



EY Modern Slavery Statement

2021



This is our sixth Modern Slavery Statement. It has been prepared for Ernst & Young LLP (the “firm”) pursuant to section 54(1) of the Modern Slavery Act 2015 (the “Act”) in respect of the financial year from 4 July 2020 to 2 July 2021 (“FY21”). This statement also covers all of the firm’s UK affiliates (including the principal employer Ernst & Young Services Limited) (the “Group”). It sets out the new and ongoing steps we are taking to address and prevent modern slavery taking place both within our business and our supply chains.

However, this statement should not be read in isolation as we have many corporate social responsibility initiatives in place, which set out how the firm can help drive social and environmental change in our marketplace, workplace and our communities. Additionally, our EY global network has a strong Diversity and Inclusiveness strategy for its global workforce and a global Supplier Diversity Programme for our supply chain, on which the UK has a strong focus. Furthermore, EY has been a global signatory to the UN Global Compact (which aims to align worldwide business strategies and operations with universal principles on human rights, labour, environment and anti-corruption) since 2009 and we continue our pledge to support and advance its principles. Since January 2018, EY has been a Participant Member and therefore has access to the UN Global Compact’s resources and activities, country-specific resources and activities, and digital platform and tools. For further details of each of these initiatives, please visit our [website](#).

How we are organised

The firm is a limited liability partnership incorporated in England and Wales and a member firm of Ernst & Young Global Limited, a UK company limited by guarantee. The firm is a leading professional services firm in assurance, tax, strategy and transaction, and consulting services. The firm has a number of UK affiliates within its Group¹. All of our affiliates are required to comply with the same standards and policies as the firm. Therefore, when we talk about our suppliers and supply chain below, we are not including other members of the Group as they are instead required to adhere to our internal policies.

1. E&Y Trustees Limited, Ernst & Whinney Limited, Foviance Group Limited, Ernst & Young Limited, Rolls House Holdings Limited, EY Corporate Secretaries Limited, Garrard House Executor & Trustee Co. Limited, Ernst & Young Services (UK) Limited, EY Securities Limited, Ernst & Young Services Limited, EYGS UK Participation Limited, Ernst & Young International Limited, EY-Seren Limited, EY Incentives Limited, EY Frank Hirth Limited, EY Professional Services Limited, Pythagoras Comms Holidays Limited



As of 2 July 2021, the firm had 716 UK partners and the Group had approximately 16,800 employees operating from 21 offices across the United Kingdom and Channel Islands. Worldwide, EY member firms operate in more than 150 countries and share the commitment to building a better working world. As a member of the EY Global Network, the UK firm operates as subcontractor to and for other member firms, which are all required to comply with the internal policies, and support the initiatives, set out above.

Our partners and employees comprise our client facing and support teams, sometimes in conjunction with contractors.

Our pledge

Our purpose is to build a better working world and this includes a commitment to conduct our business to the highest possible ethical standards. In accordance with [EY's Global Human Rights Statement](#), we will not tolerate any form of human rights abuse, including modern slavery or human trafficking, in any part of our business or within our supply chains. We invest in our people and innovate to deliver responsible growth that is inclusive for all.

We undertake a variety of different activities within our own business and supply chains, making sure that all our stakeholders (including employees, partners and suppliers) are working together to eliminate modern slavery and human trafficking. In relation to our supply chain, we are focussed on working with long-term, strategic partners who demonstrate the same commitment to these standards; to ensure modern slavery plays no part in either their or our business.

Whilst all our people have a part to play in ensuring that modern slavery does not take place, we have several teams who are specifically tasked with forming and implementing our strategy to tackle modern slavery and other important social governance issues. Our Supply Chain Services team (formerly known as our Procurement team) procure goods and services from our external suppliers where the level of expenditure is above a certain threshold. Within this team, we have a dedicated sub-team, our Environmental Social Governance Services (ESGS) team, which focuses on modern slavery issues. We also have our Climate Change and Sustainability Services (CCaSS) team who provide training to the Supply Chain Services team on human rights and modern slavery issues in order to shape policy and processes, and to actively input on procurement strategy.

We have set out further information below about our approach and initiatives in each area.



How we approach modern slavery risks in our supply chain

As a professional services company, our most significant risks in relation to modern slavery are in our supply chain. We source from a number of different suppliers providing us with a large range of goods from stationery to technology hardware and various services from catering to cleaning. To combat modern slavery within our supply chains, our ESGS team supports the wider Supply Chain Services team to encourage more socially and environmentally sustainable procurement. ESGS set overarching strategies and targets relating to anti-slavery, sustainability and supplier diversity and they are also responsible for developing and managing the ESG supplier due diligence programme.

In addition, we have the EY Global Human Rights Group who are responsible for bringing our EY Human Rights Statement to life through educating our people and embedding it in our processes. This group has UK representation from our ESGS team.

We pay great attention to the appointment of new suppliers. Our annual UK spend with external suppliers under the management of our Supply Chain Services team was approximately £284,000,000 in FY21, with goods and services sourced from just over 2,200 suppliers. To map and mitigate risk, we use a variety of methods which allow us to undertake due diligence on our suppliers and ensure that we have appropriate policies and contractual terms in place so that our suppliers understand the standards that we require of them. To the extent that our suppliers do not adhere to our standards, there can be material consequences, including the termination of our relationship with them.

Procurement categories

Our supply chain generally falls into the following categories of supply:

- ▶ Procurement Services, which includes two streams:
 - ▶ Technology Sourcing (TS) which supports EY Technology purchasing materials and services. TS concentrates on application and infrastructure software, professional and managed services, application development, hardware, telecommunications and external content, offering specialised sourcing solutions for Client Technology, Enterprise Technology, Information Security, Global Innovations, External Data, Regional Liaison Leads, and Business Enablement.
 - ▶ Talent and BMC Procurement which manages sourcing activities related to Automotive, Health and Insurance, Human Capital (spanning recruitment and external workforce), Learning and Development, Employee Rewards and Benefits, as well as Brand, Marketing and Communication, which includes Media Buying, Digital Marketing and Public Relations.
- ▶ Real Estate and Workplace Services (WPS) which provide services such as planning, transaction management, design and construction, workplace standards, workplace procurement (e.g., facilities management, furniture and office furnishings) and lease/sublease administration (e.g., rent payments and sublease collections).



- Travel, Meetings and Events Services which support the mobility of our people, enabling engagement with our clients and internal teams, and enhancing the culture and shared values while minimising the organisation's total travel costs.

We continually evaluate how to identify and address risks in all categories of our supply chain, including those related to modern slavery and human trafficking.

Supplier due diligence process

At the supplier selection stage, a core set of request for proposal (RFP) questions are asked in relation to modern slavery issues and safeguards, and the potential suppliers' responses are reviewed, scored and weighted to assess the standards they have in place. This process helps sourcing managers to make an informed decision about the supplier that is most suitable for the sourcing project.

All chosen suppliers who are subsequently onboarded are required to answer further questions on social and environmental sustainability, including their efforts to protect against modern slavery, their own vendor due diligence processes and to provide supporting evidence for their answers. Their responses are then reviewed by the ESGS team and scored.

Where we are satisfied that it is a supplier with whom we want to engage, we then negotiate appropriate terms with them. Adherence to local laws and regulations regarding modern slavery is non-negotiable item.

During FY21, we have continued to utilise a data-driven tool developed by our CCaSS team, known as the "EY ESG Risk Tool", which provides an indicated risk rating (from low to high) across elements of modern slavery for sub-categories of our supply chain. In particular it looks at child labour, forced labour, human trafficking and forced marriage drawing on data from industry-established data sets. This tool has helped us to identify suitable sub-categories and suppliers to review in our FY22 audit pilot, based on indicated risk levels. As a firm, we continue to look for ways in which to minimise the risk of modern slavery occurring in our supply chain.

Supplier governance and compliance

Our governance and compliance framework for suppliers is set out in EY's Global Procurement Policy, which contains the codes and policies that govern the processes pertaining to supplier engagement and the minimum requirements and prohibitions with respect to the purchasing of goods and services on behalf of EY. The policy outlines the requirement that all contracts with suppliers should include the obligation for the supply to comply with the EY Supplier Code of Conduct (or equivalent standards).



Supplier Code of Conduct

Our [Supplier Code of Conduct](#) ("Supplier Code of Conduct") sets out clear standards of business conduct and ethics that our suppliers have to abide by. All suppliers are required to adhere to the Code (or equivalent standards), which is publicly available on the firm's website.

The Supplier Code of Conduct has formed part of our supply chain management since 2011. It was last updated in April 2020. In the latest update we outlined in more detail EY's requirements in terms of human rights and social sustainability. This covers areas such as health and safety, working hours and working conditions. Specific examples of what it includes are:

- ▶ **Freedom from forced labour, bonded labour and human trafficking:** All employment should be freely chosen by the worker. This means workers should be free to leave their employment at any time (subject to reasonable and paid notice periods) and should not be subject to any coercion or restriction through, for example, the holding of original copies of employee passports, identity documents or monetary deposits. Further, there should not be any use of bonded labour. Work should be undertaken for fair compensation and should not be undertaken to repay a debt incurred (for example, as a result of deceptive recruiting practices).
- ▶ **Recruitment agencies:** Where recruitment agencies or brokers are used by the supplier, appropriate due diligence and ongoing management should be undertaken to ensure that risks of worker exploitation (such as debt bondage) are effectively mitigated. Reasonable evidence of these activities should be made available to EY upon request, within a reasonable notice period.
- ▶ **Child labour:** Suppliers should adhere to local laws relating to the minimum working age and not engage in the employment of child labour, directly or indirectly. Suppliers should also ensure that working hours for those of school age are not exceeding the maximum hours on a school day.
- ▶ **Demonstration of reasonable modern slavery due diligence:** We expect that our suppliers will maintain an active view on the inherent risks of modern slavery in their supply chain (including third-party certifications in relation to human rights and social compliance standards). Among other modes of inquiry, we expect this to include engaging human rights specialists to perform validation audits of high-risk suppliers on an intermittent, but no less than annual, basis.

Supplier contractual terms

The obligations set out in our Supplier Code of Conduct are strengthened by our standard supplier terms which provide the firm with the right to terminate agreements by written notice to a supplier with immediate effect if the supplier commits a material breach which is irremediable or, if such breach is remediable, fails to remedy that breach within a period of 30 days after being notified to do so. Being in breach of any applicable law (including the Act) would, in our view, amount to a material breach of our supplier terms.



Higher risk areas within our supply chain

Some of our suppliers operate in industries that are deemed to have an increased risk exposure for modern slavery. Our UK Risk Management team conducted an evaluation of EY procurement spend in FY21 and identified higher risk sectors that provide services to the firm. These include:

► **Technology hardware**

EY engages large international technology companies to source a range of technology hardware items including laptops, monitors and peripherals which are typically manufactured in countries such as China, Taiwan, India, Brazil, Mexico, Malaysia and Thailand where modern slavery regulation is lacking or non-existent.

We recognise the high inherent risks of modern slavery present further down the supply chain of the products, such as, the high risk of child labour in the mining of raw minerals used to make electronic components (such as conflict minerals) and forced labour in the manufacturing of product parts. We therefore ask our suppliers about their own supplier due diligence efforts and human rights practices, and clearly outline our expectations on vendor due diligence in our Supplier Code of Conduct.

► **Onsite cleaning services, food catering and hospitality**

In these areas, the risk lies in the recruitment and provision of people by our suppliers to carry out these services at our various UK premises. Some suppliers in these sectors, or recruitment agencies further down their supply chain, could find themselves targeted by traffickers and gangmasters offering labour.

We use robust contractual rights (including an obligation for our supplier to perform various checks on all people supplying services to us), regular governance and management discussions with the supplier, as well as rights to audit the supplier at our request to manage the associated modern slavery risks in the supply of services from these sectors. Further we require the supplier to pay the Living Wage to all its people involved in the supply of services to us, monitor their working hours and require that they are not engaged using zero-hours contracts.

► **Warehousing and courier/delivery services**

Demand for warehousing space has increased significantly due to growing consumer and corporate demand; this has been further accelerated by the pandemic. This has resulted in labour shortages in these sectors making these sectors, and recruitment agencies further down their supply chain, targets for traffickers and gangmasters. Examples of exploitive working practices and poor working conditions have also been reported within these sectors.

We use our supplier selection and due diligence processes to identify any modern slavery risks and what safeguards and standards our suppliers have in place, including those related to their recruitment practices, vendor due diligence processes and pay and working practices.



In FY22 our ESGS team is focusing on advanced supplier due diligence and monitoring for a selection of suppliers from these sectors, with a particular focus on identifying any human rights and modern slavery issues.

How we approach modern slavery risks in our business

Our Talent teams work closely with our Legal and Risk Management teams to ensure that our recruitment and screening practices are fit for purpose. During the course of FY21, our Risk Management team have taken on responsibility for the day-to-day implementation of our modern slavery policy and are in the process of reviewing our current initiatives to see where improvements may be made in FY22.

Our Risk Management team has also established a process to perform enhanced due diligence over any target entity the firm is attempting to acquire in the UK, before it is accepted into the EY network. This includes assessing modern slavery risks in the target, its suppliers and its business relationships.

Putting our values into practice

EY is committed to its purpose of building a better working world and this commitment is underpinned by our [Global Code of Conduct](#) (the “Code of Conduct”), which is publicly available on our website. The Code of Conduct applies to all EY people worldwide and provides a clear set of standards for the way we conduct business as well as ethical and behavioural guidance to help our people put the Code of Conduct into action in their day-to-day work. In particular, the Code of Conduct requires that our people ask themselves the following questions when faced with a difficult issue or where they are unsure of the right course of action:

- ▶ Have I consulted appropriately with colleagues?
- ▶ Are my actions legal and in compliance with the standards of our profession?
- ▶ Am I compromising my integrity or the integrity of EY or our clients?
- ▶ Am I respecting others’ different perspectives and backgrounds?
- ▶ Is my choice of action the most ethical among the possible alternatives? Do I feel good about my choice?
- ▶ If I document my decision, would a reviewer agree with the action I have taken?
- ▶ Would my actions damage the reputation of EY?

Our people have a responsibility to speak up when they see any behaviour that they believe is inconsistent with the principles set out in the Code of Conduct. To help ensure that the Code of Conduct is fully embedded in the firm’s culture, our people are required to sign an annual declaration to confirm that they have read, understood and are in full compliance with the Code of Conduct.



Any breach of the Code of Conduct will be taken very seriously. For employees, this can result in disciplinary action, up to and including dismissal without notice. For partners, action will be taken in accordance with the firm's Partners' Agreement and partner-specific disciplinary process, which include the right of expulsion from the firm with immediate effect. For employees or partners who are members of professional regulatory bodies, a breach will often result in a report of wrongdoing being made to their regulator.

Recognising instances of modern slavery

The firm's UK Modern Slavery Policy (the "MSA Policy") applies to all EY people in the UK and provides guidance to help staff understand what modern slavery is, areas where it is a particular risk and how to report any suspicions that modern slavery may be taking place. The firm's Safeguarding Policy also includes guidance on recognising modern slavery and how to report concerns, as well as giving wider guidance on how our people can help ensure that vulnerable individuals are protected from harm or abuse. Our Safeguarding Policy not only covers EY's people but also any individuals who engage with EY's learning programmes or attend EY's sites and is available to all our people on EY's intranet.

We also have a web-based learning module called "Safeguarding People at EY" which includes information on modern slavery issues and how to report concerns. During FY21, bespoke modern slavery training was also provided to our Legal, Talent Recruitment and Supply Chain Services teams; those teams within the business considered most likely to come into contact with instances of modern slavery in practice.

Reporting potential instances of modern slavery

Our MSA Policy and Safeguarding Policy contain guidance on how to raise any questions or concerns that our people may have about modern slavery in our business or supply chain via the firm's Modern Slavery Mailbox or, alternatively, they can raise any breaches with an appropriate colleague, our Talent function or via our whistleblowing procedures or to our EY Ethics Hotline.

Our Ethics Hotline is hosted by an independent external organisation, NAVEX Global, which then forwards the online report to the firm's General Counsel, who in turn allocates each case to a suitable member of the Legal team at EY for review and investigation. This process ensures the reporter can remain anonymous if they wish and that the report is reviewed at the most senior level of management within the firm. The EY Ethics Hotline is also accessible by the general public via our website, so anyone who has concerns about modern slavery issues at EY or within our supply chain can raise them with us directly via this platform.

During FY21, no complaints or concerns were raised about modern slavery or human trafficking taking place in our UK business.



Preventing modern slavery within the firm

We operate in the professional services sector, and whilst this is not deemed to be a higher risk industry for modern slavery practices, we continue to be mindful of the possible risks and carry out checks prior to any person joining EY to help ensure that modern slavery does not take place within our business. This can include pre-screening of our employees and partners, via a specialist independent screening provider who performs identity checks, reference checks, right to work checks, criminal record checks, and where applicable education and professional qualification checks.

We are committed to ensuring that all of our people are paid fairly and we are accredited by the Living Wage Foundation as a Living Wage employer, ensuring that all of our employees and contractors in the UK are paid at least the real Living Wage (or the London Living Wage, for those who are based in our London offices).

Looking back over the year

Last year's aim	Our progress
To expand our internal training and awareness about modern slavery issues (particularly for those working in Supply Chain Services and Legal functions), including the management of our internal escalation process where possible modern slavery issues are identified in our supply chain.	<p>EY's CCaSS team delivered bespoke training to the Supply Chain Services team. This included information on defining modern slavery, relevant legislation, supply chain risks in terms of product or service type and geographies, example scenarios, the role of due diligence, what staff can do to support anti-modern slavery efforts and how staff should respond where a risk of modern slavery is identified.</p> <p>A recording of this training remains available to all EY staff globally on a training platform. Further training for the Supply Chain Services team on this topic will be provided in FY22 including expanding on the escalation process, should any modern slavery risks be identified in the supply chain. EY's Legal team delivered internal training for both the Legal team and our Talent Recruitment team in FY21.</p> <p>EY's web-based learning module called "Safeguarding People at EY" (which is available to all EY employees and includes information on modern slavery issues and how to report concerns) was also created in FY21.</p>



Last year's aim	Our progress
<p>To expand our supplier due diligence process at a global level by ensuring that additional and better tailored questions are issued to those suppliers who operate in the higher-risk areas in terms of sub-category and also to any suppliers where concerns about modern slavery have been identified (whether through our own due diligence or by way of matters reported to us).</p>	<p>A revised core set of ESG and human rights questions in both the template RFP document used for supplier selection and for the ongoing ESG due diligence was implemented in FY21</p> <p>To build on this further, we have planned an FY22 audit pilot where we intend to ask even more detailed questions based on the expected risk factors of the supplier (and the product/ service they provide). As noted above, we have used the EY ESG Risk Tool to evaluate expected risk areas and have shortlisted suppliers for the pilot based on this information, including some in the areas of technology hardware and onsite cleaning services.</p> <p>In FY22 we also plan to hold another review of EY's Supplier Code of Conduct to ensure our expectations are effectively communicated to all our suppliers.</p>
<p>To expand our supplier due diligence process at a global level by implementing a better mechanism for understanding our suppliers' own internal grievance processes and, importantly, ensuring that modern slavery concerns impacting on our supply chain are notified to us.</p>	<p>We continue to work with our suppliers to better understand any modern slavery issues that impact our or their supply chain. Revised questions in our supplier due diligence templates relating to the supplier's own grievance mechanisms to better understand the mechanisms they have in place implemented in FY21.</p> <p>Our Ethics Hotline (which is publicly available for all, including personnel working at and with our suppliers) remains available and can be used to report any modern slavery concerns to us. This is referenced in our Supplier Code of Conduct.</p>

Despite the progress that has been achieved over the course of FY21, we strive to continually improve our systems and policies that mitigate against the risks of modern slavery and human trafficking taking place in our business and supply chains. Therefore, set out below are our aims for FY22.



Looking to the future

Our key aims for next year are:

1. To provide further bespoke training on modern slavery issues to our Supply Chain Services team (including expanding on the information regarding our escalation process in the event that modern slavery risks are identified in our supply chain) and to deliver training on modern slavery issues to some of our key suppliers in order to help educate them about the risks, the requirements in our Supplier Code of Conduct and the importance of reporting any modern slavery issues to us.
2. To carry out an in-depth audit assessment of selected high-risk suppliers based on spend, sector and geographical area to verify what their standards, policies and programmes are relating to human rights and modern slavery issues.
3. The ESGS team will reassess our Supply Chain Services policies and process (including a review of our Supplier Code of Conduct) to confirm if any improvements can be made in terms of supporting human rights and anti-modern slavery.
4. The UK Risk Management team will be reviewing and updating as required our UK Modern Slavery policy along with any associated UK guidance (including a modern slavery response plan for any identified risks in our internal and supplier assessment processes).

Responsibility and compliance

The firm's Board has overall responsibility for the MSA Policy and for ensuring that all those under the firm's control comply with it. Our General Counsel has responsibility for the production of our annual Modern Slavery Statement. Our UK&I Risk Management Leader has primary and day-to-day responsibility for implementing our modern slavery policy, monitoring its use and effectiveness, dealing with any queries about it and ensuring the firm's internal control systems and internal auditing procedures are effective in countering modern slavery and human trafficking within our business and supply chain.

Any concerns about modern slavery or human trafficking taking place in any part of our business or supply chain can be raised directly with our [General Counsel](#), our [Risk Management Managing Partner](#) or anonymously via our [Ethics Hotline](#). The firm remains committed to improving its practices to combat modern slavery and human trafficking.

Lisa Cameron

General Counsel and Designated Member for and on behalf of Ernst & Young LLP

11 November 2021

EY | Building a better working world

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Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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