

Modern Slavery Act Statement

This statement has been published in accordance with the Modern Slavery Act (2015). It details the steps MTR Corporation (Crossrail), trading as MTR Elizabeth line, has taken to identify and mitigate risks of modern slavery within our direct operations and supply chain during the 2018/2019 financial year.

It also covers the measures we will implement to monitor the effectiveness of our actions and continuous improvements in this area.

Introduction by the Managing Director

Slavery and human trafficking, in all its forms, are an abuse on individual freedom and human rights. As a business we recognise the importance of the Modern Slavery Act and are fully committed to doing all we can to ensure our operations and our supply chain are free from instances of modern slavery. We are proud of the steps we have taken, and that we continue to take, to ensure we can identify and remove any unacceptable practices from our operations and supply chain.

Our business

MTR Corporation (Crossrail) Limited, trading as MTR Elizabeth line, will ultimately provide inter-urban and metro passenger services connecting London City, Canary Wharf, the West End and Heathrow Airport to commuter areas in the East and West of London. When fully operational Crossrail will serve 40 stations, with a peak timetable frequency of 24 trains per hour providing a fast, frequent service linking the East and West and relieving congestion on some of the busiest underground lines.

We entered into the Crossrail Concession Agreement with Rail for London (RfL), a subsidiary of Transport for London, in July 2014 to start running the operational railway from 31 May 2015. The initial term of the Concession is eight years, until 28 May 2023.

Our structure and supply chains

MTR Corporation (Crossrail) is a wholly owned subsidiary of MTR Corporation, we were awarded the concession for operating the Elizabeth line services across London by RfL commencing in 2014.

We currently have 1148 employees, 98% of our employees are employed full time. We conduct comprehensive checks on prospective employees throughout the interview process including but not limited to right to work checks, these checks are also carried out and verified by a third party.

Our principal supply chain covers the provision of services that support us in the delivery of the railway. We also work with third party suppliers for the provision of our indirect requirements such as staff uniforms and the delivery of station upgrade and enhancement works.

MTR Corporation (Crossrail) are committed to paying our staff and suppliers the London Living Wage. We require our suppliers and subcontractors to pay their employees an hourly wage (or equivalent hourly wage) equal to or greater than the London Living Wage as adjusted annually.

This obligation applies to all suppliers' employees, both directly and indirectly employed, who perform duties in relation to the railway:

- Within the Greater London Authority Area;
- Outside of the Greater London Authority Area where the person is engaged at an MTR Elizabeth line station or facility; or

- Outside of the Greater London Authority Area where the person is engaged at other premises (including the supplier's own premises) within the control of the boroughs of the Greater London Authority and proximate to the MTR Elizabeth line route.

Our sourcing approach and due diligence

We are committed to ensuring that workers employed in our supply chains are treated fairly and equitably. In doing so we require our suppliers to comply with the Ethical Trading Initiative (ETI) Base Code and our Standards and Obligations for MTR Corporation (Crossrail) suppliers.

This year we have updated our standard terms of business to include clauses covering supplier Modern Slavery Act compliance. These terms raise awareness of the Modern Slavery Act and our supplier's individual obligations. The terms require the supplier to notify MTR Corporation (Crossrail) if they become aware of any instances of modern slavery within their operation or supply chain and detail action being taken to address the issue.

This year we have taken steps to improve our supplier pre-qualification process. All prospective new suppliers to MTR Corporation (Crossrail) are now required to complete our Approved Supplier Questionnaire (ASQ) via our e-procurement system.

This is now live and mandatory for all prospective and new suppliers and the process to retrospectively qualify all existing suppliers will be completed by December 2019. The supplier responses are assessed against quality, financial, sustainability and ethical trading criteria.

Within the ASQ suppliers are required to confirm their Modern Slavery Act reporting requirements and provide details of their statement and actions they are taking to reduce the risk of modern slavery in their operations and supply chain. Where suppliers fail to meet our requirements improvement plans are agreed, if issues are not resolved within a specified timeframe the supplier will not be on-boarded or granted approved supplier status.

Risk analysis and monitoring

We undertake an annual risk analysis exercise of our tier one suppliers taking into consideration the level of risk exposure driven by the location of the supplier, the industry type and labour employed in the delivery of the goods/services. A risk profile is then assigned to the individual suppliers.

Based on the risk level assigned to a supplier we develop annual monitoring plans with individual suppliers if required. Actions could include the development and monitoring of corrective action plans. We also produce an annual Labour Conditions and Human Rights Report detailing the findings and actions of the risk assessment.

We recognise the complexity of modern slavery and the many different forms it can take. Through the risk assessment exercises we undertake we are able to identify the categories of products/services associated with the delivery of the railway that present an elevated level of risk. As a result we gain a greater understanding of our supply chain network as a whole in order to bring it under closer management.

The categories that we have identified as presenting a high level of risk are construction and labour contracts.

As a business we have implemented a robust approach to due diligence in the area of managing and monitoring supply chain risks and general supplier management. In 2018 we implemented a new e-procurement system to manage interactions with our supply base.

Implementation of the e-procurement system, the due diligence process and the risk assessment now gives us the required visibility to monitor our suppliers and tools that allow us to work collaboratively with them to address issues.

Awareness across the business

The direct management of our supply chains is undertaken by a small number of people within our business, however we recognise that it is everyone's responsibility to ensure that working practices are in line with our company vision and objectives.

Many of our business policies ensure we are working to prevent the existence of modern slavery within our business. These policies are listed below:

- Code of Conduct
- Equality & Diversity Policy
- Procurement and Tendering Policies and Procedures
- Qualification and Supplier Management Procedure
- Whistle-blowing Policy
- Safety Management System Procedures
- Anti-Bribery & Corruption Policy

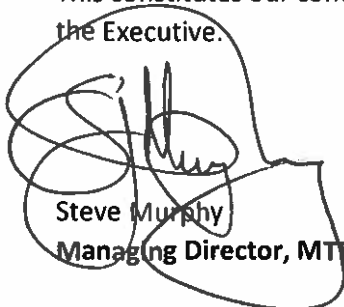
In addition to these policies in early 2019 an Anti-Slavery and Human Trafficking Policy was put in place and communicated to the business with training. This covers the measures the business has in place to prevent instances of modern slavery from occurring, individual responsibilities and issue reporting.

Monitoring the effectiveness of our actions

To ensure we are able to effectively track our progress in the key areas outlined in this statement going forward we will be implementing the below key performance indicators (KPIs) to monitor our progress.

1. Number of suppliers on-boarded through the new supplier due diligence process (Approved Supplier Questionnaire, ASQ), for both new and existing suppliers
2. Number of suppliers identified as high risk engaged with through the creation of action plans

This constitutes our company's Modern Slavery Act statement. The statement has been approved by the Executive.



Steve Murphy
Managing Director, MTR Corporation (Crossrail) Limited

September 2019

