

Rathbones

Look forward

Tuesday, 11 February 2020

<<Addressee>>
<<Title>>
<<Line 1>>
<<Line2>>
<<Postcode??>>

Dear <<salutation>>,

Re: Compliance of FTSE 350 companies with the reporting requirements under Section 54 of the UK Modern Slavery Act 2015

We, the undersigned investors representing £xbn in assets under management, are writing to encourage the board of <<COMPANY>> 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, the risk to society and our investments from this crime has never been greater. We believe that businesses operating in the UK 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 Modern Slavery Act 2015 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.

According to the Business & Human Rights Resource Centre (BHRR), which has carried out analysis of the publicly available information for FTSE 350 businesses on behalf of this group of investors¹, <<company X>> would appear to fall short of the reporting requirements in Section 54 of the Modern Slavery Act 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 one or more of the following reporting requirements:

- The statement has not been approved by the board of directors;
- The statement has not been signed by a director and the statement;
- The statement has not been updated on an annual basis.

Commented [MC1]: NB to other readers this section will be tailored.

We are contacting companies ahead of their respective 2020 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

¹ NB Analysis correct as of 20/01/2020

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 engaging with other FTSE 350 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

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

[INSERT SIGNATORY NAMES]