



## Deloitte Modern Slavery and Human Trafficking Statement: FY18

This statement covers:

- the structure of our firm
- steps we take in our core business to address modern slavery
- how we are managing our third party external supply chain: a year on
- our future focus

### Introduction

In our third annual modern slavery and human trafficking statement Deloitte reaffirms our commitment to ensuring we are a responsible business with robust controls in place to provide comfort that modern slavery and human trafficking are not taking place in our supply chain or in any part of our business. In this statement, we detail the steps we have taken in the financial year ending 31 May 2018 – within our business and our supply chains – to deliver those controls.

As in previous years, the financial year ending 31 May 2018 saw us extend the steps we take to comply with the Modern

Slavery Act (“the Act”) and prevent slavery from taking place within our supply chain which is an area of significant risk for a firm with the profile of Deloitte. We also maintained our existing controls which prevent slavery from taking place within our business, which we see as a lower category risk.

<sup>1</sup> 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.



FY18 Summary:

- Broadened the training we provide to our people to cover Procurement, Office of General Counsel and Business Relationship team members;
- Reviewed which of our Suppliers<sup>2</sup> operate in Higher Risk<sup>3</sup> industries;
- Doubled the number of Suppliers with whom we engage, and
- Implemented our Sustainable Procurement Policy which was written in line with the UN Guiding Principles Reporting Framework.

<sup>2</sup>Any reference to 'Suppliers' (with capitalised S) made in this Statement denotes: third party external suppliers of Deloitte LLP.

<sup>3</sup>We have referred to "Higher Risk" industries as defined in the Business Ethics Briefing (Institute of Business Ethics, Issue 43, September 2014). Mining & minerals are also "Higher Risk" areas but we do not have suppliers in this industry.

<sup>4</sup>Each member firm in the network is a legally separate and independent entity. From 1 June 2017 Deloitte LLP is the United Kingdom affiliate of Deloitte NWE LLP, a member firm of Deloitte Touche Tohmatsu Limited. Please see About Deloitte to learn more about global network of member firms.

**The structure of our firm**

Deloitte is a leading professional services firm, with around 18,000 staff and contractors, providing high-quality audit, tax, consulting and financial and risk advisory services to global, national, 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 contractors.

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 Act, the Deloitte entities in our 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. While 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. The Global Principles of Business Conduct are based on our Shared Values (see below). These principles outline commitments made by our people across all member firms, and reflect 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.

**Steps we take in our core business to address Modern Slavery**

**Our values and culture**

We expect our partners and employees to make decisions based on our firm's Shared Values of:

- Integrity
- Outstanding value to markets and clients
- Commitment to each other
- Strength from cultural diversity

**Deloitte has a strong, embedded culture of integrity, which is critical to ensuring that we retain the trust of our clients, markets and our people. The tone is set by our leadership and is driven by the values we hold as a business.**

**How we ensure that our values are maintained**

All our staff, including contractors, are required to read the Deloitte [Ethics Code](#) and our [Global Principles of Business Conduct](#). Confirming that they will uphold the values incorporated into these documents is a required compliance activity, both at the point of joining the firm and annually thereafter. Deloitte emphasises the need to prioritise a "responsible supply chain" for our business and any illegal or unethical behaviour by our Suppliers, contractors or alliance partners is strictly prohibited (including of course any instance of modern slavery or human trafficking). The [Ethics Code](#) is available on our website and we have an assigned Ethics Partner and a supporting team to embed the principles within the Ethics Code into all our operations. In 2017 we launched the Integrity Imperative, a global initiative, which underpins and emphasises the importance of ethical behaviour and standards.

We provide a "Speak up" telephone line which provides a confidential route for any of our people, contractors or Suppliers (who also have access to this service)

to report any concerns they have over potential ethics violations, including suspected instances of slavery anywhere in our business or supply chain. All enquiries to the Speak Up line are investigated by our Ethics Partner, who is independent of our procurement and business teams. Following on from the launch of the Integrity Imperative we have seen an increase in the number of people raising ethical concerns although to date none have related to modern slavery.

We also have an employee relations team operating as part of our HR function, offering mediation service to Deloitte employees to help manage difficult work situations in a confidential and collaborative way.

We are very proud to be an accredited "Living Wage" employer in the UK and we commit to ensuring that 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) – a commitment that extends to all of our people, whether they are an employee, contractor or third party external Supplier. This is another key step that we take in ensuring that modern slavery does not take place anywhere within our business or supply chains.

### How we are managing our Supply chain: a year on.

#### Governance, Policy and Compliance

David Gill, Head of Internal Client Services (which includes responsibility for HR and Supplier management), continues to hold responsibility for our compliance with the Act.

Deloitte relies on an extensive supply chain across industries and regions of the world. 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.

Our procurement team policy is that our Suppliers, irrespective of size, are expected to comply with our [Sustainable](#)

**Procurement Policy.** In our last statement we outlined how we had refined our Sustainable Procurement Policy to ensure it is in-line with the UN Guiding Principles Reporting Framework. This new Sustainable Procurement Policy has now been updated and sent to our Suppliers operating in Higher Risk industries (defined below), and is also publicly available on our [website](#).

We are pleased to report that in the year to 31 May 2018 we found no instances of any Supplier using modern slavery in their supply chain and/or any part of their business. However, we will continue to monitor information provided by our Suppliers to give comfort that they are compliant with our revised Sustainable Procurement Policy. Should any Supplier be found to be in breach of this policy, we have the right to treat this as a material breach of the contract. Depending on the gravity of the breach, the matter is escalated internally with actions ranging from discussions with the Supplier around remediation steps to termination of the contract.

#### Procurement process

Deloitte have deployed an online procurement tool primarily to manage our large Suppliers and those who respond to some requests for tender. Since its launch, 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?"*

#### 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 16% of our annual Supplier spend:

- Agriculture
- IT consumables
- IT equipment
- Print
- Stationery
- Steel
- Taxis
- Textiles

Over the past year our existing and new Suppliers who fulfilled all the following criteria were required through an annual process in our supplier management tool to provide us with a link to their annual Modern Slavery statement:

- (i) operated in a Higher Risk industry
- (ii) were paid over £50,000 per annum for the provision of their goods or services
- (iii) had an annual turnover in excess of £36m per year

These Suppliers were also required to confirm that they comply with Deloitte's Sustainable Procurement Policy and that they have had not been convicted of any offences relating to modern slavery.

#### Training and awareness

Last year we committed to providing mandatory training to our Procurement, Business Relationship and Office of General Counsel teams to ensure that the firm's responsibilities with regards to modern slavery are upheld. This training was delivered to support these key individuals to:

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

We continue to review our processes and procedures to identify areas for improvement so as to make continued progress in guarding against modern slavery. In the forthcoming year we will focus on extending the number of industries which fall within High Risk Supplier industries from the 8 above to the 23 industries listed below:

- 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
- Stationary
- Taxis

In FY19 we will also provide updated and mandatory training to our Procurement, internal Legal and Business Relationship Management teams.

We acknowledge the scope and scale of our business and the impact it makes on our clients, our people and society. We will continue to monitor our standards and benchmark our approach against regulatory

requirements and available guidance, as we recognise the role our business plays in creating a better, slavery-free society.

### Our impact

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](#).

**This 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 2018.**

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

Signed:



**Paul Robinson**

Chief Operating Officer, Deloitte LLP

30 Nov 2018

### 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.

# Deloitte.

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