

INTRODUCTION FROM CHRIS CLARK, MANAGING DIRECTOR, JOHN CLARK (HOLDINGS) LIMITED

In our position as one of Scotland's largest motor dealerships and having access to a global supply chain including international vehicle manufacturers, we recognise that we have a responsibility, along with other large corporations in the UK, to take action to prevent the exploitation of workers in the furtherance of financial gain. Having long had a focus on corporate social responsibility, we support the objectives of the Modern Slavery Act 2015 and the move to increase and promote transparency and accountability within supply chains. We are committed to ensuring that slavery, servitude, forced labour and human trafficking is not present in any aspect of our business including our supply chain. Our approach is one of zero tolerance. We wish to conduct our business in a way which is ethical and fair.

We are committed to operating in a way which combats slavery and human trafficking and to encouraging those in our supply chain to adopt a similar approach. We have taken the steps outlined in this Statement to meet this objective and will assess and implement such additional steps as may reasonably be necessary on an ongoing basis.

ORGANISATION'S STRUCTURE

We are a motor group operating 31 sites across Scotland specialising in the sale, lease, service and repair of new and used vehicles. Our customer base ranges from individuals to large corporations. We are a part of the John Clark Motor Group and are the ultimate parent company. The Group has over 1200 employees and an annual turnover of approx. **£700 million**. The four main trading companies within the Group have an annual turnover in excess of £36 million and are therefore required to publish a Statement in accordance with the Modern Slavery Act 2015. This Statement is prepared on behalf of Specialist Cars (Aberdeen) Ltd, John Clark (Aberdeen) Ltd, Pentland Motor Company Ltd and Clark Commercials (Aberdeen) Ltd. The Group's organogram is available upon request from the Group Finance Department which explains the structure of our business

OUR SUPPLY CHAINS

Our supply chains include:

- Vehicle manufacturers and suppliers based in the UK, EEA and worldwide;
- Parts manufacturers and suppliers based in the UK, EEA and worldwide;
- Automotive dealers;
- Auction houses;
- Individuals trading in and selling used vehicles;
- Machinery suppliers based in the UK, EEA and worldwide;
- Professional support service providers;
- Suppliers of consumables; and
- Cleaning and vehicle valet service providers.

OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our Anti-Slavery Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains. This Policy is available on the John Clark Motor Group website and is issued to all suppliers and available to our employees

Our people and the excellent customer service which they provide on a daily basis are at the core of our business. We believe that all workers should provide their services voluntarily and that they should receive a fair rate of pay for their work.

DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

As part of our initiative to identify and mitigate risk we issue our group policy to all suppliers.

We have reviewed our operating processes to ensure that there are adequate safeguards in place to identify, report and address any suspected instances of slavery or human trafficking.

We have in place systems to:

- Identify and assess potential risk areas in our supply chains.
- Mitigate the risk of slavery and human trafficking occurring in our supply chains.
- Monitor potential risk areas in our supply chains.
- Protect whistle blowers.

SUPPLIER ADHERENCE TO OUR VALUES

We have zero tolerance to slavery and human trafficking. To ensure all those in our supply chain and contractors comply with our values we have in place a supply chain compliance programme. This will consist of:

- Adhering to our procurement processes in respect of new and prospective suppliers to ensure that they are adequately vetted;
- Carrying out a risk assessment in respect of each prospective supplier prior to contracting with them to evaluate the risk of Slavery and Human Trafficking being present within their business and where any risk is identified, to work with them to mitigate and manage this risk. Where it is not possible to adequately mitigate such risk, we will not contract with that prospective supplier;
- Ensuring that all suppliers are aware of our zero tolerance approach towards Slavery and Human Trafficking and our expectations as to how they conduct their business in an ethical and responsible manner by writing to them to explain our values and expectations;
- Requiring all suppliers who have a turnover of £36m and above to provide a copy of their Statement published under the Modern Slavery Act 2015;

- Issuing a copy of this Statement and our Anti-Slavery and Human Trafficking Policy to all suppliers and asking them to sign to confirm their commitment to adhere to its terms and ethos;
- Including a right to audit in our contractual arrangements with new suppliers and exercising such right on an ad hoc basis as appropriate.
- Reviewing our standard contractual terms offered to suppliers and revising these, where appropriate, to set out our expectations in respect of ethical business practices.

We have a dedicated compliance team which acts as a designated point of contact for any concerns relating to Slavery or Human Trafficking. This consists of involvement from the following departments:

- Human Resources
- Finance
- Facilities Management/Procurement

TRAINING

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we intend to provide training to our newly recruited staff at the induction stage. We also intend to revise our routine training programme for existing employees to include training on our Policy.

OUR EFFECTIVENESS IN COMBATING SLAVERY AND HUMAN TRAFFICKING

The compliance team will meet on a quarterly basis to discuss and review the effectiveness of the measures we have implemented to combat slavery and human trafficking. A report will be made to the board on a quarterly basis with any suggested action points for improvement.

Following a review of the effectiveness of the steps we have taken this financial year to ensure that there is no slavery or human trafficking in our supply chains we intend to take such further steps as we feel may be reasonably necessary and appropriate to combat the risk of slavery and human trafficking faced by our business.

In particular, upon publication, issuing a copy of this Statement and our Anti-Slavery and Human Trafficking Policy to all suppliers in line with our supplier compliance programme outlined above.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ending 31st December 2016.



Christopher Clark
Group Managing Director