

PwC UK Modern Slavery Statement

December 2021



Executive summary

As a leading responsible organisation PwC UK¹ is wholly committed to addressing modern slavery² risks in our business and our supply chain. This statement describes the actions taken to address these risks during the financial year from 1st July 2020 to 30th June 2021.

This year, the coronavirus (COVID-19) pandemic has continued to impact businesses and workers. We have worked to consider and manage these impacts for our people, our suppliers and their personnel and other stakeholders.

This, our sixth modern slavery statement, sets out how we have:

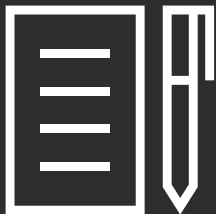
- introduced mandatory modern slavery training firmwide³, including for all new joiners in the future;
- included information on modern slavery as part of supplier personnel on-boarding materials;
- reviewed the supply chain hotspots identified in the FY20 risk assessment; and
- strengthened our approach to client risk management.

No infringements or violations have been identified this year in our operations or direct supply chain. Our processes and due diligence were able to identify alleged instances that occurred in our extended supply chain which have been addressed (see Section 4). We will continue to develop and strengthen our approach in the coming year and are committing to:

- continue to extend transparency and due diligence over our supply chain hotspot areas;
- review and update our end to end third party risk management process; and

- track and report a broader set of key supplier human rights metrics.

This year also marks the tenth anniversary of the [UN Guiding Principles on Business and Human Rights](#) - the global standard for corporate human rights expectations. We are committed to respecting and upholding the human rights of our people and other individuals with whom we interact, in line with the [UN Global Compact](#) (of which we are a long-standing member), the [UN Guiding Principles on Business and Human Rights](#) and the [OECD Guidelines on Multinational Enterprises](#).



Policies and governance

85%

of our key suppliers⁴ publish a modern slavery statement or human rights report.^{5,6}

74%

of our key suppliers publish a human rights policy.⁷



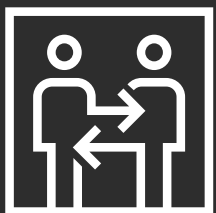
Training and awareness

100%

of PwC UK staff have completed modern slavery training.³

68%

of our key suppliers have provided modern slavery training to their staff in the past year.^{7,8}



Engagement

91%

of our key suppliers completed our Supplier Sustainability Survey in FY21.

1. Business overview

What we mean by 'our business' and 'our operations'

PwC UK is a leading professional services firm, delivering audit, risk, consulting, deals and tax services to clients in the public, private and not-for-profit sectors, as one of the entities in the wider PwC network⁹. In the 2021 financial year PwC UK employed around 22,000¹⁰ people, operating out of 20 offices throughout the UK.

What we mean by 'our supply chain'

We are a member firm of the global PwC network. For the purposes of the statement the other members of the PwC network ("PwC member firms") may be part of our supply chain, as there are some services they supply for PwC UK's own benefit, in addition to supplying services for specific PwC UK client engagements.

Our relationship with PwC member firms is different to that with external third party suppliers. PwC member firms are accountable to uphold many global policies,

including our global [Human Rights Statement](#). All PwC member firms must declare annually that they comply with the global policies and processes.

As a professional services firm, we also procure goods and services from third parties other than PwC member firms ("suppliers") for the benefit of the firm including offshore vendors, contingent workers and managed services providers, facilities management and hospitality service providers, subcontractors for specific client engagements and through global PwC network agreements.



Our business and supply chain

2,174
suppliers used this year.

£562m
our total UK supply chain spend for FY21.

22,000
staff employed by PwC UK in FY21.



2. Policies and governance

2.1 Operations

Our [Human Rights Policy](#) sets out our position in line with internationally recognised human rights principles, which include modern slavery. It is displayed on every floor across all our offices, hosted on our website and is circulated annually via digital communications. All our staff are required to confirm annually that they are familiar and comply with the Human Rights Policy, as part of their mandatory General Annual Confirmation.

The Human Rights Policy is embedded in our culture through our global [Code of Conduct](#) and sets the tone from the top. Living the code is fundamental to who we are as PwC professionals.

Accountability for human rights and modern slavery relating to our business resides with UK Partner and Global Climate Leader, Emma Cox. Responsibility for day-to-day management of the programme is led by Latifa Kapadia, Head of Human Rights. An annual review of its effectiveness is conducted in conjunction with other stakeholders in the firm that include risk management, procurement, service owners and the Office of General Counsel.

This statement is reviewed by the Executive Board and ultimately approved on behalf of the Partners by the Supervisory Board.

Internal Audit reviewed the information in this Modern Slavery Statement and the processes supporting the disclosures made within the statement. The conclusion of their work was that the disclosures made were in line with the supporting evidence provided.

2.2 Suppliers

Our approved PwC UK supplier template agreements create a contractual obligation on the supplier to comply with the [Global Third Party Code of Conduct](#) (GTPCoC) and all applicable laws. In a minority of instances we may contract on suppliers' templated agreements adjusted to place equivalent contractual obligations on the supplier.

All other contracts with our suppliers should also (with some exceptions such as those contracts that predate the Modern Slavery Act) contain similar concepts. We acknowledge, however, that: i) no code can address every situation that a third party supplier may encounter; and ii) contractual obligations do not guarantee compliance. Accordingly, the GTPCoC and our supplier contracts are not a substitute for a supplier's own accountability and responsibility to exercise good judgement and proper business conduct.

As set out in our Human Rights Policy, where a violation of one or more internationally-recognised human rights is identified, we work with all parties involved to ensure victims have access to remedy, compensation and justice. We also investigate the root cause and take appropriate steps with the supplier to prevent recurrence. Ultimately, if we feel that a supplier's response is unsatisfactory we will consider terminating the contract.

3. Due diligence

We communicate our expectations to employees and suppliers with regards to human rights and modern slavery, and use a range of mechanisms to ensure that we can monitor standards and identify instances of modern slavery in both our operations and supply chain, outlined in sections 3.1 and 3.2 below.

3.1 Operations

Our key asset is our people, so we have extensive processes and programmes in place which enable us to create a safe, fair and inclusive working environment.

All our employees are asked on an annual basis to formally declare that they have read and understood our global Code of Conduct, which sets out the expected behaviours of our people.

Our [Speak Up helpline](#) (+44 (0)800 069 8056) is available to any partner, employee or third party (including suppliers and contractors) who comes across bad business conduct or unethical behaviour, including suspected instances of modern slavery. Stakeholders are made aware of the helpline by way of a number of channels, including our website and posters in our service hubs. All reports are investigated by our Ethics team.

In FY21, we introduced firmwide mandatory training on modern slavery, aimed at raising overall awareness and addressing potential risks related to the client services we provide (see page 5). We also introduced modern slavery and employment rights information as part of our supplier personnel on-boarding materials.

3.2 Suppliers

Despite the lockdowns that occurred during FY21, we continued to work closely with our direct suppliers of products and services, including support staff such as cleaners, caterers and mailroom personnel. Minimising the financial impact on our suppliers to provide stability for our support staff has been central to our approach.

Human rights, including modern slavery, is a pillar in our five year [Supply Chain Sustainability Programme](#) to 2022. Our approach is shared with all key suppliers as part of our annual feedback report. Consideration of modern slavery risk is embedded at each stage of the PwC UK procurement cycle, from supplier evaluation to contract management for all managed suppliers. To the extent set out in section 2.2, our UK contract templates include terms requiring our suppliers to comply with our GTPCoC and applicable laws (including relating to modern slavery).

We prioritise for the purposes of due diligence and engagement a group of 80 key suppliers selected on the basis of spend, sustainability impact and modern slavery risk. For FY21, our key supplier population represented over 50% of our overall direct UK procurement spend. For this population, we have an active programme of engagement to manage potential human rights impacts linked to the goods and services we procure.

We use our annual sustainability survey to monitor the overall performance of our key suppliers. Where responses are deemed unsatisfactory, we suggest improvements and offer support in implementing them. The survey also offers a mechanism for key suppliers to self-report any instances of modern slavery or human trafficking that may have occurred in their operations or supply chain in the previous year.

For our supply chain hotspots, we conduct a range of due diligence and desk-based research that includes scrutinising supplier controls, reporting, staff training, third party audits and engaging suppliers directly. Our approach is to first focus on oversight of our direct suppliers, then to increase visibility of working practices in indirect suppliers.

4. Risk assessment and management

Professional services firms are typically considered a relatively low risk sector for modern slavery. Nonetheless, we have strong risk identification and mitigation processes in place for both reputational and regulatory risks.

In order to identify potential risk areas we have applied two approaches in supply chain risk assessment: i) desk-based analysis and ii) modelling our supply chain using PwC's Sustainability and Climate Change team's [Modern Slavery Risk Assessment Tool](#), allowing us to analyse our procurement spend in its entirety. In FY21 we continued to focus our efforts to increase transparency and assurance for the supply chain hotspots identified. These are information technology hardware, food, promotional merchandise, supplier personnel uniforms, hotels and waste and recycling. Our supply chain hotspots total 2.83% of our overall direct UK procurement this year. An additional hotspot, global information technology services¹¹, are procured through our global network and are therefore not included in the UK spend calculation.

In FY21, we further strengthened our approach by managing risks arising from our client services by conducting a risk assessment; introducing mandatory firmwide training; continuing to develop our controls; and expanding the resources available to supplier personnel. We will continue to develop our approach in FY22.

4.1 Suppliers providing services

For supplier personnel¹² working in our UK offices the risks are relatively low, given the national legislative context and the robust policies and processes we have in place throughout our business. Nevertheless, we recognise that certain support staff—such as cleaners and catering personnel—may be vulnerable groups. We have procedures in place with our key suppliers to ensure that they adhere to our required standards. In line with last year's commitment, we introduced information on modern slavery and employment rights as part of our supplier personnel on-boarding materials this year.

Hotels

Hotels was a new sector added to our hotspot list, as a result of the findings from our FY20 annual supply chain risk review. In FY21, notwithstanding the reduction in hotel usage due to COVID-19, we assessed the modern slavery statements published by our key suppliers in this sector. This analysis took into account the level of detail and transparency in these disclosures; and actions taken to manage sector risks related to exploitation of workforce, of service users onsite and in their supply chain, in particular staff training, recruitment process controls and industry body membership and certification. Building on the findings and learnings from this review, we will continue to look for opportunities to work with our suppliers to improve performance.

Waste and recycling

Our approach in this new hotspot was to prioritise high risk waste streams—those that are highly manual—at our three largest offices and to conduct due diligence of tier¹³ three and four waste destinations (where waste was sorted or processed). Analysis of their modern slavery statements, policy commitments and any adverse media related to the company was conducted for suppliers representing 28% of our total UK waste mass for FY19¹⁴. We plan to increase this figure year-on-year hereon.

The due diligence identified past reports of alleged modern slavery instances at a tier four recycling centre in the UK, engaged by our Birmingham office. In conjunction with our service owner and direct supplier, we engaged the supplier to ascertain more detailed information on the alleged modern slavery instances and what the corrective actions had been.

We established that the instance was not linked to the services we were using and that our supplier was only made aware of the incident after the event. Nevertheless, we engaged in further productive discussion concluding that all parties had taken robust and transparent actions following the allegations coming to light to strengthen their risk management practices. These include: enhancing the induction process to include identifying characteristics associated with modern slavery; training supervisory staff for awareness of modern slavery indicators; and increasing information availability including posters in multiple languages.

Global information technology procurement

We are in the process of updating our approach to the management of sustainability issues, including modern slavery, with our global suppliers. In our next statement we will report on the outcomes of this workstream.

4.2 Suppliers providing goods

The main risks associated with our procurement of goods from suppliers are indirect and relate to manufacturing or sourcing of certain commodities or raw materials.

Food

Six of our offices offer supplier managed in-house staff restaurants. We work closely with our catering supplier to understand and manage our risks in this area.

Catering staff working in our offices are recruited directly by our caterer. Temporary staff agencies, used to cover shortages, are audited by the supplier on a biennial basis, to check for compliance with UK legislation and staffing policies, such as pay rates, holiday and employment rights.

In FY20, to further enhance their approach, our caterer joined the ethical trade membership platform, [Sedex](#), to assess and manage modern slavery risks in its supply chain via social audits of supplier sites conducted by accredited third parties trained in the [SMETA](#) (Sedex Members Ethical Trade Audit) methodology, which assesses standards of labour, health and safety, environment and business ethics. Any non-compliances identified as part of supplier social audits are reported to our caterer through the Sedex platform and the corrective actions tracked.

Since joining in FY20, 24% of the 78 suppliers selected by our caterer have now been fully onboarded to Sedex or have an active membership. This includes six direct suppliers to PwC offices spanning fresh produce, meat, dairy, seafood and beverages. Our caterer has committed to extend Sedex membership throughout their supplier base, which will give us increased comfort over time, although COVID-19 has created some delays in this process. Suppliers to our caterer also complete an annual online self-assessment and provide copies of their modern slavery and other relevant policies.

Information technology hardware

All our laptops procured from our main supplier in FY21 were manufactured at their subsidiary in Hefei, China.

Due diligence has been conducted, this year, in relation to business entities supplying our laptop provider. This was initiated as a result of adverse media highlighting alleged forced labour of an ethnic minority population in the region. Our supplier has investigated these allegations and it was confirmed that none of the devices we procured in FY20/21 were manufactured at any site alleged to have used forced labour. Additionally, our supplier terminated three of their supplier relationships alleged to have had involvement.

The supplier and its subsidiary are both members of the [Responsible Business Alliance](#) (RBA) which requires members to adhere to their [Code of Conduct](#). The manufacturing site where our laptops are manufactured is externally audited biennially under the RBA Validated Assessment Program; its most recent audit in May 2021 received [Silver recognition status](#). We will continue our dialogue with our supplier to understand how they plan to continue improving their performance.

Promotional merchandise

We procure promotional items which are used at client events and for other marketing purposes. Although not a well-known high risk area for modern slavery, these items are manufactured by labour that may be more at-risk of exploitation, such as migrants and workers in highly manual, low-pay roles. We changed suppliers in FY21. 20% of the selection criteria for the new supplier was allocated to their sustainability performance (which included their approach to modern slavery prevention). We will work with our new supplier to increase the number of manufacturing sites conducting independent third party social audits for the goods that we procure.

Uniforms

Our suppliers issue around 1,000 items of clothing a year to our hospitality, welcome and security supplier personnel. Given that apparel is a high risk sector, modern slavery and labour exploitation features prominently in the selection criteria. We include human rights performance as part of the supplier selection process. This year, we refreshed our assurance for these suppliers and confirmed that all of the brands we purchased conduct third-party audits of their manufacturing sites as part of their industry body membership (Sedex, Fair Wear, Business Social Compliance Initiative and Worldwide Responsible Accredited Production).

5. Training

Delivery of our human rights and modern slavery programme is dependent on key personnel having sufficient understanding of this topic generally, the associated legislative requirements relating to our business and of our approach to due diligence, risk identification and management.

For FY21, in line with last year's commitment and building on our previous training module delivered and promoted to our people, we rolled out a mandatory firmwide module to 22,000 of our employees³. Since roll-out all new joiners have also been required to complete the module. We have committed to revisiting firmwide modern slavery training on a triennial basis. Our approach to client service risks and the training module can be read in full to the right.

In tandem with the training roll-out, we launched an internal microsite where our people can access support, guidance and other resources when considering modern slavery risks.

Awareness of this programme and commitments to uphold human rights and tackle modern slavery are supported through firmwide and targeted internal communications using available channels, including the annual launch of our Modern Slavery Statement and the FY21 training roll-out.

Lastly, in line with last year's commitment, we introduced modern slavery and employment rights information as part of supplier personnel on-boarding materials. This was designed to ensure that all our supplier staff working in our offices are aware of their employment rights and to set a clear expectation of what acceptable practices are, as well as to signpost where they can go for further independent advice should they need it.

Client services modern slavery risks

Setting the scene

As we broaden our programme, we have begun to develop and strengthen controls in relation to potential modern slavery risks associated with our client services, building on the existing activity focused on our operations and supply chain. In addition we have a number of teams that specialise in helping clients assess, manage and report on their own modern slavery risks.

What we did?

Our objective was to better understand the different ways in which we could inadvertently become associated with modern slavery. We reviewed where these risks could arise in conjunction with Risk Management and through extensive consultation with client-facing teams across our lines of service. The risks identified primarily occur in relation to clients operating in inherently high risk environments (as assessed by their sector, geography or business profile).

Making a difference

Using the outcomes of the risk assessment we have:

- strengthened the modern slavery considerations in our client and engagement acceptance processes;
- rolled-out a firmwide mandatory compliance e-learn: 'Shining a light on modern slavery' in line with our FY20 commitment (going forward all new joiners are also required to complete the training module); and
- launched an internal microsite where our people can access support, guidance and other resources when considering modern slavery risks.

Having made good progress this year, we remain committed to raising awareness of modern slavery and to develop further effective ways to manage these risks.

'Shining a light on modern slavery'

The purpose-built digital elearn explores modern slavery by outlining the scale of exploitation occurring globally, the impacts these crimes have on victims, and the role of businesses in tackling it. This includes not only our supply chain and operational risks, but also modern slavery considerations with respect to the client services we deliver.

6. Effectiveness of programmes

This year we have extended the set of supply chain-specific metrics we report, that, along with progress against commitments, help inform the effectiveness of our human rights and modern slavery programme.

Bar a dip last year attributable to resource constraints during the COVID-19 pandemic on some key suppliers, we continue to see an upward trend in survey respondents, suggesting supplier engagement is having a positive impact. We have seen a slight reduction in our key suppliers with sustainability in commercial arrangements, a metric we report annually in our [Non-financial Scorecard](#), and in key suppliers publishing a modern slavery statement or human rights report. This is driven by the addition of tier two suppliers in our key supplier population with which we do not have direct contracts and which do not meet the Modern Slavery Act reporting turnover threshold. The number of key suppliers who publish a human rights policy increased this year, reflecting the growing significance of social governance. New

	2021	2020	2019
Key suppliers ⁴ responding to our annual Supplier Sustainability Survey	91%	75%	89%
Key suppliers with sustainability in commercial arrangements	76%	77%	77%
Key suppliers who publish a human rights policy ⁷	74%	59%	60%
Key suppliers who publish a modern slavery statement or human rights report ^{5,6}	85%	89%	85%
Key suppliers who have provided modern slavery training to their staff in the past year ^{7,8,15}	68%	-	-

for FY21 is the metric: “Key suppliers who have provided modern slavery training to their staff in the past year”. We believe this is a useful key performance indicator as staff awareness and knowledge (e.g. their ability to recognise the indicators for modern slavery) should be foundational to any business’ approach to managing their risks.

In our operations, we use a broad set of metrics to monitor our human rights and modern slavery performance. For example, an extensive set of measures relating to the wellbeing, diversity and inclusion of our people allows us to actively manage these aspects of our business throughout the year. We also report on our performance publicly in our [Annual Report](#) and our [Non-financial scorecard](#).

Our commitments¹⁶

This year we have continued to advance our modern slavery programme. We have met our new commitments set out at the beginning of the year and have made good progress on those that are on-going. Below is a summary of our actions to date and new commitments we are making for the coming year, to help us continue to make headway on this important topic.

	Date set	End date	Commitment	Status	Comment
Supply chain	2020	Ongoing	Continue to extend transparency and due diligence over our supply chain hotspot areas ¹⁷	Ongoing	Extensive due diligence has been conducted and is ongoing in our hotspots
	2021	2022	Review and update where appropriate how modern slavery risk is embedded in our end to end third party risk management process	New	This will ensure our third party modern slavery risk management approach is embedded in firm processes in a comprehensive manner
Training	2020	2021	Introduce mandatory firmwide digital training	Complete	Firmwide mandatory modern slavery training module 'Shining a light on modern slavery' developed and launched for existing staff and all new joiners ³
	2020	2021	Introduce modern slavery and employment rights content and communications as part of supplier personnel on-boarding	Complete	The content supports supplier personnel awareness of what constitutes modern slavery, our commitment to addressing it and signposts resources to access further information, independent advice and for reporting an issue
Effectiveness of programmes	2021	Ongoing	Track and report a broader set of key supplier human rights metrics	New	Monitoring a greater number of metrics will provide us with a better understanding of our suppliers' performance and of the overall effectiveness of the programme



This statement was approved by the Supervisory Board of PwC LLP on behalf of its members, and is signed by:

Kevin Ellis
Chairman and Senior Partner
December 2021

- 1 In this document, PwC UK refers to PricewaterhouseCoopers LLP (a limited liability partnership incorporated in England) and its related entities that carry on their business in the UK.
- 2 Modern Slavery is a term used to encapsulate the following offences stated in the Modern Slavery Act: slavery, servitude and forced or compulsory labour; and human trafficking. The offences are set out in full in [section 1](#) and [section 2](#) of the Act.
- 3 The population we require to complete the training includes all grades, all lines of service and internal staff and excludes contractors and supplier personnel in support roles.
- 4 Key suppliers are our top 80 suppliers, who are contracted to provide goods and services directly to PwC UK, selected on spend, sustainability impact and modern slavery risk; and who represent over 50% of procurement spend annually.
- 5 In FY20, we reported the metric "Key suppliers who report on human rights" which included suppliers who published either a human rights policy or modern slavery statement. The FY21 figure for this metric is 83%.
- 6 Figure includes key suppliers with annual revenue <£36 million and are not legally required to publish a modern slavery statement as per the UK Modern Slavery Act (2015). 100% of our key suppliers that meet this threshold publish a modern slavery statement.
- 7 Based on self-report responses provided by key suppliers as part of the PwC Sustainability Survey FY21. Non-respondents to the survey were counted in metric calculations as a negative response to survey questions.
- 8 Key suppliers who confirmed that they have provided modern slavery training within the past year to one or more of the following groups: "Whole organisation; Executive-level staff; Front line staff; Human resources; Procurement staff; Other".
- 9 The PwC network is made up of individual member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.
- 10 Figure does not include supplier personnel in support roles or contractors.
- 11 Global information technology procurement refers to multinational IT services or goods providers procured or licensed globally for the benefit of the PwC network.
- 12 "Personnel" shall include the relevant party's partners, members, employees, officers and agents, self-employed contractors and those of its sub-contractors, and includes that party's 'associated persons' as defined in the Bribery Act 2010.
- 13 'Tiers' refer to how close a supplier of goods or services sits relative to PwC in our supply chain, where tier one is a direct supplier and tier four, for example, has three intermediary suppliers.
- 14 Calculated using FY19 waste stream data from our offices to ensure that mass processed was representative of our offices operating at capacity. Office waste produced in FY20 and FY21 was significantly reduced due to the COVID-19 pandemic.
- 15 Blank cells indicate that data collection had not yet begun for this metric.
- 16 Commitments outlined represent only those begun, ongoing or completed for FY21. For previous years' commitments please go to www.pwc.co.uk/who-we-are/our-purpose/downloads.html
- 17 Commitment incorporates ongoing commitment reported in previous years to "Review risks in our corporate merchandise supply chain", one of our seven supply chain hotspots.