



Financial Reporting Council

FRC Modern Slavery Statement 2023-24

21 September 2023

Modern Slavery Statement

The Financial Reporting Council ("FRC") is making this statement in accordance with our commitment to meet section 54 of the Modern Slavery Act 2015 ("MSA"). It covers the steps taken for the financial year 1 April 2022 to 31 March 2023.

The FRC does not tolerate any activity which constitutes modern slavery or human trafficking. We expect our suppliers (and supply chain) to maintain the same approach and to have policies and procedures in place to minimise the risk of modern slavery occurring.

This statement was approved on 21 September 2023 by the FRC's Board of Directors who will review the statement annually.

Signed on behalf of the FRC

A handwritten signature in black ink, appearing to read 'SRapson', written over a horizontal line.

Sarah Rapson

Acting Chief Executive Officer

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Summary

Our commitment to the Modern Slavery Act (MSA) includes:

- Dedicated Procurement team with qualified and experienced resource.
- Raising awareness of the Modern Slavery Act (MSA) with our suppliers during contract due diligence and through information on our website.
- Regular supplier due diligence to check:
 - Adherence to their MSA statement.
 - General practice in this area.
- The use of standardised terms and conditions to incorporate MSA provisions.
- Regular review of the Whistleblowing policy. There were no whistleblowing cases during the reporting period.
- Delivery of regular Modern Slavery awareness training both to staff and suppliers.
- Reviewing our methodology for identifying the impact of the MSA on our activities and our supply chain.
- Engaging with the Department for Business and Trade and non-governmental public bodies to share best practice.
- Annually reviewing this Modern Slavery Statement.
- Updated staff training packs, which are also available to key suppliers to support their awareness of this important issue.

Our Structure

The FRC is a company limited by guarantee. Our purpose is to serve the public interest by setting high standards of corporate governance, reporting and audit and by holding to account those responsible for delivering them. We monitor the application of the standards, holding parties to account and, where in the public interest, we enforce them. Companies that are run to the highest standards and whose reports are trusted for their accuracy and openness make a positive contribution to society by making sound decisions in their own long-term interest and that of all stakeholders.

As a non-governmental public body upholding high ethical and public service standards we continually aim to provide a professional, pro-active and positive response to our internal and external stakeholders. We are committed to continually improving our policies and practices to

meet or surpass key stakeholder expectations.

Supply Chains

We engage directly with 480 suppliers and have a Supplier Code of Conduct that we ask all Suppliers to review. We also actively assess each supplier before engagement to ensure they meet the standards we expect, while ensuring they adhere to Modern Slavery legislation.

In the event of modern slavery practices being identified in (a) the provision of an FRC supplier contract or (b) the FRC business, the FRC will:

- Notify the appropriate law enforcement agency.
- Work openly and proactively with key stakeholders to resolve issues and change working practices.
- Terminate the contract (if applicable).

Policies

We recognise our responsibility to operate our business with effective policies and procedures to be fair and ethical. Relevant policies include:

Employee Handbook: Our robust Staff Handbook incorporates a Code of Conduct, Grievance Policy and Diversity and Inclusion Policy. This key information seeks to ensure all employees understand the work environment and the high standards that they must adhere to.

Recruitment Policy: The FRC operates robust recruitment practices including, but not limited to, adherence to [the Civil Service Recruitment Principles](#). We ensure that the people we hire have the right to work in the UK and that their basic rights as workers are protected. We commit to providing fair wages and benefits and comply with all applicable minimum wage laws in the UK including the London Living Wage.

Whistleblowing: The FRC's approach to Whistleblowing is two-fold. Firstly, we have raised awareness and understanding of how our staff and partners can report concerns without fear of retaliation. Secondly, the FRC provides information and the ability to external stakeholders to be able raise any concerns <https://www.frc.org.uk/about-the-frc/whistleblowing>.

Procurement Policy: The FRC's Procurement Policy sets out our approach to the fair and equal treatment of all suppliers. The Policy provides a framework of good practice and control mechanisms (alongside adherence to the Public Contracts Regulations 2015).

Procurement

We use FRC Terms and Conditions where possible but also use Supplier Framework Agreements and Terms and Conditions from time to time. We are also a 'Contracting Authority' under the Public Contracts Regulations 2015.

We are committed to the effective management of our third-party expenditure and supplier arrangements and require prospective suppliers to confirm whether they are a relevant organisation under section 54 of MSA 2015 and, if so, whether they are compliant with the annual reporting requirements of section 54.

Risk Assessment and Management

Due to the nature of our work, we consider the risk of modern slavery and human trafficking occurring to be low. However, we take our responsibility to identify and effectively respond to any incidents of modern slavery and human trafficking very seriously. We continue to monitor any changes in the inherent risk levels of the goods and services which we procure over the next 12 months, in line with any updates to UK Government guidance.

Governance

The Board is ultimately responsible for our Modern Slavery Statement. We update our Audit and Risk Committee and the Executive Committee regularly on current and future risks in relation to the FRC's procurement activities. The Procurement team also sit within Corporate Services, under the responsibility of the Executive Director and General Counsel.

Training

Our procurement team attend training to help identify and respond to suspected incidents of modern slavery and human trafficking.

KPIs

We have developed KPIs to monitor progress against managing modern slavery risks as follows:

- All (new) Suppliers (with the exception of Suppliers via a Compliant Framework Agreement) checked for Modern Slavery statement / position.
- All tenders include a Form of Tender for confirmation from the Supplier that Modern Slavery is not tolerated by them / their supply chain.
- Ensuring all the FRC's standard contracts include Modern Slavery clause(s).

Plans for 2023/2024

In 2023/24 we will:

- Refresh Modern Slavery training for key staff responsible for procurement.
- Progress the modern slavery assessment tool to identify and highlight contracts that may have high exposure to the risk of exploitation of workers in their supply chain. Initial work has been undertaken across the majority of FRC expenditure and will continue this year to

ensure all contracts have been assessed.

Annex A: Case Study

In April 2022 the FRC was re-tendering for a Recruitment Services Framework Agreement. The framework agreement would provide the FRC with expert recruitment agency input to support on various recruitment campaigns. Our recruitment campaigns are typically for professional, highly skilled and specialist resources (such as Actuarial, Legal, Audit and Forensic Accountants). Nonetheless Procurement and Recruitment at FRC were mindful that recruitment is often a high-risk area for modern slavery (although typically for temporary worker, seasonal worker and low/unskilled work or hazardous work).

To safeguard the FRC the following actions were taken:

- The FRC's FRC Recruitment Policy and Practices was included in the tender documents.
- Suppliers that participated were asked to attest that they did not agree or support any activity which constitutes modern slavery or human trafficking under the Modern Slavery Act 2015, and their supply chain to maintain the same approach and to have policies and procedures in place to minimise the risk of modern slavery occurring.
- Suppliers that participated were asked to complete a Supplier Code of Conduct to ensure their behaviour / practices aligned with the FRC in various areas including Human and Labour Rights and/or Modern Slavery.
- The Supplier shall always provide to the FRC the Services in compliance with all applicable law, (such as Modern Slavery Act and Equality Act 2010).
- All shortlisted suppliers were subject to further due diligence and financial background checks.

The work undertaken resulted in the FRC developing successful working relationships with the Suppliers who contribute their expertise in support of the FRC's recruitment.



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