



ICAEW ***Modern Slavery Statement***

NOVEMBER 2020

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WHAT IS MODERN SLAVERY?

Modern slavery as defined in the Modern Slavery Act 2015 ('the Act' or 'MSA') includes servitude, forced and compulsory labour. It exists where 'a person' holds *'another person in slavery or servitude or forces another person to undertake compulsory labour, where the person knows or ought to know that the other person is being held in slavery or servitude or the person knows or ought to know that the other person is being forced to perform compulsory labour.'*

Modern slavery is an international crime affecting over 40m people around the world. This growing global issue transcends age, gender and ethnicities. It includes victims trafficked from overseas and vulnerable people in the UK who are forced illegally to work against their will across many different sectors such as agriculture, hospitality, construction, retail and manufacturing. The key to identifying it is whether there exists an element of coercion. If the person or employee can leave easily and without threat to themselves or their family, then irrespective of whether they receive poor wages or work in an unsafe environment, or for long hours then it would not constitute slavery, servitude or forced and compulsory labour.

The Act requires commercial organisations supplying goods or services with a turnover of above £36m to prepare and publish an annual 'Slavery and Human Trafficking Statement'. The Statement must set out the steps an organisation has taken, if any, during its financial year to ensure that slavery or human trafficking is not taking place in its supply chain. It also indicates what an organisation plans to do. Set out here is ICAEW's Statement for the financial year 2019, including a number of actions and enhancements we have undertaken in 2020, during COVID-19.

COVID-19 pandemic 2020: Commentary on the timeframe extension for release of the Statement

ICAEW has taken the opportunity, during the 2020 extension period granted by the government due to the impact of the COVID-19 pandemic, to review and enhance the structure of our Statement. Also, it is five years since the Act came into law and it is timely to review and assess our processes further.

As a result, we have identified and introduced bolstered measures, particularly in our contract and supplier processes, to further safeguard the business. In addition, during the pandemic, we designed a questionnaire and sent it to all ICAEW directors (based in the UK and internationally). This exercise focused specifically on recruitment and employment practices as well as purchasing and outsourcing (direct suppliers) - and more details are given on that exercise below. We are also planning to raise awareness more generally among all staff on this important topic, as well as identify tailored training for staff working in specific areas, such as procurement. In tandem, the new contracts training being rolled out now across the business incorporates modern slavery elements.

There is no specific evidence available or apparent to us to indicate that the COVID-19 situation has led to an increased risk of modern slavery in our supply chains.

ICAEW MODERN SLAVERY TRANSPARENCY STATEMENT

ICAEW is committed to working towards ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

SCOPE

This statement has been published in accordance with section 54(1) of the Modern Slavery Act 2015 (the 'Act' or 'MSA'). It sets out the steps that ICAEW has taken to prevent modern slavery and human trafficking within its business and supply chains. The statement applies for the financial year ended 31 December 2019.

ORGANISATIONAL OVERVIEW AND STRUCTURE

ICAEW (The Institute of Chartered Accountants in England and Wales) was incorporated by Royal Charter RC000246 in 1880, with its registered office at Chartered Accountants' Hall, Moorgate Place, London EC2R 6EA UK.

What we do

ICAEW is a world leading professional membership organisation that promotes, develops and supports more than 158,000 chartered accountants and 30,000 students worldwide. They are talented, ethical and committed professionals. We provide qualifications and professional development, share our knowledge, insight and technical expertise, and protect the quality and integrity of the accountancy and finance profession.

All that ICAEW does and is responsible for - the provision of education and training, the maintenance of professional standards, and delivering technical excellence in the public interest - is defined by its Royal Charter. More information on this and our bye laws is available [here](#)

Where we are

We operate in 12 countries including the UK. Employing over 800 staff, mostly in the UK, we also have representative offices and presence in Brussels, Poland, Cyprus, the UAE (Dubai and Saudi Arabia), China (including Hong Kong), Malaysia, Indonesia, Singapore and Vietnam. The focus of our international presence is to help raise the profile of ICAEW overseas with members and key partners, identify thought leadership opportunities, and stay up to date with local business issues.

For the purposes of the Act, our offices, and representative offices, are part of our supply chain.

How we are governed

ICAEW is governed by its Council, which is ultimately responsible for ensuring that ICAEW meets the objects set out in our Royal Charter. Council carries out this responsibility through the review and approval of strategy, operational plans and budgets proposed by the Board. The Board acts under delegated authority from Council and is responsible for all matters relating to the development and implementation of ICAEW strategy (including the review of risk), policy, operational plans and all matters related to ICAEW resources.

For further details on our structure and our governance please visit our [website](#)

OUR COMMITMENT

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. This Statement and our policy reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls which address the risks of modern slavery and human trafficking anywhere within our business and supply chains.

We will implement appropriate controls across a number of areas within our business, including our supplier policies, contractual processes, training and reporting – in addition to recruitment and employment.

As part of our efforts to identify and mitigate the risks of modern slavery and human trafficking, we shall:

- look to build long-term relationships with our suppliers and clearly highlight to them our expectations of business behaviour;
- look to contract with entities that have suitable anti-slavery and human trafficking policies and procedures in place; and
- encourage the reporting of concerns and provide appropriate protection for whistle-blowers.

We also believe in the importance of ethical behaviour: for our members, our people, our suppliers and broader society.

Our ethical behaviour, both actual and perceived, is fundamental to maintaining ICAEW's reputation, promoting trust and inspiring confidence in it and its members. Ethical behaviour is also part of our identity.

Our Business Values and Standards of Behaviour Code is set out [here](#)

This code outlines ICAEW's values and the standards of behaviour expected of all who represent it, including contractors, consultants, agents and suppliers.

OUR POLICIES

Modern Slavery and Human Trafficking Policy

ICAEW's policy encourages the reporting of concerns by staff and emphasises appropriate protection for whistle-blowers.

ICAEW's Modern Slavery and Human Trafficking Policy, approved annually by our Audit Committee, applies to all persons working for us or on our behalf in any capacity, including employees at all levels, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners. The policy is highlighted to all new staff during their probation period with a requirement they have to sign and say they have read, understood and agree to it.

The policy states that our zero-tolerance approach to modern slavery will be communicated to suppliers, contractors and business partners at the outset of our business relationship with them and reinforced as appropriate thereafter. In addition, we may terminate our relationship with individuals and organisations working on our behalf if they breach this policy.

We will be monitoring the use and effectiveness of our policy, dealing with any queries about it, and considering internal control systems and procedures to ensure these are effective in countering modern slavery.

We ask that our Modern Slavery and Human Trafficking Policy is understood and applied in connection with our additional related policies:

- Whistle-blowing
- Anti-fraud, bribery and corruption (includes corporate gifts and hospitality)
- Tendering policy and procedure
- Third-party contracts and agreements guidance and policy

SUPPLIERS

ICAEW understands that the nature of our relationship with our suppliers can be influential and can therefore serve as a trigger for responsible action in these supply chains and an opportunity to influence positive change, towards putting an end to modern slavery.

The supply chain that supports our business comprises a wide range of suppliers, from smaller businesses to global companies, across many jurisdictions, including those where there is a higher risk of forced labour. Our supply chain includes products and services from IT hardware and software, office refurbishment, fit-out and maintenance, recruitment agents through to outsourced services such as cleaning, catering, security and reception.

As stated in the Commitment section above, ICAEW looks to:

- build long-term relationships with our suppliers and clearly highlight to them our expectations of business behaviour; and
- contract with entities that have suitable anti-slavery and human trafficking policies and procedures in place.

We will continue to work with our people to further refine the identification of specific modern slavery hotspots in our procurement chain, in the UK and internationally.

In tandem, our Central Operations area is working on a number of specific and focused practical measures:

- Different types of risk assessments have been reviewed and we aim to introduce one as part of the due diligence process for the on-boarding of new suppliers.
- We are also amending the due diligence section of ICAEW's new Contract Enquiry form. As part of this, internal contract owners will be asked to provide a level of risk with regards to modern slavery. This is being requested not for just new suppliers, but also as a sense check when it comes to extensions or variations of contracts with existing suppliers. If there are any issues this will be flagged up to our Contract Review section in our Central Operations area, who will review the contract to ensure the relevant provisions have been included. Contract owners will be guided on how to allocate the measure of risk for this by reference to the initial risk assessment.
- ICAEW's supplier contracts or other terms and conditions specify, where appropriate, that the suppliers comply with the Modern Slavery Act 2015 and that they warrant that they have not committed, and are not being investigated, or are aware of any circumstances which may lead to an investigation for any allegations of a modern slavery offence. The clause is now included where appropriate in all newly entered into supplier contracts or other terms.

We expect our suppliers to implement due diligence procedures for their direct subcontractors, and suppliers and other participants in its supply chains, to ensure that there is no slavery or human trafficking in its supply chains.

We will not support or deal with any business knowingly involved in slavery or human trafficking.

£71m Our supply chain spend for 2019

1,947 The number of suppliers used by ICAEW during the year

EMPLOYEES

We are committed to paying people fairly and properly for the work that they perform.

As referenced above, our [Business Values and Standards of Behaviour Code](#) applies to all staff.

Strong values and ethical behaviour have been at the heart of our organisation since its foundation in 1880. These guide us in our daily actions, providing a common base of values that all ICAEW colleagues share and respect.

OUR VALUES

Chartered accountants are talented, ethical and committed professionals. There are more than 1.8m chartered accountants and students around the world, and more than 186,500 of them are members and students of ICAEW.

ICAEW promotes inclusivity, diversity and fairness. We attract talented individuals and give them the skills and values they need to build resilient businesses, economies and societies, while ensuring our planet's resources are managed sustainably.

Founded in 1880, we have a long history of serving the public interest and we continue to work with governments, regulators and business leaders around the world. And, as an improvement regulator, we supervise and monitor over 12,000 firms, holding them, and all ICAEW members and students, to the highest standards of professional competency and conduct.

We are proud to be part of Chartered Accountants Worldwide, a global network of 750,000 members across 190 countries, which promotes the expertise and skills of chartered accountants on a global basis.

We believe that chartered accountancy can be a force for positive change. By sharing our insight, expertise and understanding we can help to create strong economies and a sustainable future for all.

Our staff are appraised and rewarded on our ways of working and our values – these values are Insight, Initiative and Integrity. They are at the core of our DNA, influence all of our thinking and practice and guide our staff in everything they do.

Recruitment

The majority of our workforce is employed on a permanent or contract basis. All employees who join the firm are subject to checks, including the verification of identity, right to work, references and evidence of qualifications where appropriate. Similar checks are also undertaken for contractors. The approach to recruitment in our overseas offices is being reviewed in more detail in 2020 with the aim of harmonising practices around modern slavery safeguards.

We produce and maintain a list of approved recruitment agents that we feel operate in accordance with good anti-slavery practices. We review each agent's practices at least every 12 months.

Whistle-blowing

We encourage all our staff, clients and other parties to report any concerns they may have in relation to a risk, malpractice or wrongdoing that affects others such as clients, staff, the firm, suppliers or the public. Our whistle-blowing policy and procedure are designed to ensure that people can make disclosures without fear of retaliation.

During Financial Year 2019 - Reports made in relation to modern slavery 0

TRAINING AND AWARENESS

In 2020, we conducted a survey of all ICAEW directors (UK and international) to ascertain their level of awareness of modern slavery and their adherence to implementation of our policies.

The questionnaire specifically focused on recruitment and employment practices as well as purchasing and outsourcing (direct suppliers). The purpose of this exercise was to assess compliance and to identify any gaps including the need for wider and/or specific training.

Although we have assessed the overall risk of slavery in ICAEW's supply chains as minimal we needed to understand whether there is a higher level of risk in any of ICAEW's departments and offices, either because of where they are based or because of the activities they undertake.

As a result of this fact-finding exercise to ascertain the employment, recruitment and purchasing policies followed by each ICAEW department and office, we plan to use the findings to fine tune our risk assessment and develop policies that will enable us to further reduce the risk of slavery and human trafficking within all our supply chains, enhance reporting on what we do in our s54 statement and set ways to monitor our progress.

Our Central Operations team shall deliver enhanced modern slavery training to those employees who are responsible for delivering contract management communications with a particular focus around the on-boarding of suppliers.

This will include delivering guidance on an enhanced due diligence process with a requirement for supplier risk assessments to be carried out to enable us to identify where further measures may need to be incorporated.

Central Operations has also reviewed the inclusion of modern slavery clauses within the organisation's current contractual arrangements. As a result of this, part of the new contracts management processes will include an assurance that the relevant due diligence has been carried out before entering into the agreement and that relevant contractual provisions are in place, including a right to terminate if modern slavery is subsequently identified.

FURTHER ACTIVITIES

ICAEW is identifying suitable, accredited and robust training materials to deliver to staff specifically involved in purchasing, procurement and contracts.

We are also planning more general modern slavery awareness training for all staff in early 2021.

ICAEW has a body of resources on modern slavery for its members and is currently developing a dedicated online resource hub for them on this area. The resources contained there will also form part of the materials we use for our staff awareness building.

GOVERNANCE, POLICY AND COMPLIANCE

Overall responsibility for modern slavery (and the production of this statement) now comes under the Chief Operating Officer and will be discussed and assessed at ICAEW's Anti-Bribery and Corruption (ABC) Review Group meetings.

Our **Modern Slavery and Human Trafficking Policy** is owned by the HR Department.

This statement has been approved by ICAEW's Executive Committee and ICAEW Board and signed by the Chief Operating Officer. It will be reviewed and updated annually.



Vernon Soare BFP, FCA
Chief Operating Officer, ICAEW

November 2020

If you have any further questions in relation to ICAEW's statement on modern slavery, contact Caroline Kearns on +44 (0)20 7920 3539.

Alternatively, if you have any concerns about modern slavery or human trafficking taking place in our business (or supply chain) contact the Head of our Central Operations Team: helen.carter@icaew.com or our Director of Human Resources: maura.owens@icaew.com