



Communication on Engagement

STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE

20 January 2024

To our stakeholders,

I am pleased to confirm that ICAEW reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption.

This is our Communication on Engagement with the United Nations Global Compact.

In this Communication on Engagement, we describe the actions that we have taken and outcomes in support of the UN Global Compact and its Ten Principles.

We also commit to sharing this information with our members, students, and external stakeholders. We welcome feedback on the contents of this statement.

Our vision is that ICAEW Chartered Accountants enable a world of sustainable economies. A world of strong economies means prosperous and resilient economies, operating in fair and just societies, all achieved within what nature can provide and based on good governance and partnerships.

Our strategic themes encompass the Principles of the UN Global Compact, particularly in helping deliver the UN Sustainable Development Goals. We look forward to continuing our engagement with members, government, and civil society to empower and inspire them to be changemakers for a sustainable world.

The period covered by this Communication on Engagement is 21 January 2022 to 19 January 2024.

Yours sincerely,

Michael Izza
Chief Executive

ICAEW

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ACTIONS TAKEN IN SUPPORT OF UN GLOBAL COMPACT

As a professional body, action begins for us in upholding ICAEW's Code of Ethics which applies to all members, students, affiliates, employees of member firms and, where applicable, member firms, in all of their professional and business activities.

Chartered Accountants are expected to demonstrate the highest standards of professional conduct and to take into consideration the public interest. Ethical behaviour by Chartered Accountants plays a vital role in ensuring public trust in financial reporting, enabling responsible business practices and upholding the reputation of the accountancy profession.

ICAEW is practically active in many areas covered under the UN Global Compact and its Principles. This includes but is not limited to our work advising and guiding members on anti-bribery and corruption and our work promoting awareness and compliance with UK reporting on modern slavery.

ICAEW has set sustainability, trust, and diversity as some of our key strategic themes. This is to ensure that over 190,000 members and students across the globe put people and planet at the heart of their roles. ICAEW promotes diversity, inclusivity, and fairness across all our activities and in support of the UN Global Compact Principles.

The following pages outline some of the work we have undertaken in the last two years to engage the profession in promoting responsible business and a world of sustainable economies.

Operating ICAEW as a responsible business

At ICAEW, we seek to lead by example in our commitment to sustainability and responsible business. In this regard, we are completing a [comprehensive net zero strategy](#) which will include an assessment of the full breadth of our scope 3 emissions. In 2024, we plan to publish a report with our full emissions profile and our first transition plan.

In October 2023, we updated our [modern slavery policy statement](#) outlining the actions we have taken to ensure there is no modern slavery in our business or supply chains. This statement builds on and complements our ongoing membership engagement and training on anti-modern slavery.

As a founding member of the [Rise initiative](#), we are promoting social mobility by delivering workshops and educational resources that enable UK students from low socio-economic backgrounds to develop essential skills that businesses need. Since the launch of the initiative in December 2021, Rise has delivered more than 200 workshops nationwide and reached over 10,000 young people.

As part of its remit to act in the public interest, ICAEW is committed to improving the financial literacy of young people, so they are better prepared for adult life. One of the ways we have approached this is by creating teaching resources aligned to the GCSE Maths curriculum that teach topics like algebra using real life personal finance scenarios. There are 25 resources in total, which have been downloaded by more than 2,000 maths teachers.

Public events and campaigns

Environment

To mark the halfway point of SDGs implementation in September 2023, we were one of 11 signatories of [an open letter](#) to UK Prime Minister Rishi Sunak, calling on the UK government to show global leadership on SDGs implementation and ‘take decisive action to put us back on track.’

In November 2022 and November 2023, we organised our [annual Climate Summit](#). The summits were intended to equip members and the public with cutting edge insights ahead of the UN climate summits (COP 27 and 28). The summits focused on economic and financial interventions that will drive progress towards net zero and nature positive economies. In total, 3485 delegates attended both summits.

Ahead of UN COP28, we launched a major campaign, [‘Making COP Count’](#), to promote the conference to members and demonstrate the relevance of the summit to the accounting profession. The campaign covered the just transition and business case for nature as its core themes, through a series of communications contents including articles, videos, and podcasts. As of December 2023, this campaign has generated almost 100,000 impressions on LinkedIn.

Good governance

In February 2022, ICAEW Ethics Standards Committee held a roundtable attended by academics and members. The committee produced draft guidance to the profession on how the ICAEW Code of Ethics applied to sustainability issues.

The committee held a further roundtable on 16 February 2023 with the Financial Reporting Council to discuss the feasibility of developing standards in sustainability assurance for practitioners who are not professional accountants.

Content and thought leadership

ICAEW is continuously developing training content and thought leadership to promote responsible and sustainable business practice for both internal and external use.

Environment

In April 2022, we launched a new resource page, [Climate for SMEs](#), to help small to medium sized organisations find guidance on how to adapt to and mitigate the effects of climate change.

In August 2022, we launched our Sustainability Certificate which equips accountants and other finance professionals with the practical knowledge and skills to integrate sustainability reporting in their organisations. After completion of the online certificate, finance professionals can confidently partner with sustainability experts to identify climate related risks and incorporate performance and financial metrics into their risk management, financial planning and analysis, and sustainability reporting. The certificate has had over 1,000 registrations so far. The ICAEW Academy has also developed and delivered training on ESG principles in financial reporting.

We supported the development of Chartered Accountants Worldwide [Sustainability Hub](#) launched in October 2022. The hub brings together content from member institutes and trusted partners around the world to help organisations become more sustainable.

In March 2023, we launched the [Fundamentals of Sustainability programme](#) aimed at university students to help them understand the basics of sustainability and how it applies to the accountancy

profession. By the end of 2023, the programme enrolled over 2,100 learners globally, with three esteemed UK universities having integrated this into their accounting curriculum.

Human rights and labour

We have a [dedicated modern slavery hub](#) which showcases webinars and articles on the most relevant and up-to-date issues on this topic. We delivered a three-webinar series in 2022, looking at the practical roles of accountants in anti-slavery interventions. We also recorded a podcast on the process taken by authorities and prosecutors to build a case under the UK Modern Slavery Act.

Corruption

We produced guidance for members and the accountancy profession to build awareness of the methods commonly used by corrupt actors to exploit chartered accountants, including issues such as sanctions circumvention and conducting enhanced due diligence on higher-risk persons.

We produced general guidance on the Economic Crime Acts of 2022 and 2023 to highlight to members the key aspects relating to financial crime and corruption. We also produced detailed guidance on specific legislative changes specifically designed to reduce corrupt practices so that members can effectively comply with the changes.

We have worked extensively to inform members of evolving risks and requirements in the anti-money laundering space. The reduction of money-laundering is a very significant aspect of reducing corruption.

Good governance

Following the invasion of Ukraine in February 2022, we significantly contributed to the development and publication of [Guidance on Sanctions](#) issued to all ICAEW members and members of the wider accountancy profession by the UK Consultative Committee of Accountancy Bodies.

We also established a [dedicated resource hub](#) providing guidance to ICAEW members, business and the wider public on the impact of the Ukraine invasion on accountancy, business, and the wider economy. The hub documents practical actions that ICAEW members are taking to ensure that their clients comply with sanctions imposed by different countries and jurisdictions.

Partnerships and Initiatives

Environment

We are collaborating with the University of Lancaster to build business capacity in the use of scenario analysis to help companies and finance institutions integrate nature in risk management, strategy and reporting.

We are co-leading a project with the Global Accounting Alliance (GAA) to help businesses integrate nature into decision-making using Corporate Natural Capital Accounting (CNCA) and to identify how the accountancy profession can advance use of CNCA globally.

We are a consortium member of a four year, 10 million Euros project, titled Accelerating Transformation through Capitals Knowledge. Funded by the European Commission, the overall goal of A-Track is to build a critical mass of businesses, financial institutions, and governments, who are integrating the value of natural capital in their decision-making. The integration of the value of natural capital is with the aim of helping to halt and reverse biodiversity loss, in line with the EU Green Deal and Global Biodiversity Framework.

In partnership with Accounting for Sustainability and Deloitte, we hosted the [Finance for the Future Awards](#) in 2022 and 2023. The awards recognise leadership within the finance function to drive sustainable economies. In 2023, winners were celebrated across six categories covering embedding an integrated approach, moving financial markets, driving change in the finance community, communicating integrated thinking, and leadership.

Corruption

In December 2023, we attended the UN Convention Against Corruption Conference of the States Parties as an observer and participant in the Private Sector forum. We also signed the [Anti-Corruption Call to Action](#) that was presented to governments at the conference.

MEASURING OUTCOMES

Growing a community of sustainability leaders in the accountancy profession

Further to the engagement numbers stated in the previous section, a major measure of success for us has been the growth of the Sustainability and Climate Change Community launched in November 2020. Its purpose is to provide inspiration, insights and collective ambition for professionals delivering on sustainability and acting on climate change. This community is open to members, non-members and students from all industries and sectors. Since our last communication of engagement report, the community membership has increased from 14,301 members to 21,715 members.

Shaping policy and legislation

The [Transition Plan Taskforce](#) was launched at COP26 to develop a gold standard for preparing net-zero transition plans to align with current reporting requirements, including Task Force on Climate-related Financial Disclosures. Our Chief Executive, Michael Izza, and Director of Sustainability, Richard Spencer sit on the steering group and delivery group for the taskforce. The draft framework and implementation guidance was published at COP27 and finalised in October 2023.

We actively contributed expertise to officials and Parliamentarians regarding the formulation of enhanced legislation, introduced through the Economic Crime (Transparency and Enforcement) Act 2022. This Act aims to reduce the ability of corrupt actors to act in the UK by strengthening the Unexplained Wealth Orders (UWO) regime and introduction of the Register of Overseas Entities (RoE). Both aspects of legislation target commonly used loopholes used by corrupt actors in the UK.