

## **Our slavery and human trafficking statement 2018/19**

Network Rail has published this statement in accordance with the Modern Slavery Act 2015.

The Modern Slavery Act requires any organisation with a global annual turnover of £36 million or above and that is operating in the United Kingdom to produce an annual statement. That statement needs to detail the steps that have been taken during the financial year to ensure modern slavery isn't taking place within any part of that organisation's business or in its supply chain.

This statement is made on behalf of:

- Network Rail Infrastructure Limited (NRIL); and
- Network Rail (High Speed) Limited (a subsidiary organisation to NRIL, contracted to provide operation, maintenance and renewal services to HS1 Limited).

This statement sets out the steps taken during the year ended 31 March 2019 to prevent modern slavery and human trafficking in these organisations and their supply chains.

Throughout this statement, the term 'Network Rail' refers to the companies listed above.

### **Our commitment**

Modern slavery is a crime and a violation of fundamental human rights. This won't be tolerated at Network Rail. We remain committed to doing business in a responsible way, which includes a commitment to do all that we reasonably can to prevent all forms of modern slavery in any part of our own business and our supply chains.

We expect our customers and suppliers to share and uphold these ethical values and principles.

### **Our business and supply chain**

Network Rail owns, operates and develops Britain's railway infrastructure; that's 20,000 miles of track, 30,000 bridges, tunnels and viaducts, and thousands of signals and level crossings. We also manage 20 of the UK's largest railway stations.

In 2018/19, we directly employed approximately 39,000 people and many contractors. We worked across eight geographically placed routes and a ninth route which operated nationally, serving freight and long-distance operators.

Each route was a large, complex business in its own right. They were run by a managing director and a senior leadership team who were accountable for effectively and efficiently delivering for passengers, freight users and key stakeholders.

The nine routes were supported by a central national framework providing critical services to the routes, including the System Operator, Technical Authority, Infrastructure Projects, Group Digital Railway, Route Services and a corporate core covering activities such as business strategy, functional policy, legal and corporate assurance, and communications.

Network Rail operates in Great Britain, but has a small, wholly-owned international railway consultancy, Network Rail Consulting<sup>1</sup>.

To find out more about Network Rail and our organisational structure, please take a look [here](#)<sup>2</sup>.

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<sup>1</sup> Please note that Network Rail Consulting do not meet the qualifying criteria for publishing a modern slavery statement.

Our supply chain is vast and essential in helping us run a safe and efficient railway. We're dependent on our suppliers to help us deliver rail services across Britain – we spend over £7 billion every year with our supply chain – the large majority of which are UK-based companies.

## **Ownership**

At the end of 2016, primary and day-to-day responsibility for our modern slavery policy and programme was assigned by our Executive Leadership Team (formerly Network Rail's 'Executive Committee') to the Group General Counsel and Company Secretary, reporting directly into our Chief Financial Officer, who sits on the board of directors. In response to this decision, we set up a working group comprising of representatives from each of the following functions:

- Ethics
- Contracts and Procurement
- Legal
- Policy and Assurance; and
- Sustainability.

In 2019, a representative from our Corporate Workforce Safety team joined the working group. Due to its work as custodian of the Sentinel Scheme Rules<sup>3</sup> on behalf of the rail industry, they are a valuable addition to the group, able to support driving positive change to reduce the risk of modern slavery and human trafficking across the industry.

The working group has continued to meet since its creation, and is responsible for putting together a programme of works to reduce the risk of modern slavery happening within our business or supply chain.

## **Policies and contractual provisions**

Our commitment to conducting business ethically and responsibly is reinforced through various company policies, including:

- **Anti-Slavery and Human Trafficking policy**: In January 2017, we published our first Anti-Slavery and Human Trafficking policy, which was approved by our Executive Leadership Team.

In March 2017, an email was sent to all line managers communicating what modern slavery is, how to report concerns and where to find more information. Line managers were encouraged to cascade the information to their teams.

In May 2017, the policy was updated to make it clearer and easier to understand, and in 2019/20, it will be reviewed again as part of our regular policy review cycle.

- **Code of Business Ethics**: Our Code of Business Ethics sets the standard of behaviour that is expected of everybody in our company and those doing business on our behalf, to ensure we all work in an open and honest way.

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<sup>2</sup> This information reflects the organisation during the year 2018/19 and due to a company restructure, organisational changes may have taken place since. These changes will be captured in our 2019/20 statement.

<sup>3</sup> The Sentinel Scheme is a safety system used across the rail industry. It provides rail workers with a passport to work on the UK's rail infrastructure. For more information, visit the Sentinel website [here](#).

In February 2017, our Code of Business Ethics was updated to include information on modern slavery, reinforcing our commitment to doing business sustainably and responsibly, doing everything that we reasonably can to prevent modern slavery in our business or any of our supply chains. We also provided information on how to report concerns about modern slavery.

In 2018/19, our Code of Business Ethics was updated and the updated version is due for publication in summer 2019. This latest version gives modern slavery greater focus within the Code, including information on some warning signs to look out for.

- **[Speak Out policy \(whistleblowing\)](#)**: Employees, members of our supply chain or the public can raise concerns about wrongdoing (including human rights violations) taking place in Network Rail. We offer a variety of channels to do so – including a confidential 24/7 reporting service called ‘Speak Out’, which is run on our behalf by an independent, specialist third party. Reports can be made to the Speak Out service anonymously, should the discloser feel more comfortable reporting in this manner.

Our Speak Out policy makes it clear that we will not tolerate any form of victimisation, bullying or harassment of those who raise concerns and that we will protect those who speak out from any such treatment.

- **[Code of Conduct](#)**: All our employees and anyone carrying out engineering and maintenance work on Network Rail’s behalf are required to respect residents, their property and our lineside neighbours. The Code of Conduct sets out the behaviour expected.

In December 2016, the Code of Conduct was updated to include information on Network Rail’s position towards modern slavery. It was updated again in October 2017.

As part of our supplier engagement activities, we wrote to over 10,000 of our suppliers in November 2017, setting out the steps we’ve taken to date to prevent modern slavery, and our expectations of our suppliers and those working for, or on our behalf. This included signposting to our updated Code of Conduct.

Our procurement contracts require suppliers to comply with the Modern Slavery Act 2015, in addition to other relevant Network Rail policies, including our Code of Business Ethics, Code of Conduct and Speak Out (whistleblowing) policy.

For our supply chain, we also include specific requirements that our suppliers:

- implement due diligence procedures for their own supply chains; and
- use reasonable endeavours not to purchase raw materials, resources or products from organisations using forced labour.

During 2017/18, we updated our company contract requirements, which were subsequently published in March 2019. They include complying with Network Rail’s Anti-Slavery and Human Trafficking policy and completing modern slavery training, as requested by Network Rail.

### **Risk assessment and management**

The possibility of modern slavery being found within our business and any of our supply chains is tracked as part of our ‘Enterprise Risk Management’ process. Since 2016, this risk and any mitigating controls in place have been reviewed on a quarterly basis.

We directly employ approximately 39,000 employees, almost solely in Great Britain. We have strict recruitment processes in place, ensuring all our employees have the appropriate right to work and are paid at least the Living Wage, as set out by the Living Wage Foundation. As a result of this, we believe that the risk of forced or trafficked labour being directly employed by Network Rail is low.

We use two approved recruitment agencies to support us in sourcing workers on permanent and fixed-term bases. Whilst these agencies are permitted to source potential candidates from within their own supply chains, relevant checks (including right to work, Disclosure and Barring Service (DBS) and Baseline Personnel Security Standard (BPSS) checks) are carried out either by the approved agency or by Network Rail.

In addition to using approved recruitment agencies, we also have several national procurement frameworks in place, which provide another means for people to work on our infrastructure or in our offices. This includes catering and cleaning staff, as well as those who can be called upon in times of peak demand to work on-track, as examples.

As mentioned above, each of our routes were set-up to operate as their own separate businesses. This means that they had the ability to procure their own goods and services from suppliers who may not appear on our national frameworks. This enabled each route to make purchasing decisions to best suit their business and their customers. We understand that this poses a risk to Network Rail and in 2019/20, we intend to map the extent to which labour can be called upon to work on our behalf, both within and outside of the national frameworks. We will then risk assess based on the nature of the service they are providing and consider action required to assure ourselves that modern slavery risks are considered within these organisations.

We believe a potential risk sits within our large and complex supply chain. We have previously identified that the procuring of personal protective equipment (PPE) and uniforms is a high-risk area for Network Rail. In 2018/19, we ran a pilot to investigate the depth of the supply chain of one item of PPE (a hi vis waterproof thermal jacket) from one of our approved PPE suppliers.

This exercise identified that in the manufacture of this specific garment, our approved supplier is directly sourcing from suppliers across five countries, none of which have a high estimated prevalence of modern slavery, according to the [Global Slavery Index](#)' latest findings.

The supplier also provided us with a copy of its most recent slavery and human trafficking statement, providing assurance that modern slavery risk is considered throughout its business as part of the due diligence procedures and that a supply chain compliance programme is in place.

In 2019/20, the procuring of PPE and uniforms will remain a key focus. We will continue working with the supplier referenced above, with the intention of exploring further down the supply chain, beyond tier one suppliers. Alongside this, we intend to work with our six approved PPE and uniform suppliers to establish their knowledge and expectations of their own supply chains.

Over the coming year, our Ethics team will be working in collaboration with our Sustainability team and an external consultant on a sustainable procurement exercise. This will involve identifying those procurement categories and specific goods/services that have a high-impact (considering both risks and opportunities) on the environment and/or society (including forced labour risk). This will help us to identify key areas of focus for the future.

### **Due diligence processes**

For a large proportion of our procurement activities, a competitive tender process is required. In 2018/19, we amended our procurement processes to ensure that modern slavery is captured at all relevant parts of the process. This included:

- Updating modern slavery questions asked at 'Pre-Qualification Questionnaire' (PQQ) stage. The responses we receive to these questions gives us greater assurance that any qualifying organisation we are considering going into business with, are compliant with the Modern Slavery Act 2015 before the organisation can progress to the next stage in the procurement process
- Embedding modern slavery into the 'Invitation to Tender' (ITT) stage of the procurement process, where the procurement practitioner considers there to be high modern slavery risk.

The responses to these questions provide us with confidence that these organisations are committed to tackling modern slavery within their own organisation and supply chains.

To support procurement staff in assessing the risk involved when procuring a specific product/service, a guidance document and scoring criteria has been produced. This helps with consistency of decision-making and scoring.

### **Training and awareness-raising activity**

In January 2018, we launched mandatory companywide ethics training, which includes content on modern slavery. This new training follows on from our first ethics training programme launched in 2015 and is designed to provide all our employees with basic knowledge of what modern slavery is, the warning signs to look out for and how to report concerns.

We have seen strong engagement from the business, and at the time of publication over 26,000 employees had completed the training. Throughout 2018/19, we have continued to monitor completion rates of our training, using follow-up communications in any function or route where completions are lower than we'd expect.

In addition to the above, we have:

- published a modern slavery 'Toolbox Talk' and 'Safety Hour Discussion Pack', available externally via our [modern slavery resource hub](#) on Safety Central, for all employees, or those working on our behalf, to use in team meetings or in 'Safety Stand-Downs'
- become partners of the Supply Chain Sustainability School and have subsequently made their modern slavery eLearning modules available to our staff, through our eLearning site
- held a supplier conference in June 2018, where all attendees were given a briefing on what modern slavery is, what Network Rail are doing to tackle it, what the Act means for suppliers and potential suppliers and our expectations
- reinforced our commitment to preventing modern slavery by adding information to the [Sentinel website](#) in March 2019
- produced posters to promote our Speak Out (whistleblowing) service, including a reminder that this service can be used to report concerns about modern slavery taking place within Network Rail, or within any of our supply chains. These posters are to be distributed across the business in autumn 2019.

In 2019/20, we aim to focus training and awareness-raising initiatives at the following key groups:

- **Procurement staff** (using our partnership with the Supply Chain Sustainability School); and
- **Sentinel card holders.**

### **Key performance indicators**

We monitor and categorise concerns reported to us (either via our Speak Out service or any other channel). In 2018/19, no concerns were reported in relation to modern slavery and/or human trafficking.

We track completion rates of our ethics training (launched in January 2018), which includes content on modern slavery. In 2018/19, we expected 50% of our workforce to have completed the training by end-March 2019. We are pleased to report that this target was exceeded.

### **Key actions in 2018/19**

The following is a summary of the key actions completed in 2018/19:

- Corporate Workforce Safety team joined the modern slavery working group
- Updated our Code of Business Ethics to give modern slavery greater focus (due for publication in summer 2019)



- Ran a pilot to investigate the depth of the supply chain of one item of PPE (a hi vis waterproof thermal jacket) from one of our approved PPE suppliers
- Embedded modern slavery into our procurement processes by updating relevant questions asked at PQQ stage, and adding appropriate questions at ITT stage, where the procurement practitioner considers there to be high modern slavery risk
- Continued to monitor completion rates of our mandatory companywide ethics training
- Produced posters to promote our Speak Out (whistleblowing) service as a channel for raising concerns about modern slavery (due for distribution in autumn 2019).

### **Looking ahead: key activity planned for 2019/20**

In 2019/20, we intend to:

- Review our Anti-Slavery and Human Trafficking policy, updating if required
- Publish our updated Code of Business Ethics
- Map where people could be working either on our infrastructure or in our offices, that are not directly employed by Network Rail, and called upon both within and outside of the existing national frameworks in place
- Work with our tier one PPE and uniform suppliers to establish their knowledge and expectations of their own supply chains
- Engage an external consultant to help us identify those procurement categories and specific goods/services that have a high-impact on the environment and/or society (including consideration of forced labour risks)
- Focus tailored training and awareness-raising initiatives at Procurement staff and Sentinel card holders
- Distribute posters to promote our Speak Out (whistleblowing) service.

This statement refers to the financial year ending 31<sup>st</sup> March 2019.

This statement was approved by the Board of Network Rail Infrastructure Limited on 30<sup>th</sup> May 2019 and the Board of Network Rail (High Speed) Limited on 19<sup>th</sup> July 2019.

Signed by

A handwritten signature in blue ink, appearing to be "Jeremy Westlake". The signature is stylized and somewhat abstract, with a long, sweeping line extending upwards and to the right.

**Jeremy Westlake**  
**Chief Financial Officer**  
**23<sup>rd</sup> July 2019**