

## **NATIONAL SAVINGS & INVESTMENTS**

### **MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT 2017 / 18**

#### **Introduction**

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015, and 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 2017 / 18 Financial Year.

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 under 200 people all of whom are based in the UK.

Our review has concluded that the services NS&I provides are at 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.

#### **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.

#### **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.

In the first half of 2018 NS&I's Procurement team conducted an in-depth audit of 76 suppliers (excluding those with very low spend, or whose contracts were imminently due to expire). Of these, 42 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 42 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 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 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.

It was found that five of the in-scope suppliers had either failed to publish the required statement, or had a statement which was out of date. These five suppliers were contacted and requested to take steps to ensure compliance. All responded positively and all mitigation has taken place to bring their statements up to date.

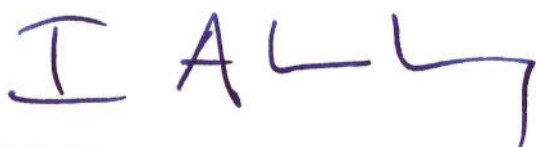
In our assessment, 11 of the 42 in-scope suppliers had a modern slavery statement, supported by additional evidence, which demonstrated a **strong** level of assurance that modern slavery was not present in their operations or their supply chain. A further 26 were deemed to provide an **adequate** level of assurance.

The remaining five suppliers had published a modern slavery statement, but this was assessed as **inadequate**, falling short of the expected standard. In particular some statements simply declared 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. These suppliers were also contacted. Three took immediate action to improve their procedures, and one undertook to do so. Disappointingly one supplier refused to undertake any remedial action. This supplier's contract with us expires within the current year, and Modern Slavery Act compliance will be made a feature of any re-procurement process.

This statement, and the procedures NS&I has in place to tackle modern slavery, will be fully reviewed in 2019 and an updated statement published in line with our 2018-19 Annual Report.

This statement was adopted by the Board of Directors of NS&I on 25<sup>th</sup> July 2018

Signed on behalf of the Board by

A handwritten signature in blue ink that reads "IAN ACKERLEY". The letters are stylized and connected, with a long horizontal stroke at the end of the name.

Ian Ackerley  
Chief Executive