



Transport for London Slavery and Human Trafficking Statement 2019/20

Period covered by this statement

Transport for London (TfL)'s financial year end occurs on 31 March. This statement covers the financial year 1 April 2019 – 31 March 2020.

Organisations covered by this statement

This statement covers Transport for London, its subsidiary company Transport Trading Limited and the following subsidiary companies of Transport Trading Limited¹:

Crossrail 2 Limited
Docklands Light Railway Limited
London Buses Limited
London Bus Services Limited
London River Services Limited
London Transport Museum Limited
London Transport Museum (Trading) Limited
London Underground Limited
LUL Nominee BCV Limited
LUL Nominee SSL Limited
Rail for London (Infrastructure) Limited
Rail for London Limited
Tramtrack Croydon Limited
TTL Blackhorse Road Properties Limited
TTL Earl's Court Properties Limited
TTL Kidbrooke Properties Limited
TTL Landmark Court Properties Limited
TTL Northwood Properties Limited
TTL Properties Limited
TTL Southwark Properties Limited
TTL South Kensington Properties Limited
Tube Lines Limited
Victoria Coach Station Limited

More information on TfL and its subsidiaries can be found on our website:
<http://content.tfl.gov.uk/tfl-subsiidary-organisation-january-2019.pdf>

Introduction

This Statement is designed to satisfy the requirements of Section 54 of the [Modern Slavery Act 2015](#), by informing our customers, suppliers, staff and the public about

¹ Crossrail Limited, a wholly owned subsidiary of TfL, publishes its own statement.

TfL's policy with respect to modern slavery, human trafficking, forced and bonded labour and labour rights violations in its supply chains and the steps taken to identify, prevent and mitigate the risks. This is TfL's fifth annual statement to be published under the Act and relates to the period 1 April 2019 through to 31 March 2020.

TfL responded to the UK Government's Transparency in Supply Chains consultation in September 2019; we support the strengthening of the transparency provisions within Section 54 of the Modern Slavery Act 2015.

1 Our organisation and supply chain

TfL is the integrated transport authority responsible for delivering Mayor of London, Sadiq Khan's, strategy and commitments on transport. We run the day-to-day operation of the Capital's public transport network and manage London's main roads. Every day, more than 31 million journeys are made across our network. We do all we can to keep the city moving, working and growing and to make life in our city better.

Managing TfL's supply chain is the direct responsibility of the Chief Procurement Officer and the Divisional Finance & Procurement Directors, reporting to the Chief Finance Officer, who in turn reports to the Commissioner of TfL. During 2019/20, TfL spent in excess of £6.7bn on goods, services and works required to deliver and upgrade services across London Underground, Surface Transport, Professional Services and Technology and Data. Our Purchasing and Supply Chain function has circa 580 staff.

Our 65 key suppliers represent around £4.5bn of our spend. These suppliers offer a wide range of strategically important goods and services to TfL. Over 95 per cent of our key suppliers are registered in the UK but many of their operations and supply chains are global. Some of our suppliers have complex supply chains with multiple tiers of sub-contracting and, in some cases, such as electronic equipment, we have little visibility over where products are made. Therefore, we are using a risk-based approach, receiving expert advice from the [Ethical Trading Initiative](#) (ETI) and [Electronics Watch](#) where relevant, prioritising steps to achieve greater supply chain visibility where our risks are highest, recognising that workers in the lowest tiers of supply chains are often the most vulnerable.

2 Policies in relation to modern slavery

In June 2017, the Mayor published the [Greater London Authority \(GLA\) Group Responsible Procurement Policy](#).

This document is a high-level strategic policy setting out the GLA Group's plans, ambitions and commitments for ensuring continuous improvement in London, delivered through all the Group's procurement activities, which support the delivery of the Mayor's commitments and strategies. It reflects best practice and demonstrates our procurement activities meeting legislative requirements, including the Modern Slavery Act 2015.

The GLA Group Policy commits us to promote ethical sourcing by:

- adopting the nine provisions of the ETI Base Code², or equivalent, as the standard we expect of our suppliers to support working conditions that are legal, fair and safe; and
- adopting a risk and opportunity-based approach to identify contracts and areas of spend where there may be a high risk of poor working conditions, human rights abuses or negative impacts on security and crime. We will seek to improve transparency within the supply chain, and work with suppliers to improve any poor performance identified as part of a process of continuous improvement, reflecting existing and emerging legislation and guidance.

To support the business in implementing the Policy, TfL hosts the GLA Group's Central Responsible Procurement Team (CRPT) within its Procurement and Supply Chain (P&SC) function. In March 2019 the team published the [Responsible Procurement Implementation Plan](#). The plan sets out the actions TfL, along with the wider GLA Group, will prioritise to deliver on the commitments of the GLA Group Responsible Procurement (RP) Policy, including the promotion of ethical sourcing practices.

3 Risk assessment, prevention and mitigation

The highest risks of people falling victim to modern slavery in our UK-based supply chain include construction workers and those undertaking service contracts in sectors such as cleaning, catering and security, where low pay, migrant labour and/or indirect labour are prevalent.

The highest risks of poor working conditions and human rights abuses from our global supply chain are associated with the production and manufacture of electronic equipment, textiles and construction materials. The mining and extraction of conflict minerals such as copper, lithium, nickel and cadmium, used in the production of batteries for electric vehicles are also of increasing concern.

TfL recognises the corresponding source countries and associated sector risks in its supply chains for these categories to be as follows:

Category	Country	Identified Sector Risks
Construction	United Kingdom	Multi-tiered supply chains involving use of labour agencies which could result in poor labour practices due to lack of transparency. Unethical practices including workers being charged unlawful or excessive recruitment fees, workers being misinformed about terms of employment, and the withholding of passports may take place.

² <https://www.ethicaltrade.org/eti-base-code>

Facilities Management: cleaning catering services	United Kingdom	Low skilled labour; migrant labour; agency labour leading to lack of transparency on employment practices
Electronic equipment	China, East Asia, Eastern Europe, India, Mexico	Labour intensive, often low-skilled work; mining of raw materials in high risk countries. Poor labour practices including underpayment of wages, delayed payment or wage deductions; physical abuse; working excessive overtime; worker's visa or permit is tied to a single employer, and financial penalties for early contract termination
Uniforms and workwear	Bangladesh, China	Risks include gender inequality; weak protection of workers' rights; poor labour practices including excessive overtime, underpayment or deduction of wages, financial penalties for leaving employer and structural integrity of factories.
Steel and steel components	China, Europe, Japan, India, US.	Country of production where labour rights might not be well protected; low-skilled labour, and dirty, dangerous, or difficult work in mines and smelting plants leading to poor labour conditions.
Stone	Brazil, China, Europe, India, US.	Country of production - US State Department of Labour highlights multiple countries where child and forced labour exists in quarries; child labour and unsafe working conditions
Batteries	Cobalt – Democratic Republic of Congo (DRC); Lithium - Australia, Chile, China; Nickel – Canada, Indonesia, Philippines and Copper – Chile.	Sourcing of cobalt presents greatest risk to human rights abuses. Political instability or conflict particularly in the DRC; weak protection of civil liberties and workers' rights; safe and healthy working conditions in mines can be poorly regulated and protected
Personal Protective Equipment (PPE)	China and Malaysia	Similar risks to those for uniforms and workwear, compounded by the rapid increase in global demand from coronavirus resulting in pressure on manufacturers to produce large quantities in short timeframes.

4 Due diligence

Through robust procurement and governance processes, including the use of a Responsible Procurement (RP) checklist for each tender in developing an approach to market, our P&SC staff can identify categories and contracts which are likely to present a high risk of human rights abuses and poor working conditions. This year we have updated the RP Checklist to include an explicit reference to Modern Slavery to aid P&SC staff to identify the risk and decide on the appropriate mitigation.

All relevant procurements include a question at supplier selection stage on compliance to Section 54 of the Modern Slavery Act 2015. TfL continues to include award criteria and contractual requirements in contracts where a significant risk of human rights abuses was identified. The following section highlights this year's interventions at the procurement and contract management stages. We have reviewed our contract pipeline and undertaken work to include requirements in future contracts with the expectation that the range of categories and number of contracts will increase as our approach continues to mature.

Examples of How TfL Manages These Matters

Uniforms and Workwear:

While providing uniform fit for a world class transport system, TfL is actively working to ensure that workers producing the garments are treated fairly wherever they may be in the world. This year we replicated our best practice approach (developed in the 2015 TfL Uniform contract) into our Workwear and Laundry tender. Following contract mobilisation each factory will be required to undergo an annual, independent, third party social audit against the nine principles of the ETI Base Code. A time-bound corrective action plan is to be agreed with the factory to address any areas of non-compliance identified in the annual audit. Audit results are viewed, and corrective action plans tracked online through the Suppliers Ethical Data Exchange ([Sedex](#)) system, a secure online database and supply chain management tool, helping companies to identify, manage and mitigate ethical risks in global supply chains. However, we recognise the limitations of formal audits in identifying root causes and enacting long-term change. Therefore, as per our Uniform contract, the supplier is required to increase their employee's knowledge of worker rights, health and safety and local labour laws, over the duration of the contract.

Construction materials:

To mitigate the risk of modern slavery associated with the production and manufacture of construction materials, this year we required all the main construction materials (including concrete; structural steel; bricks and blocks, tarmac and aggregates) within the tenders for the Surface Transport Infrastructure Contract and the Telecommunications Project (which will bring 4G telecom networks to the London Underground), to comply with Building Research Establishment's Responsible Sourcing Standard BES 6001, or equivalent. Furthermore, the former contract includes a requirement to demonstrate a clear chain of custody from source to point of use for the sourcing of dimensional stone. Each of the nine bidders' Modern Slavery Statements was also reviewed at the supplier selection stage. The Telecommunications Project bidders were also required to outline how they and their

supply chain complied with the nine principles of the ETI Base Code and their approach to mitigating any risk areas identified in their supply chain. These two contracts are of significant magnitude and are expected to be awarded later in 2020/21.

Batteries for Electric Vehicles:

The supplier of electric batteries for the 950 new Routemaster buses in London has committed to working with us to understand and address the risks of labour rights abuses in the supply chain. This includes mapping its supply chain of the conflict minerals, cobalt and lithium, and gaining an understanding of the labour conditions and human rights at extraction.

Contract Management

Electronic equipment:

TfL is a founding member of Electronics Watch - an independent monitoring organisation that assists public sector buyers to meet their responsibility to protect the human rights of electronics workers in their global supply. Recent procurements of the renewal of our ticketing payment solution, Oyster Cards, and our ICT Hardware framework have included Electronics Watch contract conditions, requiring our suppliers to disclose the factories where these goods are produced and the specific products or components produced in each factory, the outcomes of which we will closely monitor in 2020/21 to ensure our suppliers share their often-complex global supply chains with us.

Facilities Management (Cleaning and Security Services):

Through inclusion of direct employment requirements embedded in our cleaning contract TfL has taken a proactive approach to manage the risks of worker exploitation in the UK cleaning sector. In March 2020, 93.4 per cent of the circa 2,500 cleaning staff were directly employed by the supplier. All contracted and sub-contracted workers on this contract receive the current London Living Wage rate or above. Utilising the collaborative relationship we have with our cleaning supplier, we met them this year to review their Modern Slavery Statement and understand the risks in their industry and their approach to mitigate the risks. We undertook the same engagement with our supplier of security staff and intend to expand this engagement to other high-risk categories in 2020/21.

Industry Engagement

We've worked with CARES, a not-for-profit certification body providing certification schemes for companies that produce materials, components or offer services, primarily to the reinforced concrete industry, to broaden the scope of their Sustainable Constructional Steel (SCS) scheme to include the supply of rail steel. We intend to include a requirement for CARES SCS or equivalent in our next contract for the supply of rail steel and would encourage others in the rail industry to follow our approach.

TfL is represented on the Rail Safety and Sustainability Board (RSSB) Modern Slavery Working Group, where we are leading on incorporating Rail industry best

practice on Modern Slavery into the Rail Industry Supplier Qualification Scheme (RISQS).

5 Training and Awareness Raising

In 2019/20, we provided new training for procurement and contract management professionals to refresh their knowledge and awareness of our approach to Responsible Procurement (RP), covering economic, environmental sustainability and social and human rights issues, including modern slavery. The RP training shared the GLA Group approach to ensuring that modern slavery and ethical sourcing risks are considered in the early stages of procurement when developing business cases and category management strategies. By the end of March 2020, 446 P&SC staff completed the e-learning module; 79 attended a full day classroom course and a further 28 completed a two-hour introductory session. The e-learning module is available on our internal system enabling continual access to the information.

We also ran bespoke training and awareness raising sessions around ethical sourcing and modern slavery for P&SC staff, where we shared the risks in their supply chains and how they can work with their suppliers to mitigate the shared supply chain risk. These training sessions focussed on the global ICT supply chain facilitated by Electronics Watch in June 2019 and a Modern Slavery in the Supply Chain half-day training session facilitated by the Supply Chain Sustainability School (SCSS) in October 2019.

TfL intends to continue to use its membership of the ETI and Sedex to maintain awareness of best practice and current developments, benchmark with other organisations and externally verify our approach. TfL is an active member of the ETI Public Procurement Working Group and this year one member of the GLA Group CRPT and one member of TfL's P&SC team attended ETI's one day training course on 'Managing risk: audit and beyond' part of the ETI's suite of Essentials of Ethical Trade workshops.

6 Reporting and key performance indicators (KPIs)

TfL now reports bi-annually to the ETI detailing our activity to identify and manage ethical sourcing risks. Within the 2018/19 report the ETI provided detailed feedback on how to strengthen our approach recommending we gain further assurances around worker representation in Bangladesh (where our uniforms are sourced from two factories) where, although Participation Committees are a legal requirement, they can often be ineffective. TfL is working with its uniform supplier to understand the implications of joining the ETI's Social Dialogue Programme which trains up staff, assists with elections and provides support to improve worker representation in factories, whether that be trade unions or Participation Committees. The uniform supplier has, on request from TfL, aligned its six-monthly Ethical Sourcing Report against the nine principles of the ETI Base Code.

The [GLA Group Responsible Procurement Implementation Plan](#) commits TfL to actively encourage its key suppliers to produce a compliant Modern Slavery Statement and in March 2020 all of our key suppliers issued a statement. Next year TfL, along with the other GLA Group functional bodies, will be working with

Transparency in the Supply Chain (TISC) to gain more granularity and independent assurance to verify compliance of our key suppliers Modern Slavery Statements. We will develop an approach to address those suppliers who fall short of their obligations and intend to utilise our supplier relationships to enable this improvement.

7 Goals for 2020/21:

Next year we plan to:

- **Assure:** We will develop a robust assurance process for prevention of modern slavery on construction sites and fleet and track maintenance. Our aim is to develop our risk mitigation from desk-based monitoring of Section 54 compliance to on-the-ground, empirical evidence of modern slavery prevention measures.
- **Upskill:** We will ensure that key Safety, Health and Environment Managers and those in relevant construction roles are aware of the signs of Modern Slavery. We will continue to roll out training to key P&SC staff to support the robust implementation of our ethical sourcing approach.
- **Manage:** We will continue to implement and manage Electronics Watch terms in ICT contracts The clauses stipulate disclosure of factory locations and we will work closely and collaboratively with our suppliers and their supply chain to understand the risks each location presents and in doing so develop plans to improve the working conditions and workers' understanding of their rights.
- **Comply:** We will work alongside the other GLA Group functional bodies with Transparency in the Supply Chain (TISC) to improve how we assess supply chain compliance to Section 54 of the Modern Slavery Act 2015 (as well as other social and economic policy measures). This new approach is expected to provide us with independent assurance to the quality and validity of the data. We will engage with more of our key suppliers to improve their performance against Section 54.
- **Pledge:** We will demonstrate our commitment to this agenda by becoming signatories to the Gangmasters and Labour Abuse Authority's (GLAA) Construction Protocol.
- **Learn:** We will continue to discuss, debate and learn lessons from our GLA Group colleagues, notably the London Legacy Development Corporation, who have implemented an approach for their construction suppliers to become certified ethical labour providers.
- **Respond:** We will develop an understanding of where and how the Covid-19 crisis may be increasing or altering modern slavery risks in our supply chains. We will work with our suppliers to mitigate these risks, utilising emerging subject matter expert advice and best practice as it becomes available
- **London Transport Museum (LTM):** Next year the LTM will work with their top 20 suppliers to assess their approach to Modern Slavery via the UK Governments Modern Slavery Assessment Tool. We will use the results of the assessment to work with our suppliers to initiate a process of continuous improvement with regards to their approach to identifying and mitigating risks of modern slavery. The LTM also plan to update their standard purchase orders to include a Modern Slavery requirement.

This Statement has been approved and published by the TfL Board and will continue to be reviewed at least once annually.

A handwritten signature in black ink, consisting of a series of overlapping, wavy lines that form a stylized, somewhat abstract representation of the name 'Howard Carter'.

Howard Carter, General Counsel

29 September 2020

For TfL Board