

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR FINANCIAL YEAR 2021 - 2022

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 2021-22 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 for several years we have published a statement voluntarily as a matter of good practice. In 2020, the UK Government published its first Modern Slavery Statement, and Ministerial Departments have been required to publish their own statements from September 2021 onwards.

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 maintaining 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 relevant 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 (CCS), the government's central purchasing body. As such, some general reliance is placed on the government-procured supply chain, and on CCS's ability to take the lead in providing assurance that their selected contractors comply with the Act. Notwithstanding this, the review of supplier compliance with Modern Slavery Act transparency requirements, described below, includes all CCS suppliers currently providing services to NS&I.

In addition to publishing this statement, NS&I also contributes to HM Treasury's annual group statement on Modern Slavery and Human Trafficking.

Being a Living Wage employer

NS&I has been a Living Wage employer, certified by the Living Wage Foundation, since 2019. 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 fostering ongoing dialogues 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. which runs until 2024. Our business partner Atos has confirmed to us its compliance with the requirements of the Act and, in addition, we examine their own Modern Slavery and Human Trafficking Statement annually as part of this review.

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. Their latest statement is available at:

<https://atos.net/en-gb/united-kingdom/we-are-atos/key-regulatory-documents>

The NS&I Rainbow Programme

In 2021 NS&I formally launched its *Rainbow Programme* – a strategic programme to procure the organisation's future business services, beyond the conclusion of the current contract with Atos in 2024. This will involve a transformation from a single outsourced model to four strategic contracts, each delivering a specific package of services. The procurement and on-boarding of the new strategic suppliers sourced via the Rainbow Programme will include a detailed assessment of their compliance with the Modern Slavery Act, and the management of their supply chain, as well as seeking wider social value benefits.

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 2021 and February 2022 NS&I's Procurement team conducted an in-depth audit of 95 suppliers (excluding a small number whose contracts were imminently due to expire and would not be renewed). 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. For each, we considered a number of features, based on Home Office best practice recommendations, including:

- Was the statement up to date?
- Was it published on the Company's website, and easy to find?
- Was it signed off by a Director or equivalent senior leader, and was it clearly endorsed by the board and senior leadership of the organisation?
- Did it meet all of the statutory requirements set out in the Modern Slavery Act?
- Was it supported by staff training plans, appropriate compliance procedures, and any other relevant evidence?

Suppliers were evaluated on the level of assurance their transparency publications offered, 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. The senior leadership of the business takes modern slavery reporting seriously. The effectiveness of these procedures is regularly audited, and there is reliable assurance that action will be taken 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. The senior leadership of the business has endorsed the statement. There may be some evidence of staff training and / or active monitoring 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, and / or there is no indication of support or buy-in from the senior leadership of the business.

The same evaluation was also conducted on the 10 most important key subcontractors of our business partner, Atos.

Assessment

In our assessment, **11 of the 42** 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 **23** were deemed to provide an **adequate** level of assurance.

Six in-scope suppliers had produced a statement, but these were out of date. The suppliers have been contacted and asked to bring their reporting into compliance with the Act by February 2022. Most of these contracts are of moderately low value (under £70,000) with two surpassing a value of £100,000. At the time of writing, **four** of these suppliers have already produced a new up to date statement after being contacted by NS&I. **One** supplier has informed NS&I that it is currently producing an up to date statement but this has not yet been published and they will be monitored to ensure that this is done. The **one** remaining non-compliant supplier is a food vending services company and have not replied to any attempts to contact them regarding this and NS&I will be terminating this contract in the near future.

One further in-scope supplier (a market research company) had published a statement, but this was not endorsed by the company's Board, a requirement of the Act. NS&I made contact with this organisation to raise concerns. NS&I has been assured that all statements from this supplier receive senior approval and that all future Modern Slavery Statements will clearly demonstrate that this senior approval has been given. As the rest of the statement is adequate, NS&I considers this response appropriate, but will be monitoring the supplier to ensure the promised steps are taken.

One supplier (a media organisation) had undertaken to improve their training procedures and the transparency of their statement in response to last year's review. They have assured NS&I that these actions are in progress. Their updated Modern Slavery and Human Trafficking statement is not due until April 2022 and this will be checked for confirmation that the promised improvements have been made.

Of the **10** Atos key subcontractors assessed, **four** had published a statement which provided a **strong** level of assurance that modern slavery was not present in their operations or supply chain.

A further **Five** key Atos subcontractors had published an **adequate** statement. **One**, a software supplier, had allowed their statement to fall out of date and thus their statement was inadequate. NS&I brought this to their attention, with the support of Atos, and they took prompt action to publish an updated statement which met the requirements of the Act.

Finally, our review found that **10** smaller suppliers, despite being under no legal obligation to publish a modern slavery and human trafficking statement, had voluntarily done so, and that these were generally to a reasonable standard. As in previous years, 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 decreased somewhat. The majority of in-scope suppliers understand their obligations and are proactive in complying with them, however there has been an increase in the number of non-compliant in-scope suppliers, requiring NS&I's intervention to prompt them to correct or update their statements. This underlines the need to continue to carry out a review of compliance on a regular basis. As all Government Departments and Agencies begin are now publishing their own Modern Slavery and Human Trafficking Statements, it is hoped this will provide additional leverage to ensure that suppliers continue to take modern slavery seriously.

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 2022-23 Annual Report.

This statement was adopted by the NS&I Board on 6th April 2022.

Signed on behalf of the Board by

A handwritten signature in black ink, appearing to read 'I Ackerley', written over a horizontal line.

Ian Ackerley
Chief Executive