

**Board**

**Date: 19 July 2017**

**Item: Modern Slavery Statement**

---

## **This paper will be considered in public**

### **1 Summary**

- 1.1 The Modern Slavery Act 2015 requires the publication of an annual Modern Slavery Statement (the Statement). This paper describes the activity undertaken in compliance with the Act and seeks approval of a statement for the financial year 2016/17 that is required to be made and published.
- 1.2 The content of the Statement was considered by the Safety, Sustainability and Human Resources Panel on 26 June 2017. No issues were raised for the attention of the Board.

### **2 Recommendation**

- 2.1 **The Board is asked to note the paper and:**
  - (a) **approve the draft TfL Modern Slavery Statement appended to this paper; and**
  - (b) **authorise the General Counsel to agree the final form of the Statement.**

### **3 Modern Slavery Statement 2016/17**

- 3.1 A Statement is required to be made annually, within six months of the end of the financial year (i.e. by September) and must be published on the TfL website “with a link in a prominent place on the homepage”. That Statement must be approved at Board level prior to publication.
- 3.2 TfL’s approach is to require all of its operating subsidiaries to make a single statement approved by the Board, whether or not they reach the turnover threshold set out in the Modern Slavery Act 2015. The proposed draft statement is included at Appendix 1 and has been approved by all of TfL’s subsidiary companies, subject to Board approval.
- 3.3 TfL’s key categories of focus for 2016/17 have been electronics and uniforms.
- 3.4 In 2015 TfL joined the Electronics Watch (EW) programme. EW is working to raise awareness and join public sector customers together to apply combined leverage to drive behaviour change amongst electronics suppliers.

- 3.5 In our first year of membership, we have reviewed the monitoring reports produced by EW relevant to our supply chains. We have used these reports as a basis for engaging with our suppliers to understand what they are doing to investigate and address human rights and modern slavery risks.
- 3.6 TfL's contracts for redesigned uniforms were let in 2015. The contracts require third party independent social audits against the requirements of the Ethical Trading Initiative Base Code to be completed annually for all sites of supply. Time-bound corrective actions plans are produced and agreed for all non-compliances.
- 3.7 The updated GLA Group Responsible Procurement Policy was launched on 4 July 2017. Following publication, each of the GLA Group Functional Bodies is required to produce an implementation plan detailing specific activities it will undertake to implement the commitments of the Policy, including promoting ethical sourcing practices.

**List of appendices to this report:**

Appendix 1: Draft Modern Slavery Act Statement 2016/17

**List of Background Papers:**

GLA Group Responsible Procurement Policy

Contact Officer: Ian Nunn, Chief Finance Officer  
Number: 020 3054 8941  
Email: [ianNunn@tfl.gov.uk](mailto:ianNunn@tfl.gov.uk)

## **Draft Modern Slavery Statement 2017**

This statement sets out the steps that we, Transport for London (TfL) and our subsidiary companies, have taken to address the risks of slavery and human trafficking in our supply chains pursuant to section 54 of the Modern Slavery Act 2015. It outlines the policies and processes we have in place, the areas we have identified as high risk, and the actions we have taken to mitigate such risks.

### **Our Organisation and Supply Chains**

In 2016/2017, we spent circa £6bn on goods, works and services with over 6,000 tier one suppliers. Our global supply chains include businesses from all regions of the UK, Europe, Central and Northern America and Asia.

### **Our Policies**

We adopted the Greater London Authority (GLA) Group Responsible Procurement Policy in 2006. This was updated in 2008, with a further updates in June 2017. The GLA Group Responsible Procurement Policy consists of six themes including 'promoting ethical sourcing practices'. This mandates a risk-based approach to identifying contracts and areas of spend where there may be a high risk of human rights abuses including forced and bonded labour.

As part of our commitment to ethical sourcing, we published an Ethical Sourcing Policy in 2008: <http://content.tfl.gov.uk/tfl-ethical-sourcing-policy.pdf>

### **Our Procedures**

As part of our procurement process a procurement strategy is produced for all tenders above the OJEU threshold. Labour conditions and human rights risks are considered as part of this process, and ethical sourcing tender questions and contract requirements are included if deemed relevant. These provisions require suppliers to detail how they comply, or are working towards complying, with the Ethical Trading Initiative (ETI) Base Code, and to disclose full details of the factories or sites they are using, or intend to use, to provide the goods or services. All tenders are considered on a case-by-case basis, and additional ethical sourcing requirements are included where appropriate.

As part of our standard selection questionnaire in our tender process, prospective suppliers are asked to confirm their compliance with the Modern Slavery Act.

### **Due Diligence**

In 2006 we became the first public sector organisation to join the ETI. In 2007 we became the first public body to join Sedex. We use these memberships to maintain awareness of best practice and current developments, benchmark with other organisations, and externally verify our approach.

As part of our continued membership of the ETI, we provide an annual reporting submission which monitors trends, assesses the overall impact of our ethical sourcing activity and identifies good practices.

In our previous Statement, electronics hardware was identified as a priority category in which to address risks of modern slavery. We became an affiliate member of Electronics Watch (EW) in December 2015. As part of EW's contractual requirements, suppliers' factories are monitored by qualified local civil societies best placed to prevent forced or coerced labour and, should this be identified, direct remediative actions on the behalf of the victims. This worker-driven approach is better placed to identify modern slavery than standard social audits, offering assurance of compliance by our suppliers, but also creating genuine sustainable change, empowering workers in the electronics hardware industry.

EW produces detailed reports assessing risks in relation to specific suppliers or sites, and regional risk assessments considering country-wide issues. We have reviewed the reports relevant to our supply chains and used them as a basis for engaging with our suppliers to understand what they are doing to investigate and address human rights and modern slavery risks. We are now working closely with EW, other affiliates, and key suppliers to better understand how we can incorporate their best practice terms and conditions into our contracts.

## **Monitoring**

In contracts identified as having a high ethical sourcing risk, suppliers are required to conduct audits of their factories and sites using an independent, third party auditor, and make the audit reports and related corrective action plans available to us.

Our uniforms contracts are a key area of focus, given the historically poor labour practices in the global textile and cotton industries. Our suppliers are required to commission third party independent social audits for all sites of supply and ensure that corrective action plans are produced and enacted. Additionally, TfL is the first UK organisation to source cotton for its uniforms under the new Fairtrade Cotton Sourcing Programme, and all cotton used in our uniforms is Fairtrade.

As part of our approach to identifying risks we are assessing the compliance of our tier one suppliers to the Modern Slavery Act. We will be using this assessment to engage with our suppliers as part of the new Supplier Relationship Management approach we are developing. We will also investigate using the 'Stronger2gether Construction Toolkit' to address risks on infrastructure projects.

Hidden and exploitative labour has also been identified as a risk in cleaning contracts, primarily as a result of sub-contracting and agency labour practices. To address this we will require the supplier of our upcoming cleaning contract to directly employ 80 percent of the cleaning staff initially, moving up to 95 percent as the contract progresses.

**This statement was approved by the board of Transport for London**

**Signed by**