

Modern Slavery and Human Trafficking Statement

Introduction

This statement is made pursuant to section 54 (1) of the Modern Slavery Act 2015 and constitutes our modern slavery and human trafficking statement for the financial year ending 31 May 2022 for Johnston Carmichael LLP and all group entities.

Organisation Structure

Johnston Carmichael LLP is a Limited Liability Partnership registered in Scotland (SO303232) providing accountancy and business advisory services to clients, primarily based in Scotland but also elsewhere in the United Kingdom. The firm has premises in Aberdeen, Dundee, Edinburgh, Elgin, Fraserburgh, Forfar, Glasgow, Huntly, Inverness, Inverurie, London, Perth and Stirling. We have 56 Partners, 823 staff and a turnover of over £62M for the financial year ending 31 May 2022 across the Johnston Carmichael group entities.

Supply Chains

We are committed to ensuring our supply chain is free from any form of slavery or human trafficking. As we operate in the professional services industry, our supply chain is centred around the purchasing of goods and services that support the functioning of our offices and the provision of services to our clients, including the referral of accountancy work to other firms. Consumables purchased include office supplies, marketing materials, IT equipment and estate services such as cleaning, waste management, office fixtures and fittings, security and catering.

Johnston Carmichael believes in supporting the local business at the heart of the communities we serve. Many of our suppliers are local (Scottish) businesses who have their own due diligence in place to ensure they procure services and/or materials from socially responsible organisations. As we operate geographically within the UK, and our supply chain is predominantly UK based, our verification of supply chains includes fair treatment and pay of workers and verification of the right to work in the UK.

While we do not primarily operate in high-risk sectors or locations, we are mindful that we do not become complacent in this regard and we regularly evaluate the nature and extent of the firm's exposure to the risk of modern slavery mitigating any potential risks as appropriate.

Due Diligence, Risk Evaluation and Management

Since the inception of the obligations to report on measures to ensure that all parts of our business and supply chain are slavery free, we have sought attestation from suppliers of the steps they take to ensure their own supply chain is free from slavery or human trafficking at supplier selection stage and annually thereafter.

A priority for us this year has been the implementation of our enhanced supplier due diligence and procurement procedures. As part of our integrated programme of responsible corporate citizenship and ethical supply chain transparency, prospective suppliers are required to complete our supplier creation form, confirming their commitment to modern slavery within their business and supply chains. Any high-risk suppliers for contracts worth £50,000 or more or where there is a potential reputational supply chain risk, will be required to complete a more detailed supplier due diligence form.

We have conducted a risk assessment of our supply chain, based on annual spend, invoice frequency and other material factors. We continue to implement and enforce effective systems and ongoing controls with new and existing suppliers. We will investigate any potential risk areas and take action (including termination) as appropriate.

We maintain proactive engagements with our external suppliers, mindful of the environmental, social and economic impact our procurement decisions have on influencing positive social and economic change.

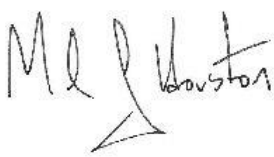
We are mindful that in periods of economic downturn there are increased vulnerabilities to modern slavery, particularly as businesses explore cost cutting measures. We are alert to the potential for exploitation and it remains important for us as a firm to retain visibility of our wider supply chain and their ethical sourcing to evidence the outcomes of our Environmental, Social & Governance action plans.

Training Resources and Policies

Aligned to our values, our suite of responsible business policies outline our approach as a firm and we expect all employees to conduct business relationships with honesty and integrity. Our whistleblowing policy also sets out a process for reporting any concerns about wrongdoing or breaches of policies which includes reporting on forced or compulsory labour or human trafficking.

Engagement and investment in our people remain a critical strand in ensuring this permeates our culture. To ensure a satisfactory level of understanding of the risks and signs of modern slavery and human trafficking in our supply chains and our business, we have created and made available e-learning resources to all of our people, including those involved in recruitment and procurement. We continue to develop our internal training, JC Academy, covering both technical training with ethics and compliance elements, to ensure our staff have both the technical competencies and value-based skills available to empower them.

This statement has been approved by the Board of Johnston Carmichael LLP on behalf of its Members and all group entities and is signed by:

A handwritten signature in black ink, appearing to read 'Mark Houston', with a stylized flourish at the end.

Mark Houston

Chair

A review of this statement will next take place on 30 October 2023.