

**EY UK:
Modern slavery and
human trafficking
statement**

March 2017

The firm is committed to ensuring that forced labour and other forms of slavery play no role within our business or supply chains. To satisfy this responsibility, we have and will continue to promote and expect the application of high legal, ethical, environmental and employee-related standards within our own business and supply chains, making sure that all stakeholders (including employees, suppliers and business partners) are working together to achieve this common goal.

EY is committed to building a better working world. As part of this purpose, we look at how we can run our business according to our values. We want to be confident that people who are contributing to our success are not subject to any form of human rights abuse, including that of modern slavery.

This statement has been prepared for Ernst & Young LLP (the firm or we) pursuant to section 54(1) of the Modern Slavery Act 2015 (the Act) in respect of the financial year to 30 June 2016 (FY16) and describes the steps we took in FY16 and are taking in FY17 to ensure modern slavery does not take place in any part of our business or in our supply chains. We will update this statement following the end of FY17 to capture the full financial year.

However, it should be read in the context of EY's:

1. Wider [corporate social responsibility](#) initiatives, including [Our commitment to Corporate Responsibility](#);
2. Longstanding commitment to the [UN Global Compact](#), to which we are a signatory, and which address fundamental protections in relation to human rights and labour protection; and
3. [Diversity and Inclusiveness strategy](#) for our global workforce.

Our structure

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.

At 1 July 2016, we had 690 partners and operated from 20 offices across the UK as well as in Jersey and Guernsey. Worldwide, 231,000 people in member firms in more than 150 countries share a commitment to building a better working world. As part of the EY global network, we are a subcontractor to and for other EY member firms, which are all party to the global policies and initiatives mentioned 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 in [Our People](#).

Our facilities support is typically provided by third party contractors. The firm's Procurement teams are primarily involved in negotiating contracts with our UK suppliers. These cover the following categories:

1. Real estate services;
2. Travel services and meetings and events services;
3. Technology sourcing services; and
4. Products and services sourcing that provide specialized procurement and contract management services for professional services (Talent, Facilities Management and Brand, Marketing and Communications).

Details of our external supply chain management are set out in [Supply chain management](#).

We promote and support our Code of Conduct and MSA Policy in day-to-day business activities, through both personal leadership and business practice. Every new joiner to the firm attends a corporate induction which covers both the Code of Conduct and MSA Policy.

Our people

EY's Global [Code of Conduct](#) represents our commitment to all our stakeholders and provides a clear set of standards for our business conduct. It presents us with an ethical and behavioural framework to reflect our values. It binds every one of our people, regardless of his or her individual role, position or practice and regardless of where in the world they are located. It includes a responsibility to speak up when we see any behaviour that we believe does not live up to the Code of Conduct.

We have created a UK Modern Slavery Act Policy (MSA Policy), which is designed to make our people aware of what constitutes modern slavery, ensure that they understand their role in preventing modern slavery within our business and our supply chains, and to tell them what to do if they suspect modern slavery is taking place or may take place in the future in our business and/or supply chains.

In addition, each year, in order to ensure the Code of Conduct is embedded in our compliance culture, our staff must complete a formal declaration about the Code of Conduct.

- I have carefully read the entire Global Code of Conduct, understand it, and am in compliance with it.
- I understand that it is my responsibility to raise any questions I may have about the Code of Conduct with an appropriate person, such as a member of my Service Line or Functional Leadership team, Risk Management, Talent, General Counsel's Office, Ethics or Compliance personnel.
- I understand I have a responsibility to act in a manner that reflects EY's values in action. This includes the responsibility to speak up when I see any behaviour that I believe to be inconsistent with the principles contained in the Code.
- I agree to abide by the Code of Conduct as a condition of my continued employment or other association with EY.
- By signing this confirmation, I am affirming the above statements.

To ensure a higher level of understanding of the risks of slavery and human trafficking in our business and supply chains and to ensure our people are equipped to deal with any issues relating to potential non-compliance, we are also implementing a targeted training programme to ensure that those responsible for recruitment and procurement are fully aware of the issues.

Any breach of the obligations under the Code of Conduct 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 Fundamental Rules of the firm.

People are encouraged, without fear of retaliation, to raise any deviations or violations of the Code of Conduct and/or MSA Policy with an appropriate designated colleague, under our whistleblowing procedures or to our Ethics Hotline. We do not permit discrimination or retaliation of any kind for reports of illegal or unethical behaviour.

We consider that the risk of human rights infringements (including under the Act) amongst its people is low.

The Supplier Code of Conduct has formed part of our supply chain management for many years and was updated in light of the Act in February 2016.

Supply chain management

Just as the Code of Conduct sets out the standards expected of every EY employee, so our [Supplier Code of Conduct](#) does the same for our suppliers. We view their performance and adherence to high business standards as an integral part of the EY value chain and so we expect all suppliers to meet high legal, ethical and employment related standards. The Supplier Code of Conduct has formed part of our supply chain management for many years and was updated in light of the Act in February 2016.

In negotiating new contracts with our major suppliers (being suppliers under contracts the value of which exceeds £50,000), we require them to agree to adhere to our Supplier Code of Conduct (or equivalent standards). Our standard terms require a supplier to warrant and undertake that it shall perform its obligations in accordance with the Supplier Code of Conduct as follows:

- ▶ Suppliers are required to comply fully with all laws and regulations applicable to them – which will include the Act (paragraph 2);
- ▶ Suppliers must ensure that they and their subcontractors and suppliers 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 all rights and minimum standards relating to wages, benefits and working conditions applicable across their entire workforce – as well as no exploitation of child labour (under 14 years of age) or of any other vulnerable group (e.g., illegal immigrants) takes place within their business or supply chain (paragraph 4);
- ▶ Suppliers must ensure that they and/or their subcontractors and suppliers abide by all local laws, directives and regulations relating to the elimination of slavery and human trafficking (paragraph 4);
- ▶ Suppliers are required to only use subcontractors or other third parties who will comply with all applicable laws and regulations and who adhere to the same (minimum) standards set forth in this guide (paragraph 7); and
- ▶ EY expects that the suppliers will actively audit and monitor their day-to-day management process to ensure compliance with this Supplier Code of Conduct (paragraph 8).

These commitments are reinforced through our standard supplier terms in which:

- ▶ A supplier warrants and undertakes that it shall perform its obligations in compliance with all Applicable Laws (which would include the Act) and shall maintain in place throughout the term of the Agreement its own policies and procedures to ensure compliance with, amongst other things, the Supplier Code of Conduct.
- ▶ In the event of any breach of any warranties (including non-compliance with the Supplier Code of Conduct and/or the Act), we can require the supplier – at its own expense – to immediately remedy the breach.
- ▶ We reserve the right to terminate agreements by written notice to a supplier with immediate effect where we have reasonable grounds to believe that a supplier is in breach of any Applicable Laws (which would include the Act). There is also the right for us, in the event that any of the Supplier's responsibilities, warranties and undertakings ceases to be accurate, to terminate the Agreement with immediate effect.

Looking forward, we will continue to build on and strengthen our measures to ensure modern slavery is not taking place in our supply chain.

We pay great attention to the appointment of new suppliers, to ensure we are working with organisations who share our common goals. This is a much broader scope than the Act, and puts us in the position to make informed decisions about who we want to work with. Any potential supplier that participates in a procurement process is required to respond to a detailed set out questions (backed by supporting evidence) about their approach to diversity and corporate social responsibility.

The types of questions we ask are as follows:

- Is your company a certified diverse owned business (i.e. 51% or greater ownership by Minority, Woman, LGBT or Disabled)? If yes, please provide with your response a copy of your company's certification. EY preferred Certification Agencies are - NMSDC, WBENC, NGLCC and USBLN.
- Does your company have a current policy on diversity and inclusiveness? Please provide your D&I statistics.
- Does your organization have a formal code of ethics in place?
- If yes above, how is the code communicated to employees and suppliers?
- What specific programs and activities are in place to demonstrate your organization's commitment to the community?
- Does your organization have a policy(ies) related to the human rights of its employees? If yes, please include your organization's policy concerning human rights.
- Are you willing to give a contractual guarantee that your organization or any subsidiary, affiliated entity, or franchise of your company, does not use any child labour or forced labour in its operations?
- Does your organization have a formal program/process for ensuring equal access to employment and promotion opportunities?
- Do you comply with legislation regarding the employment of women, people with disabilities, and other diverse populations?
- Does your business require your suppliers to prohibit discrimination consistent with the protections provided by your non-discrimination policy?
- Does your organization have a formal policy(ies) to protect employees from all forms of harassment? If yes, please attach your organization's policy(ies) concerning harassment at work.
- Are you willing to give a contractual guarantee that all of your employees are legally employed?

Looking forward, we will continue to build on and strengthen our measures to ensure modern slavery is not taking place in our supply chain by undertaking a risk assessment of the firm's existing first tier suppliers to identify any areas of the supply chain at risk of slavery and human trafficking - whether by virtue of high risk industries and/or geographies. We will report on these efforts in future statements.

Any concerns about modern slavery or human trafficking taking place in any part of our business or supply chain should be raised via our [Ethics Hotline](#).

Compliance

The Board has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

Our Managing Partner Risk Management UK&I has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in countering modern slavery.

Signed:

A handwritten signature in black ink, appearing to read 'Lisa Cameron', written in a cursive style.

Lisa Cameron

Managing Partner Risk Management UK&I and Designated Member
For and on behalf of Ernst & Young LLP

31 March 2017

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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