



Deloitte Modern Slavery and Human Trafficking Statement: FY20

This statement covers:

- the structure of our firm
- steps we take in our core business to address modern slavery
- how we manage our third-party external supply chain
- our future focus

Introduction

This is Deloitte's¹ fifth annual modern slavery and human trafficking statement. In this statement we outline the robust controls and processes Deloitte have in place to ensure that modern slavery and human trafficking do not take place in our supply chain, or in any part of our business. This statement covers our financial year 2020, which ended 31 May 2020 ("FY20").

Deloitte's commitment to ensure that slavery does not take place in our supply chain remained a priority during FY20. This risk emanates from our procurement activities and is an issue we take very seriously.

In order to effectively manage this risk we work closely with our Suppliers² to ensure that they understand the high standards we require of them and how they recognise their responsibility to maintain a slavery free supply chain. We continue to believe that the risk of slavery within our own business is low, however, we remain vigilant against this and this statement outlines the steps we have taken in this regard.

¹ Deloitte in this document refers to Deloitte LLP and its UK subsidiaries. Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and registered office at 1 New Street Square, London, EC4A 3HQ. From 1 June 2017 Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited. Each member firm in the network is a legally separate and independent entity. Please see About Deloitte to learn more about global network of member firms.

² Any reference to 'Suppliers' (with capitalised S) made in this Statement denotes third party external suppliers of Deloitte LLP and its UK subsidiaries.



FY20 Summary:

- Continued providing training and discussion points for those working in roles that interact with our Suppliers;
- Reviewed which of our Suppliers operate in Higher Risk³ industries;
- Engaged with high risk Suppliers to assess the controls they have put in place themselves, and;
- Launched our Third Party Risk Management (“TPRM”) tool to support the screening of current and new suppliers for slavery related risks.

The structure of our firm

Deloitte is a leading professional services firm, with around 20,000 partners, employees and contractors, providing high-quality audit, tax, consulting, and financial and risk advisory services to global, national, and public and private sector clients spread across multiple industries. We employ staff and use contractors to support our client facing teams and to conduct our business operations. Facilities support roles (e.g. cleaning, maintenance and catering) are typically undertaken by third party suppliers.

We are part of a globally connected network of independently owned Deloitte member firms in more than 150 countries, to whom we often subcontract elements of our client engagements or operations, for example to provide advice in relation to jurisdictions outside the UK.

For the purpose of the Modern Slavery Act 2015 (“the Act”), the Deloitte entities in the global network of member firms are part of our supply chain. However, the relationships we have with these firms are different from our relationships with third party external suppliers. Each member firm adheres to many globally consistent policies and governance processes and whilst we do not have control over how other member firms manage their own suppliers, all staff and partners in all member firms subscribe to the Global Principles of Business Conduct. These principles are based on our Shared Values (see below) and outline commitments made by our people across all member firms, reflecting our core belief that ethics and integrity are fundamental and non-negotiable elements of our business. The Deloitte Global Principles of Business Conduct contain unequivocal statements around maintaining a ‘responsible supply chain’ and not condoning any illegal or unethical behaviour by our suppliers, contractors or alliance partners.

Given the differences between our relationship with other entities in the Deloitte network and our relationships with third party external suppliers, we have excluded Deloitte member firms from the definition of “Suppliers” for the rest of this

statement. Our focus for the purpose of this statement will therefore be on our core business and third party external Suppliers.²

Ensuring Modern Slavery does not take place in our own business

Deloitte’s principles, values and culture

Deloitte partners, employees and contractors are expected, and annually commit, to upholding Deloitte’s Shared Values and must consistently demonstrate this commitment through their actions and behaviours. We expect all of our people to:

- Lead the way
- Serve with integrity
- Take care of each other
- Collaborate for measurable impact
- Foster inclusion

Deloitte has a strong culture of integrity which is embedded throughout the business and is critical to ensuring that we retain the trust of our clients, our people and society. We strive to ensure that this ethos exists throughout our business, and our people are reminded of this through training and by leadership demonstrating their commitment to these values and requiring the same from all our people.

Upholding our values within our business

As part of our annual compliance responsibilities, all partners, employees and contractors are required to read the Deloitte Code of Conduct and Global Principles of Business Conduct, and confirm that they will uphold the values enshrined therein. These publications document the values, standards and requirements to which Deloitte holds its business, people and Suppliers accountable. In FY20 we celebrated the third year of our Integrity Imperative initiative, a global Deloitte effort underpinning and emphasising the importance of ethical behaviour for all of our staff; all partners were required to attend a two hour course, Leading with Integrity, while other employees completed a new e-learning, Speak Up for Values.

Our Ethics Partner assumes overall responsibility for compliance with the Deloitte Code of Conduct throughout our business. Our Speak Up line (described below) is managed by our Ethics Team (fully independent of our procurement and business teams) and all enquiries are fully investigated.

We expect all of our Suppliers to demonstrate the same integrity that we expect of our people. We explicitly prohibit illegal and/or unethical behavior by any Supplier which would include any instance of modern slavery. Any breach of these standards would be considered a material breach of contract.

Methods for staff and Suppliers to report instances of unethical behaviour

Our "Speak Up" line provides a confidential means for any of our people, contractors or Suppliers to report any concerns they have regarding potential ethics violations (including suspected instances of slavery) anywhere in our business or supply chain. Whilst our people are increasingly using this option to report ethical concerns, to date there have been none related to modern slavery. In addition, our people are encouraged to raise concerns to whomever they feel most comfortable – this may be a line manager, a Respect and Inclusion advisor or a trusted colleague - so as to ensure that unethical behaviour is tackled.

Our employee relations team, part of our Human Resources (HR) function, supports employees in difficult work situations and interacts with the Ethics team should the situation require.

Ensuring those who work on our site are paid a fair wage

Deloitte remains committed to ensuring that all our people, including onsite contractors, are paid fairly for the important work they do. We continue to be an accredited "Living Wage" employer in the UK and anyone whose role is primarily based at one of our offices will be paid at least the Living Wage (or the London Living Wage in the capital). This is another key step that we take in ensuring that modern slavery does not take place anywhere within our business or supply chains.

Ensuring slavery does not take place in our supply chain

Policy and Compliance and Governance

Our supply chain is global, leveraging the highest quality Suppliers from around the world to ensure we have the highest quality toolset available to fulfil our clients' requirements. The steps outlined in this statement relate to Suppliers contracted and/or paid through our procurement team, representing the vast majority of our third party suppliers. Incidental and/or low value goods and services may be provided to us outside of this channel from time to time.

All Suppliers, regardless of size, spend or geographic location, are expected to comply with our Sustainable Procurement Policy which is incorporated into our standard terms of business and is publicly available on our website. This policy enshrines our commitment to the UN Guiding Principles Reporting Framework. As in previous years, all Suppliers operating in Higher Risk industries (see below) will receive this policy as part of our supply chain activities in the next financial year.

During FY20, there were no instances of any Suppliers within our supply chain identifying any issues in respect of slavery. We continue to acknowledge that this could occur and therefore continue to monitor information provided by our Suppliers to ensure that they are compliant with our Sustainable Procurement Policy. If any Supplier is found to be in breach of this policy, we have contractual provisions in place to ensure that this would be treated as a material breach of contract. Any negative findings would always be escalated internally, and depending on the severity of the breach, potential actions available range from discussions with the Supplier around remediation steps to termination of the contract.

For FY20, David Gill continued to be Head of the Enabling Areas (which includes responsibility for HR and Supplier management) and was responsible for compliance with the Act. These responsibilities have now passed to Stephen Griggs who was appointed as the new UK Managing Partner in September 2020.

Procurement process

Deloitte manages our procurement processes through an online "e-sourcing" tool which allows us to ensure consistent questions are asked in each of our procurement processes when sourcing goods/services. Since we launched the e-sourcing tool four years ago, relevant Suppliers must answer the following question: "Do you take steps to ensure that slavery and human trafficking is not taking place in any of your supply chains and in any part of your own business?"

During FY20, we launched a new third party risk management process ("TPRM") platform that seeks to identify and mitigate key areas of risk created by our interactions with Suppliers through a policy, framework and system. Any Supplier will go through the new TPRM system (called TPRM Gateway). This enables the identification, assessment, management, and ongoing monitoring of the risk that we are exposed to due to the receipt of goods and services from Suppliers. TPRM created additional controls to ensure that our Suppliers comply with our commitment that our supply chain remains free of modern slavery.

Higher Risk industries

The following industries ("Higher Risk" industries), in which some of our Suppliers operate, are at an increased risk of modern slavery, and account for approximately 11% of our annual Supplier spend:

- Agriculture
- IT consumables
- IT equipment
- Print
- Stationery
- Steel
- Taxis
- Textiles
- Architecture
- AV equipment
- Business meals
- Cafeteria services
- Catering agencies
- Construction management
- Courier services
- Engineering
- Facilities management
- Furniture
- IT peripherals
- IT server infrastructure

- IT storage infrastructure
- Laptops
- Meetings & events
- Meeting facilities
- Office supplies
- Outside print services
- Paper
- Print hardware
- Real estate

Over the past year our existing and new Suppliers who operate in a Higher Risk industry, had an annual turnover of more than £36 million and were paid over £50,000 per annum for the provision of their goods or services to us, were required to provide us with a link to their annual Modern Slavery statement. These Suppliers were also required to confirm that they comply with Deloitte's Sustainable Procurement Policy and that they have not been convicted of any offences relating to modern slavery. The response rate to our annual survey of Suppliers in our High Risk industries increased in FY20 by 12% compared with the previous financial year.

Training and awareness

During FY20 we delivered training to our Procurement, Office of General Counsel and Business Relationship teams who all have roles that require them to interact with Suppliers regularly. This training was delivered to support these key individuals:

- i) to lead conversations with our Suppliers to explore and comment on the controls they have in place;
- ii) to identify potentially non-compliant Suppliers and to escalate potential concerns appropriately; and

iii) to feel empowered to refuse to enter into (or to terminate) Supplier contracts if there are any concerns or insufficient evidence of steps being taken commensurate with the risk of the industry in which they operate.

Our future focus for our current financial year (1 June 2020 to 31 May 2021)

We acknowledge the scope and scale of our business and the impact it makes on our clients, our people, and society and understand the role our business plays in creating a better society free of slavery. We will continue to monitor our standards, ensure that we retain tight controls within our business and supply chain to ensure that slavery takes place in neither and benchmark our approach against regulatory requirements and available guidance.

We will also continue to:

- provide training for our Procurement, Office of General Counsel and Business Relationship teams so that they are able to identify risks in respect of slavery;
- ensure Suppliers in Higher Risk industries confirm they comply with the requirements of the Modern Slavery Act and Deloitte's Sustainable Procurement policy before we engage with them;
- screen new and existing Suppliers for slavery related risks through our TPRM tool;
- use our e-sourcing tool to screen potential Suppliers for slavery risks as part of our standard sourcing process.

As mentioned above, Deloitte's new UK Managing Partner, Stephen Griggs will be responsible for Deloitte's compliance with the Act during our current financial year.

Other resources

For more information on how we are embedding responsible business throughout our firm, and making an impact for our people, our clients and society, please see our Impact Report.

Our Modern Slavery Statement has been published in accordance with section 54 of the Act. It sets out the steps Deloitte LLP and its UK subsidiaries (collectively "Deloitte") have taken to ensure slavery and human trafficking are not taking place in its supply chains or in any part of its business. The statement applies to the financial year ending 31 May 2020.

This statement has been approved by the designated members of Deloitte LLP on behalf of Deloitte.

Signed:



Stephen Griggs

30 November 2020

Get in touch:

If you have questions in relation to our Modern Slavery Act Statement, please contact us online.

If you have any specific concerns about modern slavery or human trafficking taking place in any part of our business or supply chain, please contact the Ethics Speak Up Line on 0808 234 1778

<https://secure.ethicspoint.eu/domain/media/en/gui/104668/index.html?123>

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