

PwC UK Modern Slavery Statement

December 2022



pwc

www.pwc.co.uk/humanrights

Executive summary

As part of our Purpose to build trust in society and solve important problems, PwC UK¹ is committed to addressing modern slavery² risks in our business and our supply chain. This statement describes the actions taken by PwC UK to address these risks during the financial year from 1st July 2021 to 30th June 2022.

This year, as the world adjusts to a new way of life post the COVID-19 pandemic, and against the backdrop of geo-political instability, the rising cost of living and effects of climate change, we have continued our focus on identifying and managing modern slavery risks relating to our business.

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

- included modern slavery considerations within our global supplier due diligence;
- reviewed our supply chain hotspots and performed due diligence over these areas; and
- continued to strengthen and develop our approach to client risk management.

No infringements or violations have been identified this year in our operations or direct supply chain. We will continue to develop and strengthen our due diligence approach in the coming year and are committing to:

- review our on-site support staff recruitment process with suppliers for improvement opportunities;
- increase the frequency of our modern slavery training; and

- continue to extend transparency and due diligence over our supply chain hotspot areas including existing centrally managed global suppliers.

We continue to be 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

87%

of our key suppliers³ publish a modern slavery statement or human rights report.^{4,5}

FY21 - 85%

69%

of our key suppliers who responded to our Supplier Sustainability Survey have a published human rights policy.⁶

FY21 - 74%



Training and awareness

100%

of PwC UK staff have completed modern slavery training.⁷

FY21 - 100%

68%

of our key suppliers who responded to our Supplier Sustainability Survey have provided modern slavery training to their staff in the past year.^{6,8}

FY21 - 68%



Engagement

87%

of our key suppliers completed our Supplier Sustainability Survey in FY22.

FY21 - 91%

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 2022 financial year PwC UK employed around 22,000¹⁰ people, operating out of 19 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

2,962

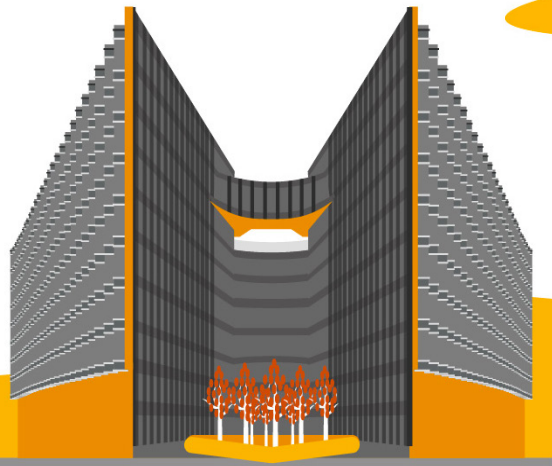
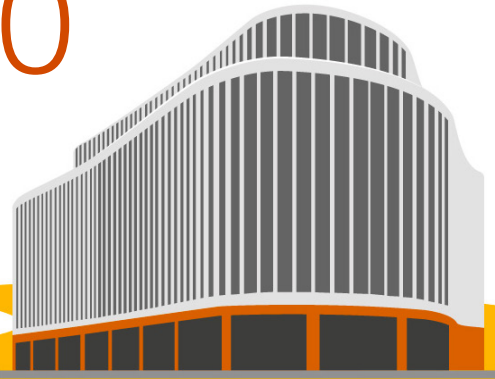
suppliers used in FY22.
FY21 - 2,174

£651m

our total UK supply chain spend for FY22.
FY21 - £562m

22,000

staff employed by PwC UK in FY22.
FY21 - 22,000



2. Policies and governance

2.1 Operations

Our [Human Rights and Modern Slavery Policy](#) sets out our position in line with internationally recognised human rights principles. 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 and Modern Slavery Policy, as part of their mandatory General Annual Confirmation.

The Human Rights and Modern Slavery 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 the Chief Operating Officer. Responsibility for day-to-day management of the programme is led by the Corporate Sustainability Team Leader. 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.

Our Internal Audit team have 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 some instances we may contract on suppliers' templated agreements, adjusted to place equivalent contractual obligations on the supplier. Such contracts 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 and Modern Slavery Policy, where a violation of one or more internationally-recognised human rights is identified, we work with all parties involved to seek 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 terminate the contract.

3. Due diligence

We communicate our expectations to our 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 most valued asset is our people and therefore creating a safe, fair and inclusive working environment is critical. This is achieved through having extensive processes and programmes in place, examples of which are detailed below.

On an annual basis, all employees are asked 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 FY22 we continued to raise awareness of modern slavery risks and promote the training and guidance available to our people, particularly our risk management teams, through a programme of upskilling sessions across the different lines of service. In addition, all new joiners completed the mandatory firmwide modern slavery e-learn as part of their induction.

3.2 Suppliers

In FY22 we have continued to foster strong relationships and work closely with suppliers of products and services including support staff such as cleaners, caterers and mailroom personnel.

Human rights, which encompasses modern slavery, has been a key pillar in our existing five year [Supply Chain Sustainability Programme](#), and will continue to form a crucial part of our refreshed Corporate Sustainability strategy to 2030. We share our approach and objectives 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. As described 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).

Our due diligence and supplier engagement activities are focussed on a group of 91 key suppliers, that are selected on the basis of spend, sustainability impact, and modern slavery risk. In FY22, our key supplier population represented just under 60% of our overall direct UK procurement spend. We have an active programme of engagement for our key supplier population in order to manage human rights impacts linked to the goods and services we procure.

Our annual supplier sustainability survey enables us to monitor the overall performance of our key suppliers. For any responses that are deemed unsatisfactory, we suggest improvements and offer support in implementing these. The survey also acts as a valuable mechanism to allow 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.

With respect to our supply chain hotspots, a range of due diligence and desk-based research is conducted. This consists of reviewing and evaluating 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 believe it is essential that we have strong risk identification and mitigation processes in place for both reputational and regulatory risks and humanitarian reasons.

In order to identify potential modern slavery risk areas we have conducted analysis of publicly available specialist reports, performed desk based research and used the outputs of our supplier sustainability survey.

In FY22 we continued to focus our efforts on increasing transparency and assurance for the supply chain hotspots identified. These are: information technology hardware, food, promotional merchandise, supplier personnel uniforms, hotels, global information technology procurement and waste and recycling. Our supply chain hotspots from UK procurement total 5.28% 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 FY22 we continued to strengthen our approach to modern slavery risks arising from client services. We further developed our client engagement and acceptance procedures and engaged with risk teams across the business to raise awareness of the risk indicators of modern slavery. This has been supported by guidance uploaded to our internal microsite which can be accessed by all our people. The mandatory firmwide training on modern slavery continues to be required for all new joiners to the firm.

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 supplier personnel—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 the coming year we will be performing a review to identify opportunities for improvement within our suppliers' approach to modern slavery and human rights risks.

Hotels

Hotel sector usage in FY22 saw a gradual but steady increase compared to FY21, as business travel began to resume following the easing of COVID-19 restrictions. As part of our due diligence over this hotspot area, we assessed the modern slavery statements of our key suppliers in this category, reviewing their approach and mitigation actions over sector risks such as ensuring adequate staff training to spot potential victims, robust recruitment processes and the existence of supply chain risk assessments. Due diligence was performed over our serviced apartment key suppliers. This consisted of reviewing modern slavery statements, supplemented by requesting and obtaining relevant policies directly from suppliers where not publicly available. For our only serviced apartment supplier that had no modern slavery statement and did not meet the £36 million turnover threshold, we conducted an interview to ascertain the actions that had been undertaken to address and mitigate the risks in their operations and supply chain. Drawing on our findings from this due diligence, we will continue to seek opportunities to improve the actions taken by our suppliers in this area.

Waste and recycling

Within this hotspot area we refreshed the approach adopted in FY21 to increase our coverage of final destination carriers that were subject to due diligence. Our approach consisted of analysing our waste stream data by the quantity of waste treated at tier¹³ three or four waste destination carriers (where waste was sorted or processed). The due diligence performed consisted of locating and reviewing the contents of their modern slavery statements and any adverse media associated with the company.

This process was undertaken for waste carriers representing 84% of our total UK waste mass for FY21¹⁴, an increase from 28% last year. We were able to increase coverage by focussing on the waste carrier as opposed to office driven waste data. The carriers subject to due diligence treated at least one waste stream, such as food waste or cardboard, from 19 of our buildings. The due diligence was also expanded to cover our archived paper waste stream, consisting of our confidential paper waste sent to archive, which was not reviewed last year.

The due diligence did not identify any reports of instances of modern slavery at tier 3 or 4 recycling centres that were engaged by our offices to treat our waste streams.

Global information technology procurement

As referenced in last year's statement, we have reviewed our approach to the management of sustainability issues with our global suppliers. As a result, the global supplier due diligence questionnaire has been updated to include a modern slavery question, asking potential new suppliers to confirm whether they have a policy and statement, and whether they have conducted a risk assessment. This will begin to be expanded to cover existing suppliers.

4.2 Suppliers providing goods

The key 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.

Full-time catering staff that work in our offices are directly recruited by our catering supplier. To cover shortages, temporary staff agencies are used as and when the need arises. These are audited by our supplier on an annual basis, to verify compliance with UK legislation and staffing policies, such as pay rates, holiday and employment rights.

Our caterer continues to be a member of the [Sedex](#) platform, an ethical trade body to assess and manage modern slavery risks in its supply chain. This is achieved through conducting social audits of its supplier sites in line with the [SMETA](#) (Sedex Members Ethical Trade Audit) methodology, which assesses standards of labour, health and safety, environment and business ethics. Instances of non-compliance that are identified as part of the audit process are reported to our supplier through the Sedex platform, with corrective actions tracked to completion.

In FY22, 25% of the 114 suppliers selected by our caterer to supply our offices had been fully onboarded to Sedex or have an active membership, an increase from 6% in FY21. This increase has been driven by our catering supplier actively encouraging their suppliers onto the Sedex platform. Onboarded suppliers include high risk supply categories such as fresh meat and dairy, seafood and beverages. Our caterer has committed to increase Sedex membership throughout their supplier base, and this will be monitored in FY23. 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

In FY22, our laptops were procured from two key suppliers. Due diligence has been performed over the sites of manufacture.

58% of laptops were manufactured by our supplier's subsidiary at a facility in Hefei, China. 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 October 2021 received [Gold recognition status](#), an improvement from the Silver status awarded at the previous audit. The facility has also been awarded the [Factory of Choice](#) accreditation by the RBA.

Our other supplier manufacturer produces 42% of our laptops at its facility in Chongqing, China. Our supplier is a member of the [Responsible Business Alliance \(RBA\)](#) and their manufacturing sites are subject to a combination of third party and in-house audits. Its most recent audit in June 2021 received [Silver recognition status](#). We will continue our dialogue with our suppliers to understand how they plan to continue improving their performance.

Promotional merchandise

Promotional items are procured for use at client events and for marketing purposes. These products are manufactured by labour that may be more at-risk of exploitation, such as migrants and workers in very manual, low-paid roles. Late last year we onboarded a new supplier and have since been working with them to develop an approach to monitor the number of manufacturing sites subject to third party audits. This has consisted of reviewing the most popular products on the basis of number of units procured, and determining at which sites these were manufactured and whether the site was subject to audit (although we recognise that audits can only provide a certain level of comfort).

For FY22, we have confirmed third-party audits, such as the Sedex Members Ethical Trade Audit (SMETA) or amfori BSCI (Business Social Compliance Initiative), of manufacturing sites have taken place within the last three years for 25% of the merchandise procured, this was calculated following analysis of the top selling products We've also confirmed the relevant manufacturer and their geography for all of our top selling promotional items for FY22. We will continue to work with our supplier to increase transparency of supply chains and the number of sites conducting independent third party social audits.

Uniforms

This year our suppliers have issued around 2,500 garment items to our supplier personnel working in hospitality, welcome team, security and maintenance. Clothing and textile production is a high risk area and therefore consideration around modern slavery and labour exploitation features prominently in the selection criteria for suppliers. This year, we extended our assurance to cover our onsite maintenance uniform suppliers. The due diligence performed consisted of reviewing their modern slavery statements if they had published one, and ascertaining whether companies conducted third party audits of their manufacturing sites (Sedex, Fair Wear Foundation, Business Social Compliance Initiative and Worldwide Responsible Accredited Production). As a result of the due diligence performed, no further investigations were required, and we will work with our suppliers over the next year to increase our assurance in this area.

4.3 Client Services

We have continued to utilise the outcomes of the risk assessment completed in FY21 to inform our approach to managing modern slavery risks that arise in our client services. Clients that operate in an inherently high risk environment (assessed by their sector, geography

or business profile) present the greatest risk of the firm becoming associated with modern slavery.

In FY22 we started a programme of reviewing engagements flagged as posing a high risk of modern slavery within our client engagement and acceptance processes. We approached risk management teams to educate them around the risks of modern slavery, and in what circumstances engagements should be flagged and the steps required to mitigate risks.

We have utilised internal communication channels to raise the profile of our modern slavery e-learn and internal microsite which hosts guidance for client teams. We have encouraged teams to revisit the modern slavery e-learn in order to refresh their understanding of this topic and the high risk indicators. Having made good progress this year, we intend to continue to strengthen our approach.

External Recognition

In FY22 we were proud to be shortlisted for the Thomson Reuters Stop Slavery Enterprise Award for our dedication to managing and working towards eliminating human rights risks across our operations and supply chain.

We were also recognised for our efforts in raising awareness and upskilling our people, including the development of a mandatory firmwide modern slavery e-learn.

Being recognised alongside exceptional businesses and leaders in the field of human rights was a credit to our efforts to manage these risks to date.

5. Training

In order to effectively deliver our modern slavery and human rights programme, key personnel in our business need to have sufficient understanding of this topic and our approach to due diligence, risk identification and management. There is also a requirement for our people to understand the associated legislative requirements applicable to the firm. We have focussed our upskilling efforts this year on our risk management teams so that they can appropriately support engagement teams in identifying and managing risk.

In FY21 we introduced a mandatory firmwide training module to 22,000 of our people. Since roll-out, all new joiners have been required to complete the module. The module outlines the scale of exploitation occurring globally, the impacts these crimes have on victims, and the role businesses play in tackling it. This includes modern slavery considerations with respect to our supply chain and operations in addition to modern slavery risks arising from the client services we deliver.

Alongside the training module, we continue to offer an internal microsite where employees can access guidance and resources to support them when considering modern slavery risks. This site also contains a guide to human rights considerations in client acceptance and links to the training module. We have taken steps to further promote these tools and raise awareness by sharing case studies with our people to provide real world examples of how to approach modern slavery risks and the resources available to them.

6. Effectiveness of programmes

In line with last year's commitment, we have tracked and reported a broader set of human rights metrics. This has allowed us to have a better understanding of our suppliers' performance and the overall effectiveness of the programme.

We have seen a slight reduction in the percentage of key suppliers that completed our annual supplier sustainability survey, largely due to the absolute increase in our target population. There has also been a decrease in the proportion of key suppliers that publish a human rights policy, the incremental decline is largely driven by a lower survey response rate, which again is the fall out of increasing the key supplier population this year by 14%. However, the percentage of key suppliers that have sustainability in their commercial arrangements has seen an increase on prior year.

Also, the percentage of key suppliers who publish a modern slavery statement or human rights report has increased, reflecting the growing recognition of this issue as a business need.

	2022	2021	2020
Key suppliers ³ who completed our annual Supplier Sustainability Survey	87%	91%	75%
Key suppliers with sustainability in commercial arrangements	77%	76%	77%
Key suppliers who publish a human rights policy ⁶	69%	74%	59%
Key suppliers who publish a modern slavery statement or human rights report ^{4,5}	87%	85%	89%
Key suppliers who have provided modern slavery training to their staff in the past year ^{6,8,15}	68%	68%	-

In FY21, a new metric was added: the percentage of key suppliers that have provided modern slavery training to their staff in the past year. This figure has remained constant in FY22 at 68%, indicating that this continues to remain an important priority for suppliers.

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 progress our modern slavery programme. We have continued to make progress towards our new commitments set out at the beginning of the year and have made strong progress on all commitments. 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	2023	Review and update where appropriate how modern slavery risk is embedded in our end to end third party risk management process	Ongoing	Updates to ensure our third party risk management approach to modern slavery risk is embedded in firm processes are ongoing
	2022	Ongoing	Review our on-site support staff recruitment process with suppliers for improvement opportunities	New	This will allow us to further strengthen standards around our support staff
	2022	2023	Extend human rights questions to existing centrally managed global suppliers	New	Expanding modern slavery due diligence questions to suppliers contracted with through global contracts will provide additional assurance on standards
Effectiveness of programmes	2021	Ongoing	Track and report a broader set of key supplier human rights metrics	Ongoing	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
Training	2022	2024	Increase the frequency of our modern slavery training	New	Requiring our people to refresh their knowledge of modern slavery every year will ensure that these risks remain front of mind



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 2022



- 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 Key suppliers are our top 91 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 just under 60% of direct PwC UK procurement spend annually.
- 4 Figure has been calculated using the data from the annual survey, combined with a manual look up of all non-respondents and negative respondents, to verify whether they had a modern slavery statement in place.
- 5 Figure includes key suppliers with annual revenue <£36 million who 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.
- 6 Based on self-report responses provided by key suppliers as part of the PwC Sustainability Survey FY22. Non-respondents to the survey were counted in metric calculations as a negative response to survey questions.
- 7 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.
- 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 FY21 waste stream data from our offices as this was the most recent complete data set available.
- 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 FY22. 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.