Tuesday, 19 January 2021

Mr…

Dear Sir,

**Re: Compliance of FTSE350 companies with the reporting requirements under Section 54 of the UK Modern Slavery Act 2015**

We, the undersigned investors representing £ trn in assets under management, are writing to encourage the board of….. Plc to meet the reporting requirements of Section 54 of the UK Modern Slavery Act 2015.

With an estimated 40 million people facing a form of modern slavery and human trafficking globally,[[1]](#footnote-1) the risk to society and our investments from this crime has never been greater. We believe that UK businesses have a critical role to play in preventing and addressing modern slavery risk. As long-term investors, we believe it is fundamentally important that companies comply with all provisions of the Act to demonstrate a strong commitment to fighting modern slavery, given its truly systemic nature. To do so provides investors with increased confidence in the risk management culture within a company and makes continued investment more attractive. Given the time elapsed since the reporting requirements came into force, investors consider continued lack of compliance to be a serious matter. We expect members of the FTSE350 to lead in this area, taking substantive action against the prevalence of slavery in their supply chains. By being active themselves FTSE350 companies can have a ‘multiplier’ effect, as their actions will incentivise further compliance down their supply chains. This is the second year in which we have run this project.

According to the Business & Human Rights Resource Centre (BHRRC), which has carried out analysis of the publicly available information for FTSE350 businesses on behalf of this group of investors[[2]](#footnote-2), … plc would appear to fall short of the reporting requirements in Section 54 of the Modern Slavery Act 2015 and subsequent reporting guidelines issued by the Home Office.

According to this research, it appears that the company’s modern slavery and human trafficking statement has failed to meet the following reporting requirement:

* The statement has not been approved by the board of directors;

We are contacting companies ahead of their respective 2021 AGMs to forewarn them of the potential consequences should they remain non-compliant. If the board fails to comply with the reporting requirements of the Act, members of this investor coalition will give serious consideration to abstaining the acceptance of the Financial Statements and Statutory Reports at the company’s upcoming AGM.

Please be assured that this group is taking this approach with other FTSE350 companies who have failed to meet the minimum requirements of the Act, and that we are willing to provide feedback in order to assist with future compliance. We are also happy to collate feedback for the BHRRC if you feel that the company has been mis-represented in this analysis.

We would welcome further clarity from the board on how the company plans to improve their performance in this area.

Yours sincerely,



Matt Crossman

Stewardship Director

[Matt.Crossman@rathbones.com](mailto:Matt.Crossman@rathbones.com)

0117 9301409

**The following … institutional investors with £… trn in assets collectively under management have signed this statement:**

1. <https://www.antislavery.org/slavery-today/modern-slavery/> [↑](#footnote-ref-1)
2. NB Analysis correct as of 11/01/2021 [↑](#footnote-ref-2)