



Date: 16 May 2024

Item: Responsible Procurement and Modern Slavery Statement

This paper will be considered in public

1 Summary

- 1.1 At its meeting in November 2023, the Panel requested that the Responsible Procurement update and the Modern Slavery Statement papers be combined. This will now be repeated annually. This paper provides the annual Responsible Procurement update followed by a briefing on the Modern Slavery Statement.
- 1.2 We are required to publish a Statement under the Modern Slavery Act 2015 each year. The Statement for 2023/24 outlines the steps we have taken to investigate and mitigate the risks of modern slavery in our business or supply chains. The Statement is required to be approved by the Board before publication. This approval will be sought at the Board meeting on 24 July 2024. The draft Statement is included as Appendix 1.

2 Recommendation

- 2.1 **The Panel is asked to note the paper and the draft Modern Slavery Statement.**

3 GLA Group Responsible Procurement Implementation Plan

- 3.1 The Greater London Authority (GLA) Group Central Responsible Procurement team (CRPT) published the revised GLA Group Responsible Procurement Implementation Plan 2022-2024 (RPIP) in September 2022. The RPIP sets out how the GLA and its functional bodies (including TfL) will deliver the goals of the GLA Group Responsible Procurement Policy, revised in March 2021, between 2022 and 2024.
- 3.2 Key ambitions (and activity) within the RPIP includes:
 - (a) all bidders for contracts worth over £5m must provide organisational carbon reduction plans at the Selection Questionnaire stage. We will also include evaluation criteria in these tenders to encourage bidders to demonstrate their contribution towards London's ambition of being net-zero carbon by 2030;
 - (b) new contracts from 2025 will require zero-emission last mile deliveries to GLA Group sites;

- (c) the GLA Group, including TfL, will work towards purchasing 20 per cent of goods and services from small and medium-sized enterprises (SMEs) either directly or indirectly, in line with the London Anchor Institutions Charter. This commitment will reflect both direct and indirect (supply chain) spend with SMEs;
- (d) a minimum of 10 per cent of the total tender evaluation score will be allocated to responsible procurement and social value for all GLA Group above-threshold contracts. This aims to recognise bidders who will deliver community, environmental and local economic benefits where relevant and proportionate to the subject matter of the contract;
- (e) create 500 supply chain apprenticeship starts per annum across the GLA Group and progress towards apprentices reflecting London's diversity;
- (f) across the GLA Group, double the number of signatories to the Mayor's Good Work Standard, from 26 to 52;
- (g) work across the GLA Group supply chain to support the delivery of the interim target for Non-Road Mobile Machinery (NRMM) to meet stage IV requirements (as set by EU directive regulations for air quality standards for non-road diesel machinery) by 1 January 2025. NRMM is a broad category covering mobile machines and transportable industrial equipment or vehicles which are fitted with an internal combustion engine and not intended for transporting good or passenger on roads; and
- (h) 100 per cent of commercial staff to complete carbon literacy training by the end of 2024.

4 2023/2024 Activity

Skills and Apprenticeships

- 4.1 TfL's Supplier Skills team supports delivery of the skills, training, and employment opportunity's theme of the GLA Group Responsible Procurement Policy. This is achieved by embedding contractual requirements in relevant tenders and managing the delivery of supply chain commitments.
- 4.2 The team delivers in-person pre-employment programmes throughout the year to address skills shortages and diversity of the workforce within the transportation and engineering sectors.
- 4.3 Historically, the programmes have aided around 33 per cent of candidates into employment, but more recently this has increased to 50-70 per cent entering sustainable jobs. Further benefits such as increased confidence and work-readiness are evident in those who do not immediately find work.

- 4.4 In November 2023, the Supplier Skills team organised an Infrastructure Information Day in collaboration with Morgan Sindall Infrastructure and its supply chain partners. The event was hosted by Buildforce, an organisation dedicated to aiding Service Leavers, Veterans, Reservists, and their families in transitioning to long-term careers in the construction sector. Attended by 40 candidates, the event offered a valuable opportunity to gain insights into the transport and infrastructure sectors.
- 4.5 The sixth iteration of Women into Transport and Engineering (WiTnE) took place in November 2023 where six candidates were offered employment. Work has already commenced for WiTnE 7, where 15-20 placements will be offered this summer. This five-week programme provides candidates with two weeks of pre-employment training and a two-week placement with one of the participating suppliers. On completion of the programme, the women are offered support to apply for roles and are guaranteed an interview.
- 4.6 As part of National Apprenticeship Week, the team hosts an annual Apprenticeship Fair. Over 1,000 people attended the February 2024 fair with 35 organisations showcasing over 500 jobs, apprenticeships, and training opportunities. Candidates also had the opportunity to take part in break-out sessions on employability skills with the London Transport Museum (LTM).

Social Value

- 4.7 In April 2023, the Chief Finance Officer (CFO) approved TfL's roll out of the Social Value Portal (SVP) to facilitate assigning a minimum of 10 per cent of the tender evaluation criteria to social value and responsible procurement.
- 4.8 From November 2023, new above threshold procurement strategies were required to use SVP alongside existing Responsible Procurement approaches. This was initially applied to non-capital contracts only, with capital contracts following this year.
- 4.9 The CRPT delivered mandatory in-person training to approximately 285 Procurement and Commercial (P&C) Operations colleagues throughout October 2023. Twenty-four colleagues in P&C Capital were trained in January 2024 following the phased programme implementation.
- 4.10 This programme of work was overseen by the 2023/24 P&C 14-point Improvement Workstreams and sponsored by the interim Director of Procurement and Commercial - Capital. The workstreams reported periodically to the CFO on progress.

Ethical Sourcing and Modern Slavery

- 4.11 The Ethical Sourcing and Modern Slavery update is covered in greater depth within Section 5 of this paper within the Modern Slavery Statement update.
- 4.12 The 2023/24 Modern Slavery Statement is our ninth statement presenting our annual progress and plans for continuous improvement, demonstrating leadership in this area.

Environmental Sustainability

- 4.13 The Responsible Procurement (RP) team liaise with Safety, Health and Environment colleagues to ensure the environmental commitments within the RPIP 2022-24 closely align with TfL's Corporate Environment Plan.
- 4.14 TfL P&C included a scorecard target in 2023/24 for 70 per cent of the Directorate to receive Carbon Literacy training by April 2024, aligning with the approach of other Directorates. At the close of the financial year, 78 per cent of P&C colleagues completed the training, a total of 358 colleagues. Our co-ordinators will continue to promote and encourage sign-ups for future sessions as part of our ongoing commitment to TfL Green Milestones.
- 4.15 TfL's Surrey Quays station upgrade reduced its carbon emissions by nearly 40 per cent by implementing the 'PAS 2080' carbon standard against the initial design.
- 4.16 TfL's new station kiosks cut their carbon emissions by 25 per cent by replacing steel with lower-carbon aluminum and using resources more efficiently. Following a successful trial at Shoreditch High Street station, the new kiosks are being rolled out across the transport network.
- 4.17 The RP team are assisting with supplier spend data to support the development of TfL's scope 3 emissions baseline with a view to setting and monitoring reduction targets.
- 4.18 Significant progress has been made towards the target for last mile deliveries to the TfL estate to be zero-emission for new contracts from 2025. The CRPT is working with the Transport Strategy and Policy team to manage the project plan, determine scope and bring in all relevant stakeholders.

Fair and inclusive employment practices

- 4.19 Approximately 50 per cent of TfL key suppliers disclosed their workforce diversity data through the Diversity Data Benchmarking Initiative, in which National Highways, Network Rail and HS2 also participate. Outreach for the financial year (FY) 2024/25 campaign has begun, and TfL is due to present to supply chain partners in June 2024.
- 4.20 In FY 2023/24, a total of 89 TfL suppliers responded, an increase from 68 the previous year, including a higher number of SMEs. In total, the survey represents over 525,000 employees working in the sector of which more than 332,220 are in TfL's supply chain.

Supplier Diversity

- 4.21 TfL is an active member of the London Anchor Institutions' Network procurement working group. Through this engagement, TfL continues to progress towards spending 20 per cent with SMEs and diverse-owned businesses, whether in our direct or indirect supply chain.
- 4.22 TfL continues to identify opportunities to reserve below-threshold contracts for SMEs following a successful trial last year. Since the trial was expanded, we

have awarded one reserved contract worth £60,000. In addition, two other contracts that were only advertised to small or medium businesses, have been awarded to an SME, totalling £149,000.

- 4.23 As of June 2023, TfL annually requests SME-spend data from our Tier One suppliers so we can fully understand the extent to which our procurement activity supports UK SMEs within our supply chain. Response rates were low in the first year of engagement, and we will continue to engage the supply chain to increase the number of responses.
- 4.24 Throughout the last financial year, TfL have attended numerous regional Department for Transport SME engagement events. P&C leads attended to communicate the overall route to supply and upcoming opportunities in their categories. This engagement will continue in the new financial year.

Contracts and Tenders

- 4.25 TfL's Responsible Procurement Manager advises the P&C community on implementing responsible procurement requirements from early market engagement through tender evaluation and contract management. The RP team informed several significant contracts in FY 2023/24, including the uniforms relet, DLR operating contract re-let, Elizabeth line operating contract re-let, Bus Stops and Shelters, Advertising Concession, ICT Reseller Framework and Track Works and Resources contract.

5 Ethical Sourcing - Modern Slavery Statement

- 5.1 TfL is committed to identifying risks of modern slavery in its supply chains and working with its suppliers to proactively address these risks. The Centre for Social Justice estimates there are around 100,000 victims of modern slavery in the UK.
- 5.2 We published our most recent Modern Slavery statement for FY 2022/23 on TfL's website in September 2023. Section 54 of the Modern Slavery Act 2014 requires us to produce a new statement for 2023/24, to be published by 30 September 2024, following Board approval. A list of the companies within the TfL Group that the statement will apply to is included in the statement and has been adjusted from previous years, to remove dormant subsidiaries.
- 5.3 In FY 2023/24, we continued to embed risk management expectations in tenders and moved forward in discussions with bus operators. The main changes to the Modern Slavery Statement 2023/24 and the supporting work is the addition of two areas of focus, for increased transparency and risk mitigation, namely: waste collection and solar panels.

2023/24 Activity

Procurement and Contract Management

- 5.4 In 2023/24 we continued to manage our high-risk contracts (including uniforms, electronics, facilities management, construction, electric vehicles, and solar panels), evaluated tenders and continued to embed the standard supplier selection and contract conditions.

- 5.5 The construction sector is a large part of our risk profile. TfL's vast property development portfolio therefore requires thorough due diligence and mitigation activity. This year we continued to include, evaluate and manage our standardised modern slavery contractual requirements in the Limmo Development joint venture tender, run by Places for London. Limmo is a residential led development that would deliver circa 1,500 homes in Canning Town, East London. Tender questions asked developers how they will set up their construction sites to manage the risk of modern slavery, including how they manage recruitment processes with third parties.
- 5.6 In sectors with a recognised risk of poor working conditions and labour standards, TfL continues to implement the nine principles of the Ethical Trading Initiative (ETI) Base Code as the minimum level of performance for suppliers and their supply chain. In particular, TfL has taken a proactive approach to manage the risks of worker exploitation in the cleaning, security, and catering sectors by including direct employment requirements. As of 31 March 2024, the cleaning contractor directly employed 2,302 cleaning staff and the security services contractor employed 461 staff. All contracted and sub-contracted workers on these contracts receive the current London Living Wage rate or above.

Low Emission Vehicle Programme

- 5.7 In 2023/24, with the approval of all bus operators, we began collaborating with bus manufacturers and Electronics Watch on a confidential basis to establish supply chain transparency.
- 5.8 Electronics Watch monitors activity in key countries of the battery supply chain, including the Democratic Republic of Congo, Indonesia, Bolivia, the Philippines, China, Malaysia, and Taiwan. This monitoring activity enables TfL, the bus operators, and manufacturers to understand more about their multi-tiered supply chains, act appropriately to remedy any violations and take a pragmatic approach to support a just transition.
- 5.9 In 2024/25, we will expand our risk-management approach to include requirements in the tender for cycle hire across London, which includes e-bikes and therefore has similar human rights risks in the supply chain as passenger vehicles.

Modern Slavery Assessment Tool

- 5.10 In 2023/24, we continued our campaign to invite medium and high-risk suppliers to complete the Cabinet Office Modern Slavery Assessment Tool (MSAT) and used contract management to improve the response rate.
- 5.11 As at the end of the financial year, 89 per cent of the 44 invited suppliers have completed the survey, an increase from 80 per cent last year.
- 5.12 We had a Key Performance Indicator for all 44 suppliers to score 70 per cent or above, the threshold to achieve a 'Green' or good status, by March 2024. To date, 56 per cent of those suppliers who have completed the MSAT have hit this threshold.

London Transport Museum

- 5.13 LTM's catering supplier has a comprehensive modern slavery statement and has taken proactive steps to manage their labour exploitation risks. Aligning to TfL's contract terms, the supplier uses the Sedex Self-Assessment Questionnaire (SAQ) with their supply chain to capture supply chain transparency data and gain greater visibility of working conditions. The supplier is targeting to have all suppliers with completed SAQs by the end of 2025.

GLA Group Engagement

- 5.14 The CRPT continues to chair the pan-GLA Group practitioner learning group to share best practice and collaborate in relation to modern slavery due diligence. The group meets on a quarterly basis and has assisted with the roll out of the MSAT campaigns. Additionally, the CRPT will participate in the newly established Modern Slavery working group through the London Responsible Procurement Network.

Training and Awareness Raising

- 5.15 In 2023/24 CRPT arranged two workshops for suppliers who scored below 70 on the MSAT via the Supply Chain Sustainability School. These three-hour workshops trained suppliers in best-practice due diligence, risk assessment, supply chain mapping and other key areas to support any gaps in their MSAT responses.
- 5.16 The CRPT provided a bespoke three-hour workshop with the lead Modern Slavery Consultant from the Supply Chain Sustainability School to the Retrofit Accelerator for Homes Innovation Partnership solution providers to specifically address the complexities of forced labour risks in polysilicon supply chains, a key component for solar PV panels.
- 5.17 In March 2024, Places for London launched a responsible business skills programme which will be delivered by the charity Heart of the City. The programme will take 40 small business tenants through training on modern slavery, including managing their workforce and supply chain.
- 5.18 In 2023/24, Places for London repeated the 'spotting the signs' of modern slavery training for their commercial property team.

Key Performance Indicators and Goals for 2024/25

- 5.19 Our priorities for the year 2024/25 will be a combination of quantifiable key performance indicators and ongoing participation in projects, programmes and initiatives:

Key Performance Indicators

- 5.20 Training: Ensure staff in the Project Management Office working on relevant risk categories, including construction and capital projects, complete the Home Office Modern Slavery e-learning module.

5.21 MSAT: All TfL suppliers who have been assessed to be high and medium risk, to complete the tool and achieve an MSAT score of a minimum 70 per cent by March 2025. We will continue to work with lower scoring suppliers to support improvements to their scores and encourage more suppliers to complete the assessment.

Goals for 2024/25

- 5.22 Internal Capability and Capacity: New TfL staff in the Safety, Health and Environment Directorate, Places for London and the Capital Delivery and Projects community will be prioritised to receive training through TfL's membership of the Supply Chain Sustainability School.
- 5.23 Supplier Development: Continue to raise awareness of modern slavery to our supply chain, assisting suppliers by providing workshops, resources, training materials and bidder briefings. Specific attention will be paid to LTM suppliers.
- 5.24 Peer Learning: Chair the pan-GLA Group practitioner learning group to share best practice and collaborate across the GLA Group in relation to modern slavery due diligence.
- 5.25 External collaboration: Continue to collaborate with partner organisations such as the ETI and Electronics Watch to address supply chain transparency and human rights due diligence issues, for example in the context of solar panels and zero-emission buses.

List of Appendices:

Appendix 1 - Draft Modern Slavery Statement 2023/24

List of Background Papers:

GLA Group Responsible Procurement Implementation Plan 2022-2024:
https://www.london.gov.uk/sites/default/files/gla_group_rpip_2022-24.pdf

London Anchor Institutions Charter:
https://www.london.gov.uk/sites/default/files/anchor_institutions_charter_1.pdf

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