Planet 26

In summary	27
Positive climate impacts at home and overseas	28
Reducing and recycling our wastes – becoming a circular business	29
Safe Planet – Measuring our performance	30

Our Performance 31

ESG Data Section	32
------------------	----



“

2024 showed us that Arco is on the right track and has made a significant reduction in its carbon emissions – but as we approach 1.5°C planetary warming, we will now accelerate our plans and work in partnership in our value chain to help avoid the most serious impacts of climate change.

”

Naomi Coxwell
Chair of Arco's ESG Committee

Introduction from our ESG Committee Chair

The past year has brought the realities of climate change into sharp focus. Record average global temperatures and devastating storms such as those in the Bay of Bengal have affected the lives of millions, while also damaging infrastructure and disrupting shipping routes.

These events underscore the urgency of Arco's sustainability mission – to protect businesses, people and the planet, to secure a safer tomorrow.

From conversations the ESG committee has hosted with Arco customers, we're confident that the sustainability strategy – towards 'Better Textiles', circularity and climate-resilient, low-carbon manufacturing – is the right one.

But we must not lose sight of the human impacts of global supply. Arco is committed to protecting the well-being and rights of the people who make its products, so it is important to ensure a 'just' transition that prioritises fair working conditions and ethical sourcing alongside environmental goals.

The success of these plans relies on collaboration and a common language of progress to ensure we are all working toward the same goals. This language includes metrics such as the Global Reporting Initiative (GRI), EcoVadis award and the TOMs (themes, objectives and measures) framework for measuring and reporting social value.


Digitalisation will be a key part of this sustainability journey. Arco is using innovative technology to track product durability, monitor garment use, and measure our carbon footprint. This data-driven approach will be central to the accurate tracking and reporting of progress, and for making informed decisions.

Arco is also developing innovative services, including end-of-life textile recovery and garment life-extension programmes such as laundry and repair, which will help customers reduce their environmental impact. All these initiatives offer tangible and measurable benefits in terms of carbon reduction as well as support for local communities.

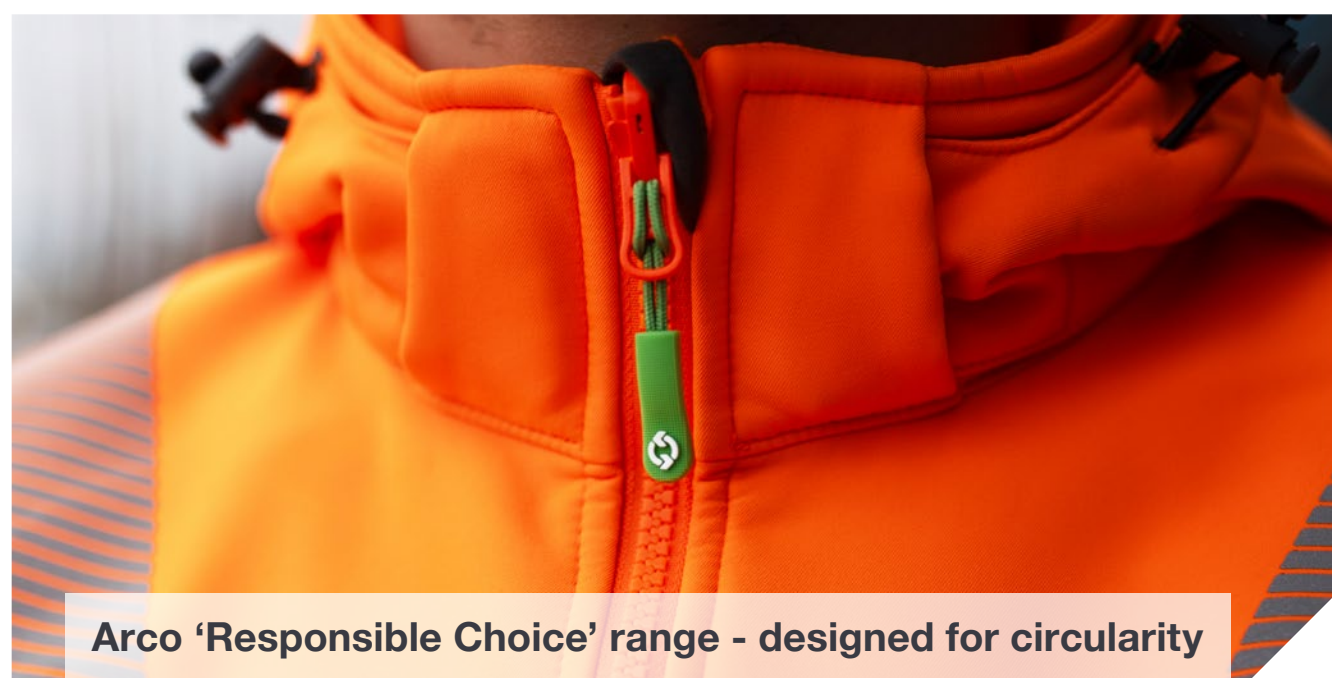
I look forward to the launch of more 'Responsible Choice' ranges in 2025. While cost remains a challenge, the ESG committee believes that the value of ethical, circular, and low-carbon products will drive Arco's continued success.




Naomi Coxwell
Chair of Arco's ESG Committee



Arco supplier rubber plantation, Colombo, Sri Lanka



Arco 'Responsible Choice' range - designed for circularity



Arco volunteering team - biodiversity project near Hull



“

Sustainability is central to everything we do - at home and overseas.

”

Guy Bruce
Chief Executive Officer of Arco



Arco supplier rubber tree nursery, near Columbo, Sri Lanka

At Arco, sustainability is at the heart of everything we do. From the energy powering our buildings, to the materials that make up our products, to the way we work with our suppliers, we're always thinking of new ways to help secure a safer tomorrow.

And we've made considerable progress this year. We've become more self-sufficient in our energy consumption by installing solar panels at our buildings across the country. We've also reduced packaging and waste, and influenced Arco brand suppliers in other parts of the world to adopt more sustainable practices themselves.

We are delighted to have hit our target for sales of 'Better Textiles', and we're continuing to develop and adopt new and innovative ways to help customers extend the life of their PPE and workwear and recycle it at the end of its life.

I'm proud of all the Arco colleagues who have rolled their sleeves up this year volunteering for community projects, making a difference where it really matters. As a business, we've also launched new charity partnerships with vital organisations such as the Mental Health Foundation, while continuing to raise money for long-standing partners such as Macmillan Cancer Support.

I'm pleased to say these efforts have not gone unnoticed by our customers, many of whom share our passion for sustainability and social responsibility.

Looking ahead, we're committed to setting science-based carbon reduction targets in 2025, further cementing our commitment to the environment. We'll also be investing in our digital capabilities and our Arco brand product lines over the coming months – all with sustainability in mind.

As experts in safety, Arco's core purpose has always been to keep people safe at work. And with a clear commitment to sustainability and social responsibility, we truly believe we can help secure a safer tomorrow for people, businesses and the planet.



Guy Bruce
Chief Executive Officer of Arco



Arco colleagues dedicating their time to volunteer for projects to support the community



Arco and Stuff4Life partners demonstrate fibre-to-fibre recycling

Our Approach

A safer world for our customers,
colleagues and communities

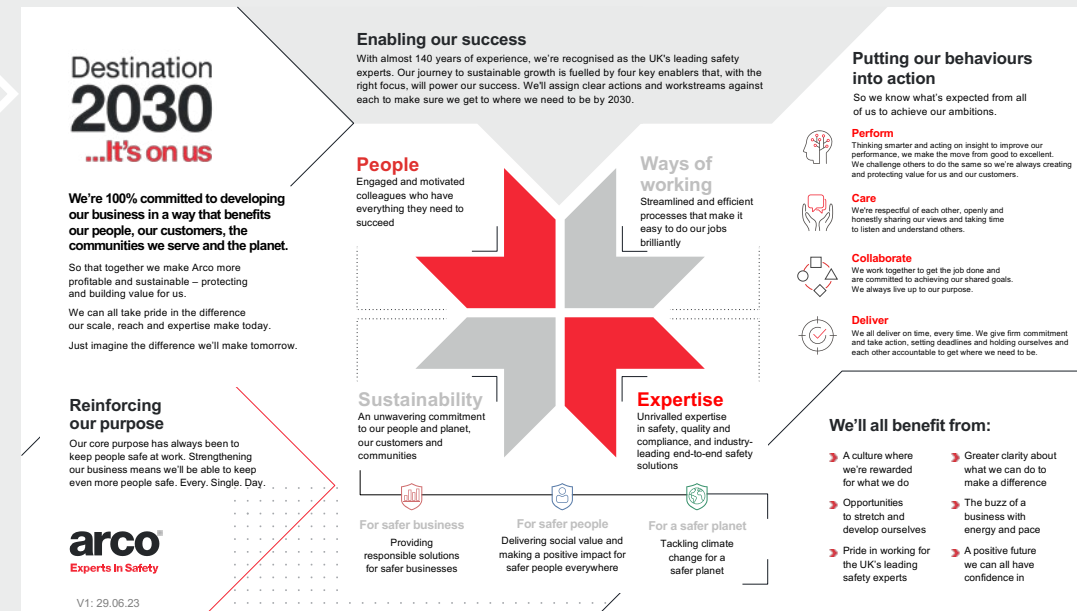


About Arco



What we do

Our purpose is to keep people safe at work. We do this by providing specialist safety advisory and consultancy services, safety training and equipment for some of the UK's largest organisations.



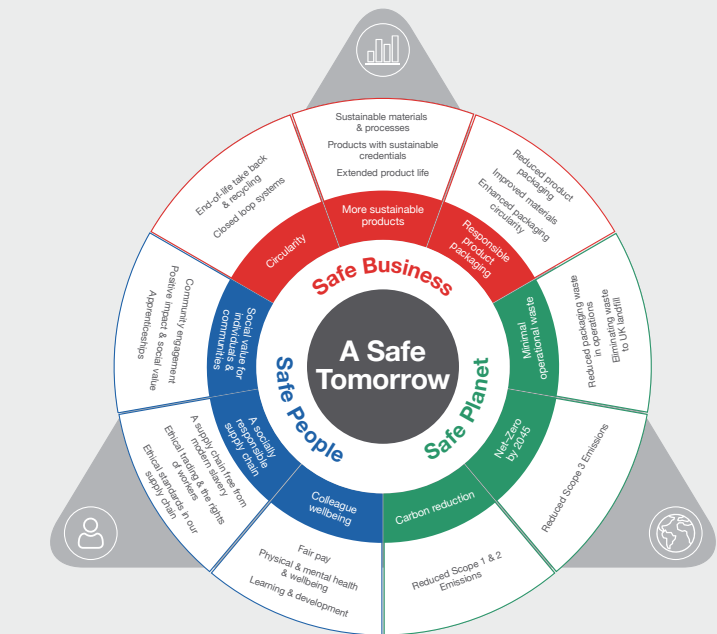
Our business strategy

Sustainability is an essential component of our success and a market differentiator. We are focused on being able to source and develop products that support our customers' own sustainability aims and offer measurably better performance in cost, carbon emissions, water use, pollution and circular options for their future life.



Our commitment to the UN Sustainable Development Goals

Our core purpose – to keep people safe at work – extends to our colleagues in the UK, EU and beyond who make our products, and the communities in which we operate. What we do is guided by the 17 Sustainable Development Goals (SDGs), agreed by the United Nations in 2015 as the blueprint for business leadership and a plan for people, planet and prosperity.



Our sustainability strategy

Our sustainability strategy guides us and is built around three pillars - safe business, safe people and safe planet. These pillars link into specific UN Sustainable Development Goals which we have identified as being most important to our business, our colleagues and our customers. Our strategy isn't a 'standalone' document but an integral part of our corporate strategy, which informs and drives our business success. We want others to value what we do in sustainability and have adopted KPIs that are shared within and beyond our sector. As members of the Social Value Portal, we report our community impacts using the same measures as many of our customers and have adopted the Global Reporting Index (GRI) standard of disclosure where these relate to our corporate performance.

Supply relationships and industry partnerships

We cannot deliver our sustainability aims alone, and we work with and through selected partners and suppliers to support our strategy. We operate a global supply chain to provide our products, and work with industry partners, governments and directly with individual manufacturers to ensure ethical and sustainable standards are upheld.

We perform detailed audits in relation to these standards, using independent auditors and our own audit team based in Xiamen, China. Additional partnerships and standards underpinning our sustainability aims are illustrated here.



EcoVadis is a global provider of business sustainability ratings, measuring Corporate Social Responsibility (CSR) performance against four themes: Environment, Labour and Human Rights, Ethics, and Sustainable Procurement. A 'gold' Sustainability Rating ranks Arco within the top 5% of all companies assessed.



We've partnered with [Lycycle](#) – the leading end-to-end sourcing and traceability company – to develop a range of more sustainable garments. Each product has a unique QR code offering buyers and users complete visibility of the sustainability 'Lycycle' of their clothes from 'field' to 'store'.



Our supplier membership demonstrates a strong commitment to safety and ethical trading. In addition, Arco is part of the [BSiF Registered Safety Supplier \(RSS\)](#) scheme, and has signed a binding declaration that the safety equipment we offer meets the appropriate standards, fully complies with the PPE regulations and is appropriately CE or UKCA marked.



Achieving gold membership demonstrates our engagement with the [Supply Chain Sustainability School](#) and the use of their resources to further our awareness and understanding, as well as sharing our knowledge and experience with others.



As a [member of the Ethical Trading Initiative \(ETI\)](#), we are committed to the principles of the ETI base code, which are built on the standards of the International Labour Organisation. ETI members work together to tackle complex questions about how to trade more ethically and make a positive difference to workers' lives.



Arco is certified by the Recycled Claim Standard (RCS) and Global Recycled Standard (GRS). These international voluntary standards include strict standards of supply, tracking and auditing of recycled materials in our products with a shared goal of switching from virgin to recycled alternatives. Mechanically recycled PET from post-consumer bottles has the potential to reduce GHG emissions by 66% for recycled chips/pellets compared to virgin PET chips.¹



As a Sedex member, we are committed to sourcing responsibly and having an ethical and sustainable supply chain. The Sedex Radar risk assessment tool helps us to assess risks by combining inherent country and sector risks with supplier-specific information to highlight potential issues.



Arco are proud members of [Better Cotton](#). By sourcing cotton through Better Cotton, we're supporting this global initiative and contributing towards helping cotton communities survive and thrive. Independent third party studies have shown that 'Better Cotton' is on average 19% less carbon intensive than 'standard' production.²



As a signatory to Waste and Resources Action Programme's (WRAP) [Textiles 2030](#), we share an aim to transform the UK economy from 'make-use-dispose' to a circular one, where we're designing longer-lasting products with 'end-of-life' recycling in mind, trialling laundry, second-life business models and working in partnership with those who share our vision.

1. Identifying Low Carbon Source of Cotton and Polyester Fibers (United Nations Framework Convention on Climate Change) https://unfccc.int/sites/default/files/resource/UCC_Cotton_Pet_report.pdf
2. Better Cotton Releases First Study on GHG Emissions (bettercotton.org 2021) <https://bettercotton.org/better-cotton-releases-our-first-study-on-ghg-emissions/>

Our focus for 2025

Our focus for the year ahead is aligned to a number of high-level commitments and frameworks.

Carbon reduction

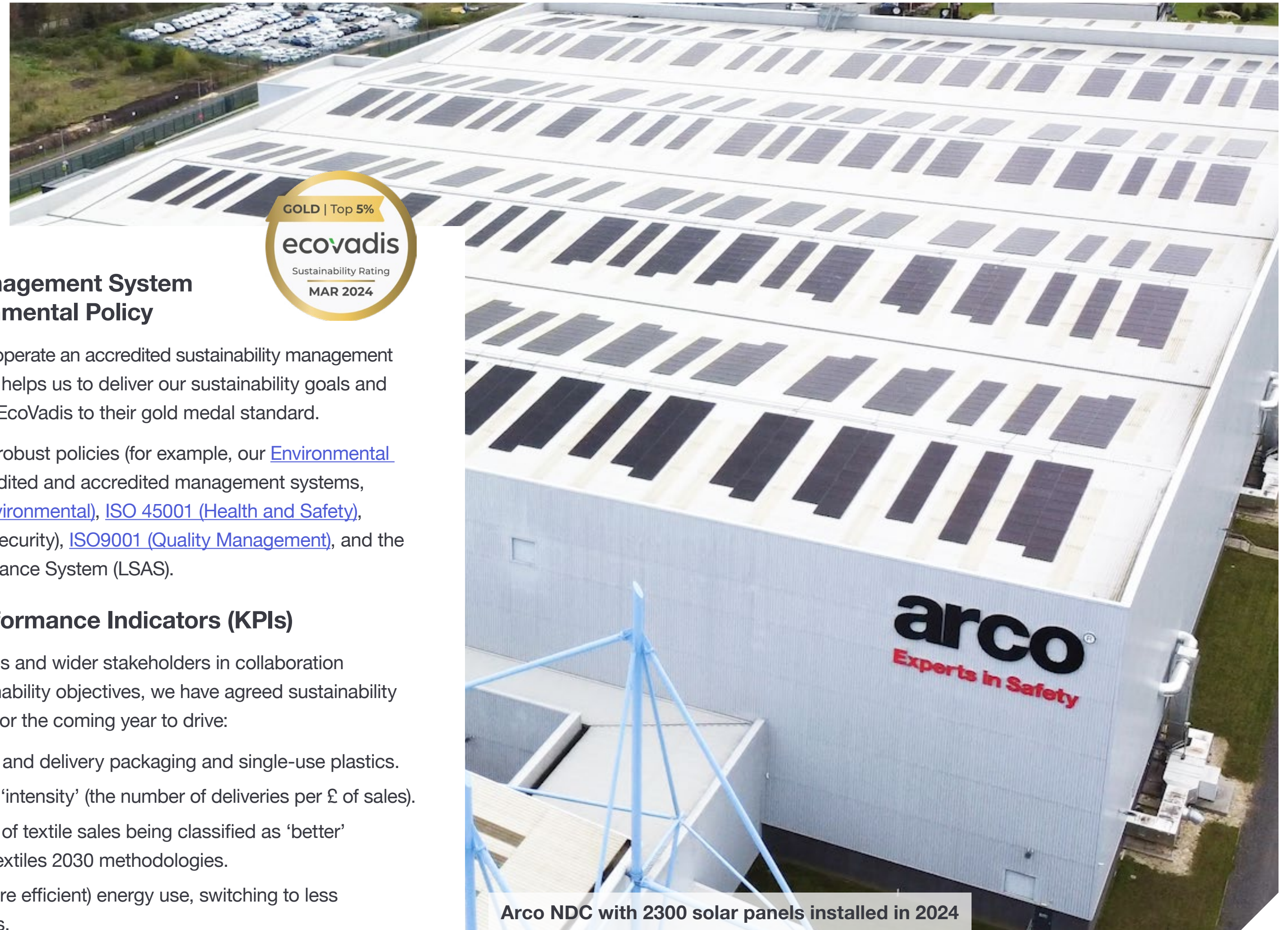
We have committed to set a science-based carbon reduction target aligned with the SBTi (Science Based Targets Initiative) criteria. This will build on our existing commitment to reduce our Scope 1 and Scope 2 emissions towards our 2045 'net zero' target and introduce a Scope 3 target relating to the carbon costs of making our products, getting them to our customers, and keeping them in use for longer through laundry, repair, re-use and recycling.

Transition to more sustainable textiles

As a signatory to Textiles 2030, we are striving to reduce the greenhouse gas footprint of new products by 50% and water footprint of new products sold by 30%. We've started to introduce robust, 'lifecycle' measures of this transition to help us link the 'Better Textiles' we're now using, to measurable carbon and water savings.

Ensuring ethical trade

As a member of the Ethical Trade Initiative (ETI) since 2007, we are committed to improving the working conditions of the people who make the products we sell. We are committed to transparency, auditing and supplier engagement to meet this aim.



Sustainability Management System (SMS) and Environmental Policy

To achieve our aims, we operate an accredited sustainability management system (SMS). Our SMS helps us to deliver our sustainability goals and has been accredited by EcoVadis to their gold medal standard.

Our SMS is founded on robust policies (for example, our [Environmental Policy](#)) and externally audited and accredited management systems, including [ISO 14001 \(Environmental\)](#), [ISO 45001 \(Health and Safety\)](#), [ISO27001 \(Information Security\)](#), [ISO9001 \(Quality Management\)](#), and the Labour Standards Assurance System (LSAS).

Sustainability Performance Indicators (KPIs)

To engage our colleagues and wider stakeholders in collaboration to achieve Arco's sustainability objectives, we have agreed sustainability performance indicators for the coming year to drive:

- Reduction in product and delivery packaging and single-use plastics.
- Reduction in delivery 'intensity' (the number of deliveries per £ of sales).
- Increased proportion of textile sales being classified as 'better' in accordance with Textiles 2030 methodologies.
- Reduction in (and more efficient) energy use, switching to less carbon-intensive fuels.
- Reduction in our fossil fuel business miles.
- Increase in our recorded social value measured through the National TOMs framework.

Arco NDC with 2300 solar panels installed in 2024

Our approach to ESG

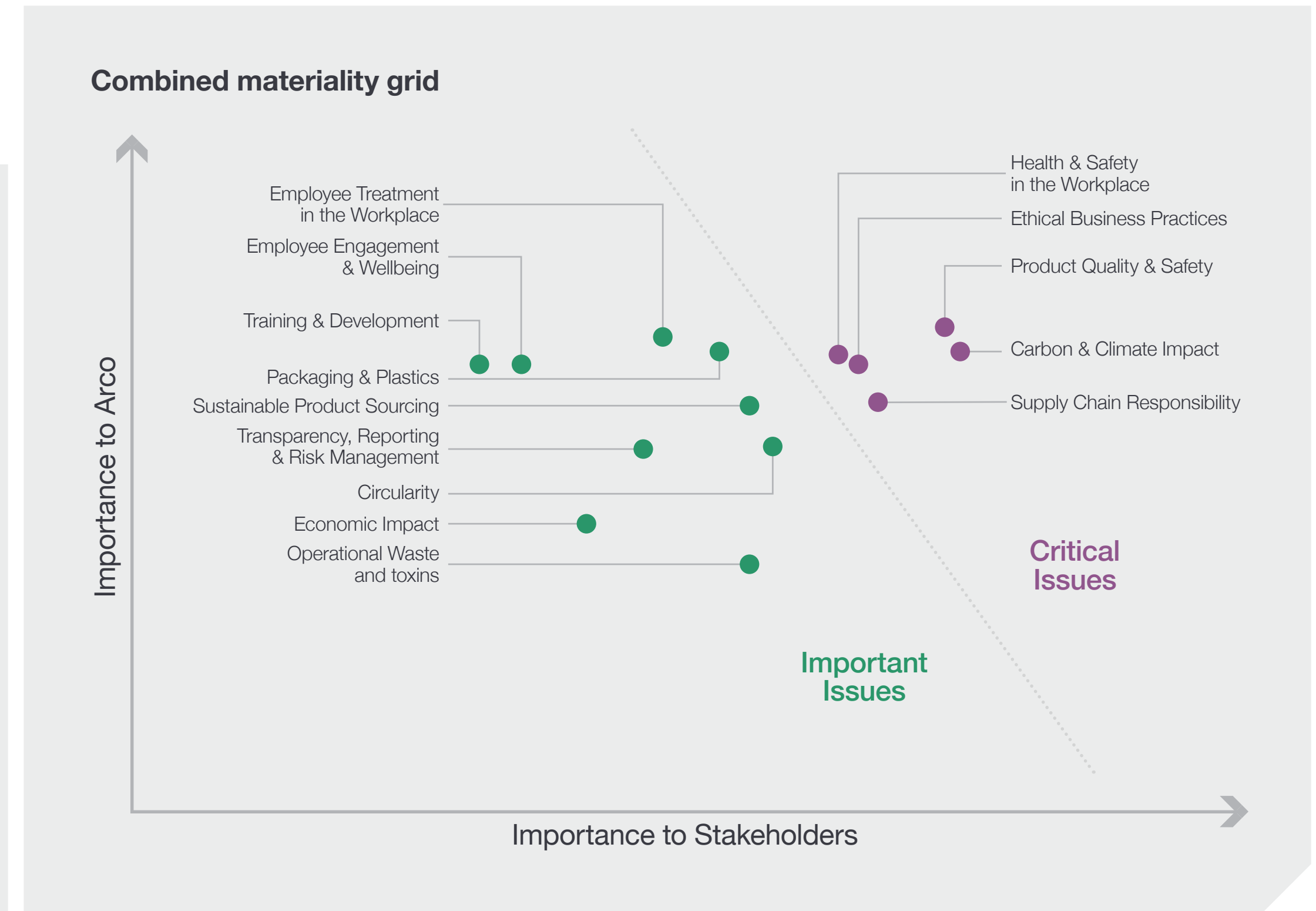
Managing and reporting what's important

Arco is one of the UK and Ireland's most trusted names in safety, known and respected locally for supporting our local community and building careers. Our future business success depends on our continued commitment to the communities in which we operate and supporting the career journey of individuals who will continue the process of business transformation, drive innovation in the way we develop products and services, and secure business success.

Our research highlights that one of the key factors influencing this group of individuals relates to sustainability, and in being able to demonstrate progress of key issues such as ethical supply and climate care. This concern is expressed equally by our customers – our response to the climate emergency is given similar weighting to issues around the quality and safety performance of our products. In response, we have built our sustainability strategy and decision-making process around a set of clear aims to engage and inform our teams – aims that are important to our customers and against which we can challenge and manage our supply base.

Our sustainability aims are measurable and commercially relevant, yet also demonstrate a clear link to the UN Sustainable Development Goals in areas such as climate action and ethics. To support these aims and to ensure they are embedded in all areas of our business, Arco's board established an Environment, Social and Governance (ESG) Committee in 2021, whose role is to ensure progress, challenge our actions and provide external insight through its non-executive membership.

Three groups have been established to oversee progress in each of our 'pillars' - 'safe business', 'safe people' and 'safe planet'. These help integrate and embed our aims across the business. Each group in turn draws on and contributes to external specialist organisations such as the UK Government's Textiles 2030 programme and British Safety Industry Federation, who advocate for Arco's view of a more sustainable sector and the direction of policy and regulation to support this.

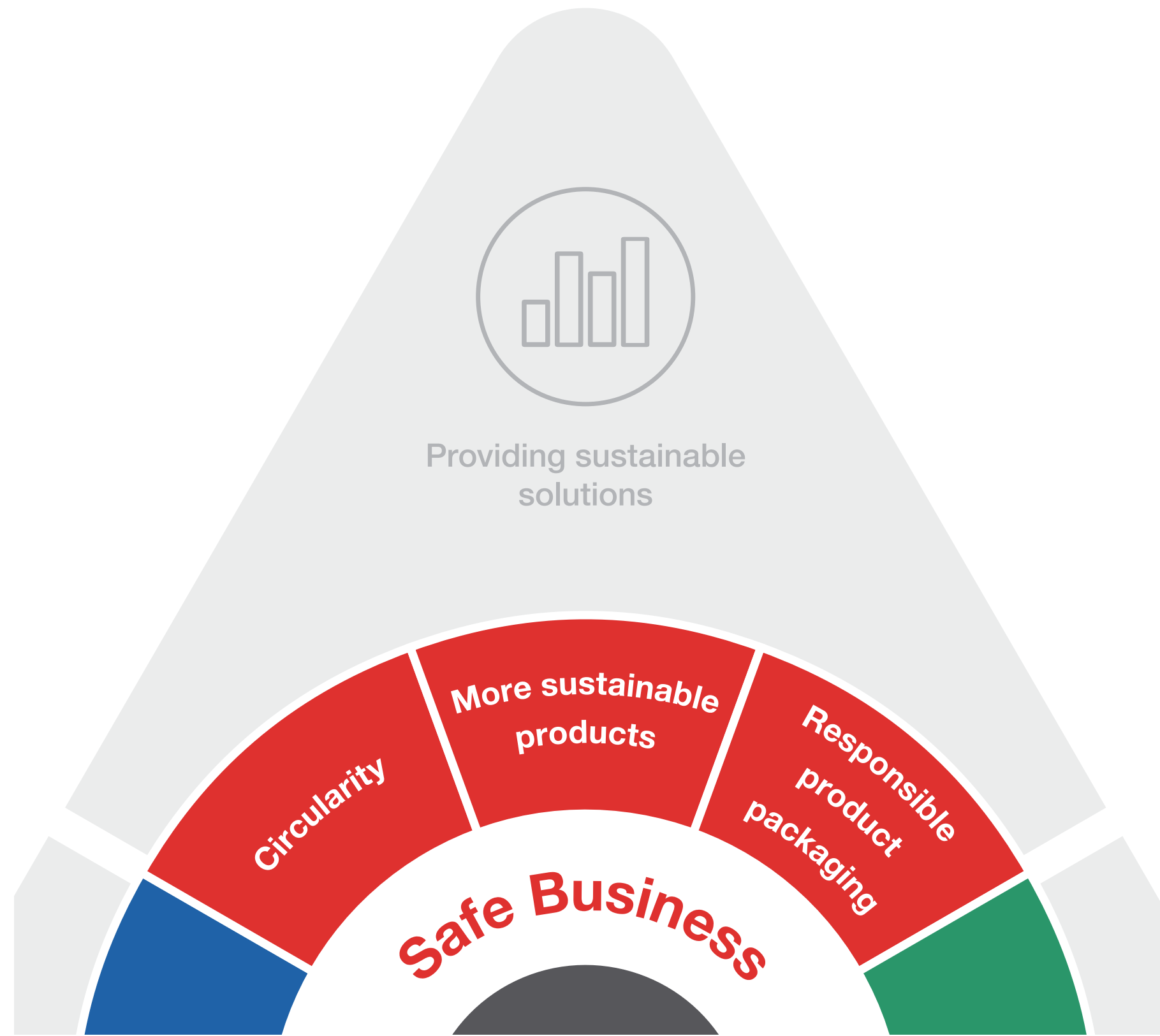


Safe Business

Providing customers with sustainable solutions and working towards a circular economy



Safe Business



Working with our suppliers and sustainability certification bodies such as ‘Global Recycling Standard’ and ‘Better Cotton’, we continue in our quest to replace ‘standard’ products with those that are more sustainable.

Arco ‘Responsible Choice’ products offer customers one or more measurable sustainability advantages compared with the ‘standard’ offer in that product category. Some of these products may be manufactured from certified recycled materials, built to stringent durability standards (such as our new Arco Responsible Workwear range) or are designed by us from the ground-up completely from recycled polymers, to be easily and inexpensively recycled again and again.

Holding ourselves to the highest standards of accountability

All ‘Responsible Choice’ products have undergone rigorous evaluation of their claims or meet requirements of an independent sustainability standard. Over the coming year, we will extend our ‘Responsible Choice’ ranges and publish the standards, evidence or certification that shows why these are better.

Key Focus Areas	Our Approach
 <p>Introducing more responsible products</p> <p>We’re offering new products designed for longevity and produced using better materials and processes with verified environmental credentials.</p>	<ul style="list-style-type: none"> ➤ Sourcing and specifying sustainable materials and processes. ➤ Introducing products and ranges with accredited sustainable credentials. ➤ Extending product life and durability.
 <p>Changing to responsible packaging</p> <p>With a focus on single-use plastics, we’re reducing or introducing lighter-weight packaging and selecting materials which can be made into new products without ‘downcycling’.</p>	<ul style="list-style-type: none"> ➤ Reducing product packaging, minimising plastics and increasing recyclable elements. ➤ Changing our approach to the packaging used in the distribution of products.
 <p>Working towards product circularity</p> <p>We design products that are more durable and made from lower-impact materials, produced by supply partners who have demonstrated high standards of care for the safety, working conditions and rights of workers. Our new ranges have circularity at heart – they can be reused or recycled to make the same product again (and again!).</p>	<ul style="list-style-type: none"> ➤ Designing for circularity. ➤ Implementing end-of-life takeback and recycling schemes. ➤ Investing in closed-loop systems.

Introducing more responsible products

Credible claims around our products' sustainability advantage

We often use the word 'sustainable' without giving much thought to what this means. Arco's approach is founded on ethical supply – making sure our products consume fewer non-renewable resources and are made by people whose safety and wellbeing are as important to us as the people these products are designed to protect.

But, while reduced product carbon emissions are paramount, our real challenge is product durability, ensuring that the products we sell today continue to be used long after others have become worn out, and that when the time to recycle them arrives, it's an easy job because of the way they have been designed.

It's also no longer enough to talk about product sustainability credentials without evidence of a claimed advantage. Within Arco's 'Responsible Choice' range we test durability claims in our own accredited lab and prefer products that meet independently certified standards, such as 'Better Cotton' or 'GRS Certified Recycled' – and let the data speak for itself!



Award-winning Arco 'Responsible Choice' hi-vis range - certified up to 25 washes



Arco 'Responsible Choice' is our award-winning range that has been developed for circularity - including life-extending features

Products designed for circularity and manufactured from 'circular' materials

The ability to trace the product source allows us to make good-quality assessments of their carbon impacts in the country they're made. For example, making a switch from 'standard' virgin polyester to 100% recycled polyester can result in up to 61% fewer carbon emissions, for example – and fewer pesticides and fertilisers used in 'Better Cotton' offers on average a 19% carbon reduction.

Our state-of-the-art clothing centre in Preston, Lancashire, embroiders and heat-seals corporate logos to customer requirements. Arco will advise on logo sizes to allow for their easy removal, say in support of a rebrand. We also routinely use embroidery threads manufactured from 100% recycled PET bottles, which has led to a reduction in carbon emissions associated with the 'standard' alternative and has reduced single-use plastic use by over one tonne each year.

Introducing more responsible products continued

Expanding our 'Responsible Choice' range

'Responsible Choice' is our extended range of 'better' products, which includes everything from brushes, hard-hats to packaging supplies. Like 'Better Textiles', this range includes products with one or more verifiable sustainability claims or independent certification. These may already be familiar to many, and include marques such as 'Forestry Stewardship Council' (FSC) or EU 'Ecolabel' accreditation, but will also include others such as 'BlueSign', who we have selected on the basis of their credibility and transparency. 'Responsible Choice' items include washroom soap dispensers made with 70% plastic that's recovered from the sea, whilst some of our new footwear and hard-hat ranges offer 'back to manufacturer' recycling opportunity at end-of-life.

In the past 12 months, we have expanded our 'Responsible Choice' collection, to 7.1% of year-end sales value and will increase this target to 12% by year-end 2025.



Arco's Responsible Choice range extends way beyond clothing, and includes a diverse range of products such as this soap dispenser manufactured using recovered coastal plastic, re-purposing the equivalent of 16 plastic bottles that would otherwise have ended up in landfill or littering coastlines

Knowing where your stuff comes from

The Arco 'Responsible Choice' Workwear Range, 'powered by Lyfcycle', was launched in March 2023. This range builds on our progress in sourcing recycled or certified materials and allows us to share the item's journey from field or initial production site to our National Distribution Centre in Hull. As our customers increasingly seek to demonstrate and evidence sustainability credentials, Lyfcycle products have seen significant sales growth in FY24, selling over £3m to date.

Safety footwear continues to be one of the more challenging categories in which to develop sustainable products. This is because of the number of different materials used in their construction and the challenge of disassembly and recycling at end-of-life. However, in 2024 we launched our 'Responsible Choice' safety trainer, with uppers, tongues, vamps and lining made from recycled materials. We have further footwear products in development to launch in 2024 and 2025.

Our procurement team have travelled widely over the past two years to identify the best factories and products to ensure we have a robust product development pipeline, with many new products across several categories set to launch as part of our Arco brands shortly.



Arco 'Responsible Choice' CT122 safety trainers - made from GRS certified recycled materials

Arco's digital sustainability transformation

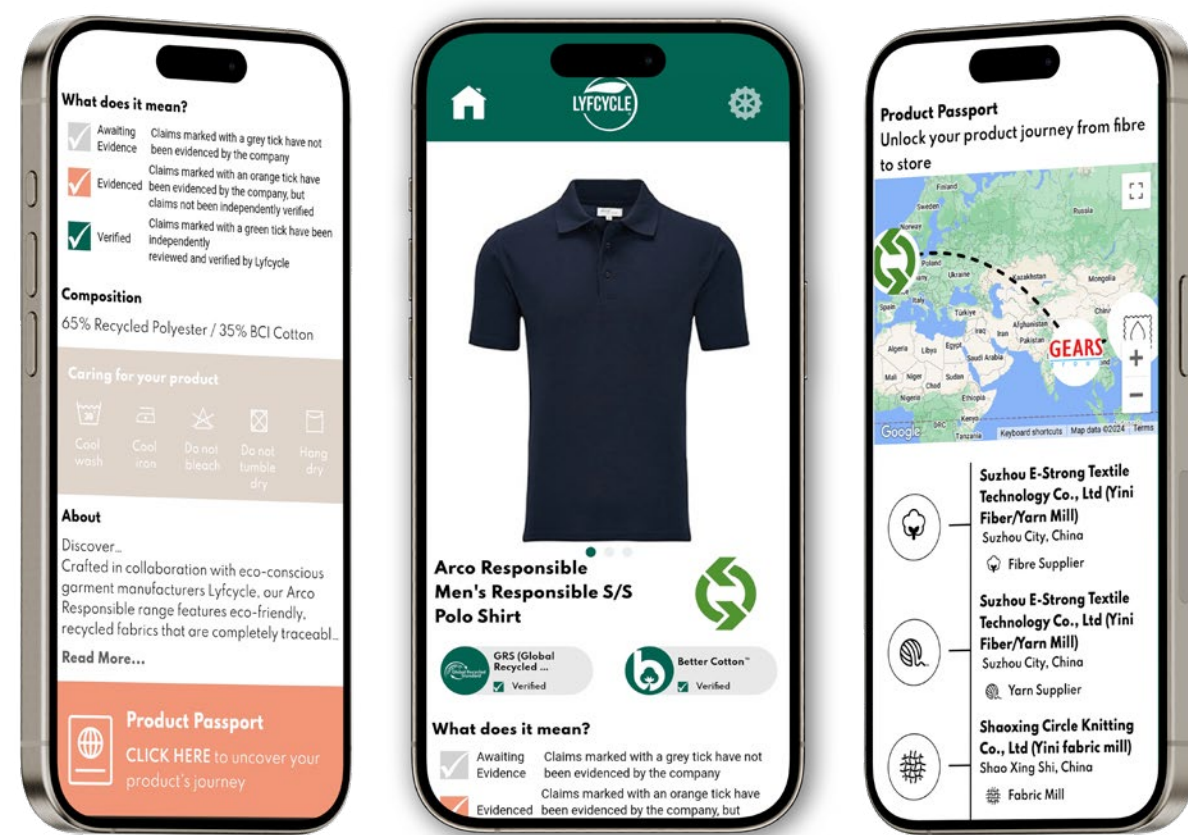
We've seen a seismic shift in the way Arco uses data and information for sustainability, and we now routinely gather information on our products' country of manufacture, type and weight of raw materials, and factory energy use. This data helps us calculate product-related carbon footprints and helps us identify carbon 'hotspots', which we seek to reduce with our suppliers.

We're able to use garment tracking to calculate the carbon footprint of the item's journey to and from laundry, and even what happens to it when donated to a 'second life' user in the community. In 2024, our Lylifecycle range was shortlisted in the Digital Innovation category at the MRW National Recycling Awards.

Data is at the heart of this transformation. In the past twelve months, Arco has scrutinised and combined databases usually used for a single purpose – calculating tax, tracking orders, paying utility bills – to help us track progress towards our sustainability goals.

The intelligence we've built has enabled us to show progress towards our goal, how we're getting products to our customers in fewer, more complete deliveries, and our move away from single-use plastics. We're seeing results - and are beginning to show how this in turn supports our customers' aims to reduce carbon, cost and enhance circularity.

Tracking sustainability is helping to guide our future sourcing strategy towards more resilient supply, however it's the Arco people – our account managers, product designers, sourcing leads and customer facing staff - who are effectively using this new information to show how we're protecting the profile of well-known brands while making sure users get new kit on time and are able to tell a credible sustainability story.



Our Lylifecycle digital traceability platform



Arco Responsible Choice Workwear – (Powered by Lylifecycle Digital Product Passport Technology) was shortlisted for a National Recycling Award in both the Digital Innovation category and 'Recycled Product of the Year' categories.



QR code on garments enables scanning for full traceability of materials, manufacture & transit. Materials are responsibly sourced encouraging environmentally friendly farming, safe & fair conditions for workers. Packaging is 100% recycled and recyclable.

Scan the QR code above to trace the origins of our Arco Responsible Choice Unisex T-Shirt

Working towards circularity

Progress and impact

Keeping products in use for longer

Over the past decade, Arco has responded to a growing demand for products with reduced environmental impacts.

More recently, single-use plastics, carbon reduction, and the need to use and re-use materials has guided our product design strategy – showcased in our new hi-vis range. Designed from the ground-up completely from recycled polyester, many of our garments no longer need to be disassembled before recycling. The range was awarded ‘Recycled Product of the Year’ at the 2023 National Recycling Awards, recognising the contribution of ‘circular’ design to reducing waste in a niche and difficult to recycle segment of the clothing industry.

Keeping garments in use for longer means making them from more durable but comfortable materials that last longer: outdoor products are tested to 25 washes, with knitwear and trousers tested to 50 washes. Our attention to performance, comfort and fit ensures Arco owners love their gear – and we know they’re more likely to wear and care for their kit rather than leave it at home or dispose of it.

Keeping items in use for longer means we’re displacing the need for new items. Even at end-of-life, it still may be possible to repurpose items, like offering a community use before they finally need to be returned and recycled into new garments at the same high level of quality.

3. <https://www.gov.uk/government/statistics/experimental-statistics-on-the-carbon-impact-of-waste-from-households-managed-by-local-authorities-in-england>

Implementing end-of-life take-back and recycling schemes

In 2024, we expanded recycling and take-back services across our customer base and have extended our relationship with trusted, specialist recycling and reuse partners to prevent valuable resources being sent to landfill or incinerated. In 2024, we started work with local hard plastics recycling specialist, MYGroup, and extended our support for our circular recycling partner Stuff4Life, who were nominated for an EarthShot Prize by the Centre for Process Innovation for their ‘molecular’ level recycling process.



Hard hat recycling at Arco partner facility in Hull

The impact of ‘circular’ thinking on carbon and waste

One of the biggest challenges facing the industry is dealing with end-of-life hi-vis garments that are often used as little as once before disposal. Yet when designed well, these can be washed and worn many times before being recycled back into polyester for manufacture into new products, retaining performance characteristics of the ‘virgin’ alternative – an important requirement for safety and weather-wear, with the purpose to keep people safe and comfortable at work.

In 2024, we completed several customer recycling trials, of worn-out workwear and safety items focused on the opportunity to take back garments that had been in daily use for several months. The results from our trials demonstrated that high levels of scheme participation could be achieved from our customer’s staff, that garment recycling could be achieved securely, to the same standard as ISO27001 (equivalent to the secure ‘disposal’ of confidential documents) and could also generate carbon savings of up to 14 tonnes³ CO₂e for every tonne of textile ‘waste’ recycled.



Developing and testing circular solutions - laundry and compliance inspection

Safe Business – Measuring our performance

We're extending our target ambition for 2025 - by year end we want 17.5% of our textile sales to be in the 'Better Textiles' category.

Where we're going

We will enhance our visibility of sustainability risks and performance in supply by direct engagement through our account relationship and in the use of digital supplier engagement platforms.

Increasing our proportion of verifiably more sustainable, ethically sourced products.

After agreeing a '1.5°C-aligned' target, we will reduce our absolute Scope 3 carbon emissions in line with this and ensure progress in FY25.

How we measure this

The proportion of Arco brand suppliers who we are actively engaging with on our digital supply platform.

The carbon emissions disclosed and the proportion of suppliers who have disclosed their carbon footprint to us.

Percentage of year-end textile sales which are from certified 'better' sources (by Textiles 2030), including 'Better Cotton' and GRS certified polyester.

Initially, we will measure and seek to reduce the number of orders (and associated Scope 3 emissions) needed to fulfil each order (number of deliveries per £ sales).

Our performance in FY24

We completed an in-depth inquiry into sustainability standards and plans of all own brand suppliers in 2023. At that time, we had successfully engaged 66% of suppliers. In 2024, this increased to 86%. We now monitor carbon emission for 20% of Arco brand suppliers.

We have grown sales of our 'Responsible Choice' range from 2.5% in FY23 to 7.7% (end FY24).

We have grown sales of our 'Better Textiles' accredited range from 3.5% in FY23 to 10% (end FY24).

We committed to set a science-based target in FY22. We have now completed a comprehensive baseline assessment of our Scope 3 emissions in preparation for target setting in 2025.

Our next steps

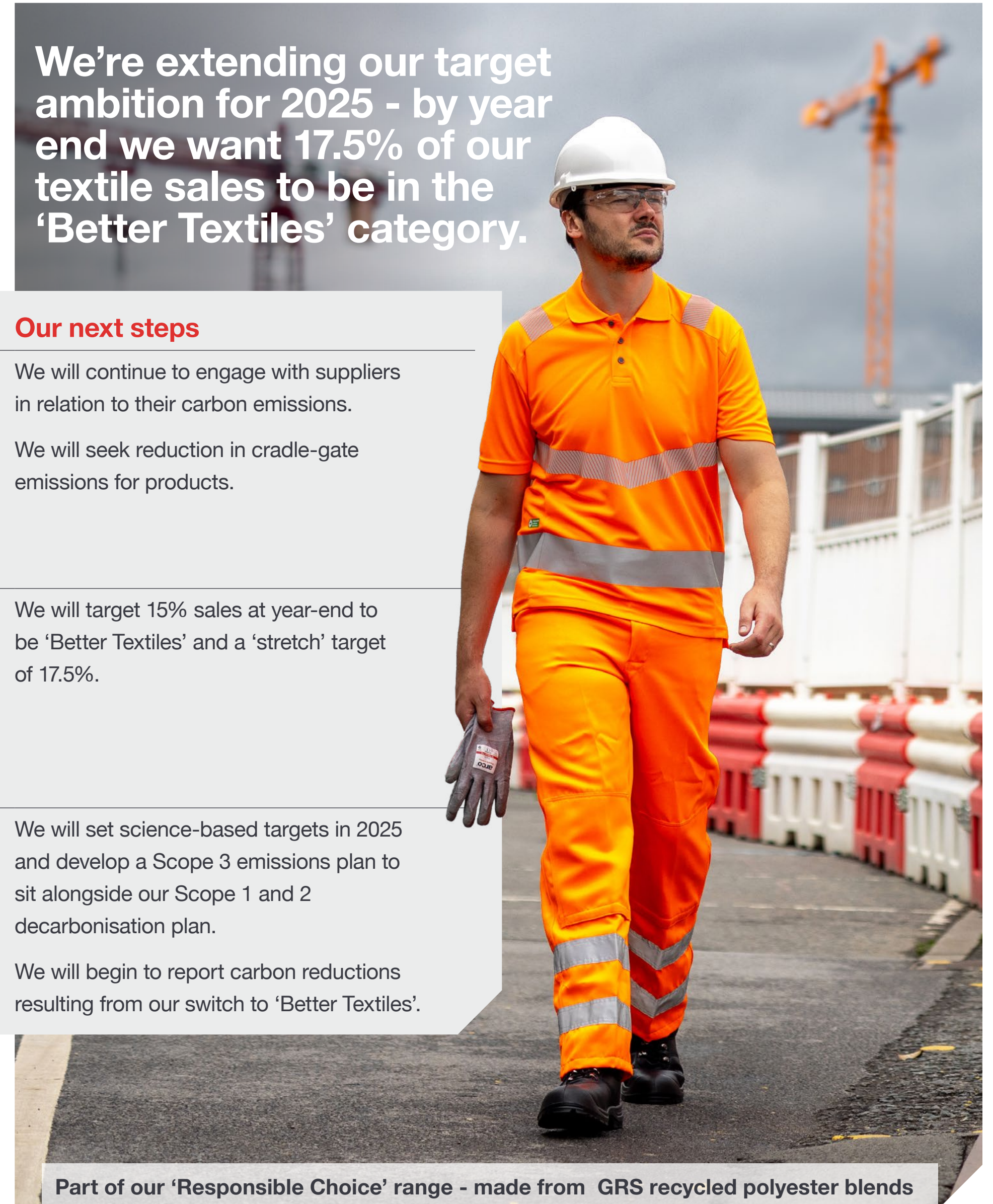
We will continue to engage with suppliers in relation to their carbon emissions.

We will seek reduction in cradle-gate emissions for products.

We will target 15% sales at year-end to be 'Better Textiles' and a 'stretch' target of 17.5%.

We will set science-based targets in 2025 and develop a Scope 3 emissions plan to sit alongside our Scope 1 and 2 decarbonisation plan.

We will begin to report carbon reductions resulting from our switch to 'Better Textiles'.



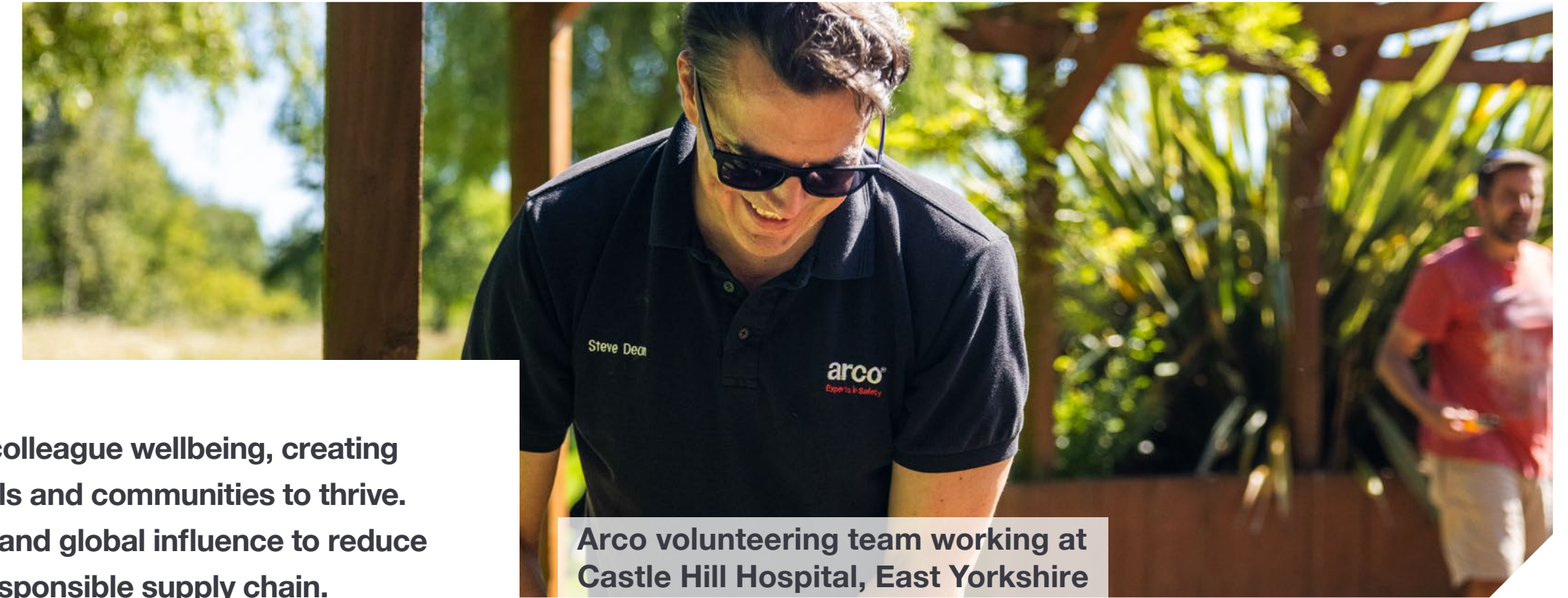
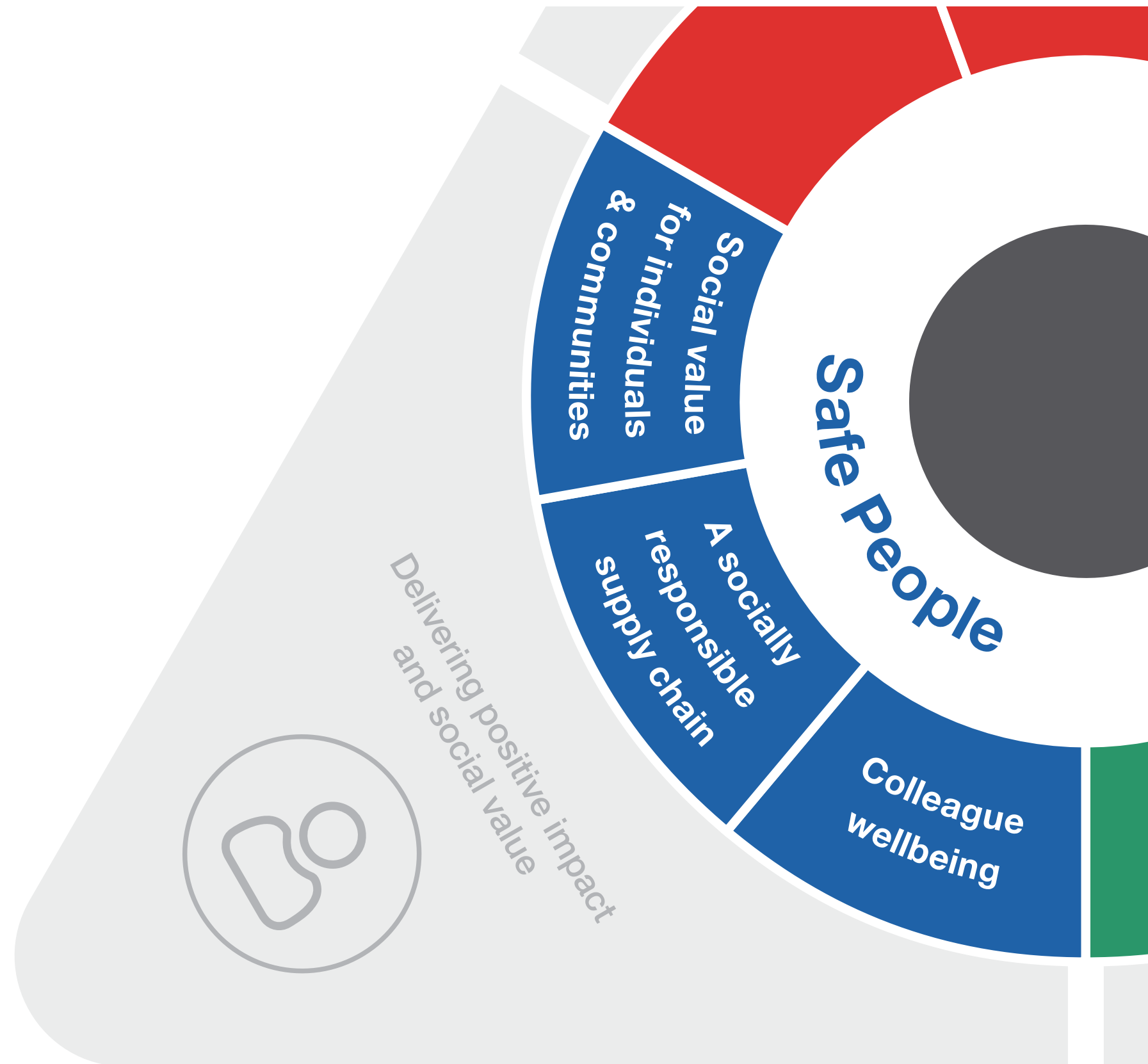
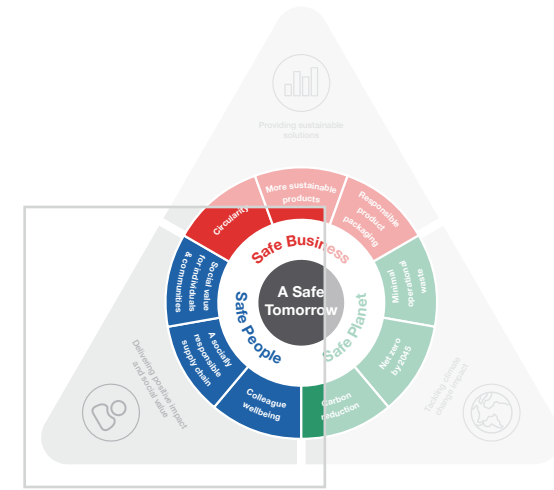
Part of our 'Responsible Choice' range - made from GRS recycled polyester blends

Safe People

Delivering positive social impact across every community touched by our operations



Safe People



Arco volunteering team working at Castle Hill Hospital, East Yorkshire

Safe People is about supporting colleague wellbeing, creating social value and helping individuals and communities to thrive. We will use our regional, national and global influence to reduce inequality and create a socially responsible supply chain.

Key Focus Areas



Social value for individuals and communities

We're creating social value through community partnerships and by providing educational opportunities in local communities across the UK and overseas.



A socially responsible supply chain

We use our influence to enhance working and living standards.



Colleague wellbeing

We are committed to fair pay, supporting colleagues' wellbeing, promoting a diverse and inclusive work environment, and providing development opportunities.

Our Approach

- Delivering practical help and applying our expertise to support community aims.
- Delivering positive impact and education through partnerships.
- Accounting for social value.
- Harnessing the value of apprenticeships.

- Ethically trading and respecting the rights of workers.
- Maintaining a supply chain free from modern slavery.
- Implementing ethical standards along our supply chain through due diligence.

- Committing to fair pay.
- Supporting physical and mental health and wellbeing.
- Promoting a diverse and inclusive work environment.
- Providing learning and development opportunities.

Social Value

Arco has adopted the TOMs (Themes Objectives and Measures) framework – a robust, transparent measure that is shared by our customers and recognised in public procurement to express the social and community benefit of what we do.

Arco's business activities, spend and employees have generated over £72 million of social value to the local economy through their employment in the past two years, while our local spend in FY24 has generated over £4 million worth of local economic value, and our focus towards micro, small and medium-sized businesses has brought an additional £500,000.

We've devoted time and resources to getting people – particularly those who have experienced lengthy periods of unemployment – back into work by inviting people to see how we work at our National Distribution Centre. Showcasing our operations and opportunities has been a similar focus in our support for those about to enter employment for the first time. We've attended careers fairs and safety services workshops across the Humber and East Riding region to help inspire young people and to demonstrate our need for STEAM (Science, Technology, Engineering, Art and Mathematics) skills, which are central to future business success.

In 2024, we continued our support for skills building through provision of almost 1,000 weeks of apprentice employment.

Arco donations to local schools, charities and technical colleges have been targeted to support alternative curriculums and teaching – to help engage those who progress better in non-traditional learning environments. We've also supported a range of inspiring youth projects locally in support of needs identified by local community leaders.

Our long-term partnership with Ron Dearing University Technical College (UTC) has continued throughout 2024 and has seen Arco employees provide specialist cyber security training and safety training to the students.

1,110 hours of volunteering time have been donated during FY24, supporting community and charity organisations with biodiversity and environmental projects, as well as working with the elderly, children and young people. This support has enhanced the employability of local people through our outreach, support and mentoring in local universities, schools and colleges.

Over £35,000 was donated to 29 organisations in FY24 to support with various needs, from council community centres to associations supporting the elderly and individuals with a disability.

We also introduced a new charity partner in May 2024, the Mental Health Foundation. Alongside fundraising activities, we are providing education to our colleagues about mental health. We donate 10% of profits from our Arco brand hard hat sales to the charity as we focus on protecting heads on the outside and inside.



Arco colleagues dedicating their time to volunteer for projects to support their community

Social Value

How we're making a difference

Harnessing the value of apprenticeships

Apprenticeships continue to be a key element of our approach to skills development, with a maintained focus on maximising the use of our levy. This financial year we achieved a peak of 95.9% levy utilisation as we started eight new apprenticeships (two in apprentice positions, six for existing colleague development), whilst also funding to completion twelve apprenticeships (four in apprentice positions, eight for existing colleague development) ranging from Level 2 through to Level 7. We continue to promote the creation of apprentice opportunities across the organisation as well as maintaining eight permanent apprentice positions in multi-functional disciplines.

Our approach and support for the national apprenticeship agenda has been recognised, with Arco named one of the Top 10 Family Business Apprentice Employers by Family Business United, as well as achieving a highly commended recognition in the East Yorkshire Apprentice Awards. Alice Marren, our Learning and Development Partner, is part of the Yorkshire and Humber Apprenticeship Ambassador Network (YHAAN) and sits on their steering group, as well as the HEY LEP Apprenticeship Technical Education Working Group. Where we have unused levy, we have continued to pledge funding to other organisations in support of their apprenticeship programs, including KWL (Kingston Works Ltd), Martin House Hospice and Hull Kingston Rovers Foundation.



Arco Apprentices 2024



Ron Dearing UTC students completing a 'Safety Week' workshop with Arco Professional Safety Services experts



Arco are proud to offer funding of an apprenticeship for the Hull KR Foundation

A socially responsible supply chain

Ethical supply and transparency in our value chain

Arco operates in a competitive and challenging business environment where value, quality and swift order fulfilment are amongst our customers' key concerns. As a business focused on safety, however, ensuring safe supplier workplaces with equitable labour standards and preventing child labour, is our primary focus.

As a member of the Ethical Trading Initiative since 2007, Arco engages with all of its suppliers in relation to these issues within a formal process that starts before we award a contract. We operate a strict supplier code of conduct and rely on both independent specialist auditors and our own social audit team in Xiamen, China, to ensure our requirements continue to be met.

In addition to social benefits and protection of safety and health, Arco's 17-year membership of ETI has demonstrated that factories who share our concerns benefit from reduced accidents and sickness, enjoying fewer labour disputes and ultimately ensuring a consistent and reliable supply.

It is, however, no longer sufficient to report progress and company memberships of schemes such as ETI without evidence of social and ethical stewardship and progress. As members of the Supplier Ethical Data Exchange (Sedex) since 2015, we undertake and receive supply chain audits that bring insight and assurance of ethical supply across all Arco brand products and other branded products, representing almost £300 million annual sales sourced from 22 EU and global territories.

We don't stop there, however. We're currently mapping our supply chain against areas of the world where modern slavery and labour rights violations have taken place, using the results of thousands of interviews with slavery survivors conducted by the [Global Slavery Index](#) (GSI) to ensure our supply chain is free from modern slavery.

Our progress and processes are subject to further regular audit by the internationally recognised framework, Labour Standards Assurance System (LSAS). In recognition of our efforts, we hold the EcoVadis gold medal. This is awarded only to the top 5% of the 100,000-plus rated companies assessed. EcoVadis assesses companies' policies and actions, as well as their published reporting related to the environment, labour and human rights, ethics and sustainable procurement.

You can read more about the standards, processes and audit activity we undertake in support of ethical supply at [arco.co.uk/legal](#). If you're interested in becoming an Arco supplier, please see Arco's guide to minimum and recommended standards acceptable to Arco within our [Arco Ethical Guide for Vendors](#)



Arco are proud members of Better Cotton, whose mission is to help cotton communities survive and thrive, while protecting and restoring the environment



Committing to fair pay

We have continued our commitment to paying the Real Living Wage, offering pay above and beyond the legally required National Living Wage and National Minimum Wage. While doing this, we also increased the rates of pay of supervisors to ensure an appropriate differential.

We also ensure apprentices, and those recruited as first or early-stage career candidates (such as new graduates), are paid fairly, as we believe unpaid internships create a disparity of opportunity for those from different socio-economic backgrounds. We review pay each year against independent external benchmarks to ensure we continue to pay our colleagues fairly and competitively for the job that they do.



Working with a specialist ED&I partner, we have defined our inclusion statement for Arco. This statement solidifies our intent, and we have developed action plans to help drive impact.

At Arco, diversity and inclusion mean understanding everyone's perspectives and fostering a sense of belonging among our colleagues.

We respect and value individuals for their unique skills, experiences, and ideas to ensure we can all be our best.

By creating a supportive and inclusive environment, we will drive our strategic goals, attract and develop great people, and build a more profitable and sustainable business for generations to come.

Be Safe, Be Yourself, Be Your Best

Our plans focus on involvement, education and measurement.

Our Chief Commercial Officer, Simon Allan-Brooks, is now the executive sponsor of our Inclusion Committee. The aim of the committee is to drive impact by raising and discussing actions to create a supportive and inclusive environment where everyone can be at their best.

Education and training content is now available for all colleagues, with a toolkit specifically aimed at supporting people managers to lead inclusively.

We've taken recommendations from the Office of National Statistics to help us identify the data we need to collect to drive our plans.

We have previously held very little data about our colleagues, but since July 2024 we've been collecting information as part of our recruitment and onboarding process around ethnicity, nationality, disability, religion or belief, sexual orientation, relationship status and gender identity. We are now asking existing colleagues to provide this information, too.

Providing learning and development opportunities

In the past 12 months, we have reviewed and updated our in-house learning and development provision. This has included the creation and launch of a new onboarding suite of content, new sales development toolkit, a leadership development offer from executive to first-time leaders, and an updated first-time manager programme, Emerging Leaders. We have also refreshed our Experts Academy content to support our customer value proposition. As we continue this program of transformation, later this year we will launch a new library of digital learning resources, which every colleague across the organisation will have access to as part of their personal growth. This new content will fuel a suite of learning campaigns, the first of which is focused on inclusivity, and will include all colleagues at all levels of the organisation.

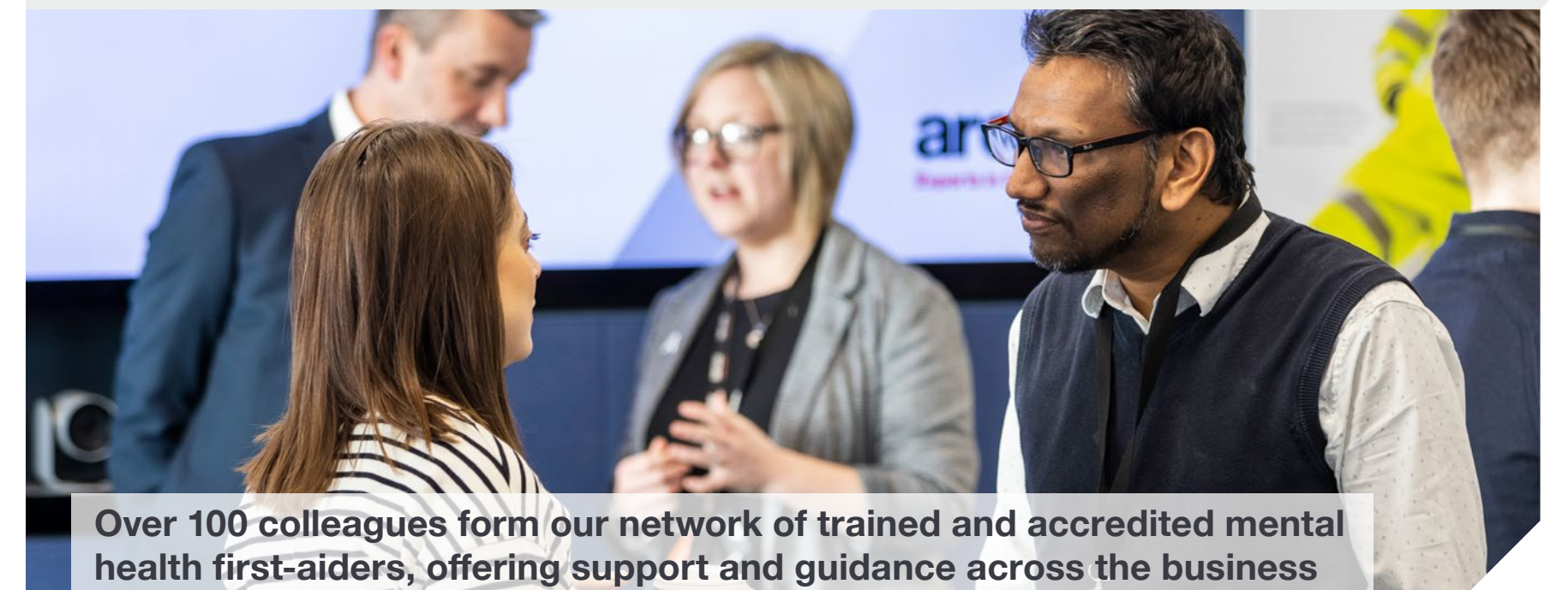
How we're making a difference

We continue to focus on supporting the wellbeing of our team, and consider our colleagues' and customers' mental health as a priority for action. For customers, we provide specialist guidance and strategy development from our professional safety services team. Internally, we have supported the development of a 100-strong network of mental health first-aiders (MHFAs) for colleagues to engage with. In 2024, we delivered accredited MHFA two-day and one-day refresher courses and now have more than 100 colleagues trained as MHFAs. A 'Mental Health & Stress Awareness for Managers' course is embedded within a programme of essential training for all our new people managers, with seventeen colleagues completing the programme in the past year.

This is in addition to a suite of Mental Health and Wellbeing digital learning resources, available to all colleagues.

We operate a calendar of mental health activities and a network where discussion and resource sharing can be shared between practitioners.

Arco offers employees wellness support, provided by Help@Hand, that gives our people access to a range of services, including legal and financial advice, counselling, physiotherapy and 24/7 private GP consultation. It also provides a professional 24-hour confidential helpline, which can be used to support colleagues through any of life's issues or problems, including their mental health.



Over 100 colleagues form our network of trained and accredited mental health first-aiders, offering support and guidance across the business

Safe People – Measuring our performance

In 2025, we aim to generate more than £41 million social value.

Where we're going

Sustainability underpins our ability to attract and retain the best talent, helping us demonstrate real value to the career journey and exceeding employment aspirations.

How we measure this

We have adopted people measures linked to diversity and inclusion.

We are tracking gender across our hiring processes and have introduced a new internal mobility KPI. Data is now being recorded in our people system using the ONS guidelines.

Our performance in FY24

We have written a new inclusion statement to set out Arco's intent and ambition.

Our exec team have attended an inclusion workshop with an external expert.

Our next steps

We have launched a new Inclusion Committee with representation from across Arco to understand and embed our new Inclusion Statement. We are launching a new inclusion initiative for all our colleagues in FY25. Our Inclusion Policies have been refreshed and are being launched with an education programme this year. We have celebrated National Inclusion Week with Arco-wide activity. We are asking colleagues to capture their inclusion data on our system to enable understanding and targeted activity.

We are genuinely invested in our communities and will shape recruitment towards under-represented groups.

We now report using a robust set of indicators as part of the TOMs (Themes, Objectives and Measures) approach.

NT6 (number of disabled employees hired)
 NT8 (local education support)
 NT10 (apprenticeships offered)
 NT29 (volunteering hours in local community)

Total social value generated in recruitment related social value groups (NT6, 8, 10) in FY23: £138,705

Total social value generated in recruitment related social value groups (NT6, 8, 10): in FY24 £116,852

We are training our people managers on inclusion to reduce bias in our hiring practices.

All our job adverts are checked via AdTuner software that removes biased language.

We are partnering with Reciteme to make all our online career sites accessible to all needs.

We will improve staff safety, wellbeing and mental health.

We will make measurable year-on-year improvements in adopted measures related to safety and wellbeing and apply robust measurement of staff wellbeing using our social value framework.

Our accident frequency rate per 100,000 hours worked has fallen from 2.90 (FY23) to 2.37 (FY24).

We have maintained certification to ISO 45001 (Occupational Health and Safety Management System). We continue to support our team of 100 mental health first aiders and have invested £137,600 in maintaining this capability in FY24.

We will continue to develop mental health first aiders (MHFA) across Arco to support our colleagues.

We can demonstrate a measurable impact on the quality of people's lives and the communities in which they live.

We will make year-on-year improvement against a range of at least 18 nationally recognised indicators of social value. KPI – £ social value-added monetary value equivalent of social value added.

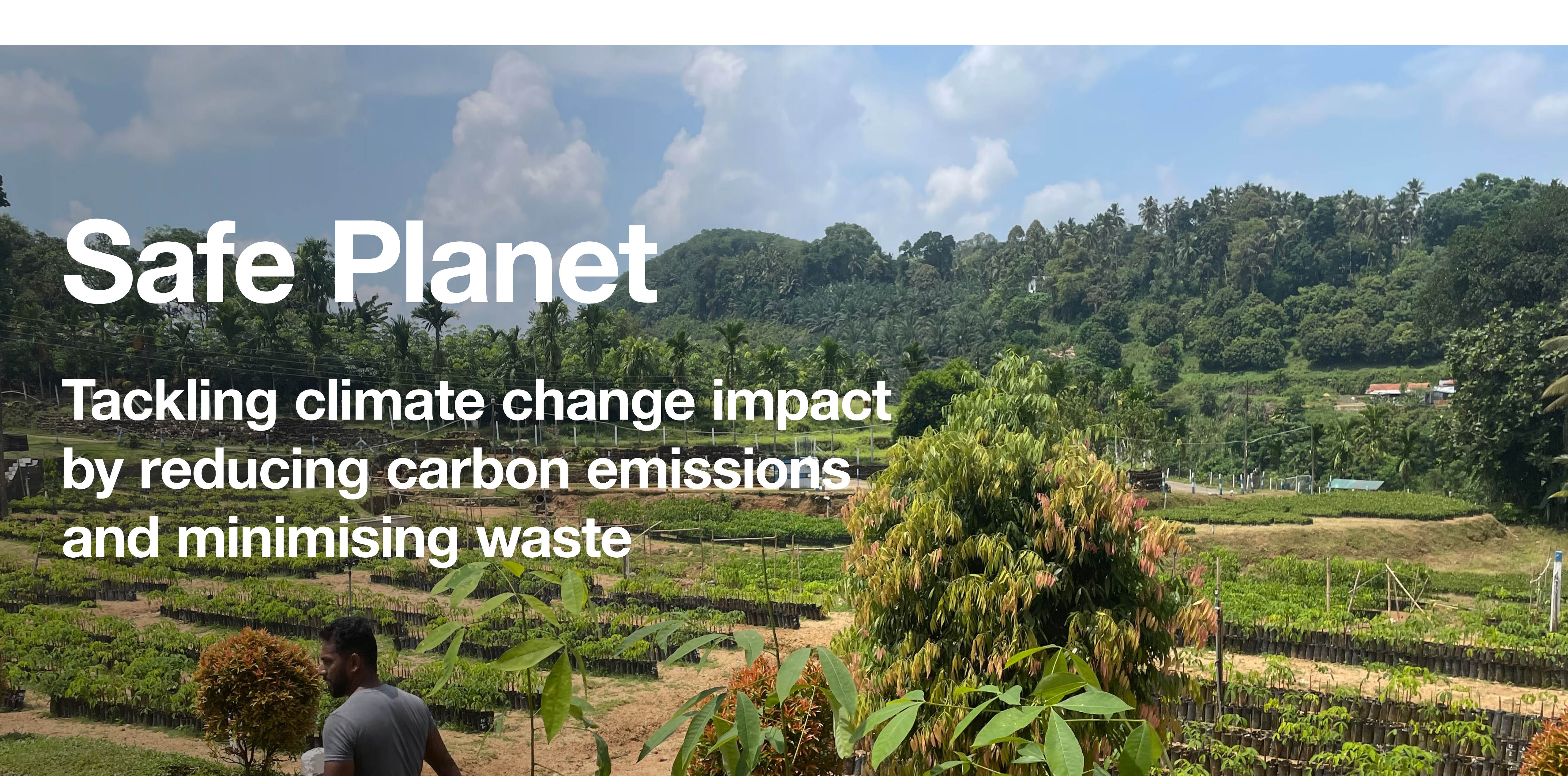
Social value generated in relevant social value categories was: NT21 (Equality, diversity and inclusion related training) £137,663

Total social value generated in FY24: £39.3 million

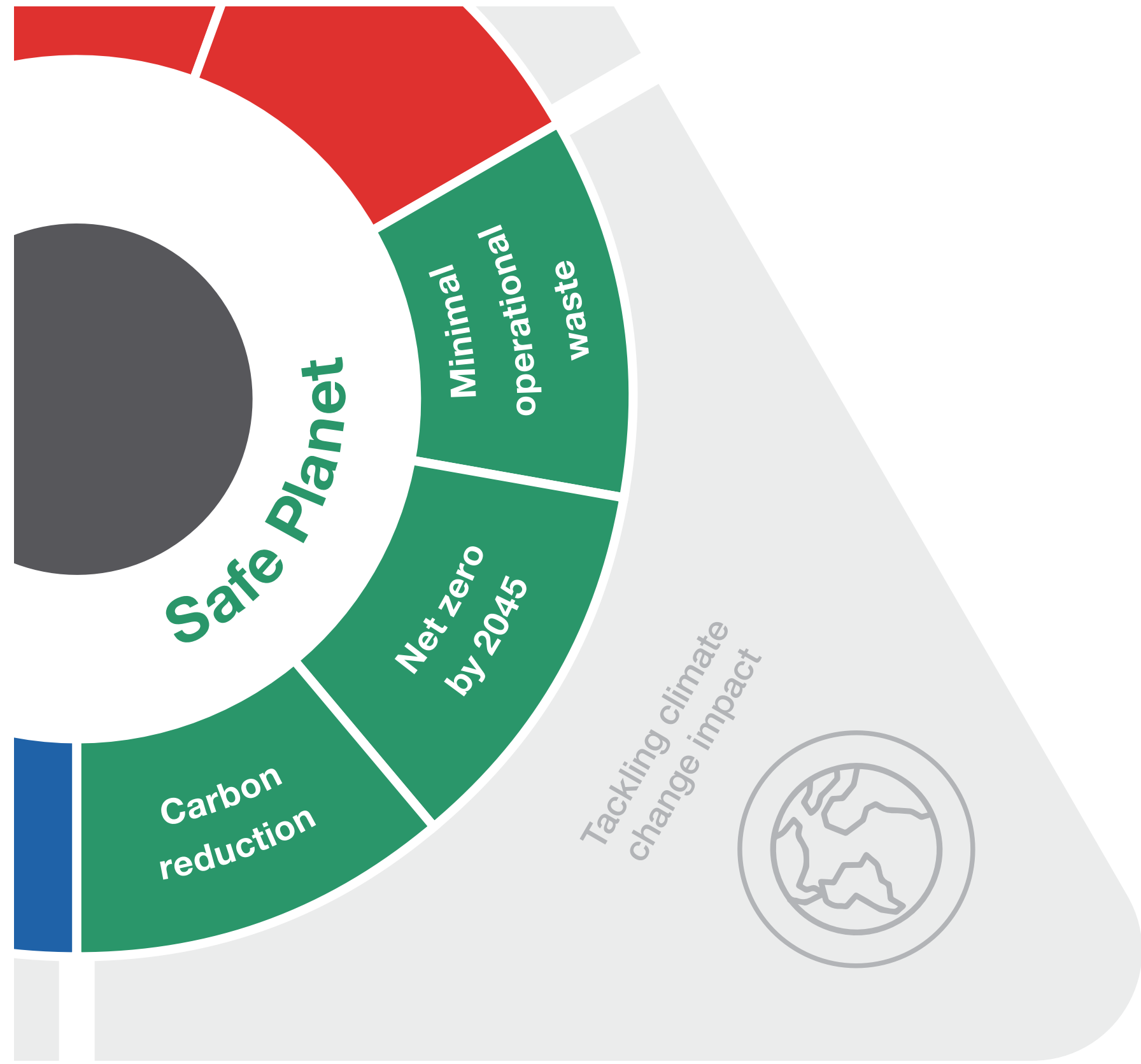
We will formally define our social value strategy and an overall target 5% improvement in 'like for like' categories in FY25.

Safe Planet

Tackling climate change impact
by reducing carbon emissions
and minimising waste



Safe Planet

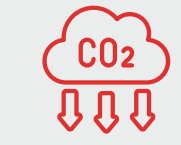


The solar panels that have been installed at the Arco National Distribution Centre (NDC) generate around 780,922 kWh of energy a year, roughly the same as the annual power consumption of 289 houses

Tackling climate change, evaluating climate change risks and reducing environmental impact.
 Reducing carbon emissions both in our direct operations and in our supply chain.
 Minimise waste going to UK landfill and incineration from our products and packaging.

Key Focus Areas

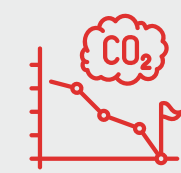
Our Approach



Carbon reduction

We are reducing Scope 1 and 2 emissions from our direct operations and improving energy efficiency and investing in our own renewable sources of energy.

- Improving energy efficiency in our operations and increasing the proportion of on-site renewable energy we use.
- Reducing vehicle-related emissions and carbon.



Net zero by 2045

We are committed to tackling Scope 3 emissions throughout our value chain from manufacture to use of products.

- Reducing all scopes' carbon emissions in line with our commitment to set a validated 1.5 °C science-based target.



Minimising operational waste

We are reducing packaging and waste in our own operations and throughout our supply chain and eliminating waste going to UK landfill and incineration.

- Reducing packaging and packaging waste in operations and removing single-use plastics from packaging.
- Eliminating waste going to landfill and incineration.

Positive climate impacts at home and overseas

In 2023, the UK renewed its commitment to reduce emissions by 68% from 1990 levels by 2030 as part of contribution to the United Nations Framework Convention on Climate Change – driving a need to not only maintain, but to accelerate decarbonisation.

Over the past three years, Arco has made significant CO₂ reductions in support of this target and remains on track to meet its net zero objectives. Although there is some volatility in our last four years of reporting data due to significant operational impacts during the pandemic, in FY24, we achieved a record low scope 1 and 2 Carbon emissions of 2553.3 tonnes CO₂e, 688.2 tonnes CO₂e – a 21.2% reduction from FY23 totals. Our emissions (Scope 1 and 2) in FY24 represent a 12.4% reduction from our FY21 baseline.

We continue to benefit from LED lighting retrofit undertaken at our National Distribution Centre, rationalisation of the property portfolio, and the personal voluntary commitment of the people we employ towards ‘switch-off’ and other energy-related campaigns. This year, our progress has received an extra boost through the addition of solar panels to our National Distribution Centre, and buildings at Bracknell, Eccleshall and Linlithgow. At Arco’s National Distribution Centre, we have generated over 100 MWh renewable power in the scheme’s first two months of operation and have exported 2,400 kWh to the UK PowerGrid.



Sustainability Manager at one of Arco’s major manufacturing sites in Nantong, China demonstrates their on-site solar investment

With a combined Scope 1 and 2 emissions of (2,553 tonnes CO₂e / year) representing just 10% of our total emissions, the remainder (90% of our carbon emissions) are produced when we make our products – most significantly in the extraction of fossil resources, refining and manufacture of raw materials that make up our products.

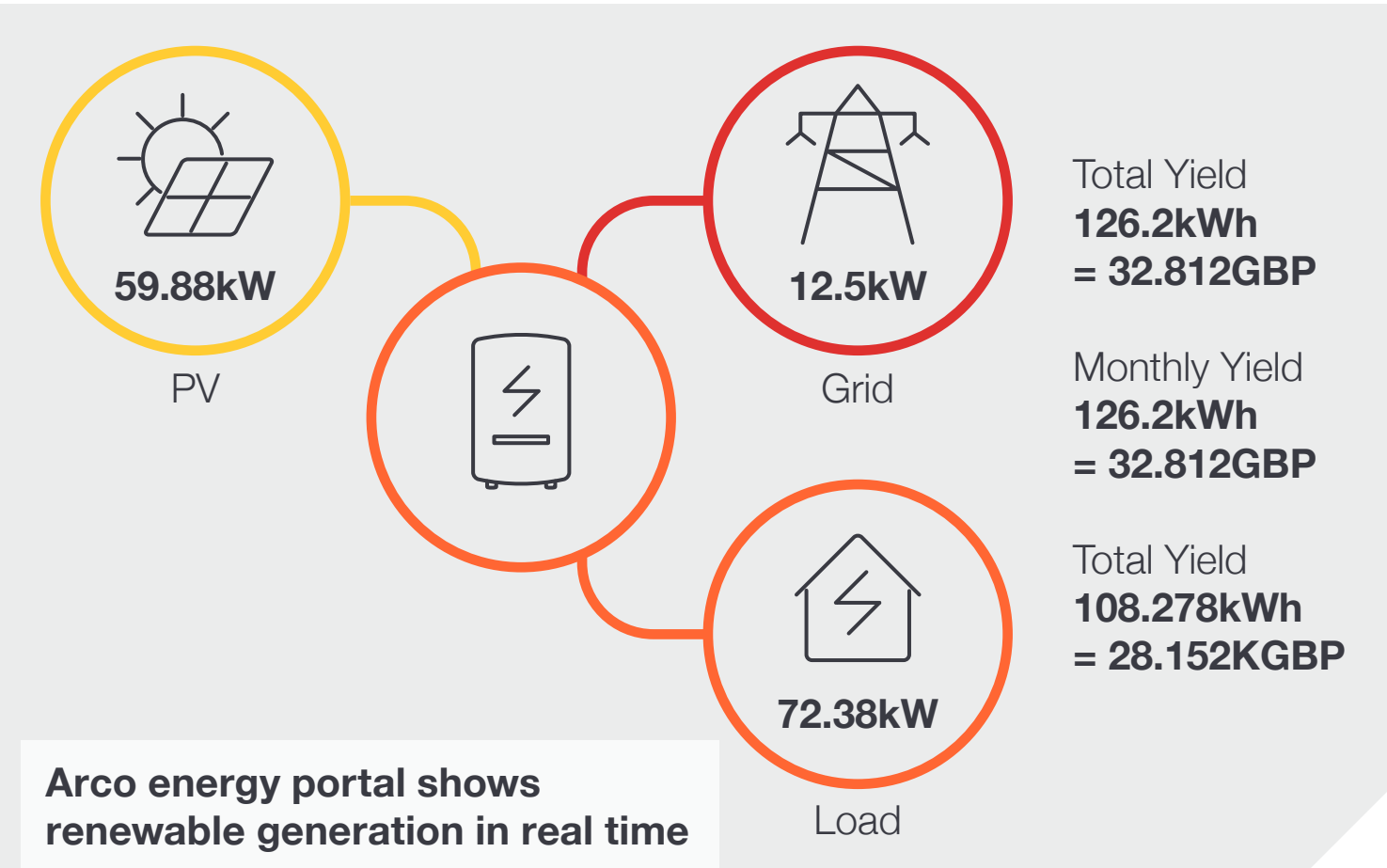
Tackling these emissions is our priority and it is only possible to achieve by working with producers who share our ambition for decarbonisation and ‘Better Textiles’; we will seek and encourage suppliers who are making our goals a reality, such as our glove supplier in Nantong, China.

The Nantong facility has recently invested in a 1,200 MWh/year energy generation from a solar power plant laid out in a similar style to those on our Hull Distribution Centre. Supplemented by locally sourced wind power, the site has targeted 30% of its power to be from local or site-based renewables, which translates into an almost 15% reduction in the carbon emissions for each glove made.

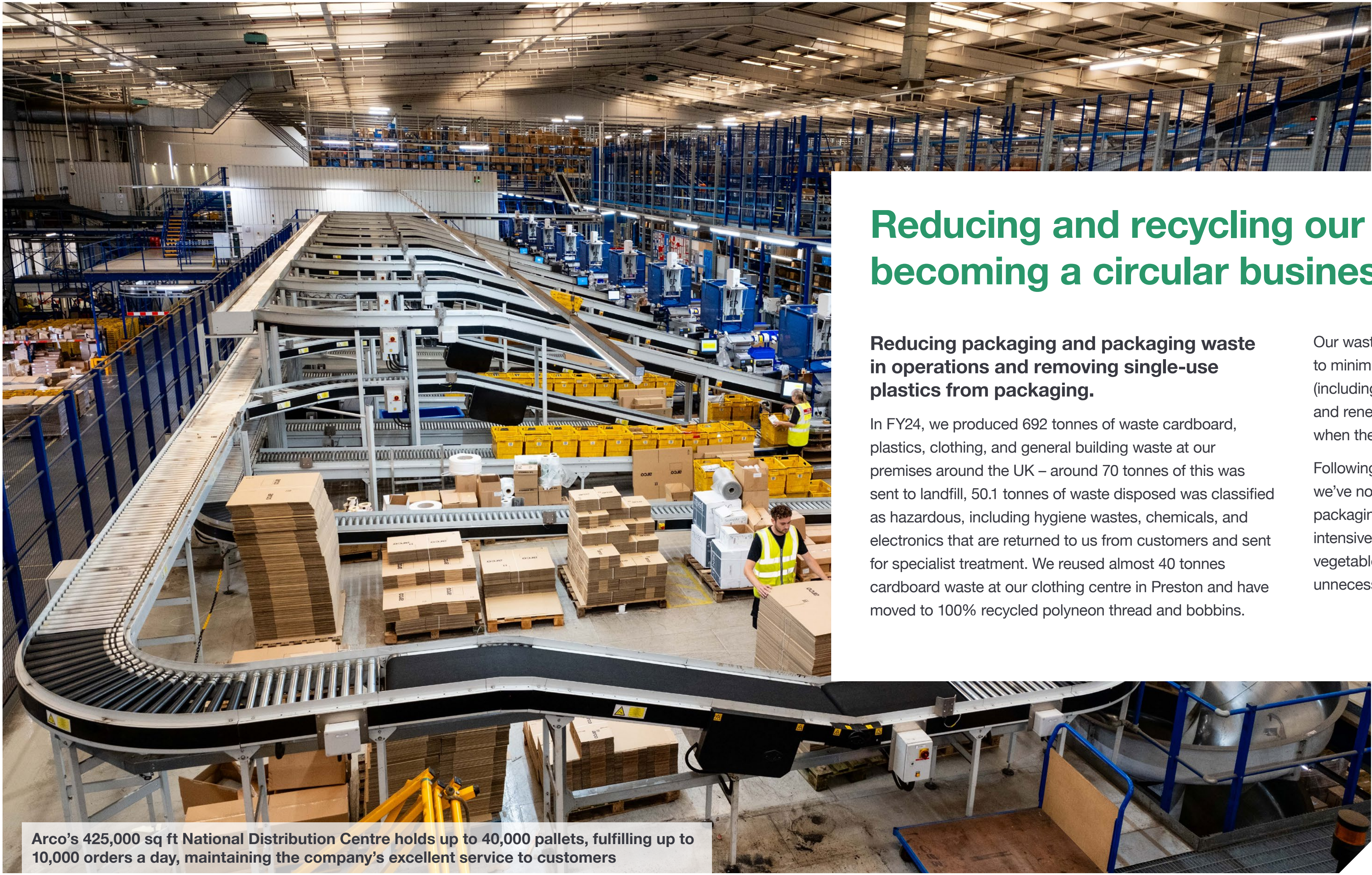
Some products, including leather and latex, have complex emissions sources relating to agriculture and land use change from forest to plantation farming (which our sourcing strategies have worked to avoid), but will be included as part of our formal commitment to the science-based carbon target we will set in 2025. We have until May 2025 to develop and submit this to the SBTi – the international body overseeing corporate climate commitments.



Arco’s investment in solar at its National Distribution Centre



Arco energy portal shows renewable generation in real time



Reducing and recycling our wastes – becoming a circular business

Reducing packaging and packaging waste in operations and removing single-use plastics from packaging.

In FY24, we produced 692 tonnes of waste cardboard, plastics, clothing, and general building waste at our premises around the UK – around 70 tonnes of this was sent to landfill, 50.1 tonnes of waste disposed was classified as hazardous, including hygiene wastes, chemicals, and electronics that are returned to us from customers and sent for specialist treatment. We reused almost 40 tonnes cardboard waste at our clothing centre in Preston and have moved to 100% recycled polyneon thread and bobbins.

Our waste strategy adopts principles of circularity to minimise the environmental impacts of packaging (including the carbon footprint), while using recycled and renewable products that can be recycled easily when they've done their job.

Following the redesign of our footwear packaging in FY23, we've now started the switch to plain cardboard packaging alternatives which are 25-30% less carbon intensive in manufacture and transport. Printed with vegetable-based inks we've removed adhesives and unnecessary swing-tags completely.

Arco's 425,000 sq ft National Distribution Centre holds up to 40,000 pallets, fulfilling up to 10,000 orders a day, maintaining the company's excellent service to customers

Safe Planet – Measuring our performance

In 2024, we reduced our carbon emissions by over a fifth, our water use by 23% and our waste by almost a third.

Where we're going

We will be a net zero business by 2045 – our carbon reduction plan will establish a 'near-term' science-based target, aligned to international agreement for 'no more than 1.5°C global heating'.

We will reduce our use of water and production of wastewater.

We will reduce the volume of (our own) waste and proportion of this disposed by landfill or incineration with a focus on improved circularity of our products and packaging.

How we measure this

We will reduce the CO₂ emissions from our buildings and owned vehicles by 4.2% each year in line with our near-term ambition (our FY24 target was 5.5% vs FY23 Scope 1 and 2 reduction).

We will enhance our oversight of water use through audit, monitoring and targeting of 'exceptional' use, awareness and water-efficient retrofit.

From January 2025, we will no longer send any textile waste to landfill or incineration.
By 2030, we will not send any waste to landfill from owned or managed operations.

Our performance in FY24

We have reduced our verified Scope 1 and 2 emission by 21.2% in FY24.
We have exceeded our 'in year' net zero Scope 1 and 2 emission reduction target of 2588 tonnes of CO₂e, minimising emissions to 2553 tonnes CO₂e.

We used 8,105 m³ water from water mains sources supplying our own (UK) operations in FY24 – a reduction of 23% from FY23.

We've established new contracts with suppliers able to recycle (at a high level of circularity) waste which we would have incinerated previously. We've sent 70 tonnes of our waste to landfill in FY24.

Our next steps

Following work to establish an accurate carbon emissions baseline, we will continue to set annual reduction targets in alignment with this (currently 4.2% year-on-year reduction). We'll apply the recommendations of our Energy Savings Opportunity Scheme (ESOS) audit to support this.

As a business reliant on global availability of fresh water to make our products, we have added this as a material concern to our sustainability strategy and will focus on efficient use of water and reducing leaks in our business. Our water reduction target for FY25 is 5%.

Following success in specifying more 'circular' materials* in our footwear packaging, we will continue to apply principles of circular packaging to other ranges.

This lightweight hi-vis softshell jacket is made from 100% Global Recycled Standard (GRS) certified polyester - one of an increasing range of products designed for Stuff4Life's 'closed loop' recycling process to be transformed back into polyester yarn to create a new product without loss of garment performance

*as defined in the [World Business Council for Sustainable Development](#) – 'Sphere' framework

Our Performance

Technical Summary Global Reporting Initiative (GRI) Metrics



ESG Data Section

GRI 2: General Disclosures

2.1 a	Name of organisation	Arco Limited
2.1 b	Ownership and legal form	Private Limited Company (Family owned)
2.1 c	Location of headquarters	PO Box 21, 1 Blackfriargate, Hull HU1 1BH
2.1 d	Countries of operation	United Kingdom, Republic of Ireland
2.2 a	Entities included in reporting	All business operations and interests within locations specified in 2.1d
2.3a/b	Reporting frequency	Annual – reporting periods aligned for both financial and ESG
2.3c	Publication date	14th November 2025
2.3d	Contact point for questions about the report or related information	jim.harbidge@arco.co.uk

Our 'Responsible Choice' product ranges help our customers make informed selections when purchasing PPE, workwear and safety equipment



GRI 2: General Disclosures continued



2.5a	External assurance	Data relating to carbon emissions and energy use are provided under limited assurance to ISO14064-3 (Assurance provided by independent external consultant, Helen Wheeler-Osman, SGS Accredited Lead GHG) Verifier, Environmental Strategies Limited, Selby Business Centre, 11 The Crescent Selby, North Yorkshire YO8 4PD
2.6	Markets served, activities, value chain and business relationships	SIC Codes 6420 – Wholesale of clothing and footwear, 46760 – Wholesale of other intermediate products, 82990 – Other business support service activities not elsewhere classified. Information relating to business activity can be found in Arco’s latest company account statement.
2.7/2.8	Employees/Workers	Information relating to employee numbers and breakdown can be found below.
2.9–2.13	Governance	This information is contained within the Directors Report section of our latest company account statement.

Our Board-level committee (ESG Committee) is responsible for sustainability. It was established to oversee the introduction of sustainability priority in all areas of our business, as a mechanism for challenge and scrutiny and to ensure that the views of interested parties, shareholders, staff and customers are addressed.

GRI 2.26 – Whistleblowing: Arco operates a policy, strategy and reporting framework that encourages whistleblowing which is backed up by a third-party whistleblowing service, ‘Safe-Call’. In the reporting period, we received two whistleblowing notifications within the ‘Safe-Call’ system.

2.14 Responsibility for sustainability reporting

Responsibility for executive, commercial and sustainability exists within three programme groups representing our business, our people and our environmental impacts (our planet).

Our sustainability strategy has been developed within this environment to reflect the views of our people, customers and others, guided by professional external and internal organisations to maintain a link to the most ‘material’ sustainability issues and aspects where we have control or influence. We have adopted a sustainability reporting framework aligned to Global Reporting Initiative (GRI) metrics and include relevant material disclosures against this framework in the appendix.

These metrics and progress towards targets inform risks, including those related to climate risk and opportunity listed within our sustainability strategy.



Arco staff volunteering their time during a CSR day to help and support their community

GRI 3: Material Topics

In 2020, we completed a formal materiality assessment of sustainability issues of relevance to our business and stakeholders, and reviewed this in 2023 and 2024.

The following issues were identified as 'high risk' and therefore guides our strategy, selection of KPIs and GRI disclosures within this appendix.

- Ethical supply, environmental and social responsibility in our supply chain
- Carbon emissions – particularly those related to product lifecycle
- Product quality, durability and performance
- Safety and wellbeing in our workplace and those of our suppliers
- 'Circular' management of (natural) resources used to make our products

Targets: We have committed to set a 'science-based' targets (aligned to no more than 1.5 degrees planetary heating above pre-industrial baseline) for Scope 1, 2 and 3 carbon emissions. Milestone targets in relation to our carbon emissions include:

- Offsetting Scope 1 and 2 emissions (carbon neutrality)
- Achieving net zero emissions by 2045
- Transition from higher to lower sources of energy and renewables



Arco supplier rubber plantation near Sabaragamuwa, Sri Lanka



GRI-305: Carbon Emissions

	2024	2023	2022	2021
Scope 1 (tCO ₂ e)	1,624	2,233	2,074	1,801
Scope 2 (t CO ₂ e): Location Based	929	1,009	1,029	1,115
Scope 2 (t CO ₂ e): Market Based	37.4	10.2	9.2	Not Calculated
Scope 3 (Cat 6)	146	152	79	7.5
Emission Intensity t CO ₂ e Scope 1 / £1Million sales	5.63	7.42	6.74	4.51
Emission Intensity t CO ₂ e Scope 2 / £1Million sales	3.22	3.35	3.34	2.79
Total Emissions (t CO₂e – all scopes)	2,699	3,394	3,182	2,924

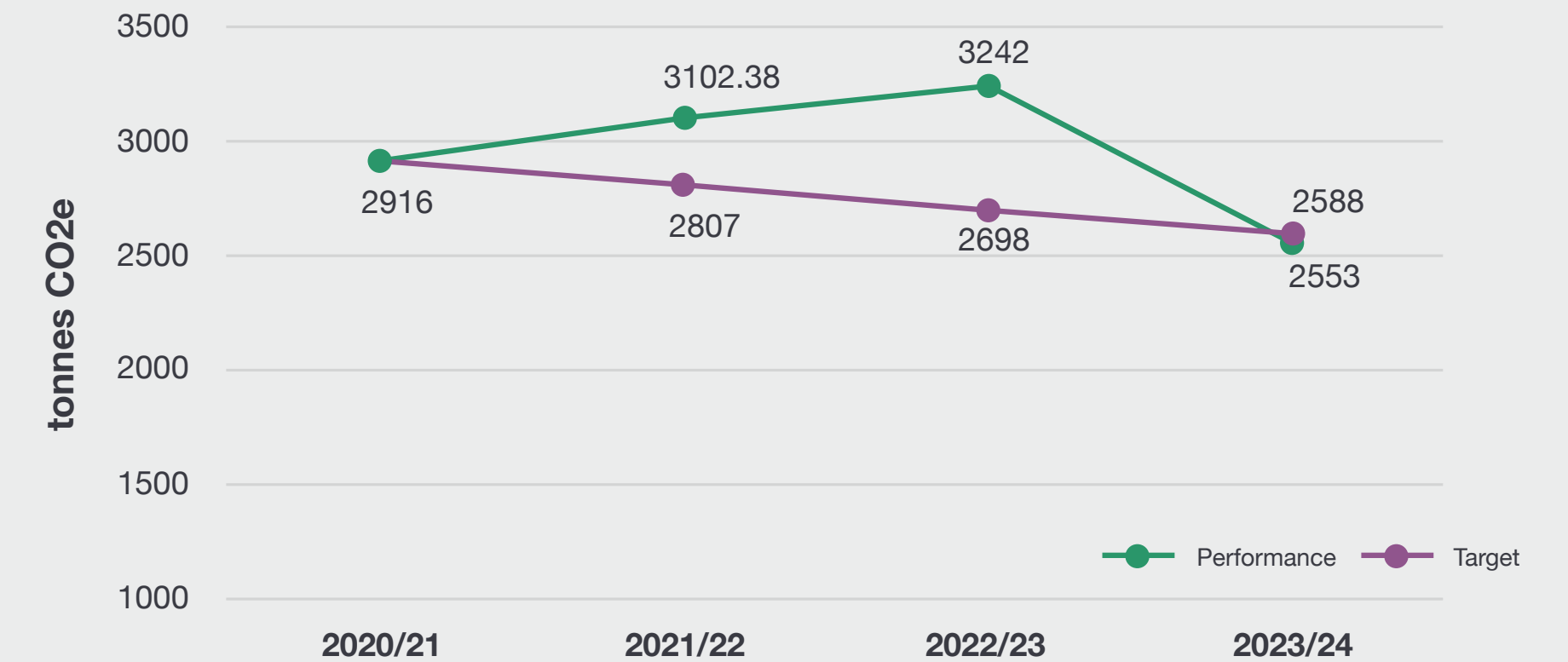
Our total emissions of carbon dioxide (CO₂e) have decreased by 20.5% since FY23 and by 7.7% since our baseline (FY21) year. Our Scope 2 (Market Based) emissions have increased in FY24 in line with a 250% increase in electricity used for EV charging. At the same time, our emissions related to diesel and petrol have decreased by 19% and 9% respectively as we work to electrify our 'grey' fleet.

Scope 1 emissions result from direct emissions from all activities within our own (Arco) operations (owned or controlled). These include combustion of fuel but currently exclude emissions from refrigerant gases. Scope 2 emissions are indirect, location-based emissions from the purchase of electricity. We do not use heat or steam. Scope 3 emissions currently reflect business travel only (Scope 3, Category 6). All emissions are independently assured to ISO14064-3 (Limited Assurance) by ESL Limited.



Arco Scope 1 and 2 baseline emissions reduction vs Target

(calculated using SBTi Corporate Net Zero Tool v 1.1)



A fleet of zero tailpipe emission electric buses take our staff from their homes to our glove manufacturing site in Nantong, China

ESG Data Section continued

GRI-302: Energy Consumption (kWh)

	2024	2023	2022	2021
Arco total energy consumption used to calculation emissions (kWh)	12,554,771	13,669,243	15,978,984	14,324,213

Energy used by Arco includes grid (sourced from low-carbon generation with certificates of renewable origin) and renewable (self-generated) electricity, natural gas, diesel, petrol, and liquid petroleum gas (LPG). Energy consumption from these sources has fallen 8.1% since FY23 and by 12.4% since our baseline (FY21) year.

GRI-303: Water and effluent (m³)

	2024	2023	2022	2021
Arco total water use (m ³)	8,105	10,465	11,500	12,648
Arco total effluent / wastewater disposed to sewer (m ³)	7,699	9,941	10,925	12,016

Water and wastewater* use has fallen 22.6% since FY23 and by 35.9% since our baseline (FY21) year.

*Arco does not meter effluents directly – wastewater estimates are based on industry / UK government average of 95% incoming water.



Arco supplier 'realtime' environmental compliance monitoring at Shandong Province, China (Photo taken during Arco audit April 2024)

GRI-306: Waste

	2024	2023	2022	2021
Total Waste Generated (tonnes)	692.29	1019.1	694.7	Not calculated
Waste landfilled (tonnes)	70.03	82.4	58.35	Not calculated
Waste reused at least once (tonnes)	39.9	Not calculated	Not calculated	Not calculated
Waste recycled (tonnes)	497.91	755.3	571.8	Not calculated
Waste sent to 'energy from waste' plants	124.35	Not calculated	Not calculated	Not calculated
Waste classified hazardous (tonnes)	50.1	59.4	41.4	Not calculated

In 2024, the overall volume of waste we produced was 692.29 tonnes – **32%** less than the previous year.

Although we have been re-using packaging wastes at our Preston site for several years, in FY24, we have now started to measure this impact. We reused 39.9 tonnes cardboard before recycling or reuse as outbound packaging for our customers.



Arco hard plastics recycling partner facility - (photo taken as part of due diligence audit, July 2024)

GRI-403: Occupational Health and Safety

Arco is certified to ISO 45001 (Occupational Health and Safety Management System) and we understand the importance of continual improvement to achieve high standards of health, safety and wellbeing. Driven by our top management and cascaded throughout the business, this ensures that colleagues understand the importance of maintaining their own health and safety, as well as that of others, to reduce workplace injuries and ensure safe working environments. Employing suitably qualified and competent colleagues with responsibility for the management system along with time-linked targets validates the capability and provides assurance of that continual journey.

Engagement, consultation and participation at all levels ensures an effective and robust hazard identification/risk assessment process, along with accident and near-miss reporting, with serious incidents being

escalated to the CEO within 60 minutes of occurrence. Incidents are recorded using a proprietary digital system, which provides tracking and trending information in support of continual improvement objectives. Colleagues' wellbeing and good mental health are fundamental aspects considered throughout the health and safety management system and we continue to have 100+ colleagues trained as mental health first aiders.

All sites hold regular Safety, Health and Environment (SHE) Committee meetings providing representation from managers, workers, safety representatives and specialists resulting in effective reviews of leading and lagging indicators and effective implementation of the Company's Safety, Health and Environmental Policies and Procedures, as well as always looking for future improvements and enhancements.

Accident Frequency

	2024	2023	2022	2021
Accident Frequency Rate (per 100K hours worked)	2.37	2.90	3.01	3.06
Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR)	0	3	2	4

Arco team members wearing TROJAN Unisex safety trainers made using 45% recycled canvas mesh

GRI-405: Diversity and Equal Opportunity

	2024	2023	2022	2021
Gender Pay Gap Median	Report not yet available	10%	7.02%	6.2%

Learning and Development

Average time spent in learning and development (FY23 vs FY24): by Band / Grade

Band / Grade	Number of colleagues in sample		Hours training	
	FY23	FY24	FY23	FY24
Apprentice	6	4	6.49	20.8
A	850	914	7,182	2,311
B	347	397	5,777	3,386
C	186	220	2,560	1,507
D	105	115	938	1,125
E	14	18	54	94.3
Exec Member	3	8	5	11.9
Graduate	4	3	143	10.3
Non Exec	8	0	12	0
Female	691	749	7,950	3,498
Male	836	940	877	4,985

Arco staff volunteering their time during a CSR day to help and support their community

ESG Data Section continued

GRI-406: Non-Discrimination (Sustainable Procurement and Arco Company Performance)

Arco is a member of the Ethical Trade Initiative (ETI) and a signatory to the ETI Base Code. We implement the ETI Base Code in our business through, amongst other things, our Human Rights & Ethics Policy, Anti-Slavery & Human Trafficking Policy, Diversity & Inclusion Policy, our Supplier Code of Conduct and our Ethical Guide for Vendors.

Since 2023, Arco has engaged directly with suppliers in relation to risks across a wide range of concerns, including biodiversity, carbon reduction and the potential use of 'conflict' minerals. The results of our enquiries are included in the table (GRI-406-1) below.

Non-discrimination is embedded in the ETI Base Code in two key provisions. Provision 2.3 states that "workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace" and Provision 7 states that there should be "no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation".

Arco has in place processes and procedures to monitor and comply with the ETI Base Code, which includes an ethical audit programme for our suppliers, and participating in the SEDEX SMETA self-assessment and audit programme for our own operations.

In addition, Arco operates to, and is externally independently audited against, the Labour Standards Assurance System, which aims to ensure a robust framework for managing labour issues within Arco and its supply chain. Ethical performance is monitored through routine reporting with KPIs in place for our supply chain. Our ethical and compliance approach and performance is overseen by the ESG Committee of the Board.

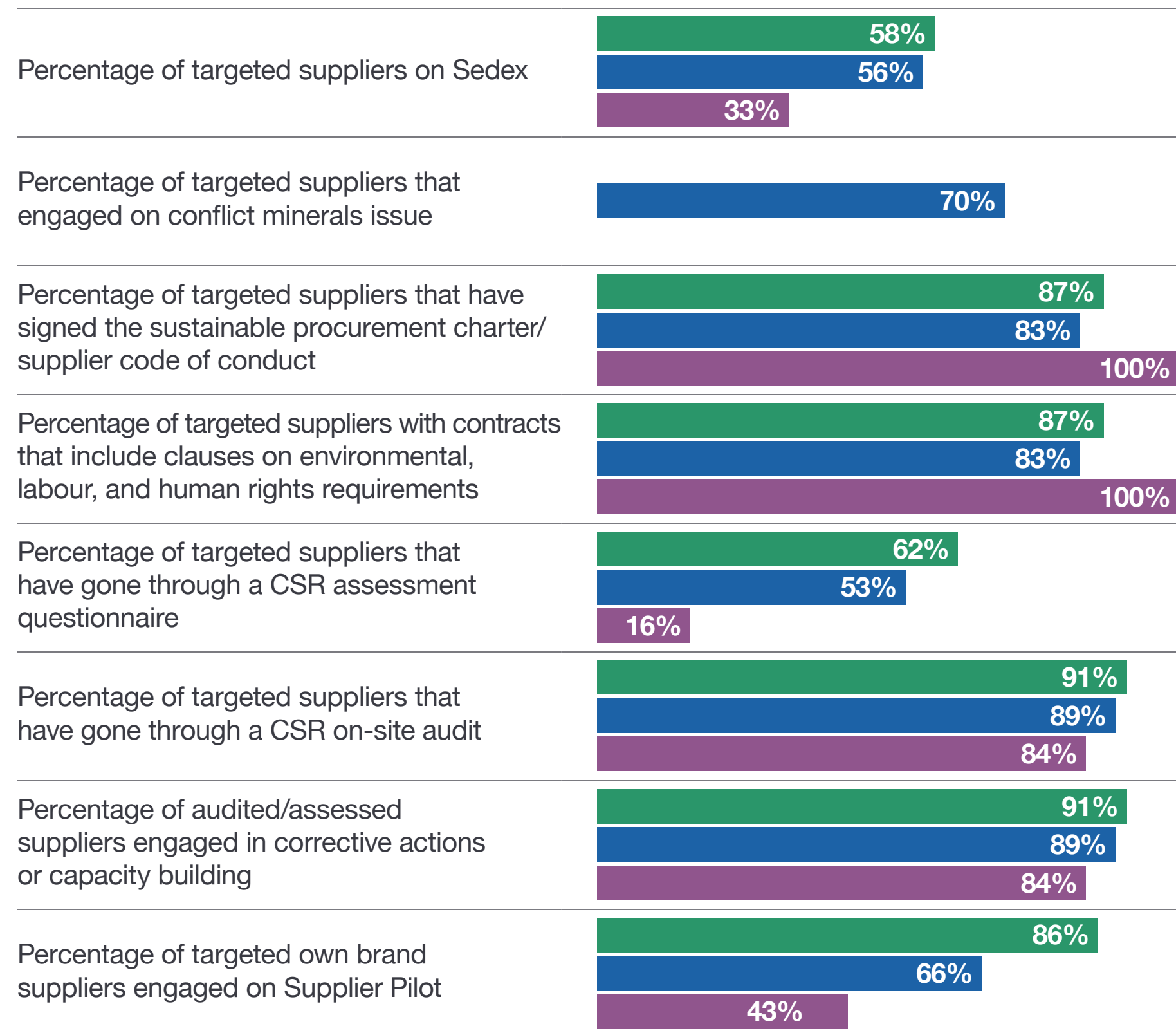
This includes regular reviews of specific elements of our overall compliance framework. During 2023, our annual compliance management review presented to the ESG Committee recorded no adverse audit reports in relation to discrimination. Allegations of discrimination are investigated thoroughly whenever received.

Arco 'Responsible Choice' ranges extends beyond textiles and PPE to include items used in facilities management foodstuffs and factory equipment

GRI-406-1

Performance in relation to Arco Supply chain (GRI-406):

KPIs related to sustainable procurement



Performance in relation to Arco business:

(In compiling the information specified in Disclosure 406-1, incidents of discrimination on grounds of race, colour, sex, religion, political opinion, national extraction, or social origin are considered)

Code	Description	Count
406-1a	Total number of incidents of discrimination during the reporting period	1
406-1bi	Incidents reviewed by the organization in period	1
406-1bii	Remediation plans being implemented	0
406-1biii	Remediation plans that have been implemented, with results reviewed through routine internal management review processes	0
406-1biv	Incident no longer subject to action	0

Key
2024
2023
2022



We are reducing Scope 1, 2 and 3 carbon emissions from our operations, improving energy efficiency and investing in renewable sources of energy

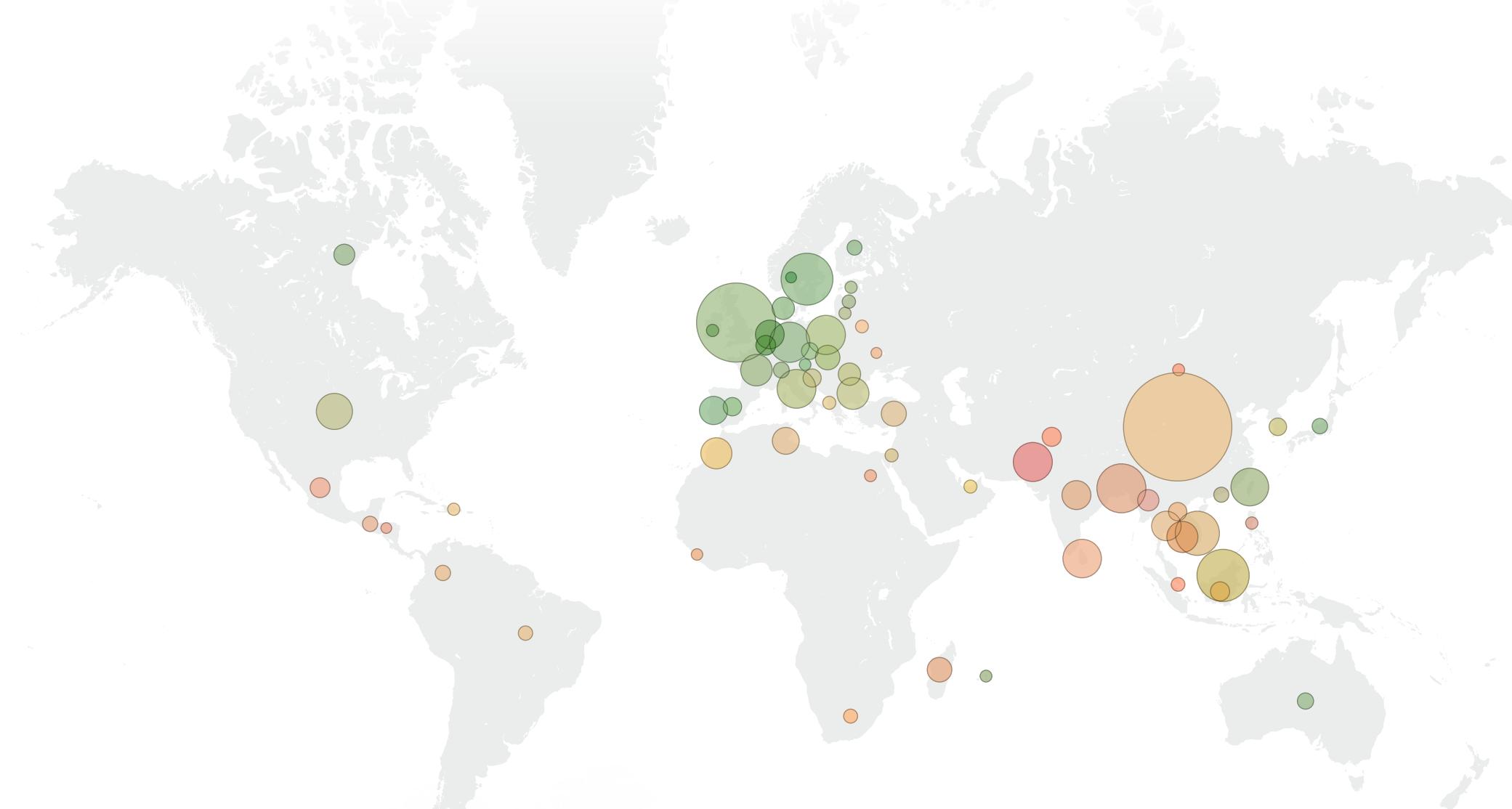
ESG Data Section continued

GRI-407 Freedom of Association and Collective Bargaining (Sustainable Procurement)

According to the 2023 Global Slavery Index (GSI), textiles and garments are among the products most at risk of being produced with forced labour. As a member of the Ethical Trading Initiative since 2007, Arco uses publicly available risk indices, including GSI's own platform, the results of independent third-party audits conducted in support of our SEDEX (Suppliers' Ethical Data Exchange) membership and enquiry of our own specialist audit teams to highlight risks and potential non-conformances against [our supplier code of conduct](#) which requires respect for freedom of association and the right to collective bargaining. We monitor potential risks in our supply chain using this index – which in turn guides our local audit focus and specific enquiry.

We map global sales against the Global Slavery Index, the Global Rights Index, and Corruption Perception Index and offer customer-specific views of these to align with customer risk perspectives.

Arco FY24 Sales (size of circle) vs Global Slavery Index risks (colour of circle)



Arco FY24 Sales (size of circle) vs Global Rights Index (colour of circle)

