

ARC IMPACT **REPORT**

Shaping The World Of Flexible Work Into A Better Place For All

arc

Arc's Vision

We are Arc, a recruitment and staffing agency with a vision to shape the world of flexible work into a better place for all.

We're bringing Arc's vision to life through our [impact strategy](#) which sets out the steps we're taking to make sure Arc is a force for good for people and the planet. The three areas we focus on are:

- Fairer Recruitment and Staffing
- Tackling Barriers to Employment
- Taking Climate Action

Each focus area is supported by an ambitious 2025 goal and roadmap of activity to get us there. This report shares a summary of what's been achieved in 2023 and the areas we need to improve. We hope you enjoy finding out about our ambition to make the world of flexible work into a better place for all and are inspired to get involved.

Our reporting period runs from July 2022 until June 2023.

The Arc logo consists of the lowercase letters 'arc' in a bold, white, sans-serif font. The letters are positioned on a large, solid pink rectangular background. The 'a' and 'r' are connected, and the 'c' is a simple, open-bottom curve. The entire logo is centered within the pink area.



Welcome from Mike and Paul

It was back in 2020 when we started exploring how Arc could bring its company vision to life and play a fundamental role in transforming our industry to make it a better place for the people who work within it. For us, making flexible work better means three things:

- Making recruitment and staffing fairer, ensuring no one is discriminated against and there's equal opportunity to get a good job.
- Upskilling people who are struggling to get into work and ensuring everyone is paid well for the work they do.
- Leaving no trace on the environment and encouraging others to do the same.

Fast forward three years and we're incredibly proud of the steps taken to change our business, our industry and the communities for the better. In particular, our efforts to raise awareness of racism in our industry through the creation of the short film, Use to It, which shared the first-hand experiences of our Black team members to over 7,000 people.

As the cost of living crisis continues to affect so many, our focus on pushing up pay is more important than ever and it was great to deliver an impressive 19% increase in the average hours worked by our team members paid at the Living Wage rate.

Finally, we were delighted to see so many of our people inspired to get involved in climate action either through our Climate Action Pledges or our Leave No Trace campaign.

The one area we would have liked to make more progress on is scaling our employability programme, Arc Academy. It's been a challenge getting a good pipeline of people to participate, even with the help of our charity partners, but we're adapting the way we deliver this training to make it even easier for people to get Arc's help and we hope this puts us back on track.

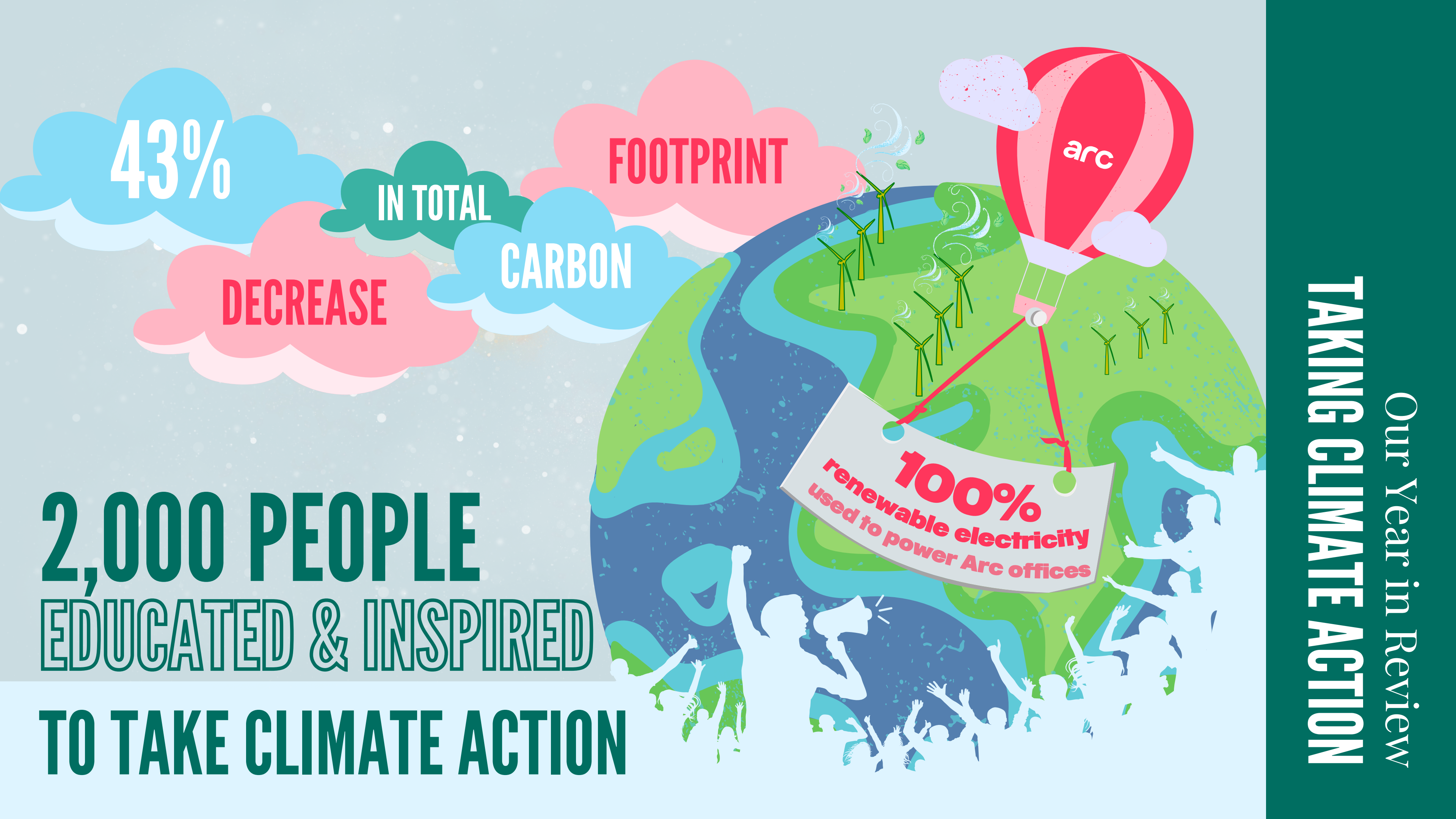
We're still working hard to become a B Corp. Our current score is 70 and we have a plan of action to improve this in the coming year. Watch this space!

We'd like to say a big thank you to the Arc team who are the engine of our positive impact, our amazing team members who represent our values every day and our clients who share our vision and are helping us get there.

We hope you enjoy reading this report and if you have any feedback, we'd love to hear from you.

Mike & Paul





43%

DECREASE

IN TOTAL

CARBON

FOOTPRINT

arc

100%
renewable electricity
used to power Arc offices

2,000 PEOPLE
EDUCATED & INSPIRED
TO TAKE CLIMATE ACTION

TAKING CLIMATE ACTION
Our Year in Review



We have a B Corp Score of 70. B Corp certification requires a B Impact Assessment score of 80+ points.

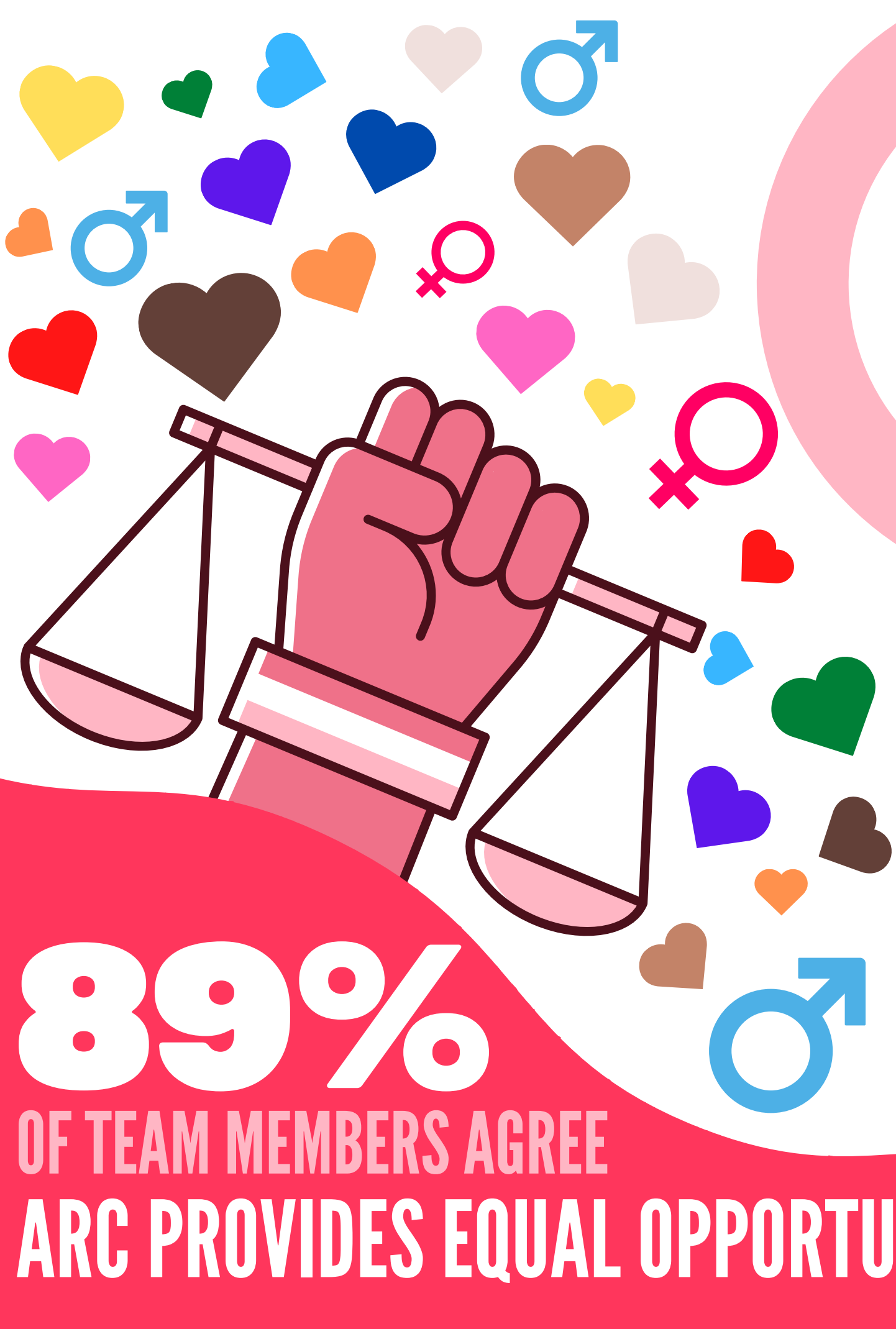
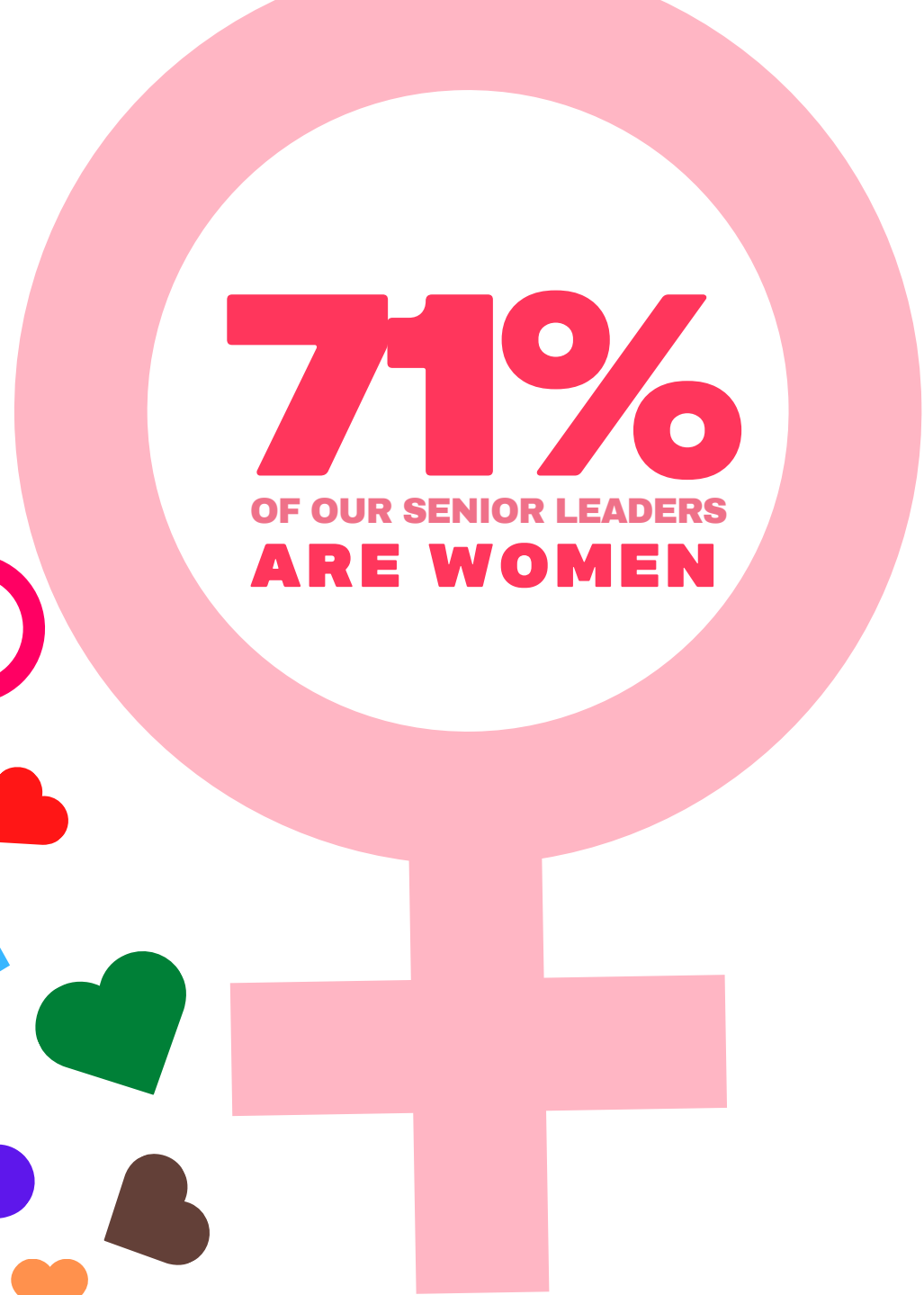
Our Year in Review

TACKLING BARRIERS TO EMPLOYMENT



FAIRER RECRUITMENT AND STAFFING

Our Year in Review



AND FINALLY...

7,000 WATCHED USED TO IT

Our documentary to uncover black people's
experiences of racism.

FEATURING:

Dr. Kingsley Madubuike
Oluwalonimi (Nimi) Olayemi
Darren Bello
Jennifer Okerenta
Sewa Animashaun





Fairer Recruitment & Staffing

Why it Matters

Many people face discrimination and unfair treatment in the workplace. The hospitality industry is no exception.

Studies have shown Black, Asian and ethnic minority men earn 7% less than their white colleagues and 35% of LGBTQ+ people hide their identity at work because they're afraid of discrimination.

Our Commitment

Arc wants to help change this. Our 2025 goal is to lead the industry to make recruitment and staffing fairer for all.

No matter someone's age, gender, sexuality, ethnicity or religion, we want everyone to have the same opportunity to access rewarding work, where they are respected and treated fairly.

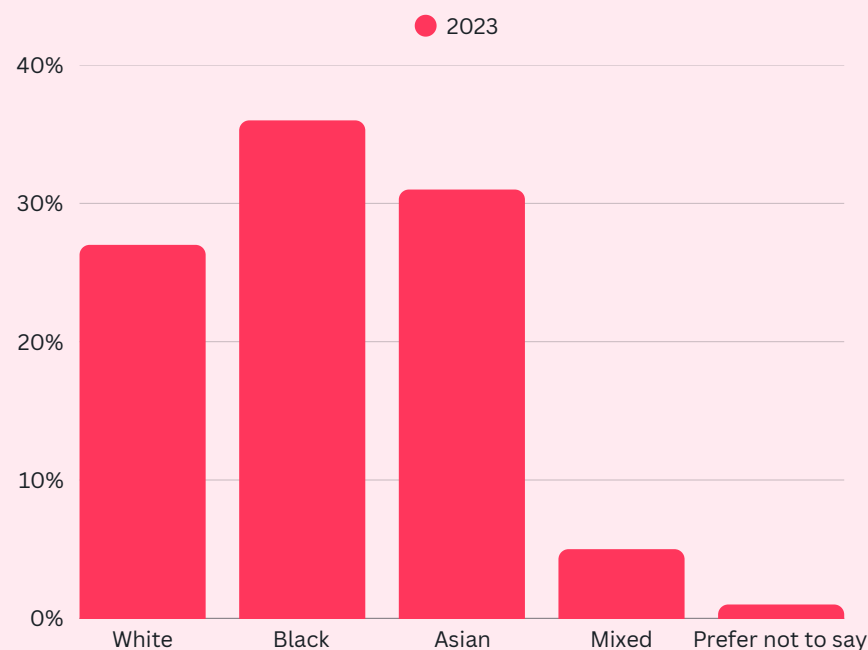
How We Plan to Get There

To achieve this, we're creating a diverse and inclusive workplace for both our full time employees and our 6,600 team members who work on behalf of Arc for our clients. We focus on:

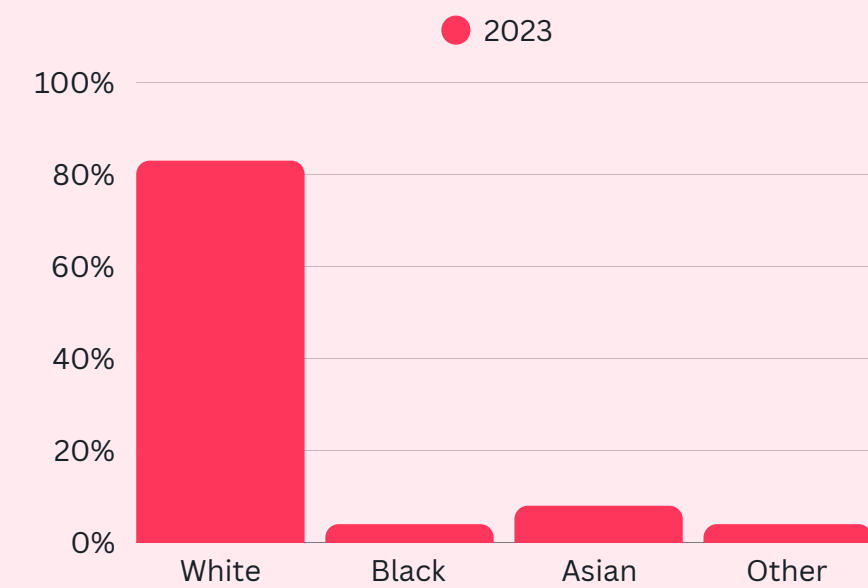
- Ensuring our full time employees reflect the diversity of our team members
- Updating our recruitment and staffing practices to reduce unconscious bias when hiring and selecting team members for roles
- Providing diversity, equity and inclusion (DE&I) training and running awareness campaigns to create an inclusive culture
- Ensuring our offices and spaces are accessible to people with disabilities



Team Member Ethnicity Stats



Full-Time Team Ethnicity Stats



What We've Achieved in 2023

Measuring the Diversity of Our People

In 2023, the majority of our team members were Black (36%), Asian (31%) mixed race (5%) or an ethnic minority (1%) – with around 27% white team members. Our gender split was almost equal with 52% female, 46% male and 1% transgender. Around 8% reported having a disability and 12% identified as LGBTQ+. See charts to the left.

We still have more work to do to increase diversity within our full-time team. Even so, around 20% of our employees are Black, Asian, mixed race or an ethnic minority, which is considerably higher than the industry average of 5%. Around 67% of our employees are female and of our senior leaders, 71% are women - again, considerably higher than the industry average of 27%.

[1] 1% of team members surveyed did not wish to disclose their gender

[2] [WiHTL Annual Report \(2020\)](#) on diversity and inclusion in the hospitality, travel and leisure sector reported Black, Asian, mixed race or an ethnic minority representation of direct reports was 4.8% (p9) and the % of women in Exec positions was 27.2% (p8)

Reducing Unconscious Bias in Hiring

With the help of Your D+I, one of the country's leading diversity consultancies, we assessed our recruitment practices and introduced a number of their recommendations to reduce unconscious bias in our interview and hiring process. For example, altering job descriptions to eliminate gender bias and introducing a blind recruitment process.

We've also introduced role-specific training and assessments to ensure people are allocated into specialist positions based only on their suitability and skill level. From baristas, to junior chefs, to VIP hospitality positions, we use set criteria to evaluate someone's skills, communication, attitude and presentation and scores determine who's selected.

In 2023, over 550 of our team members completed at least one of our role-specific training workshops and now account for 10% of our active workforce

*89% of team members
agree Arc provides equal
opportunities*



Creating an Inclusive Culture

Our D&I training makes sure employees are up to speed on important issues and foster inclusivity at work. In 2023, 83% completed the training covering topics such as unconscious bias and protected characteristics (the remainder of the team are due to complete it by January 2024).

To keep the conversation going, we held regular Diversity Breakfast Clubs where we discussed topics important to our employees such as Ramadan, women's equality and invisible disabilities.

Along with initiatives for employees, we ran awareness raising campaigns to reach our team members. For Black History Month 2022, we created a short film highlighting our Black team members' experiences of racism (see page 10).





What's It Like Being A Person Of Colour Working In Hospitality?

To help uncover Black people's experiences of racism and understand first-hand what it's like to be a person of colour working in the hospitality industry, we interviewed five of our Black team members and created a short film to share their story.

[Used to it](#) (click to watch) shed light on the struggles they faced - from stereotyping, to micro aggressions to physical abuse - and the impact this had on them. Importantly, it also sends a positive message about how things can improve if we're all better allies to one another.

The film was promoted during Black History Month across all Arc's communications channels and achieved over 500 You Tube views to date and a total reach of 7,000.

Zero Tolerance to Discrimination

If any of our employees or team members experience discrimination or harassment, we take a zero-tolerance approach. We encourage all team members to call out discriminatory behaviour and speak up to our welfare manager if they feel they've been treated unfairly. All complaints are fully investigated and we take action as required.



“

We decided to make the short film, Used to it, as it's important to amplify the voices of people of colour, educate on racial injustice and listen to lived experiences.

Sarah King,
Senior People Operations Manager



Our Commitment

By 2025, we're aiming to help 1,000 people facing barriers to employment get into work.

We're also committed to making sure our people are paid fairly for the work they do to improve their incomes and life opportunities.

How We Plan to Get There

To help people in need get into work and ensure fair pay within our industry, we focus on:

- Upskilling people struggling to get a job through our employability programme, the Arc Academy
- Making sure our team members are paid the living wage as a minimum
- Collecting and responding to employee and team members' feedback to continually improve
- Achieving B Corp certification to help ensure we're a trusted partner in our communities



Tackling Barriers to Employment

Why it Matters

The UK unemployment rate stands at 4%. Many people find it hard to find work, including young people who aren't in education, training or employment, those with a disability or experiencing homelessness. Struggling to find work doesn't just affect people's income, it affects their health, wellbeing and long term life prospects too.



What We've Achieved in 2023

Arc Academy

In 2023, we kick-started our new employability programme - the Arc Academy, to provide skills, confidence and support to people who are struggling to get a job. This could be for a number of reasons such as, poor mental health, lack of experience or challenges due to a disability.

With the help of our charity partners Ingeus and Back on Track, 15 people completed training covering key skills such as CV writing and interview techniques, along with practical hospitality sessions. All graduates were offered positions as team members and a third of graduates are part of our team today (see case study page 14) and they have worked over 200 shifts between them.

Despite a promising start, we're currently off track to help 1,000 people by 2025. Our main challenge is finding the pipeline of people to participate – so we're making it even easier to access Arc's help. We now offer an initial phone call ahead of starting the training to advise on a pathway based on an individuals' needs. Applicants can then choose which modules they complete and join any of our UK-wide training sessions, giving much more flexibility on when and where they participate.



Creating A Career Pathway for Those Struggling to Find Work

Hazeeb and his cousin, Basisat were out of work and struggling to find a suitable role due to lack of confidence and inexperience.

In January 2023, they both successfully graduated from the Arc Academy in London and equipped with their newfound employability and practical hospitality know-how, decided to apply for a team member position with Arc, and they got the job!

They've completed over 130 paid shifts between them, excelling in a variety of roles including as cashiers, waiting and bar staff. They've since gone on to successfully complete Arc's junior chef training which includes passing Food Safety Level 2 assessments. The Arc Academy gave Basisat and Hazeeb a much needed step up and they've now both got a bright future ahead.





“

Two years ago I got diagnosed with a severe dissociative and anxiety disorder and didn't think I'd be able to work more than once a week. Arc helped me regain that confidence when I joined the team last year.

Nour Eltair,
Arc Team Member

Pushing Up Pay

Arc is a Living Wage Recognised Service Provider, meaning we always offer living wage pay rates as standard to any new client. We also actively encourage existing clients to reassess pay rates and increase as required.

In 2023, on average 63% of the hours worked by our team members were paid at the Living Wage rate – up an impressive 19% vs 2022. This was achieved even as the Living Wage Foundation increased rates of pay by 10% vs the previous year. The main driver of this was collaboration with our existing clients to encourage pay reviews and rises which we'll continue pushing for in the coming year.

*63%
Of hours worked paid as Living
Wage rates – up 19% vs 2022.*



Our Peoples' Satisfaction Is on The Up!

We value our team members' feedback and use it to help improve their experience at Arc. Last year, we held four online People Pulse forums which were attended by around 40 people working in a variety of roles and geographies.

The main feedback we received was:

- More roles and fairer shift allocation
- More training opportunities are required for roles
- Improvement in pay frequency

We also surveyed our full-time employees quarterly to assess their satisfaction levels. Our 2023 results indicated that 75% of employees feel happy or very happy at work. This was an increase of 4% compared to 2022, but we still have work to do to bring this up to our target of 90%.

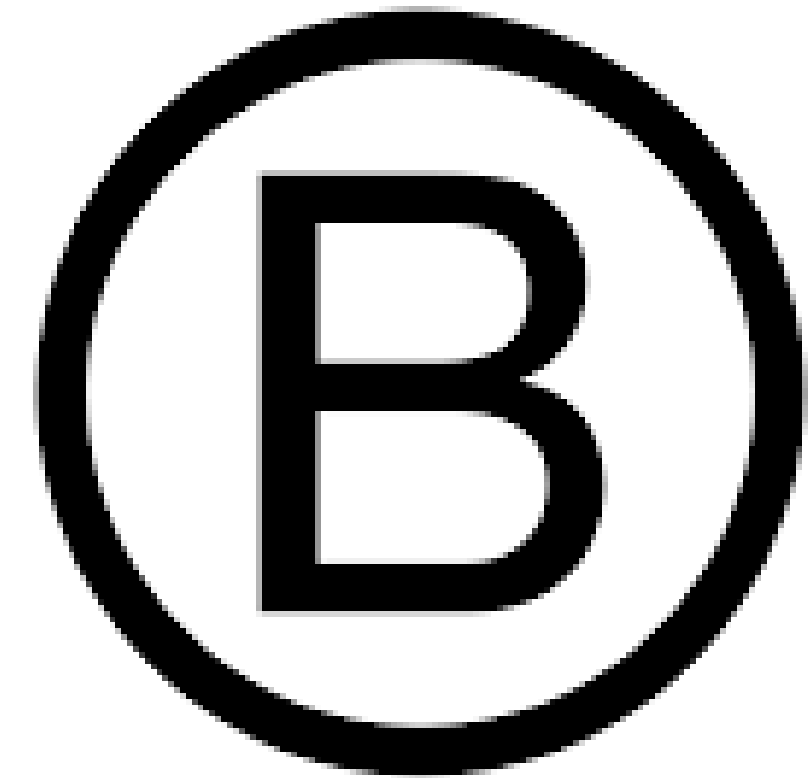
*We're working to
achieve 90% employee
satisfaction levels*

Better Business

Arc is working hard to certify as a B- Corp meaning we are using our business as a force for good. We focus on people, planet as well as profit.

With its assessment body, B-Lab, we're identifying how best to increase our positive impact and become an official B-Corp.

Certified



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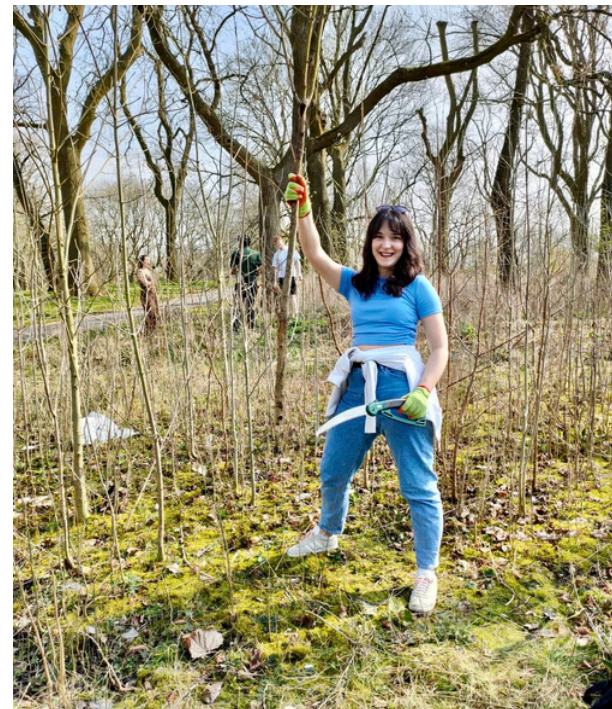
Corporation



Taking Climate Action

Why it Matters

The climate crisis is one of the biggest threats we face. Human activity and burning fossil fuels is causing our planet to overheat meaning we're likely to experience more extreme weather events like heatwaves, droughts, flooding and wildfires.



Our Commitment

By 2025, we're aiming to cut our carbon emissions to net zero. Beyond this, we're working to educate Arc people on the climate crisis and engage 5,000 to take climate action.

As a service business, we don't have a big carbon footprint but we are still committed to playing our part.

How We Plan to Get There

- Cutting emissions from our operations by using renewable electricity to power our offices
- Exploring low-carbon transport to reduce emissions in our value chain
- Encouraging team members to pledge small changes to reduce their environmental impact
- Leaving no trace at the events our team members work at.

Arc's Carbon Footprint

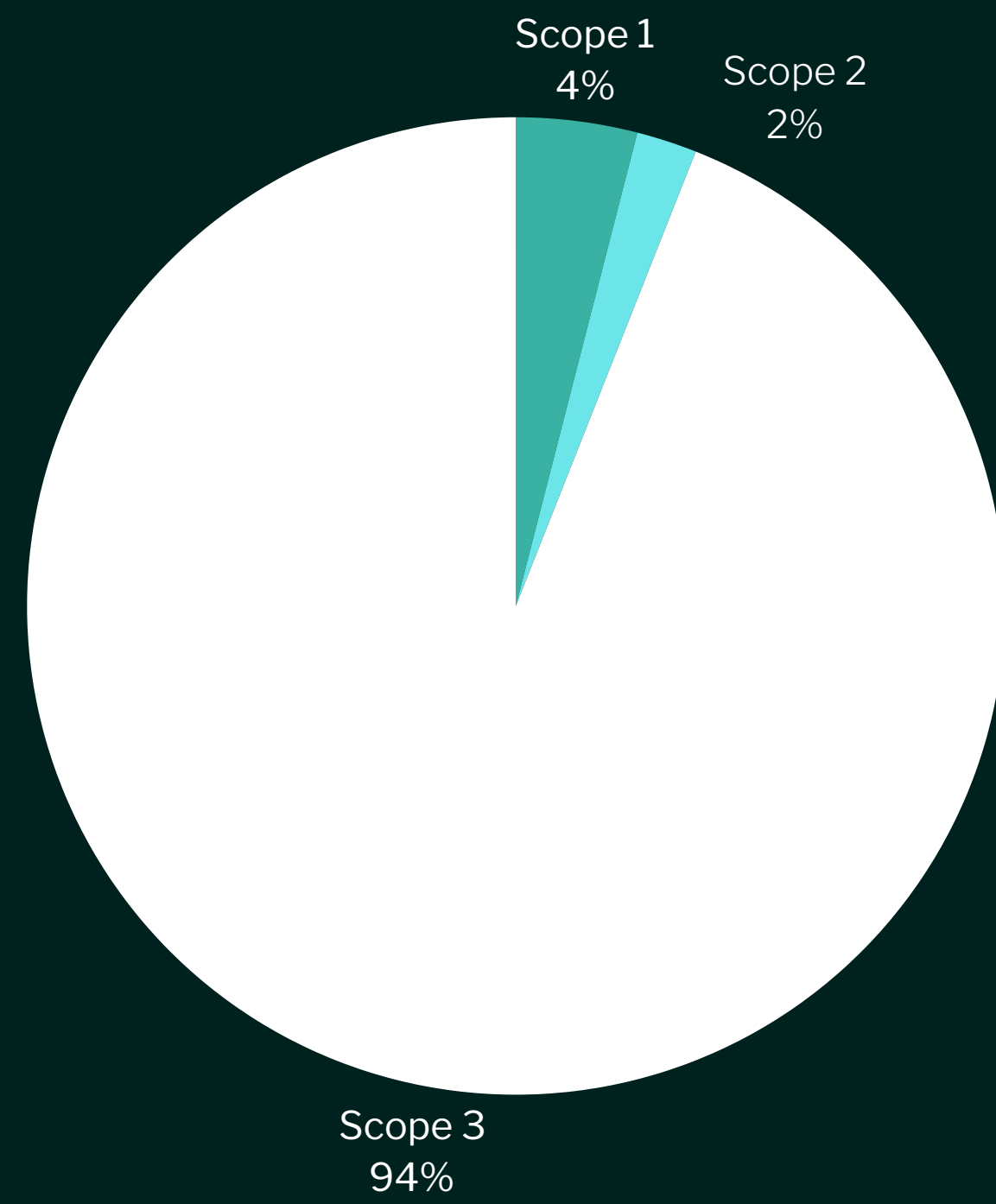
In 2023, Arc's total carbon footprint was 118 tonnes of CO₂ equivalent – that's a decrease of 43% vs 2022. Around 6% (7.6 tCO₂e) related to our own business activities (scope 1 and 2), mainly from the energy used to power our offices. The vast majority (94%) relates to indirect emissions in our value chain (scope 3) of which, business travel is the main contributor (70%), followed by our suppliers' emissions (18%) employee commuting (11%) and other energy related activities (1%). See charts below.

Scope 1: 4.1% Emissions from sources that your organisation owns or controls directly.	4.824
Company owned/controlled facilities	4.781
Fugitive emissions	0.043
Scope 2: 2.3% Emissions that your company causes indirectly when the energy it purchases and uses is produced.	2.765
Purchased electricity	2.765
Scope 3: 96.3% Emissions that your company is indirectly responsible for, up and down value chain.	110.361
Purchased goods and services	19.814
Capital Goods	0.373
Other energy-related activities	0.686
Waste	0.584
Business Travels	76.728
Employee Commuting	12.176



Carbon Footprint 2022/23

● Scope 1 ● Scope 2 ● Scope 3





What We've Achieved in 2023

Arc is proud to be a carbon neutral business. This means we've cut our carbon emissions in real terms as far as possible and for any emissions we can't eliminate, we buy high-quality, certified offsets. Even so, we're still exploring ways to cut emissions from our operations and value chain in line with our net zero by 2025 goal and to reduce our reliance on carbon offsets. And we made great progress in 2023!

Cutting Our Operational Carbon Emissions

We reduced our operational (scope 1 and 2) emissions by 24% vs 2022 to 7.6 tCO₂e. We continued to purchase 100% renewable electricity where we own the supply, which helped reduce our scope 2 emissions by 25% compared to 2022 (to 2.8 tCO₂e). We're currently unable to eliminate our scope 1 and 2 entirely as the offices where Arc are tenants do not purchase renewable electricity and rely on a gas heating system.

To improve our environmental monitoring and management even further, we began certifying our environmental management system to the globally recognised standard, ISO 14001. We've completed the initial stage audit and aim to certify by early 2024.



Reducing Our Value Chain Emissions

We've also made good progress on our scope 3 emissions which were down 44% to 110 tCO₂e vs 2022.

Transport (both business travel and employee commuting) are our biggest hotspots, accounting for 81% of these emissions. To address these:

we focused on encouraging greener travel by introducing a zero flight policy and cycle to work scheme for full time employees.

We also explored switching to electric coaches as these are a big source of emissions, but as of yet, suitable electric alternatives don't exist.

Inspiring Climate Action

Along with the changes we're making within our own business, we also educate and inspire others to take climate action. In 2023, we engaged with around 2,000 of our people through our Climate Action Pledge and Leave No Trace campaign, meaning we're on track to hit our goal.

Arc's Climate Action Pledge

We believe small changes can make a big difference. That's why we're encouraging team members to pledge to reducing their environmental impact in whatever way they can.

We promote the pledge via our induction, welcome email, internal news feed and at our events and invite team members to let us know what changes they plan to make. So far, we've reached out to over 1,000 people and received 160 pledges - from recycling everything they can every day to cycling to work.

ARC CLIMATE ACTION PLEDGES



Why not get involved? Use the QR code to make your pledge today!



— THIS FESTIVAL SEASON —

LEAVE NO TRACE

arc



Leave No Trace

We have hundreds of team members working at festivals across the UK every year. Our Leave No Trace campaign helps make sure everyone knows what they need to do to lower their environmental impact on-site. The main ways we do this are by:

- Encouraging the team to take public transport where possible
- Educating team members on correct recycling procedures
- Appointing a Leave No Trace representative who's responsible for ensuring all waste is cleared up
- Asking our team to pledge to leave no trace on the site.

Through Leave No Trace we've engaged with 935 people.

arc