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, 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 2020.
ICAEW’s activities in relation to modern slavery in 2020: An overview

During the past year, ICAEW has identified and introduced bolstered measures, particularly in our contract and supplier processes, to further safeguard the business around modern slavery and to offer an ongoing audit mechanism for reviewing modern slavery within our supply chains.

Through our discussions with business stakeholders, we identified the need for the completion of a tailored risk assessment for certain contracts. We are therefore looking to build an ICAEW-approved risk assessment matrix. This is also to ensure that, when assessing risk, this is done to an objective organisational-wide standard.

Alongside the risk assessment matrix, the new contracts training being rolled out across the business (in late 2020 and early 2021) incorporates modern slavery elements.

In addition, we designed and sent out a bespoke questionnaire for all ICAEW directors (based in the UK and internationally) focusing specifically on recruitment and employment practices as well as purchasing and outsourcing (direct suppliers).

We are also planning to raise awareness more generally among all staff on this important topic, as well as identifying tailored training for staff working in specific areas, such as procurement.

For ICAEW members, we designed and populated an online resource hub with guidance and advice on aspects of modern slavery which is of direct relevance to them and their businesses.

The UN Sustainable Development Goals

In 2016, ICAEW endorsed the UN Sustainable Development Goals (SDGs). This means that increasingly more of our corporate efforts are being directed towards making a meaningful contribution to the achievement of the Goals we can influence. Our efforts to ensure there is no modern slavery in our supply chain underlines our commitment to SDG 8 and Target 8.7, in particular.

Goal 8.7 of the United Nations Sustainable Development Goals is a target for member states to meet by 2030.

To eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.
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 2020.

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.

COVID-19 pandemic
While there is no specific evidence available or apparent to us at this time to indicate that the COVID-19 situation has led to an increased risk of modern slavery in our supply chains, we do understand it may have increased the risk more generally and worldwide.

According to the UN University, the pandemic has heightened the risk of modern slavery in a number of ways as well as leading to a disruption in response efforts. It will also amplify some of the major drivers of modern slavery, such as poverty and financial crisis. Sadly, some employers will have stronger incentives and perhaps greater latitude for exploitation. This is particularly so in the garment industry, and other businesses which have been economically impacted, with employees forced into working environments that puts them at risk.

This is understandable and points to a need for organisations to be even more vigilant and enforce stronger measures to safeguard efficacy in supply chains. In 2021, this insight will influence and inform our own training and awareness-raising exercises for staff.
ICAEW supports more than 157,500 chartered accountants and 30,000 students worldwide.
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:

- clearly highlight our expectations of business behaviour to our suppliers;
- look to contract with entities that have 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
ICAEW understands that the nature of our relationships 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:

• clearly highlight our expectations of business behaviour to our suppliers; 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 has both introduced and is working on a number of specific and focused practical measures, in particular with regards to the identification of risk:

• The development of a bespoke modern slavery risk assessment matrix by an external expert as part of the due diligence process for the on-boarding of new suppliers.

• The due diligence section of ICAEW’s new Contract Enquiry form has been amended such that internal contract owners are now 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
  - Any issues will be flagged up to the Contract Review section in our Central Operations area, who will review the contract to ensure the relevant provisions have been included
  - Training will be provided on how to use the risk matrix so that ICAEW is taking a consistent risk-based approach when carrying out the risk assessment
  - Contract owners will also be guided on how to allocate the measure of risk 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.

• During 2020, we introduced a system of “Contract Champions”, individuals within each business area with responsibility for communicating key messages to their departments which will also encompass our changes in approach around modern slavery. These members of staff will now receive specific tailored training on modern slavery assessment of contracts and will assume the role of passing this knowledge on within their departments to those responsible for procurement and contracts.

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.
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.

Chartered accountants are talented, ethical and committed professionals. There are more than 1.8m chartered accountants and students around the world, and more than 188,000 of them are members and students of ICAEW.

Founded in 1880, ICAEW has a long history of serving the public interest and we continue to work with governments, regulators and business leaders globally. And, as a world-leading 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 promote inclusivity, diversity and fairness and we give talented professionals the skills and values they need to build resilient businesses, economies and societies, while ensuring our planet’s resources are managed sustainably.

ICAEW is the first major professional body to be carbon neutral, demonstrating our commitment to tackle climate change and supporting the UN Sustainable Development Goal 13.

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 around the world.

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

Employees

There are more than 1.8m chartered accountants and students around the world
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.

Training and Awareness

Our Central Operations team will 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 process 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.

Recruitment

The majority of our workforce is employed on a permanent or contract basis. All employees who join ICAEW 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. In 2020, we asked that the approach to recruitment in our overseas offices be reviewed 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 the Financial Year 2020

Reports made by ICAEW in relation to modern slavery 0
Further Activities

Activities for staff
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 2021. Again, suitable resources are being researched and identified.

Activities for members
ICAEW has a body of resources on modern slavery for its members and in 2020 developed 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 Staff Policy is owned by the HR Department.

This statement has been approved by ICAEW’s Executive Committee in February 2021 and ICAEW Board in March 2021 and signed by the Chief Operating Officer. It will be reviewed and updated annually.

Vernon Soare
Chief Operating Officer, ICAEW
March 2021

If you have any further questions in relation to ICAEW’s statement on modern slavery, contact Caroline Kearns, Strategic and Program Manager to the Chief Operating Officer: caroline.kearns@icaew.com or +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