



EY Modern
Slavery
Statement 2019



This statement has been prepared for Ernst & Young LLP (the **firm, we** or **our**) pursuant to section 54(1) of the Modern Slavery Act 2015 (the Act) in respect of the financial year to 28 June 2019 (FY19). It sets out the steps we are taking to address and prevent modern slavery taking place in our business and our supply chains.

The firm is committed to building a better working world, which includes conducting our business to the highest possible ethical standards. As part of this commitment, we will not tolerate any form of human rights abuse, including modern slavery, in any part of our business or within our supply chain. We therefore focus on working with long-term, strategic partners that demonstrate the same commitment to their people to ensure modern slavery plays no part in our business.

This statement must also be read alongside the firm's:

1. Wider corporate social responsibility initiatives which set out how EY helps drive social and environmental change in our marketplace, workplace and our communities (https://www.ey.com/en_uk/corporate-responsibility)
2. Longstanding commitment 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. EY has been a global signatory since 2009 and we continue our pledge to support and advance its Ten 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 (https://www.ey.com/en_uk/purpose/united-nations-global-compact-2017)
3. Diversity and Inclusiveness strategy for its global workforce (https://www.ey.com/en_uk/who-we-are)

Summary

The firm is committed to ensuring modern slavery plays no part in its business or supply chains. To satisfy this commitment, we continue to strive to achieve the highest legal, ethical, environmental and employee-related standards within our own business and supply chains, making sure that all stakeholders (including employees, partners and suppliers) are working together to eradicate modern slavery and human trafficking.

Our structure and Supply Chain

The firm is a leading professional services firm in assurance, tax, transaction and advisory services. It is a limited liability partnership incorporated in England & Wales and a member firm of Ernst & Young Global Limited, a UK company limited by guarantee.



As of 28 June 2019, the firm has over 750 partners and approximately 14,500 employees operating from 20 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 policies, and support the initiatives, set out above.

Our partners and employees comprise our client facing and support teams, sometimes in conjunction with contractors. Details of the steps taken in respect of our people are set out below in the **Our People and Policies** section below.

EY's Procurement team (supported by the Legal team) is involved in negotiating agreements with our suppliers and, therefore, supports the firm in managing its risks in respect of the following categories of supply:

- ▶ **Travel, Meeting & Events and Brand, Marketing and Communications (BMC) Procurement**, which spans airlines, hotels, car rentals, rail, ground transportation, meals, travel agency costs, online booking tools, credit cards, meeting and events and BMC (which includes advertising, public relations, etc.)
- ▶ Real **Estate and Workplace Services (WPS) Procurement**, including management of occupancy expenses comprised of building rent and operating expenses, interior design, facilities management, construction, furniture and office furnishings and the associated amortizations and depreciation
- ▶ **Technology Sourcing and External Content**, which includes application and infrastructure software, professional and managed services, application development, hardware, telecommunications and external content
- ▶ **Talent Procurement**, including management of expenses and sourcing related to talent acquisition and spanning recruitment, professional services, health and insurance, employee rewards and benefits and learning and development
- ▶ Details of our external supply chain management are set out below in the **Supply Chain Management** section

Our People and Policies

- ▶ EY's Global Code of Conduct (**Code of Conduct**) [https://www.ey.com/Publication/vwLUAssets/Ernst-Young_Global_Code_of_Conduct/\\$FILE/EY_Code_of_Conduct.pdf](https://www.ey.com/Publication/vwLUAssets/Ernst-Young_Global_Code_of_Conduct/$FILE/EY_Code_of_Conduct.pdf) represents our commitment to building a better working world and provides a clear set of standards for our business conduct and ethics that underpin this purpose. The Code of Conduct binds all our people worldwide, regardless of his or her individual role, position or practice. It includes a responsibility to speak up when we see any behaviour that compromises the principles in the Code of Conduct, which includes being subjected to any form of human rights abuse, including modern slavery and human trafficking. To ensure the Code of Conduct is embedded in the firm's culture, our staff must complete an annual declaration confirming



they have read, understood and are in full compliance with the Code of Conduct. This includes acknowledging that it is their responsibility to speak up when they see any behaviour that they believe is inconsistent with the principles set out in the Code of Conduct. The Code of Conduct is publicly available on the firm's website.

In March 2017 the firm introduced the UK Modern Slavery Policy (**MSA Policy**), which applies to all our people. The MSA Policy reinforces the responsibilities and standards expected within the firm, whilst also reminding our people that we encourage openness and are committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith their suspicion that modern slavery is or may be taking place.

Our people are encouraged to raise questions about modern slavery in our business or supply chain via the firm's Modern Slavery Mailbox and can raise any violations of the Code of Conduct and/or MSA Policy with an appropriate designated colleague, under our whistleblowing procedures or to our Ethics Hotline. The latter is hosted by an independent third-party which then forwards complaints received to the firm's General Counsel who then allocates each case to a suitable member of staff at EY for review and investigation. This process ensures confidentiality of the reporter. During FY19, no complaints or concerns were raised about modern slavery or human trafficking taking place in our business or supply chain.

In November 2018, the firm published a Guide to Support on Domestic Abuse which provides information to our people about domestic abuse and violence and provides support to those that endure or witness domestic abuse. Since the launch of the programme over 20 employees enduring domestic abuse have received help. The firm has also trained 50 members of staff to act as domestic violence first responders and advocates who can listen without judgement and are aware of the appropriate support available. Support available includes paid leave, a dedicated counselling service, reasonable workplace adjustments and a workplace safety plan.

Every new joiner to the firm is given the opportunity to complete an induction, as part of which details of the Code of Conduct and risk management policies, including the MSA Policy, are provided. Where a specific need is identified, bespoke training is also delivered to enhance the understanding of, and compliance with, the Act and Code of Conduct.

Any breach of the Code of Conduct and/or MSA Policy 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, any breach may result in a report of wrongdoing being made to their regulator.

As a result of the sophisticated recruitment process undertaken prior to any offer of employment being made, which includes an interview process and comprehensive background checks, as well as the training and policies in place to inform and develop staff behaviours, we consider the risk of human rights infringements (including under the Act) amongst our people is low.



Supply Chain Management

Just as the Code of Conduct sets out the standards expected of the firm's employees and partners, our Supplier Code of Conduct ([https://www.ey.com/Publication/vwLUAssets/EY-supplier-code-of-conduct-may-2018/\\$FILE/EY-supplier-code-of-conduct-may-2018.pdf](https://www.ey.com/Publication/vwLUAssets/EY-supplier-code-of-conduct-may-2018/$FILE/EY-supplier-code-of-conduct-may-2018.pdf)) (Supplier Code of Conduct) does the same for our suppliers. We view supplier performance and adherence to high business standards as an integral part of the EY value chain. As such, the firm expects all suppliers to meet the legal, ethical, environmental and employee-related standards set out in the Supplier Code of Conduct. The Supplier Code of Conduct has formed part of our supply chain management since 2011. It was updated in light of the Act in February 2016 and was further updated in May 2018 and November 2018. The Supplier Code of Conduct is publicly available on the firm's website.

As part of the firm's procurement process, we pay great attention to the appointment of new suppliers to ensure we work with organisations who share our commitment to the highest possible business and ethical standards. This puts us in the position to make informed decisions about who we want to work with.

We continually evaluate how to identify and address risks in our supply chain, including those related to modern slavery and human trafficking. We have implemented a supplier portal which, together with numerous external knowledge sources, grants us access to an expanded level of global intelligence and assessment capabilities for vetting potential suppliers. During the registration process, through the supplier portal, suppliers participating in the firm's procurement process are required to respond to a range of due diligence questions and provide supporting evidence with their answers. From this evidence we gain an understanding of our suppliers' approach to diversity and corporate social responsibility. As part of this due diligence process modern slavery risks are considered.

Once suitable suppliers have been identified by Procurement, they are then required to adhere to our Supplier Code of Conduct (or equivalent standards) as part of the procurement contract between the supplier and the firm. This ensures:

- ▶ Suppliers and their subcontractors respect the rights of their employees and comply with all relevant legislation, regulations and directives in the country or countries in which they operate. This includes ensuring there is no exploitation of child labour (under 14 years of age) or of any other vulnerable group (e.g., illegal immigrants) within their business or supply chain
- ▶ Suppliers and their subcontractors abide by all local laws, directives and regulations relating to the elimination of slavery and human trafficking and adhere to the same minimum standards set out in the Supplier Code of Conduct; and
- ▶ EY can perform annual compliance surveys to ensure compliance with our Supplier Code of Conduct and suppliers are expected to actively audit and monitor their own day-to-day management process regarding the Supplier Code of Conduct



These obligations 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.

Once the supplier has been approved via the firm's procurement process, ongoing compliance with its obligations is monitored by the relevant business stakeholders.

Progress against last year's 'Next Steps'

The intention in 2019 was to implement and use a supplier portal and continue to utilise EY's range of external knowledge sources to grant us access to an expanded level of global intelligence and assessment capabilities for vetting potential suppliers. We have done this by using third party technology and other knowledge sources to analyse data from a variety of sources to assess the suitability of suppliers and to flag modern slavery and human trafficking issues that arise with suppliers.

Next steps

In addition to launching the supplier portal earlier in 2019 to support and streamline the procurement process and to identify and mitigate the risk of modern slavery and human trafficking within our business and supply chain, the firm's intentions in FY20 are to:

- ▶ To assess the success of the supplier portal by identifying whether it has met the firm's expectations in respect of supplier due diligence (and, in particular, the identification of modern slavery and human trafficking risk areas) and evaluating whether any areas can be updated and improved
- ▶ Review grievance mechanisms for supply chain workers and engage with suppliers to, where necessary, improve grievance and reporting processes within our supply chain; and
- ▶ Consider the implementation of Key Performance Indicators (KPIs) relating to supplier due diligence and oversight, training, risk awareness and reporting in respect of modern slavery and human trafficking. If it is appropriate to implement such KPIs with suppliers, the firm will also consider what measures will be taken should suppliers fail to meet their KPIs



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 primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it and ensuring the firm's internal auditing control systems and 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 anonymously via our Ethics Hotline (<http://www.ey.com/uk/en/about-us/ey-ethics-hotline>).

Signed:

A handwritten signature in black ink, appearing to read 'Lisa Cameron'.

Lisa Cameron

General Counsel and Designated Member

For and on behalf of Ernst & Young LLP

20 December 2019

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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Ernst & Young LLP

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