

## **NATIONAL SAVINGS & INVESTMENTS**

### **MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR FINANCIAL YEAR 2019 - 2020**

#### **Introduction**

This statement sets out NS&I's approach to ensuring that slavery and trafficking is not taking place in any part of our own business, or in our supply chain, for the 2019-20 Financial Year.

Section 54(1) of the Modern Slavery Act 2015 requires businesses with a turnover above £36m to publish an annual modern slavery and human trafficking statement. This legal obligation does not currently apply to public bodies such as NS&I but may do in the future. We are publishing this statement voluntarily as a matter of good practice.

Modern slavery is a crime and violation of fundamental human rights and NS&I has a zero tolerance approach and attitude to any of the forms of abuse described in the Act, including slavery, servitude, forced or compulsory labour, human trafficking and exploitation. NS&I is committed to acting ethically and with integrity in all business dealings and relationships, and to ensuring our supply chain is held accountable to the same ethical standards.

As an executive agency of the Chancellor of the Exchequer, NS&I is responsible for providing cost-effective financing to the government by issuing and selling retail savings and investment products to the public. NS&I directly employs just over 200 people all of whom are based in the UK.

Our review has concluded that the services NS&I provides are at relatively low risk of being affected by slavery or human trafficking. However, NS&I is committed to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business, or in our supply chains.

As a central government organisation, NS&I is mandated to use central government contracts for supplies and services, where these are in place. The majority of these are procured on our behalf by Crown Commercial Service, the government's central purchasing body. As such, some general reliance is placed on the government-procured supply chain, and on Crown Commercial Service's ability to take the lead in providing assurance that their selected contractors comply with the Act.

#### **Being a Living Wage employer**

In 2019 NS&I became a Living Wage employer, certified by the Living Wage Foundation. This certification was successfully renewed in April 2020. This commits the business not only to maintain fair rates of pay for our own workforce, but also to promote and embed this principle with key suppliers. This provides a useful synergy with our efforts to ensure modern slavery is eliminated, by developing an ongoing dialogue with suppliers about their own employment practices.

#### **Our Outsourced Business Partner**

NS&I's customer-facing and back office services are provided through an outsourcing contract with Atos IT Services UK Ltd. Our business partner Atos has confirmed to us its compliance with the requirements of the Act and, in addition, we have reviewed their own Modern Slavery and Human Trafficking Statement for the current year, and believe it to provide a strong level of assurance.

Atos has in place a robust internal code of ethics and a clear, well-communicated supply chain charter. There is a specific code of conduct for employees who are involved in procuring and managing Atos's supply chain, supported by detailed training, to ensure they understand how to

assess the supply chain risks associated with slavery and trafficking. In terms of the methodology applied to our wider supply chain as explained below, we have assessed Atos as providing a **strong** level of assurance.

## Our Wider Supply Chain

In addition to Atos, NS&I has a directly managed supply chain of around 100 suppliers at any one time. As noted above this includes suppliers selected and assured by Crown Commercial Service, although NS&I also undertakes its own procurement exercises on a regular basis.

Between December 2019 and January 2020 NS&I's Procurement team conducted an in-depth audit of 94 suppliers (excluding a small number whose contracts were imminently due to expire and would not be renewed). Of these, 44 had a turnover of more than £36m and were therefore required to comply with the supply chain transparency obligations in Section 54 of the Act.

For these 44 in-scope suppliers, a detailed review of their modern slavery statement, where published, and the supplier's associated policies, procedures, and training plans, was undertaken, and the suppliers evaluated on the level of assurance these provided, using the following methodology:

- **Strong** – The statement is up to date, and with supporting evidence, demonstrates that the supplier has undertaken a thorough review of their own business, and their supply chain, to identify areas of risk with regard to modern slavery. The supplier has appropriate training in place for staff, and robust procedures for ensuring their supply chain is compliant. In addition, there is evidence that they audit the effectiveness of these procedures, and take action against supply chain partners who may be non-compliant.
- **Adequate** – The statement is up to date and shows that the supplier has undertaken a review of their own business, and their key supply chain partners. They have taken some steps to raise awareness of the issue of modern slavery, and are committed to avoid doing business with non-compliant firms. There may be some evidence that they actively monitor and audit the compliance of supply chain partners, but this could be further developed.
- **Inadequate** – Despite acknowledging the need to combat modern slavery, the supplier's procedures for addressing it contain significant gaps, and / or there is a lack of evidence that they are effectively monitored or acted upon.

## Assessment

In our assessment, 6 of the 44 in-scope suppliers had a modern slavery statement, supported by additional evidence, which demonstrated a particularly **strong** level of assurance that modern slavery was not present in their operations or their supply chain. A further 35 were deemed to provide an **adequate** level of assurance.

It was found that two of the in-scope suppliers had failed to publish the required statement at all. One further supplier had a statement, but this was out of date. In all three cases, the contracts in question were due to expire or be renewed early in the 2020-21 Financial Year. NS&I will make it a precondition of any further business with these suppliers that their modern slavery and human trafficking statements are brought into compliance with the Act.

One further supplier had published an in-date modern slavery statement, but this was assessed as **inadequate**, falling short of the expected standard, effectively simply declaring that modern slavery was "not a risk" in their industry sector, and thus the supplier had decided to take no action – which is not an appropriate assumption. NS&I intends to present this supplier with an ultimatum to the

effect that their approach to modern slavery transparency must improve by the time their next statement is due, or NS&I will have no option but to cease doing business with them.

Finally, our review found that eight smaller suppliers, despite being under no obligation to publish a modern slavery and human trafficking statement, had voluntarily done so, and that these were generally to a reasonable standard. NS&I sent a note of thanks to these suppliers to commend their positive attitude to this serious issue.

## **Conclusions**

Compared to the previous year's review, the level of general compliance with the reporting provisions of the Act has improved somewhat, with only four suppliers assessed as non-compliant, compared to 10 suppliers with missing or non-compliant statements in 2018-19.

The independent review of the Modern Slavery Act has recommended that public bodies should be brought into the scope of the Act, which NS&I supports. As an organisation we participated in the Home Office consultation on transparency in supply chains, in support of additional proposed changes which will strengthen and standardise reporting practices. We will ensure we maintain awareness of developments in the legislation, and best practice in government, and apply these to our own practice as we continue to monitor our supply chain.

This statement, and the procedures NS&I has in place to tackle modern slavery, will be fully reviewed in the next year and an updated statement published in line with our 2020-21 Annual Report.

This statement was adopted by the NS&I Board on 10<sup>th</sup> June 2020.

Signed on behalf of the Board by

A handwritten signature in black ink, appearing to read 'I Ackerley', with a stylized flourish at the end.

Ian Ackerley  
Chief Executive