

Date: 24 May 2023

Item: Responsible Procurement

This paper will be considered in public

1 Summary

- 1.1 We are required to publish a new Modern Slavery statement under the Modern Slavery Act 2015 for the Financial Year 2022/23, outlining what 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; that approval will be sought at the meeting of the Board on 26 July 2023. The draft statement is included as Appendix 1.
- 1.2 TfL was the first public body to become a member of the Ethical Trading Initiative (ETI), an independent body which monitors member NGOs and companies' supply chains in accordance with an ethical code and 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 chains. The 2022-23 Modern Slavery Statement is our eighth statement presenting our annual progress and plans for continuous improvement, demonstrating leadership in this area.

2 Recommendation

- 2.1 **The Panel is asked to note the paper.**

3 Modern Slavery Statement

- 3.1 The Centre for Social Justice estimates there are around 100,000 victims of modern slavery in the UK, increasing from 13,000 when the Modern Slavery Act 2015 was first published. Global estimates suggest more than 40 million people worldwide. TfL is committed to identifying risks of modern slavery and forced labour in its supply chains and working with its suppliers to proactively address these risks.
- 3.2 We published our most recent Modern Slavery statement for the Financial Year 2021/22 on TfL's website in September 2022. We are required to produce a new statement for 2022/23 by section 54 of the Modern Slavery Act, to be published by 30 September 2023, following Board approval. A list of the companies within the TfL Group that the statement will apply to is included in the statement and the statement will be considered separately by each of those companies. The 2021/22 TfL statement will be removed from our webpage and archived internally.

4 2022/23 Activity

Procurement and Contract Management

- 4.1 In 2022/23, we continued to manage our high-risk contracts (uniforms, electronics, facilities management, personal protective equipment, electric vehicles, solar panels), evaluated tenders notably the Surface Technology Contract Retender (STCR), brand licensing and continued to embed the standard supplier selection and contract conditions in TTL Properties Limited's (TTLP's) extensive property development portfolio.
- 4.2 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.
- 4.3 We continued our affiliation with Electronics Watch to monitor and improve working conditions in our electronics supply chain. In April 2022, we joined its Low-Emission Vehicle Programme to address human rights risks in the production of electric vehicle batteries, including the sourcing of rare earth minerals and the production of semi-conductors.
- 4.4 The three-year programme aims to improve working conditions and strengthen workers voices in the supply chains of low emission vehicle batteries by applying the successful worker-driven monitoring model of Electronics Watch.
- 4.5 In 2023/24, with the approval of all TfL's contracted bus operators, we will collaborate with bus manufacturers and Electronics Watch on a confidential basis to establish supply chain transparency.
- 4.6 Electronics Watch monitoring activity has a presence in key countries of the battery supply chain, including the Democratic Republic of Congo, Indonesia, Bolivia, the Philippines, China, Malaysia and Taiwan.
- 4.7 This monitoring activity will enable both TfL, the bus operators and manufacturers to understand more about their multi-tiered supply chains, appropriately act to remedy any violations and take a pragmatic approach to support a fair and just transition to net-zero carbon by 2030.
- 4.8 We have shared this industry-leading approach internationally to the C40 Cities network as a platform to collaborate and share best practice with our peers, who are also addressing supply chain ethics in the transition to net zero carbon cities.
- 4.9 In 2023/24, we will expand our risk-management approach to include requirements in the tender for cycle hire across London which includes e-bikes and therefore poses similar human rights risks and supply chains to passenger vehicles.
- 4.10 The construction sector is a large part of our risk profile and TfL's vast property development portfolio therefore requires thorough due diligence and mitigation activity.

- 4.11 This year we continued to include, evaluate and manage our standardised modern slavery contractual requirements in the suite of developments under the Connected Living London joint venture, the Bollo Lane development and the over-station developments.
- 4.12 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, and points bidders towards best practice material such as the Supply Chain Sustainability School's Awareness Identification Response (AIR) model. Potential developers are also asked how they will ensure core construction materials such as brick, quarry products, steel and timber are sourced to ensure compliance with the ETI Base Code.
- 4.13 TTLP formed a new compliance team within TTLP Asset Management in 2022. The compliance team is tasked with engaging with our tenant customers directly on their statutory compliance, maintenance and documentation.
- 4.14 In March 2022, the compliance team received training in how to spot the signs of modern slavery, delivered by the Supply Chain Sustainability School. The training increased awareness of the issues and how to report concerns via our internal processes or seek further assistance externally. The training was also attended by our TTLP Director of Procurement.
- 4.15 In 2023/24, we will further analyse our customer segments for modern slavery risk to ensure our compliance team are clear on where our risks lie across the estate and how these risks overlap with wider compliance checks the team will undertake.
- 4.16 TTLP has formed Customer Advisory Groups for its retail and arches customers, respectively. The purpose of the Customer Advisory Groups is to provide further engagement between TTLP as landlord and its tenant customers and to discuss and update on important policies and other matters. We will discuss modern slavery at the Customer Advisory Groups in 2023/24.
- 4.18 We will include modern slavery as a topic in our upcoming customer information campaign on compliance and safety.
- 4.19 In 2022/23, we ran a procurement exercise for the relet of our brand licensing contract, for an agency to manage TfL branded products on our behalf. All prospective brands who wish to work with TfL are required to provide evidence demonstrating their adherence to the ETI Base Code, meaning we gain greater visibility of working conditions in the vast and varied supply chain operating under this contract
- 4.20 The STCR contract includes the supply of a number of essential assets to Surface Transport, notably CCTV, Traffic Signals, Variable Message Signs, Overhead Vehicle Detection, etc plus the provision of capital works and maintenance activities across London for the above asset categories.
- 4.21 Bidders were evaluated on their approach to identifying the modern slavery risk in their workforce and how they would establish supply chain transparency, aligning to our affiliation with Electronics Watch.

- 4.22 The successful bidder(s) on STCR will be required to provide an Ethical Sourcing Plan, to be agreed by the contractor and TfL Responsible Procurement Manager. This will be updated on an annual basis for the duration of the contract.
- 4.23 TfL continues to implement the nine principles of the ETI Base Code as the minimum level of performance for suppliers and their supply chain in sectors with a recognised risk of poor working conditions and labour standards.
- 4.24 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. As of March 2023, 95 per cent of cleaning staff (around 2,500) were directly employed by the supplier. All contracted and sub-contracted workers on this contract receive the current London Living Wage rate or above.
- 4.25 Due to the recognised risk and public scrutiny of modern slavery in the supply of personal protective equipment, we have remained informed on global labour issues via industry-level modern slavery groups and have raised issues directly with our Tier 1 supplier. We have considered industry codes, such as the Responsible Glove Alliance, to inform our due diligence approach and have made labour rights issues a standing agenda item at contract review meetings. We will continue to work with our Tier One supplier to improve transparency of these supply chains, as the issues are complex and systemic and will take time and collaboration to fully address.

Supplier and Engagement

- 4.26 This year, 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.
- 4.27 As of the end of the financial year, 51 suppliers have been invited with an 80 per cent completion rate, an increase from 50 per cent last year. We have set a Key Performance Indicator for all 51 suppliers to score 70 per cent or above, the threshold to achieve a 'Green' status, by March 2024. To date, 61 per cent of those suppliers who have completed the MSAT have hit this threshold.
- 4.28 To support our suppliers in meeting the target, in 2022/23 we arranged two modern slavery due diligence workshops with the Supply Chain Sustainability School, put on free of charge for our suppliers
- 4.29 As part of TfL's arrangement to provide procurement services to the greater London Authority (GLA), the TfL team has engaged with solution providers on the Retrofit Accelerator for Homes Innovation Partnership to discuss the issue of Uyghur Muslim forced labour in the supply chains of polysilicon. Following the release of the 'In Broad Daylight: Uyghur Forced Labour and Global Solar Supply Chains' report from Sheffield Hallam University² a presentation was given to the solution providers providing an overview of the issues highlighted in the report. The solution providers will be encouraged to work on mapping their supply chains and work towards providing transparency and traceability of polysilicon.

- 4.30 In 2023/24, the GLA Group's Central Responsible Procurement Team (CRPT) is providing a bespoke three-hour workshop with the lead Modern Slavery Consultant from the Supply Chain Sustainability School to the solution providers to specifically address the complexities of forced labour risks in polysilicon supply chains.

London Transport Museum (LTM)

- 4.31 LTM's TfL licensed suppliers are contracted via the TfL Brand Agency contract, the recent relet of which includes strengthened contractual requirements and tender questions, referenced above, helping to manage the modern slavery risk of these suppliers. Future licensees used by LTM under this contract will be monitored and required to demonstrate how they adhere to the principles of the ETI Base Code as part of their onboarding under the contract
- 4.32 LTM's catering supplier has a comprehensive modern slavery statement and has taken proactive steps to manage its labour exploitation risks. Aligning to TfL's contract terms, the supplier uses the Sedex Self-Assessment Questionnaire (SAQ) with its 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.

Industry Engagement

- 4.33 The CRPT continues to chair the pan-GLA Group practitioner learning group to share best practice and collaborate across the Group 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 and sharing best practice.
- 4.34 In November 2022, the CRPT presented to Electronics Watch affiliates on the TfL's progress on the Low-Emission Vehicle Programme as well as to the C40 Cities Network, attended by cities across, North and South America and Europe.
- 4.35 The CRPT are also members of the International Working Group on ethical Public Procurement. Key learnings will be incorporated into future relevant procurements across TfL and the GLA group.

Training and Awareness Raising

- 4.36 The Responsible Procurement e-learning module has been completed by over 620 staff members to date which includes an overview of TfL's approach to ethical sourcing and modern slavery risk management.
- 4.37 In Autumn 2022, all Procurement and Commercial (P&C) staff received a one-hour classroom learning on Responsible Procurement, which communicated our approach to managing modern slavery risks, where to go for extra support and how to assess risk using internal and external resources.

- 4.38 We will ensure more detailed training is undertaken by those managing relevant categories, as detailed below. As of 31 March 2023, 56 P P&C staff had completed all modules of the Home Office modern slavery e-learning.
- 4.39 In March 2023, we hosted a lunch and learn session for those colleagues who hadn't previously attended and as a refresher for those who had. This included the newly formed TTLP compliance team, who manage and visit TfL tenants across the estate and therefore play an important role in our risk management.
- 4.40 TfL will continue to use its membership of the ETI, Sedex and Electronics Watch to maintain awareness of best practice and current developments, benchmark with other organisations and externally verify our approach.
- 4.41 In 2022/23, we continued to host workshops via the Supply Chain Sustainability School to suppliers completing the MSAT and will be offering further support to high-risk contracts and suppliers in the year ahead. To date, suppliers from across our supply chain have attended training sessions provided free of charge, covering track maintenance, IT, rolling stock, construction and uniforms.

5 2023/24 Activity

- 5.1 The Responsible Procurement Programme co-ordinates the TfL and GLA Group approach to promoting ethical sourcing practices and addressing the risks of modern slavery including metrics to monitor continuous improvement of internal capacity building and supply chain assurance.
- 5.2 Our priorities for the year 2023/24 will be a combination of quantifiable key performance indicators and ongoing participation in projects, programmes and initiatives:

KPIs:

Training: Build on the overview of modern slavery which all TfL commercial and procurement staff received in 2022 by ensuring staff in relevant risk categories complete the Home Office developed e-learning module.

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 2024. We will work with lower scoring suppliers to support improvements to their scores and encourage more suppliers to complete the assessment.

Goals for 2023/24:

Commercial Property: We will further analyse our customer segments for modern slavery risk to ensure our compliance team are clear on where our risks lie across the estate. We will put modern slavery on the agenda at the Customer Advisory Groups in 2023/24. We will include modern slavery as a topic in our upcoming customer information campaign on compliance and safety.

Public Procurement Note (PPN) 02/23: Review the PPN 02/23 guidance on tackling modern slavery in government supply chains and embed learnings from it into future procurements and/or approaches.

Raise Awareness: Continue to raise awareness of modern slavery to our supply chain, assisting suppliers by providing workshops, resources, training materials and bidder briefings. New TfL staff in the Safety, Health and Environment Directorate; Commercial Development and the Capital Delivery and Projects community will be prioritised, through TfL's membership of the Supply Chain Sustainability School.

On-site awareness: Ensure our new and current suppliers and site managers continue to display the Gangmaster and Labour Abuse Authority's worker rights checklist on all construction sites.

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 and to continue to learn and share with the transport industry through TfL's representation on the Department for Transport Modern Slavery Group.

Low-emission Vehicles: Continue to take part in the Electronics Watch Low-Emission Vehicle programme encouraging bus manufacturers and fleet providers to collaborate with us to improve supply chain transparency and working conditions in the mining and manufacturing of minerals used in the production of batteries for electric vehicles.

State-sponsored forced labour: Continue to collaborate with partner organisations such as the ETI and Electronics Watch to progress due diligence issues, such as the treatment of Uyghur Muslims in China, in our supply chains and those of the GLA where TfL provide procurement services, such as the provision of solar panels in the Retrofit Accelerator framework.

London Transport Museum: The LTM Retail Team will work with the CRPT and TfL procurement team to support low scoring suppliers from their MSAT campaign and act on the recommendations provided. This will include providing access to workshops and training resources and monitoring engagement.

6 GLA Group Responsible Procurement Policy

- 6.1 The refreshed and updated GLA Group Responsible Procurement Policy was approved by the Mayor and published in March 2021 and sets the direction for TfL's Responsible Procurement activity. The refreshed Policy includes five themes:
- (a) improving supply chain diversity;
 - (b) embedding fair and inclusive employment practices;
 - (c) enabling skills, training and employment opportunities;
 - (d) promoting ethical sourcing practices; and

(e) improving environmental sustainability.

6.2 The Policy is supported by the [Responsible Procurement Implementation Plan 2022-24](#), which was published in September 2022. It sets out the key actions required to deliver on the commitments of the Responsible Procurement Policy and shapes the work outlined in this Modern Slavery Statement. With regards to modern slavery and ethical sourcing, it commits TfL to:

- (a) improve performance of key suppliers, and those assessed to be medium and to high risk, in eradicating the risks of modern slavery in their organisations and their supply chains by using a risk-based approach to utilise the Cabinet Office MSAT;
- (b) increase internal awareness and capability to address modern slavery risks for staff through training and learning including the Home Office developed e-learning module and the Supply Chain Sustainability School's Modern Slavery Learning Pathway by April 2023;
- (c) commercial development arrangements to ensure relevant GLA Group best practice modern slavery due diligence provisions are undertaken by property development companies, consortia and suppliers; and
- (d) collaborate with partner organisations, such as the ETI and Electronics Watch, to improve supply-chain transparency of the mining and manufacturing of minerals used in batteries for electric vehicles and state-sponsored forced labour risks, such as the treatment of Uyghur Muslims in China, in our supply chains.

List of appendices:

Appendix 1: Draft Modern Slavery Statement 2022/23

List of Background Papers:

None

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