The Institution of Engineering and Technology

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Board of Trustees

MODERN SLAVERY ACT 2015

(Paper by Emily Meek, Compliance and Risk Management Officer and Simon Edwards, Director of Governance and External Engagement. If you have any questions on this paper before the meeting please contact Emily Meek on 01438 765674 or by email emilymeek@theiet.org)

1. Issue

The IET needs to comply with the Modern Slavery Act 2015 (The Act) by producing a Transparency in Supply Chains (TISC) statement.

2. Timing

Board of Trustees meeting, 4 February 2021.

3. For Recommendation

The Board of Trustees is invited to approve the draft Transparency in Supply Chains statement.

4. Background

4.1. The Act applies to all commercial organisations with a consolidated turnover of over £36m per annum. The IET is caught within the definition of 'commercial organisation'.

4.2. The current IET anti-slavery policy came into effect from 1 February 2017. It was reviewed in September 2020 with an update to include information on serious incident reporting.

5. Key Points

5.1. Modern slavery is 'slavery, servitude and forced or compulsory labour'.

5.2. Organisations to which the Act applies are required to provide an annual statement of Transparency in Supply Chains (known as a TISC statement or Anti-slavery and human trafficking statement) stating the steps they take to ensure there is no human trafficking or slavery in their supply chains, or a statement that they take no such action.

5.3. Increasingly the IET is being asked to provide its TISC statement to its customers as part of their supplier due diligence.

5.4. A risk assessment was requested of the Executive Team January 2021 to review areas of our supply train that might be susceptible to slavery or human trafficking.

5.4.1. All new contracts of suppliers located in high risk locations, geographically, should contain an anti-slavery clause, eg India, China.

5.4.2. All new contracts of UK suppliers within high risk sectors should contain an anti-slavery clause, eg catering and hospitality, textiles, merchandise, recruitment agencies.

5.4.3. No risks to our supply chain were identified by the Executive Team during this risk assessment, or by the Legal team during the contract approval process.

5.5. The Legal and Compliance Team is researching modern slavery e-learning modules to roll out to appropriate staff in 2021.

5.6. During 2020 there have not been any changes to the guidelines of a Transparency in Supply Chains (TISC) statement, however as the statement has only had minor amends in the last couple of versions, and all previous statements are available on the website alongside the current version for comparison, the 2020 statement has been reformatted and expanded to include some additional detail.

5.7. The current TISC statement is on the IET website with a link from the homepage and also appeared in the 2019 Annual Accounts. A draft statement for 2020 is attached at Appendix A with track changes to show additional wording. The 2020 global income figure will be updated with the correct figure when the annual accounts are approved.

5.7.1. The Board is recommended to approve the 2020 statement set out in an Appendix.

6. Risk

6.1. There is no personal liability for the Trustees for failure to include a TISC statement. However, the Home Secretary could bring High Court proceedings to force an organisation to publish a TISC statement.

6.2. The main area of risk would be on reputation.

7. Resources

Relevant staff within each directorate to be available to support Compliance and Risk Management Officer by providing information as requested.

Appendix to T(21)5

Modern Slavery Act Statement

The IET runs its activities with integrity. Modern slavery is a complex and multi-faceted crime and tackling it requires all of us to play a part. The IET is committed to preventing acts of modern slavery and human trafficking from occurring within its business and supply chain and to improving our practices to combat slavery and human trafficking.

The Modern Slavery Act 2015 requires UK organisations with an annual turnover of £36m or more to report on the steps they are taking to ensure that modern slavery is not taking place in its supply chains, and published with a link to the home page on its website. This includes the IET.

The IET

The IET is one of the world's largest engineering institutions with members all over the world. It is a body incorporated by Royal Charter and is registered as a charity with the Charity Commission in England and Wales, and the Office of the Scottish Charity Regulator. The IET has a UK trading subsidiary, IET Services Limited, which carries out non-charitable activities (including sponsorship, venue hire and publishing activities) and has four international subsidiaries to support its charitable activities overseas, IET USA, Inc, Institution of Engineering and Technology (India), IET Engineering & Technology (Beijing) Consultancy Ltd, IET Engineering and Technology Holdings Ltd (Hong Kong).

The IET's charitable objects and purposes are as set out in section 3 of its Royal Charter. The IET is working to engineer a better world by inspiring, informing and influencing our members, engineers and technicians and all those impacted by the work of engineers. It does this through various channels including publications, events, conferences, networking and advice. As at the date this statement was approved, the IET has approximately 158,000 members in more than 150 countries around the world.

The IET has offices in the UK, China, Hong Kong, India and the USA. In 2020, it had a global income of approximately £65.5m and in 2020 employed an average of 646 people worldwide. Its activities are supported by over 4,000 volunteers worldwide. The IET recognises the risks of modern slavery are higher in some parts of the world in which it operates membership and other activities and takes these risks very seriously. The IET works with its subsidiaries and international partners to ensure that modern slavery is not present in their operations and activities.

The IET's Supply Chain

In order to deliver its activities, the IET works with a range of suppliers, including publishing services, software services, catering and facilities management, and professional services.

Policies

The IET has an Anti-Slavery Policy in place and offers guidance on whistleblowing on its website at https://www.theiet.org/membership/career/ethics/whistleblowing-employers.cfm as well as having a staff policy on whistleblowing. We also have a comprehensive Procurement Manual in place which sets out a procurement framework designed to ensure that modern slavery is not present within the IET's business.

Actions to Minimise Risk of Slavery

The IET takes a multifaceted approach, which includes:

In 2016, the IET requested that its suppliers confirm the measures they had in place to combat slavery and human trafficking.

In 2016-2019, contracts with significant new suppliers, or new suppliers in sectors or countries where the risk of slavery is higher, include clauses regarding anti-slavery measures.

During 2020 the IET requested via our procurement policy and forms that all contracts must include anti-slavery statements.

In 2019 the IET employed a dedicated Property and Procurement Manager whose roles includes overseeing the supplier process as part of its ongoing commitment to improving processes.

In 2020 the IET signed a significant contract for the refurbishment of its main office, Michael Faraday House. Anti-Slavery commitments were included within that contract and there will be regular site inspections to monitor working practice on site.

In 2020 the IET undertook a risk assessment to identify areas of its supply chain which might be susceptible to slavery or human trafficking. The risk assessment considered both geographic and sector risk. It identified that as regards its operations and supply chains, catering and other services at its venues represented a risk, as did the use of certain outsourced services in India.

In 2020 we reviewed our outsourced IT to ensure adequate anti-slavery processes were in place.

Our recruitment practices help prevent the risk of modern slavery within our organisation. Our employment agreements and policies are managed locally, based on global templates and principles but adapted for the relevant local context and applicable law.

Some of the other recruitment measures which the IET has in place include:

- Conducting vetting checks of prospective recruit before offer of employment given and a police and reference check prior to start date (double-stage process);
- Conducting regular salary reviews to ensure that staff get paid a living wage in the countries it operates in, and benchmarking salaries to ensure that they remain competitive in the sector;
- Checking, but not withholding, identity documents and rights to work documentation;
- Providing information on workers' rights in a language they can understand;
- Not allowing: fines levied to be passed onto employees, for workers to be charged finders' fees, and not deducting accommodation or transport costs from staff salaries.

Continuous Review and Risk Mitigation

The IET recognises the need to continually assess the risks of slavery or human trafficking. The IET also recognises that there may be gaps in visibility of supply chains and limitations in the tools used to identify risks. Addressing these is a complex task and is under continuous review to develop an effective framework. The IET recognises the need for modern slavery training across the organisation to widen awareness.

COVID-19

As a result of the pandemic the IET is continuously reviewing it procedures and risk assessment and will be assessing whether there are any new or increased modern slavery risks, and whether any re-prioritisation of previously identified risks in our operations and supply chain needs to occur.

To date, the IET has not found any instances of modern slavery in its operations or supply chain.

This statement was approved by the Board of Trustees on TBC.