



# Transport for London Slavery and Human Trafficking Statement 2018/19

## 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 2018 – 31 March 2019.

## 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 Limited<sup>1</sup>:

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-subsiary-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

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<sup>1</sup> 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 fourth annual statement to be published under the Act and relates to the period 1 April 2018 through to 31 March 2019.

TfL is aware of the recent independent review of the Modern Slavery Act 2015 and notes the recommendations it makes in reforming Section 54 of the Act. TfL was the first public sector organisation to join the Ethical Trading Initiative (ETI), a leading alliance of companies, trade unions and non-governmental organisations (NGOs) that promotes respect for workers' rights around the globe. TfL was also the first public body to join Sedex, home to one of the world's largest collaborative platforms for sharing responsible sourcing data on supply chains and used by companies to manage their performance around labour rights, health and safety, the environment and business ethics. Leading by example, we use both these memberships to maintain awareness of best practice and current developments, benchmark with other organisations and externally verify our approach.

## **Our organisation**

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, reporting to the Chief Finance Officer, who reports to the Commissioner of TfL. During 2018/19, TfL spent in excess of £6bn on goods, services and works required to deliver and upgrade services across London Underground, Surface Transport, Professional Services and Technology and Data.

## **Our policies in relation to slavery and human trafficking**

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 supports the delivery of the Mayor's commitments and strategies. It reflects best practice and demonstrates our procurement activities meet all legislative requirements, including the Modern Slavery Act 2015.

The Mayor's Policy commits us to promote ethical sourcing by:

- adopting the nine provisions of the ETI Base Code<sup>2</sup>, or equivalent, as the standard we expect of our suppliers to support working conditions that are legal, fair and safe; and

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

- 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 within its Commercial 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 Policy, including the promotion of ethical sourcing practices.

### **Risk assessment, prevention and mitigation**

Through robust procurement and governance processes, including the inclusion of the Responsible Procurement checklist in developing an approach to market, Commercial staff across TfL are able to identify categories and contracts which are likely to present a high risk of human rights abuses.

The principal categories which TfL deems as carrying material risks of human rights abuses are uniforms, electronic equipment, cleaning and construction. TfL deems the corresponding source countries in its supply chains for these categories to be:

<b>Category</b>	<b>Country</b>	<b>Identified Sector Risks</b>
Uniforms	Bangladesh, China	High risk countries as identified by the government response, vulnerability and prevalence ratings in the Global Slavery Index <sup>3</sup>
Electronic equipment	East Asia, China, India, Eastern Europe, Mexico	Labour intensive, often low-skilled work; mining of raw materials in high risk countries
Facilities Management – including cleaning and catering services	United Kingdom	High numbers of agency and migrant workers
Construction	United Kingdom	Migrant workers, documents instances of forced or bonded labour, multi-tiered supply chains, low paid roles

<sup>3</sup> The Global Slavery Index provides country analysis and ranking of modern slavery prevalence as well as the actions governments are taking to respond.

<https://www.globallslaveryindex.org/2018/data/country-data/bangladesh/>  
<https://www.globallslaveryindex.org/2018/data/country-data/china/>

## Due diligence processes

### Uniforms:

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. TfL has been including clear requirements safeguarding human rights and working conditions in relevant contracts for many years and with our supply contract for London Underground uniforms we have set new levels of excellence for supply chain due diligence in public procurement. A 2018 report by the International Corporate Accountability Roundtable and The Corporate Responsibility (CORE) Coalition<sup>4</sup> found that “in comparison to the central Government departments featured in this report, TfL’s procurement practice is significantly more socially responsible and advanced.”

TfL’s uniforms are manufactured in Bangladesh and China. Each factory is required annually to undergo an independent, third party social audit against the nine principles of the ETI Base Code. Following each audit, a time-bound corrective action plan is agreed with the factory to address any areas of non-compliance. Audit results are viewed and corrective action plans tracked online through the Sedex system.

However, we also recognise the limitations of social audits in addressing root causes of non-compliances. Therefore our uniforms contract also requires our supplier to undertake capacity building activity at the manufacturing sites.

Workers have undertaken training on worker rights, health and safety and Bangladesh labour laws, including how and when to use complaint letters for raising grievances. One factory is partnering with a local university to host interns, with the intention for training to be provided for interns to qualify as technicians and designers. This capacity building work builds the knowledge and capabilities of vulnerable workers, whilst empowering them to better understand their human rights in the workplace.

TfL also worked closely with the Fairtrade Foundation to ensure that the cotton used in the uniforms is sourced from certified producers, meaning that farmers and workers get a fair deal for their work. This was another first in the UK for a public sector organisation such as TfL.

### 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 chains - and remains an engaged member, attending the annual Conference to further benefit from the support network it provides. We have included Electronics Watch contractual clauses in a number of key Information Communication Technology (ICT) contracts identified

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<sup>4</sup> <https://corporate-responsibility.org/wp-content/uploads/2018/09/ICAR-Core-Report-Who-Made-Our-Clothes-UK-Public-Sector-Apparel-Procurement.pdf>

as presenting a higher risk of potential human rights abuses. The contract for Narrow Band Radio System replacement on our bus network has included Electronics Watch clauses which are closely monitored as part of the management of the contract.

Factory locations of manufacture have been provided and the supplier will provide audit data to identify high risk areas of the supply chain which require further intervention.

Upcoming procurements of the renewal of our ticketing payment solution, Oyster Cards, and the ICT Hardware contract have been published with Electronics Watch clauses integrated, the outcomes of which will be monitored by TfL to ensure our suppliers undertake a robust risk assessment upon contract award and put in place suitable mitigation strategies over the course of the contract.

#### Cleaning services:

Given the high number of agency and migrant workers employed in the cleaning industry, TfL has continued to take a proactive approach to managing the risks of worker exploitation. The contract remains on track to meet the KPI target of 95 per cent of directly employed labour by September 2019.

#### Construction:

Our membership of the Supply Chain Sustainability School (SCSS) and membership of their labour leadership group enables us to discuss and share best practice on the industry-wide risks facing the built environment sector. Construction sites, in particular, pose a significant risk of poor employment practices through the use of agency workers and multi-tiered supply chains. Through our involvement with the SCSS, we are able to gain greater transparency on the issues faced by our supply chain and work closely with them to mitigate the risks of human rights abuses on construction sites. We will be developing an approach for use when letting and managing construction contracts to ensure the real risk of modern slavery in this sector is minimised.

#### External Engagements:

We recognise the importance of tackling the risks of modern slavery with our industry peers and are committed to benchmarking and best practice sharing at conferences, events and workshops.

TfL was a part of a panel at the 2019 International Conference on Tackling Modern Slavery, Forced Labour and Human Trafficking in Public Sector Supply Chains, run by the Home Office, ETI and the Organisation for Security and Co-operation. More than 150 delegates attended, sharing lessons learned, best practice and approaches to managing the common risks faced in public sector supply chains.

We also attended the EcoProcura Conference in October, an event held in Nijmegen for European cities and public authorities to exchange and share best practice in Sustainable Public Procurement, and delivered a workshop session communicating our approach to ethical sourcing. The conference was attended by delegates

representing public sector purchasing authorities from across the world focussing in particular on how public purchasing can procure ethically, sustainably and responsibly.

TfL hosts a key supplier forum every six months, giving the Responsible Procurement team a platform to communicate areas of focus to over 60 key suppliers so our supply chain remains fully informed on our approach to ethical sourcing. It is also an opportunity for our key suppliers to provide valuable feedback so we can collaboratively manage the risks of slavery and human trafficking.

### **Effectiveness, measured against appropriate KPIs**

TfL reports annually to the ETI detailing our annual activity to identify and manage ethical sourcing risks. Last year, our report was given 'Improver' status and the detailed feedback is used to continuously strengthen our approach each year. The activities we undertake to address risks of modern slavery in our supply chain, as detailed in this statement, will be included in our future reporting to the ETI, with a view towards moving up to 'Achiever' status.

As part of TfL's uniform contract, the factories are required to undergo an independent audit every twelve months. Audit reports and corrective action plans are provided by the auditors to TfL, and we track the resolution of non-compliances through the Sedex system, an ethical auditing approach and platform which encourages consistent and collaborative sharing of audit results. To reinforce the effectiveness of auditing, the supplier has trained quality control auditors in SA8000, a social certification for factories and organisations, which increases the coverage of monitoring working conditions through empirical evidence.

TfL's cleaning contract contains a KPI for 80 per cent of cleaning staff to be directly employed, rising to 95 per cent by September 2019. Figure 1 displays the positive trend this KPI has had on the employment relationship of the workers and the effective risk mitigation against labour exploitation this has resulted in.

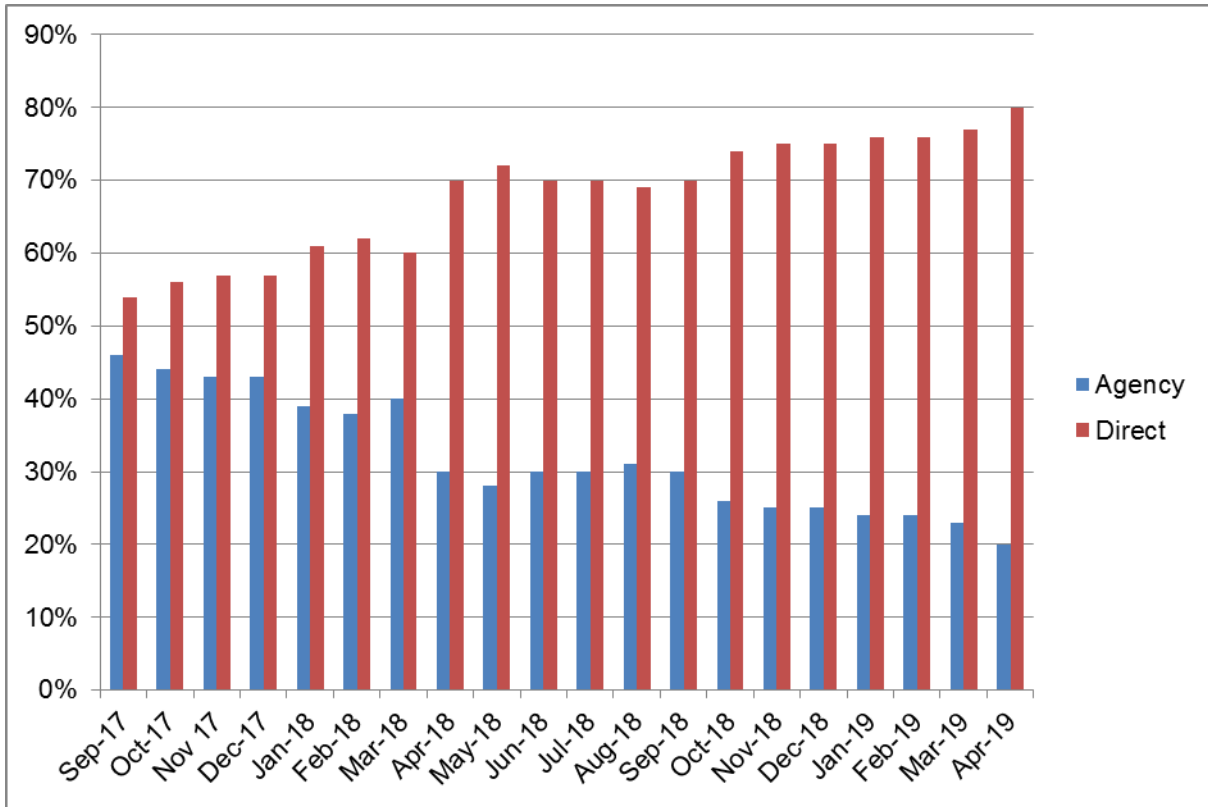


Fig.1 – Positive trend of directly employed workers on TfL’s cleaning contract

The [GLA Group Responsible Procurement Implementation Plan](#) commits TfL to actively encourage its key suppliers to produce a compliant Modern Slavery Statement and as part of this work, we have reviewed over 60 of our key suppliers for compliance with Section 54 of the Modern Slavery Act 2015. As of March 2019, 66 per cent of TfL’s key suppliers have issued a statement compliant to Section 54 of the Act, a 14 per cent increase compared to 52 per cent in August 2017. In 2019/20 we will aim to continue this positive trend by engaging our key suppliers on this issue and developing an approach to address those suppliers who fall short of their obligations.

**Training and capacity building**

In 2018/19, 181 Commercial staff were trained in the principles of Responsible Procurement. The internal training includes an overview of TfL’s approach to ethical sourcing, ensuring that Commercial staff are able to apply a risk-based approach to managing ethical sourcing practices and where to go for assistance and guidance where high risk areas are identified. This year, TfL will roll out further training to enhance the knowledge of key commercial staff to manage the risks of modern day slavery through a combination of e-learning and classroom based training. The training will have a focus on ensuring that ethical sourcing risks are considered in the early stages of procurement when developing business cases and category management strategies.

TfL continues to utilise its membership with the ETI and benefits from the resources it provides, with the contract manager for the London Underground Uniform Contract having undertaken ETI training courses. TfL is an active member of the Public Procurement Working Group, providing input to the recent report on the review of the Modern Slavery Act 2015.

### **Our goals for 2019/20**

In 2019/20 we will continue to improve and refine our approach to managing the risk of slavery and human trafficking in our supply chain. Whilst we are proactively identifying and managing the high-risk areas in our activity, we understand that the risk of modern slavery is significant in a number of key sectors which we contract in, particularly the identified areas of construction, electronics and uniforms and as such recognise that we must continue to ensure robust risk mitigation throughout the breadth of our activity. A particular significant step in doing this will be to map our risk exposure throughout our supply chain and this will be a focus for us in the coming year.

In the year ahead, we will pursue four **key goals for 2019/20**:

- We will develop a robust assurance process for prevention of modern slavery on construction sites. 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.
- We will roll out external training to key Commercial staff to support the robust implementation of our ethical sourcing approach. This will be formed of online and classroom based learning and will ensure commercial staff can make procurement decisions with an in depth understanding of how to manage against the risk of human and labour rights abuses.
- We will ensure implementation and contract management of Electronics Watch contract terms in ICT contracts upon contract award. The clauses stipulate disclosure of factory locations and we will work closely and collaboratively with our 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.
- We will undertake an ethical sourcing risk mapping exercise of our supply chain to ensure proactive identification and management of risk and enable effective prioritisation of activity.

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

**Howard Carter**

**17 September 2019**

For TfL Board