

EY Modern Slavery Statement

2022



This is our seventh Modern Slavery Statement. It has been prepared for Ernst & Young LLP (the “firm”) in accordance with section 54(1) of the Modern Slavery Act 2015 (the “Act”) in respect of our financial year from 3 July 2021 to 1 July 2022 (“FY22”). This statement also covers all of the firm’s UK affiliates (the “Group”¹) and sets out the steps we take to prevent modern slavery occurring within our business or our supply chains.

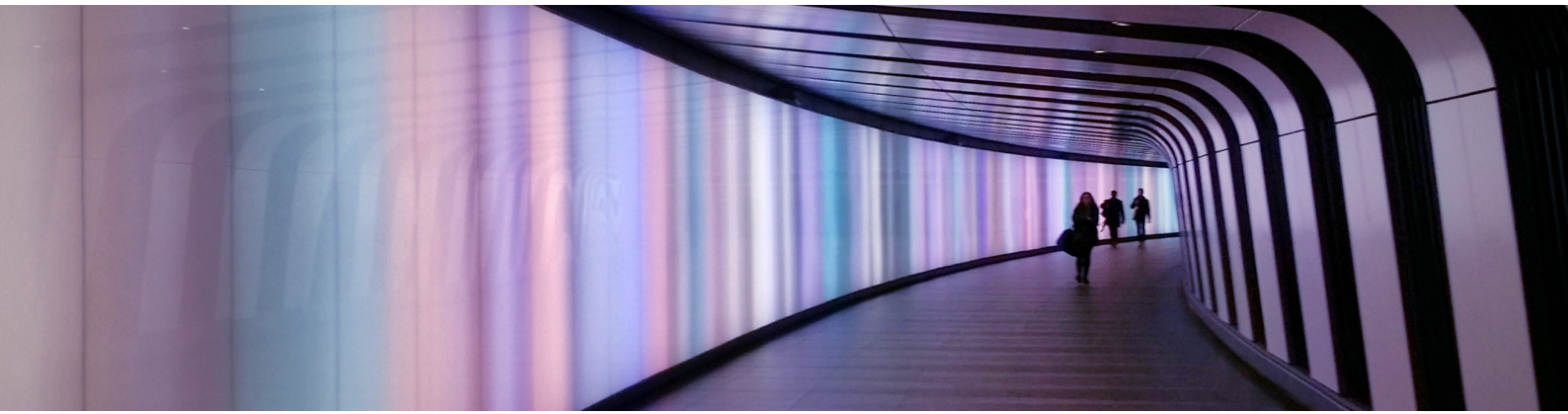
Our purpose is to build a better working world, and this includes a commitment to conduct our business ethically and to deliver responsible growth that is inclusive for all. In accordance with [EY’s Global Human Rights Statement](#), we will not tolerate any form of human rights abuse, including modern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

About us

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. All of our affiliates within our Group are required to comply with the same standards and policies as the firm.

As of 1 July 2022, the firm had 779 UK equity partners and the Group had more than 18,500 employees operating from over 25 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.

¹The firm’s UK affiliates comprise the following companies in respect of FY22: 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, Peak EPM Limited, Seaton Partners Limited, Lane4 Management Group Holdings Limited, Lane4 Management Group Limited, Pythagoras Comms Holdings Limited, Ernst & Young Property (Jersey) Limited, New Street Nominees Limited, Ernst & Young Resources (CI) Limited.



Key Teams

We undertake a variety of different initiatives within our own business and supply chains, making sure that we are working together with our staff and suppliers to eliminate modern slavery and human trafficking.

While all of 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 devising and implementing our modern slavery strategy and other social initiatives.

Supply Chain Services (SCS) – Our Supply Chain Services team procure goods and services from our external suppliers, where the level of expenditure is above a certain threshold.

Environmental Social Governance Services (ESGS) – Our Environmental Social Governance Services team is a sub-team within Supply Chain Services, which has a particular focus on modern slavery strategy and monitoring. The team regularly reviews our processes, policies and training relating to modern slavery and carries out the supplier due diligence initiatives mentioned below.

Talent – Our Talent team monitors for signs that recruits may be subject to modern slavery and managers in the recruitment team received refresher training on modern slavery risks, and how to spot the signs in FY22. The team work closely with our external screening provider to carry out pre-employment checks (see below for details). The team also work closely with our legal team to investigate any whistleblowing reports or other issues raised involving our staff. They also check that we are compliant in paying the real Living Wage to our staff.

Legal – Our Legal team advise SCS on procurement matters by working to ensure robust terms are in place with our suppliers, covering their obligations and required practices when providing services to EY. They also advise our Talent team and other internal teams on modern slavery matters.

Risk Management – Our Risk Management team is responsible for oversight of the firm's Modern Slavery policy and associated procedures, carrying out the firm's annual Modern slavery risk assessment and recommending enhancements to controls and oversight arrangements. Given EY's growth strategy in FY22, this team have also carried out relevant due diligence as part of our acquisition process, to check that there are no modern slavery red flags in the businesses we are acquiring into the UK Firm.



Climate Change and Sustainability Services (CCaSS) – Our Climate Change and Sustainability Services team provide expert advice to clients on sustainability and human rights in relation to their business practices. We utilise the team’s expertise within our own business too. They devise and deliver training on human rights and modern slavery issues and advise on our related policies and processes.

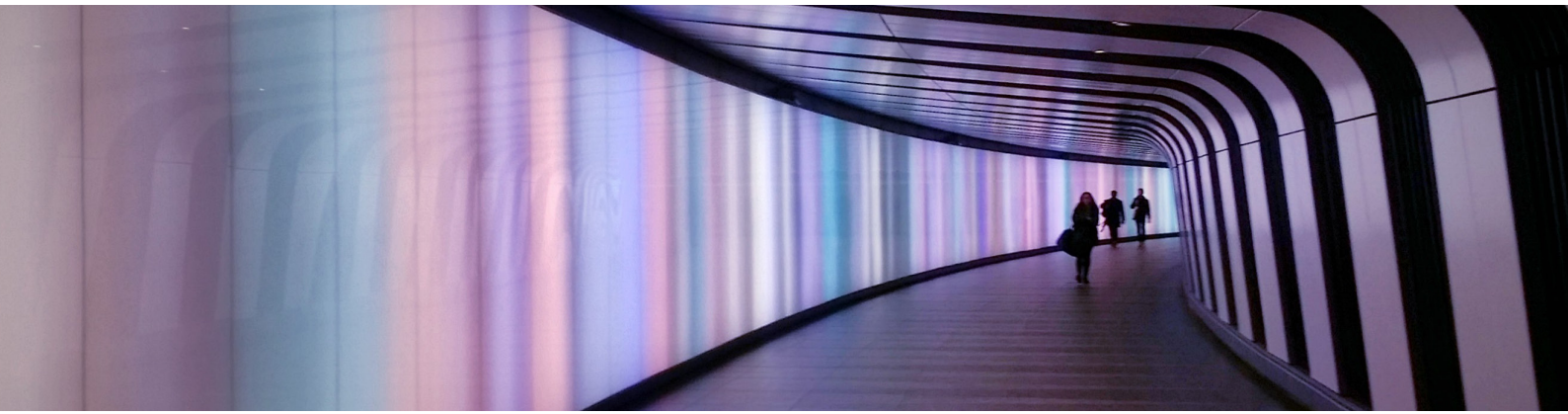
Administration and Workplace Services (AWS) – Our Administration and Workplace Services team are responsible for the management of our office sites and work closely with our suppliers in a number of high-risk areas for modern slavery (as set out below), including provision of cleaning, catering and hospitality staff, to ensure that our suppliers comply with our modern slavery policies and requirements in relation to staff conditions and pay.

Modern Slavery Working Group – In FY22 we formed the Modern Slavery Working Group which has representatives from key functions including Legal, Supply Chain Services, Risk Management and Talent. The group meets on a quarterly basis and the key objectives of this group are to:

- ▶ Centralise and amalgamate modern slavery related activities/initiatives being carried out in the firm to facilitate meaningful output.
- ▶ To support the ongoing development of the governance framework of systems and processes, to ensure compliance with the provisions in relation to modern slavery issues.
- ▶ To raise awareness and understanding of modern slavery and its effects, by facilitating adequate training for suppliers, gatekeepers and employees.
- ▶ To act as a forum for discussing any modern slavery issues identified in the UK.
- ▶ To continually look for ways to minimise modern slavery risks, demonstrate adherence to modern slavery controls and develop alignment between the different teams through sharing best practice.

In addition, ESGS also has representation on EY’s Global Human Rights Group, which is responsible for putting the EY Human Rights Statement into practice through educating our people and embedding it in our processes throughout our Global Network.

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



Risks within our business

We operate in the professional services sector, and while this is not deemed to be a higher risk industry for modern slavery practices, we nevertheless continue to be mindful of the possible risks and implement appropriate measures to combat these.

Recruitment of staff

As part of our recruitment process for employees and partners, we carry out checks prior to any person joining EY. Our Recruitment team looks for potential red-flags for modern slavery and follow up on any irregularities which may indicate that there is an issue. The pre-screening of individuals is carried-out by 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.

Our Talent teams work closely with our Legal and Risk Management teams to ensure that our recruitment and screening practices are fit for purpose and that any instances of modern slavery are identified, reported and appropriate action taken.

Fair pay for staff

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. We ensure that all of our employees in the UK are paid at least the real Living Wage. We also ensure that all staff of our suppliers who provide on-site services in our UK offices are paid the real Living Wage, including those in cleaning and maintenance services, which we have identified as areas of our supply chain that are at a higher risk of modern slavery.

Acquisition due diligence

In line with our purposeful growth strategy, the firm has been particularly active in the acquisitions market during FY22, purchasing and integrating several businesses with varying structures and operations. Our Risk Management and Talent teams perform enhanced due diligence over any target entity the firm is considering purchasing in the UK. This includes assessing modern slavery risks in the target, its suppliers, and its business relationships.



Training

During FY22, modern slavery refresher training was provided to selected managers in our Talent Recruitment team, and an extended programme of Human Rights and Modern Slavery training was provided to our Supply Chain Services team. These were the teams within the business that were considered most likely to observe potential modern slavery risks. Further training is planned for FY23.

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. This is accessible by all of our people.

Policies

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. The policy is available to all of our people on EY’s intranet.

Furthermore, EY’s [Global Code of Conduct](#) (the “Code”) underpins the standards of behaviour we expect from all our people worldwide. It 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 principles into action in their day-to-day work. Our Code makes it clear that our people also have a responsibility to report any behaviour which is inconsistent with the principles set out in the Code and they are required to sign an annual declaration to confirm that they have read, understood and are in full compliance with the requirements of the Code.

Any breach of the above policies is taken very seriously. For employees, this can result in disciplinary action, up to and including summary dismissal. For equity partners, this can result in disciplinary action being taken in accordance with the firm’s Partners’ Agreement and partner-specific disciplinary process, which includes expulsion from the firm with immediate effect. For those who are members of professional regulatory bodies, a breach will also often result in a report of wrongdoing being made to the relevant professional body.



Reporting

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. This can be via the firm's dedicated mailbox or, alternatively, they can raise any breaches with an appropriate manager, 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. This could be, for example, an employee of ours, one of our contractors or an employee of one of our suppliers.

During FY22, no complaints or concerns were raised about modern slavery or human trafficking taking place in our UK business.

Risks within our supply chain

As a professional services company, we consider that our most significant risks in relation to modern slavery relate to our supply chain. We are therefore focussed on working with long-term, strategic partners who demonstrate the same commitment to socially and environmentally sustainable procurement as us, to ensure modern slavery plays no part in their business.

Our ESGS team measures our potential suppliers' compliance with anti-slavery, sustainability and supplier diversity targets and strategies via our Environmental and Social Governance due diligence programme.



Our Supply Chain

We have an extensive supply chain, which covers a wide range of products and services across multiple suppliers, which each present different levels of risk and management requirements. 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 provides 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 supports 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 each category of our supply chain, including those related to modern slavery and human trafficking. 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.

Our annual UK spend with external suppliers under the management of our Supply Chain Services team was approximately £331,000,000 in FY22, with goods and services sourced from just over 2,000 suppliers.



Evaluating suppliers

We pay great attention to the appointment of new suppliers. We require all potential suppliers to complete a core set of 'request for proposal (RFP)' questions in relation to the modern slavery risks/issues present within their business and their supply chain, as well as about the safeguards they have in place. We then review the potential suppliers' responses by scoring and weighting them to assess the standards that they have. In FY22 we also developed a Sustainable Sourcing Framework which guides our sourcing managers in understanding the expected ESG risks per product and service. The Framework also provides by product and service additional suggested questions for RFPs relating to the risks identified. This process helps us to make even better-informed decisions about the supplier that is chosen for the sourcing project.

All chosen suppliers who are onboarded are required to answer further questions on social and environmental sustainability, including their measures 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. Adherence to local laws and regulations regarding modern slavery is a non-negotiable item for us.

Further assessment of higher-risk suppliers

As a firm, we continue to look for ways in which to minimise the risk of modern slavery occurring in our supply chain and with this in mind we commenced a pilot to assess some of our high-risk suppliers.

Using 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, we identified suitable sub-categories and suppliers to invite to complete our FY22 ESG Assessment Pilot, based on indicated risk levels (as well as spend considerations). In particular the tool looks at child labour, forced labour, human trafficking and forced marriage drawing on data from industry-established data sets. From this analysis, we identified suppliers with expected higher ESG risk (and spend) globally to take part in the pilot and of whom represent 17% of spend to the UK.

We invited the identified suppliers to take part and complete a series of questions on their ESG policies, process and practices including on the topic of human rights and anti-modern slavery. This consisted of 14 specific questions about measures taken by them to map and protect against modern slavery in their business and their supply chain, as well as whether they had an effective grievance mechanism in place in case



any concerns in this area were raised, and also if any corrective action plans had been issued. There were also other questions on harassment and discrimination, diversity, equity and inclusion as well as vendor management included in the assessment questionnaire. The assessment was carried out using a proprietary tool for analysing supplier metrics and gives us further insight into our supplier base.

The suppliers completed the survey and follow-up calls took place with some of them to clarify their responses, understand any gaps in submissions and talk about improvement areas and best practices. No instances of modern slavery were detected during the pilot.

Based on the submissions, 76% of suppliers (to the UK) scored green, 18% amber and 6% red.

In terms of next steps, we will be following up with all of the suppliers that took part in the ESG Assessment pilot to share the results and any areas where improvement is required. We will also be seeking to collaborate with them to monitor their progress again within 12 months and to share best-practice learned from the process among other suppliers in our supply chain.

Supplier governance and compliance framework

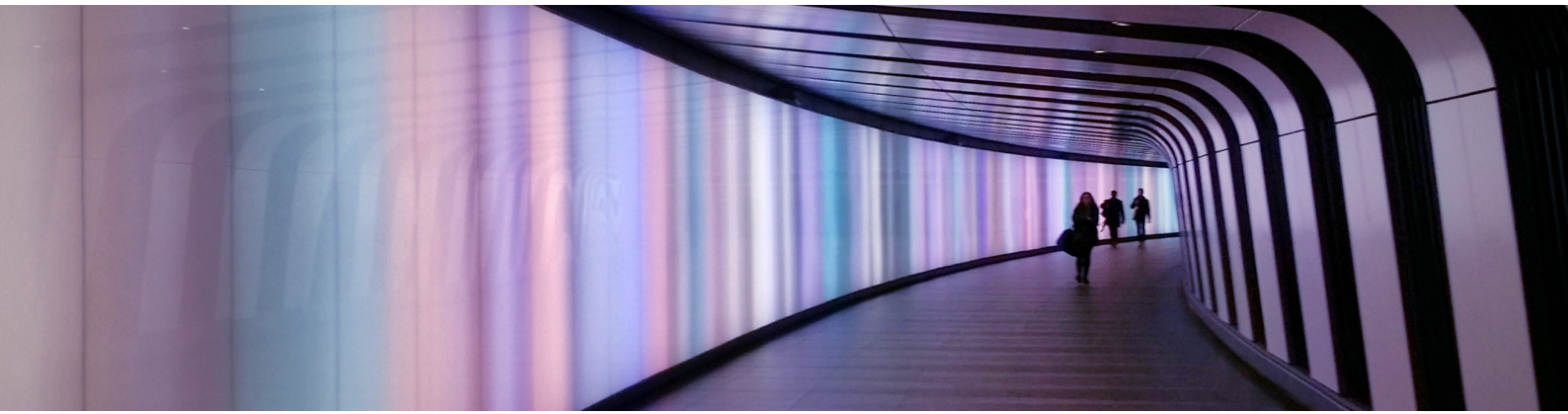
We have a governance and compliance framework in place to ensure that our suppliers continue to abide by the high standards that we require of them throughout their relationship with us. We also seek to work together with our suppliers to drive more sustainable working practices.

Our governance and compliance framework for suppliers is set out in EY's Global Procurement Policy, which contains the codes and policies that govern supplier engagement and the minimum requirements and prohibitions that apply within our supply chain.

Supplier Code of Conduct

Our [Supplier Code of Conduct](#) ("Supplier Code of Conduct"), which is publicly available on the firm's website, sets out clear standards of business conduct and ethics that we require our suppliers to abide by. Our suppliers are required to adhere to the code (or equivalent standards) and often the Supplier Code of Conduct is incorporated into our terms with the supplier.

The Supplier Code of Conduct sets clear expectations in terms of our requirements of our suppliers including about human rights and social sustainability (in particular, health and safety, working hours and working conditions, including paying fair compensation).



We express that all employment should be freely chosen by the worker and there should be no use of bonded labour in any form or child labour. We also make it clear that our suppliers are expected to maintain an active view on the inherent risks of modern slavery in their own supply chain and that our recruitment agencies and brokers are required to carry out appropriate due diligence and ongoing management to ensure that the risk of worker exploitation is mitigated.

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 immediately terminate agreements by written notice to a supplier in specified circumstances, including any breach of any applicable law (including the Act) or a material breach of the Supplier Code of Conduct.

Higher risk areas within our supply chain

Some of our suppliers operate in industries where there is known to be a higher risk of modern slavery practices taking place. Our UK Risk Management team conducted a modern slavery risk assessment of our supply chain spend during FY22 and identified the following as the highest risk areas for the firm:

► **IT Equipment**

EY engages with a number of international IT providers to source a range of IT equipment, including laptops, monitors and peripherals. The components of this equipment are often manufactured and assembled in countries where employment law protections and measures to prevent modern slavery practices are lacking in comparison to the UK.

Additionally, some of the raw materials used to manufacture these products are often sourced in areas where there is a high risk of child or forced labour, such as the mining of base metals. We therefore ask our suppliers to provide assurance about their own supplier due diligence efforts and human rights practices and how they ensure that their own supply chain is free from modern slavery practices.

We clearly outline our expectations on vendor due diligence in our Supplier Code of Conduct. In particular, this mandates a sub-contracting clause which requires suppliers to confirm that they take necessary steps to maintain visibility over labour rights risks within its entire operation.



► **Office cleaning and maintenance services**

We predominantly utilise external suppliers to provide our office cleaning and maintenance services at our UK premises, who in-turn often utilise employment businesses to supply labour for their operations. Given the high level of use of contingent labour and the junior level of many of the roles, there is a risk that suppliers could be targeted by traffickers or labour providers who do not adhere to appropriate standards.

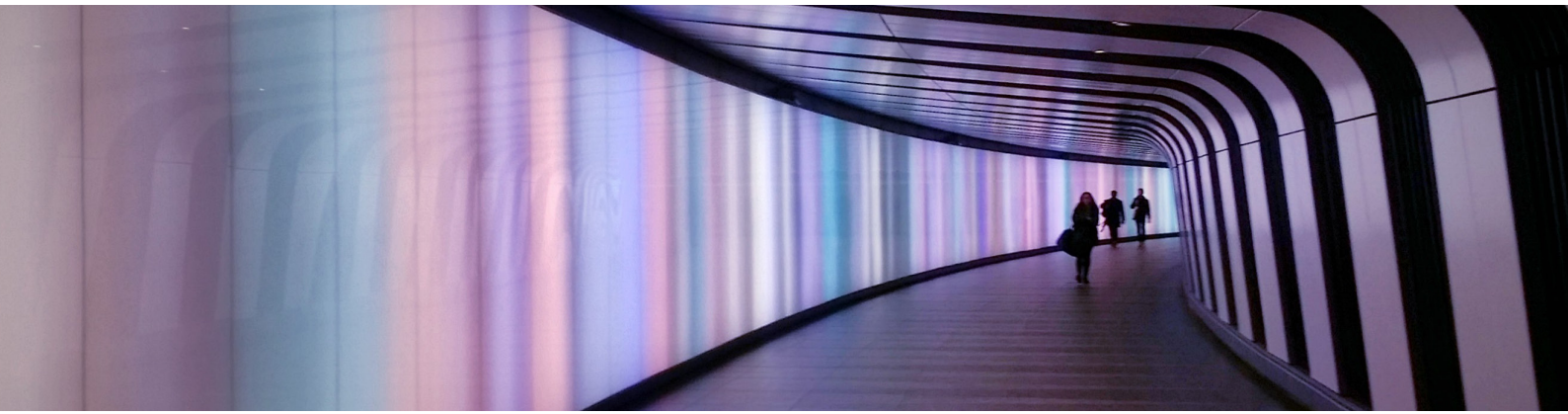
In order to manage these risks, through our supplier terms, we include robust contractual requirements (including an obligation for our supplier to perform various checks on all people supplying services to us), regular governance and management discussions with the supplier, as well as rights to audit the supplier at our request. Further we require suppliers to pay the Living Wage to all the staff involved in the supply of their services to us, monitor their working hours and require that they are not engaged using zero-hours contracts.

Our Supply Chain Services team has a dedicated Workplace Services team who manage all workplace facilities services for EY and ensure that our required standards are met.

► **Courier and delivery services**

The requirement for courier and delivery services continues to grow in the post-COVID-19 era with increased demand for quick and cost-effective deliveries. Labour shortages in this industry make it susceptible to exploitative labour practices, such as forced labour including withheld wages, no or unfavourable work contracts, and/or excessive working hours.

We use our supplier selection and due diligence processes to identify any modern slavery risks and confirm the safeguards and standards our suppliers have in place, including pay and working practices.



Our progress

We set out the following aims in our FY21 Modern Slavery Statement and have made progress against each of these as follows:

FY22 Aims	FY22 Progress
<p>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.</p>	<p>The Supply Chain Services team received in depth training on human rights and anti-modern slavery in May 2022 and this included training on the escalation process should suppliers score poorly in our supplier due diligence.</p> <p>Targeted suppliers received basic training on modern slavery and the importance of anti-modern slavery measures as it relates to the EY Supplier Code of Conduct in 2022.</p>
<p>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.</p>	<p>We completed the planned FY22 ESG Assessment Pilot. These suppliers were selected to take part based on expected risk and spend levels.</p> <p>The ESG Assessment question set included 8 key sections on topics such as Harassment and Discrimination; Diversity Equity and Inclusion; Vendor Management and Greenhouse Gas Emissions. In the Human Rights and Modern Slavery section we ask 14 questions about measures taken to map and protect against modern slavery; if an effective grievance mechanism is in place; and if any corrective action plans have been issued.</p>
<p>The ESGS team will reassess our Supply Chain Services policies and processes (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.</p>	<p>Our ESGS team completed this review and updated parts of our Supplier Code of Conduct and this new version will be published in FY23.</p> <p>Supply Chain Services also reviewed our Global Procurement Policy and the changes are due to be published internally in FY23.</p>



FY22 Aims	FY22 Progress
<p>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).</p>	<p>We have reviewed and updated the firm's Modern Slavery policy and developed a detailed response plan which also gives practical guidance to help our people deal with any risks that are identified within our business or our supply chain.</p> <p>We plan to publicise these documents with our people in FY23.</p>

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

Our next steps

Our key aims for FY23 are:

1. The ESGS team will provide further training on human rights and anti-modern slavery to targeted suppliers. The suppliers targeted will consist of those from the high-risk categories identified in this Statement as well as those with high spend. Training will include what modern slavery is and indicators to look for, as well as details about EY's Supplier Code of Conduct and expected standards of our suppliers.
2. The ESGS team will be expanding our supplier checks. We will be contacting suppliers that took part in our ESG Assessment Pilot to share the results and EY seeks to collaborate with them to monitor their progress within 12 months.
3. The ESGS team will also be reviewing our purchasing practices to ensure that EY is not putting undue pressure on suppliers that may increase the risk of human rights issues.
4. The Risk Management team will publish and embed our Modern Slavery response plan document, which provides practical guidance to respond to any suspected modern slavery issues, reported within our operations, supplier chain or within our clients. The team will also integrate the Modern Slavery response plan with the revised Modern Slavery Policy.
5. We have taken the first steps towards embedding the human rights risks into our client acceptance process. In the next year, we will be working with our global counterparts to consider various options to progress this further and further embed it into our client and engagement acceptance processes. This will include targeted training and communications to client facing teams.



Our other initiatives

EY is committed to driving social and environmental change in our marketplace, workplace and communities and we have many corporate social responsibility and sustainability initiatives in place which complement our modern slavery strategy and initiatives. EY is also a global signatory to and a Participant Member of the UN Global Compact, which aims to align worldwide business strategies and operations with universal principles on human rights, labour, environment and anti-corruption and we continue our pledge to support and advance its principles. For further details of our initiatives, please visit our [website](#).

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
10 November 2022

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

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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