

# PwC UK Modern Slavery Statement

[www.pwc.co.uk/humanrights](http://www.pwc.co.uk/humanrights)

December 2020



# Shining a light on modern slavery

87%

of our key suppliers<sup>1</sup> report on human rights.<sup>2,3,4</sup>

£700m

our total supply chain spend for FY20.

## Executive Summary

The coronavirus (COVID-19) global pandemic has presented unprecedented challenges to businesses, governments and society. The most vulnerable face extreme hardship and are at greater risk of exposure to human rights breaches and modern slavery. Millions of workers in global supply chains have been left unemployed, unpaid and stranded; while recruitment at pace for high-demand sectors and disruption to anti-slavery efforts have acted to increase the risk of exploitation.

As a leading, responsible business we are wholly committed to addressing modern slavery and human trafficking risks in our business and our supply chain. The geographic scope of this statement is PwC UK<sup>5</sup> and relates to actions taken to address modern slavery risks in our business and supply chain during the financial year from 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020.

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

- managed the emerging or increased risks resulting from COVID-19;
- promoted our modern slavery training across our firm;
- created a bespoke modern slavery guide for our key suppliers;
- strengthened checks in our supply chain hotspots; and
- conducted a supply chain risk assessment to validate existing hotspots and identify new areas.

**No infringements or violations have been identified this year in our operations or supply chain. However, we know that there is more to do. This year we are committing to:**

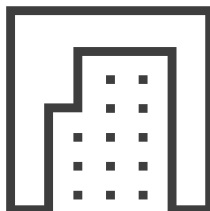
- introducing mandatory firm-wide digital training;
- including information on modern slavery as part of support staff onboarding; and
- increasing assurance for newly identified supply chain hotspots.

We are committed to respecting and upholding the human rights of our people and other individuals with whom we interact directly or indirectly, 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](#).

## Our supply chain categories



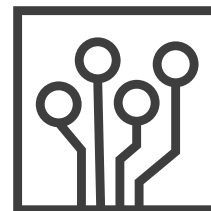
Business services



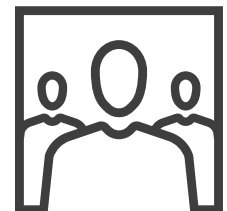
Facilities management



Human capital



Information technology



Sales and marketing

# 1. Business overview

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

PwC UK is a leading professional services firm, delivering audit, risk assurance, 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 network<sup>6</sup>. In the 2020 financial year PwC UK employed around 21,000 people, operating out of 21 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 providers, hospitality service providers and others, as well as services and subcontractors for specific client engagements.

# 2. Policies and governance

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## 2.1 Operations

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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. In FY20, all our staff were required to confirm that they were 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 Head of Purpose, Emma Cox. Responsibility for our policy and programme lies with the Director of Corporate Sustainability, Bridget Jackson. Day-to-day management, including annual review of its effectiveness, is conducted in conjunction with representatives, that include procurement, service owners and the Office of General Counsel, and is led by Latifa Kapadia.

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

In FY20, our Modern Slavery Statement disclosure and the processes and controls that underpin it were reviewed by our Internal Audit team. The internal audit review concluded that we comply with the UK Government statutory guidance by publishing a modern slavery statement annually and by covering the six key areas recommended by the Government guidance. In

addition, the processes and controls that we have in place to put together the statement were operating effectively. Some minor recommendations were made to improve the processes, all of which have been actioned during this financial year and will be embedded on an ongoing basis.

## 2.2 Suppliers

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The expectations of our suppliers are set out in our [Global Third Party Code of Conduct](#) (TPCoC) which has been shared with all our key suppliers. Separately, we have undertaken a project to ensure that the approved template agreements that we use (where possible) to contract with our suppliers require them to comply with the TPCoC and all applicable laws including modern slavery laws. 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 TPCoC and our supplier contracts are not a substitute for a supplier's own accountability and responsibility to exercise good judgement and proper business conduct. We therefore assess our key suppliers' approach in practice through various activities, including as set out in the paragraph immediately below, in section 3 (due diligence), and in the remainder of this statement.

As set out in our Human Rights Policy, where a violation of one or more internationally-recognised human rights is identified, we will work with all parties involved to ensure victims have access to remedy, compensation and justice. We will 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

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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 in both our operations and supply chain.

## 3.1 Operations

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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.

For FY20, we promoted our online training launched in FY19 (see section 5) and continued to review our processes to further factor in human rights impacts as a consideration in our client services, such as identifying suspicious activity and reporting it, where required.

### 3.2 Suppliers

Despite closing all our offices during the first lockdown, we worked closely with our direct suppliers of products and services, including support staff such as cleaners, caterers and mailroom personnel. In order to minimise the financial impact on them and their ability to support their staff, we maintained our contracts throughout this period.

Further, we continue to recognise our responsibility to identify and address potential or actual human rights impacts linked to the products and services we acquire. For our identified modern slavery supply chain hotspots, our approach is to first focus on oversight of our direct suppliers, then to increase visibility of working practices in indirect suppliers. We expect the same level of integrity and business conduct from our suppliers and their personnel, as we do from our own people.

Human rights, including modern slavery, is one of four priority areas in our five year [Supply Chain Sustainability Programme](#) to 2022. This prioritisation is shared with all key suppliers as part of our annual feedback report. Consideration of modern slavery risk is also embedded at each stage of our procurement cycle from supplier evaluation to contract management.

We also 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.

### 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. This year, we further strengthened our approach to manage risks arising from our client services by making training available to all staff online and reviewing modern slavery risks associated with our client services. In FY21, we will launch updated mandatory training in our firm-wide compliance cycle and continue to review our approach to modern slavery client risk management.

Our operational risk register considers the risks in relation to modern slavery. In FY20, we revisited our supply chain modern slavery risk assessment. Our approach can be divided into two stages: first, we applied the firm’s own [Modern Slavery Risk Assessment Tool](#), created by our internationally recognised Sustainability and Climate Change team. The tool combines our own procurement data with economic models to help us map our supply chain beyond tier one. This enables us to identify risks not only by supply chain tiers, but also by geography and sector. The tool has allowed us to analyse our procurement spend in its entirety to spot potential risk areas.

The second, desk-based risk assessment combined analysis of industry and NGO expert reports and spend in different procurement sub-categories to assess sector risk and exposure. All key suppliers that were high risk and where our spend was material were subject to further desk-based research and assurance that included assessing their legally-required modern slavery disclosures, policies, our spend and purchasing relationship with them and the geographies that they immediately impact.

This two pronged approach—predictive analysis combined with targeted supplier research—allows us to create a more comprehensive picture of our supply chain and our potential risk areas.

This year’s risk assessment validates our existing supply chain hotspots—*information technology hardware, food, promotional merchandise and support staff uniforms*—and introduces three emerging risk areas: *global information technology procurement*<sup>7</sup>, *hotels* and *waste and recycling*.

The four existing hotspot areas and two of the three new areas identified in our FY20 risk assessment (hotels and waste and recycling) total less than 7% of our overall direct UK procurement, this year. The final supply chain hotspot identified is global information technology services procured through our global network and thereby not included in the UK spend calculation.

We will work to increase transparency and assurance for each of our seven hotspots in the coming year.

### PwC’s Modern Slavery Risk Assessment Tool



## 4.1 Suppliers providing services

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For supplier employees 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.

## 4.2 Suppliers providing goods

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

### Information technology hardware

Our laptops for FY20 were manufactured by a subsidiary of our supplier, located in Hefei, China. Both are members of the [Responsible Business Alliance \(RBA\)](#) which requires members to adhere to their [Code of Conduct](#). The factory was audited under RBA in January 2019. In addition our laptops are also [TCO Certified](#). TCO certifiers follow-up with the factories on an annual basis.

### Food

Six of our offices offer supplier managed in-house staff restaurants. Despite the challenges faced by this sector during this reporting period, we continue to collaborate with our catering supplier to understand and manage our risks in this area.

Full-time catering staff working in our offices are recruited directly by our caterer. Temporary staff agencies, used to cover shortages, are audited on a biennial basis, to check for compliance with UK legislation and staffing policies, such as pay rates, holiday and employment rights. Organisations supplying our caterer complete an annual online self-assessment and provide copies of their ethical policy and modern slavery statement.

This year our caterer became a member of [Sedex](#), an ethical trade body that ensures standardised and robust external audits<sup>8</sup> that include human rights and modern slavery performance. Although COVID-19 has created some delays in this process, our caterer plans to extend Sedex membership throughout their supplier base, which will give us increased comfort over time.

### 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 often made in large quantities by low skilled workers. We continue to work with our suppliers to increase transparency of where these goods are made. We know that our most popular promotional items are manufactured in China, Germany, Italy and the UK. For FY20, we've confirmed third-party audits, such as the [Sedex Members Ethical Trade Audit \(SMETA\)](#), of manufacturing sites have taken place within the last three years for 55% of the merchandise procured. We've also confirmed the relevant manufacturer and their geography for all of our top selling promotional items for FY20.

### Uniforms

Our suppliers issue around 3,000 items of clothing a year to our hospitality, welcome and security support staff. 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 in FY20 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

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Delivery of our human rights and modern slavery programme is dependent on key personnel having a good understanding of the issues, the legislative requirements of our business, and of our approach to risk identification and management.

In line with last year's commitment, we promoted our digital modern slavery training across the business—to both internal and client facing staff—using multi-channel digital communications and campaigns that included internal news stories, messaging on screens on office floors and email cascades from business unit leaders. The training allows our people to understand how modern slavery manifests itself in the corporate context, how to spot the signs of a suspected victim and what to do about it.

In the coming year, we are committing to an updated version of the digital training being included in our mandatory firm-wide compliance training cycle in 2021, to be completed by all staff and new joiners and thereafter revisited on a triennial basis.

Furthermore, to support our suppliers we created a bespoke [Modern Slavery Supplier Guide](#) and shared it with all of our key suppliers. This free resource offers practical guidance to help our suppliers actively consider how they manage modern slavery risks in their supply chain.

## 6. Effectiveness of programmes

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We use several supply chain-specific metrics that, along with progress against commitments, help inform the effectiveness of our human rights and modern slavery programme. For our key suppliers these are:

- those responding to our annual supplier survey<sup>3</sup> (FY20: 75%, FY19: 89%)
- those with sustainability in commercial arrangements (FY20: 77%, FY19: 77%)
- those who report on human rights<sup>2,3,4</sup> (FY20: 87%, FY19: 80%)
- % of promotional merchandise procured where the manufacturer has been externally audited<sup>8</sup> within the last three years (FY20: 55%, FY19: 26%)

For each of these KPIs we have a commitment to achieve 80% by 2022, as a minimum. This year we saw a reduction in survey respondents, attributable to COVID-19. However, we have maintained or increased our other metrics demonstrating that our supplier engagement programme is having a positive impact.

In addition, 100% of our identified high risk suppliers in our hotspot categories of information technology hardware, food, promotional merchandise and support staff uniforms have a modern slavery statement or human rights policy, which gives us a degree of confidence that they are focused on the topic and are reviewing their practices on the issue, which should help lead to improvements in due course.





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 2020

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 Review](#) and our [Non-financial Performance Scorecard](#).

## Our commitments<sup>9</sup>

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
Supplier hotspots	2017	Ongoing	Review risks in our promotional merchandise supply chain.	On-track	Continue to work with our promotional merchandise supplier to gain third party assurances over the working conditions in factories (see section 4.2).
	2019	2020	Refresh our supply chain hotspot evaluation.	Complete	Risk assessment conducted using both predictive PwC Modern Slavery Risk Tool and supplier analysis to produce an updated set of hotspots going forward.
	2019	2020	Further raise awareness of modern slavery risks to key suppliers.	Complete	Modern slavery supplier guide created and shared with all of our key suppliers.
	2020	2021	Review newly identified supply chain hotspots from FY20 risk assessment.	New	-
Training	2019	2020	Raise awareness of our firm-wide learning and maximise uptake and completion by our operational and client-facing staff.	Complete	We ran several multichannel communications campaigns and a competition to incentivise completion.
	2020	2021	Introduce mandatory firm-wide digital training.	New	-
	2020	2021	Introduce modern slavery and employment rights content and communications as part of support staff on-boarding.	New	-

<sup>1</sup> Key suppliers are our top 75 suppliers, who provide goods and services for the benefit of PwC UK, selected on spend, sustainability impact and modern slavery risk.

<sup>2</sup> Includes suppliers which have either a Human Rights Policy or Modern Slavery Statement. Figure increases to 96% upon inclusion of key suppliers who agree to abide by our [Global TPCoC](#). The key suppliers making up the remaining 4% have all made public commitments regarding their operations and human rights principles. On this basis, we are satisfied that our total key supplier population is addressing human rights via their own policies, statements and/or public commitments.

<sup>3</sup> Based on responses provided by key suppliers as part of the PwC sustainability survey. As an exception due to COVID-19, we asked only 71 out of the total key supplier population of 75 to complete the survey in FY20.

<sup>4</sup> Of the population surveyed, where responses were not received due to COVID-19, FY19 responses were rolled forward.

<sup>5</sup> 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.

<sup>6</sup> The PwC network is made up of individual member firms, each of which is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.

<sup>7</sup> Global information technology procurement refers to multinational IT services or goods providers procured or licensed globally for the benefit of the PwC network.

<sup>8</sup> We set criteria for external audits as those where an accredited third-party conducts an onsite audit that includes labour standards within their scope.

<sup>9</sup> Commitments outlined represent only those begun, ongoing or completed for FY20. For previous years' commitments please go to [www.pwc.co.uk/who-we-are/our-purpose/downloads.html](http://www.pwc.co.uk/who-we-are/our-purpose/downloads.html)



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