**NATIONAL SAVINGS & INVESTMENTS**

**MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT**

**FOR FINANCIAL YEAR 2022 - 2023**

**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 2022-23 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. 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. Although the legal obligation to publish a Modern Slavery Statement does not currently apply to public bodies such as NS&I, we hold ourselves to the same standard of transparency that is asked of our suppliers in regards to assessing modern slavery risks in our supply chain. As such, for several years we have published a 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 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 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.

**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 2025. 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>

**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 January 2022 and February 2023 NS&I’s Procurement team conducted an in-depth audit of 74 suppliers (excluding a small number whose contracts were imminently due to expire and would not be renewed). Of these, 31 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.
These included IBM United Kingdom Ltd., NS&I's new strategic supplier of digital integration and service operations.

For these 31 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 ten most important key subcontractors of our business partner, Atos.

**Assessment**

In our assessment, **six** 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 **seventeen** were deemed to provide an **adequate** level of assurance.

**Eight** in scope suppliers had an inadequate Modern Slavery Statement.

**Seven** 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 March 2023. Most of these contracts are of moderately low value (under £70,000) with three surpassing a value of £100,000. **Two** of these statements would otherwise have been adequate if they were in date. Of these three, one of them has already updated their statement and the other two suppliers are currently in the process of updating their statement. **Three** of the eight out of date statements also lacked a clear indication the risk of modern slavery in their supply chain. Of these, **two** are soon due to publish a new statement in which they have agreed to include an indication of risk in their supply chains. The other supplier is liaising with internal stakeholders to update and improve their Modern Slavery Statement to include the level of risk and will provide NS&I with progress updates until the new statement is published. **Two** of the out of date statements also lacked clear evidence of senior approval, however, at the time of writing, **one** new statement has been approved and will shortly be uploaded to the supplier’s website. The other supplier who’s statement was out of date and lacked clear senior approval currently has their new statement with their CEO for approval.

**One** further in-scope supplier (a finance software provider) has published a statement, but this fell short of the minimum transparency requirements in the Act. NS&I has made contact with this organisation to raise concerns as there was no clear evaluation of the level of risk in their supply chain. The supplier has agreed to include an evaluation of the risk level in their next statement that is due in June.

Of the **ten** Atos key subcontractors assessed, **five** 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 **four** key Atos subcontractors had published an **adequate** statement. **One**, a supplier providing adaptive authentication of customer transactions, does not have a modern slavery statement, however, as an out of scope organisation, it is not legally required to produce one.

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. The majority of in-scope suppliers understand their obligations and are proactive in complying with them, however there has been an increase in the proportion of non-compliant in scope suppliers. Despite this, all suppliers have taken on board any suggestions and have either already produced updated statements that comply with the Modern Slavery Act or are in the process of doing so. As all Government Departments and Agencies begin to publish 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 14 July 2023.

Signed on behalf of the Board by

Dax Harkins

Chief Executive Officer