

Rt Hon David Cameron MP  
10 Downing Street  
London  
SW1A 2AA

Tuesday, 18 November 2014

Dear Mr Cameron,

**Statement supporting the inclusion of proportionate supply chain reporting requirements in the Modern Slavery Bill**

This statement is supported by 21 investors representing £940bn in assets under management.

We are writing to welcome the Government's decision to introduce corporate supply chains transparency reporting within the Modern Slavery Bill. As shareholders we have concerns that failure to manage human rights issues in increasingly complex supply chains may pose significant risks to business, and welcome moves which help increase transparency around supply chain management.

Consequently, we call on the Government to ensure that the supply chains reporting requirement included in the Modern Slavery Bill demonstrate the following pertinent features:

- Requires disclosure which focuses on evidence of a suitable policy
- Requires disclosure which covers the process for identifying risks in the supply chain; which parties have been involved in the assessment of such risks; and the range of actions taken to address those risks where identified, alongside appropriate sanctions.
- Requires listed companies to consider the issue as part of their annual reports to shareholders.

Our experience of engaging with companies has indicated that they share these concerns. In addition to the human cost, incidences of forced labour, poor working conditions or other forms of bonded labour within supply chains can result in damage to brands and reputation, undermining the licence to operate. The operation of unregulated third parties within supply chains can add to operational inefficiency and increase the risk of significant supply chain disruption. This can ultimately have significant negative value implications and effects on reputation.

Overly prescriptive legislation or unnecessary red-tape stifle entrepreneurial creativity in dealing with social problems. Any regulation proposed for inclusion within the Modern Slavery Bill should be drafted to gain mass participation by companies across many sectors

whilst including business as an equal partner. Further, it should recognise efforts made by the most progressive companies in addressing human rights risks within the supply chain.

We consider that such proportionate legislation which enlists business as a partner is vital in efforts to combat human rights risks within supply chains, and especially in efforts to reduce the incidence of forced labour and human trafficking.

Such approaches for the UK would create value for many different stakeholders - companies' reputations are enhanced, investors' long term returns are safeguarded and people are transitioned out of forced labour and modern slavery.

This statement is supported by the following signatories:

**Alliance Trust**



**Aviva Investors**



**The Barrow Cadbury Trust**  
*Helen Cadbury, Chair*

**Boston Common Asset Management**  
*Lauren Compere, Managing Director*



**Helena Viñes Fiesta**  
Head of Sustainability Research



**Calvert Investments**  
*Bennett Freeman,*  
*Senior VP for Sustainability Research and Policy*



**Christian Brothers Investment Services, Inc.**  
*Julie Tanner*  
*Assistant Director of Socially Responsible Investing*



**CCLA Investment Management**  
*Michael Quicke, Chief Executive*



**CBF Church of England Funds**  
*James Bevan, Chief Investment Officer*

**Church Commissioners for England**

*Andrew Brown, Chief Executive*

**Church of England Pensions Board**

*Bernadette Kenny, Chief Executive*

**Ecclesiastical Investment Management**

*Neville White, Head of SRI Policy & Research*



**Hermes**

*Colin Melvin, CEO*



**Henderson Global Investors**

*Anthony Marsden, Head of Governance & Responsible Investment*



**The Joseph Rowntree Charitable Trust**

*Nick Perks, Trust Secretary*



**Newton Investment Management**



**The Power of Ideas**

**The Pensions Trust**



The Pensions Trust

**Rathbone Brothers PLC**

*Philip Howell, Chief Executive*



**Royal London Asset Management**

*Niall O'Shea, Head of Responsible Investing*



**WHEB Asset Management**

*Seb Beloe, Partner, Head of Sustainability Research*



**Worcester Diocesan Investment and Glebe Committee**

*Stephen Linder, Secretary*

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