

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 ended 31 May 2023 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, Newcastle, Perth and Stirling. We have 65 Partners, 876 employees and a turnover of over £68M for the financial year ended 31 May 2023 across the Johnston Carmichael group entities. We are the largest independent firm of Chartered Accountants and Business Advisers in Scotland and one of the Top 10 accountancy firms in the UK.

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.

We continue to implement and enforce effective systems and ongoing controls with new and existing suppliers. We will investigate any potential risk areas and act (including termination of a supplier relationship) 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 supply chains are free from slavery or human trafficking at supplier selection stage and annually thereafter.

Our tender and procurement process now includes the same verification processes as those that form part of our standard due diligence practices. This year, we have reviewed and will

continue to review our central list of suppliers. We have conducted a risk assessment of our supply chain based on annual spend, invoice frequency and other relevant factors. We continue to maintain proactive engagements with our external suppliers, mindful of both the environmental and social issues throughout those engagements and the impact our procurement decisions have on influencing positive social change at all times thus ensuring our supply chain is free from slavery and/or human trafficking.

In addition to the enhanced supplier due diligence and procurement procedures we implemented last year and the tender and procurement due diligence we now have in place we have revised our internal training programmes to ensure that the links between modern slavery and our Anti-Money Laundering obligations are well understood as part of our professional role in the eradication of financial crime, our staff receive regular ongoing training in this regard.

At Johnston Carmichael we are committed to our Environmental and Social Governance strategy (ESG), we believe that we can demonstrate to our various stakeholders, both internally and externally, that we are accountable for the stewardship of our people and the planet. Our ESG strategy lets us articulate how we focus on "doing the right thing", we believe sustainability is the moral compass which sets out a broad set of principles to which we as an organisation aspire to, and ESG is the reporting framework which brings that sustainable ambition to life. People are our greatest asset, and we want to build a firm which retains and attracts the brightest people by providing an environment which puts people, planet, and profit on an equal footing.

More broadly, climate change induced migration increases the risk associated with human trafficking and modern slavery due to the growing scarcity of resources forcing many to migrate in search of work, food or safety. This is why we remain dedicated to reducing our carbon footprint as much as we can by continuing to review:

- Our property estate and our energy usage
- How we travel for business
- How we engage with our supply chain
- How we embrace further digitalisation and artificial intelligence
- How we can incorporate environmental best practice into everything we do to ensure that we are transitioning to net zero as quickly and as efficiently as possible

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 and 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 values of Doing the Right Thing, Standing in Other People's Shoes, Remaining Relevant, and Leading our Future are regularly communicated and discussed with Partners and employees. 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.

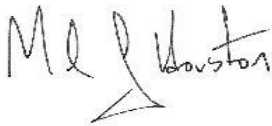
As a firm of professional accountants, we are held to the standards and ethics expected of the professional accountant. This pervades every aspect of our practice, underpins our values

and is the foundation of the training we nurture in our people from day one and the standards against which our Partnership candidates are evaluated.

Engagement and investment in our people remain critical strands in ensuring our values and approach to combatting modern slavery 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.

In addition to the firm wide national CSR initiatives, we also actively support and encourage local initiatives in each of our 14 offices. Each local office has a CSR team who link in with the main CSR firm committee and each have a representative on that committee which allows joined up thinking, sharing of ideas and helps drive forward our CSR strategy for the firm. In this regard, and in order to ensure we continually focus on supporting our people internally we have an employee-led People and Culture Forum which is made up of a representative mix of colleagues from across the Firm. We continue to develop our internal training, JC Academy, covering both technical training with ethics and compliance elements, to ensure our people have both the technical competencies and value-based skills available to empower them to identify any potential risks.

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 that reads "Mark Houston". The signature is written in a cursive style with a large, stylized 'M' and 'H'.

Mark Houston

Chair

A review of this statement will next take place on 30 October 2024