

1.1 Supplier's Obligations and the Company's Rights

- a. The Supplier shall ensure that all Timber supplied or used in the performance of the Contract shall be Sustainable Timber. If it is not practicable for the Supplier to meet this condition the Supplier must inform the Company in writing prior to the supply of any Timber that is not Sustainable Timber, and stating the reason for the inability to comply with this condition. The Company reserves the right, in its absolute discretion, to approve the use of Timber that is not Sustainable Timber. Where the Company exercises its right to reject any Timber, the provisions of paragraph 1.1(d) below shall apply.
- b. Without prejudice to paragraphs 1.1(a) and 1.3(b), all Virgin Timber procured by the Supplier for supply or use in performance of the Contract shall be Legal Timber.
- c. The Supplier shall ensure that Virgin Timber it procures for supply or use in performance of the Contract shall not have derived from any species of tree that is protected under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) unless the Supplier can prove, by producing official documentation, that he has complied with the CITES requirements that permit trading in the particular species of tree so listed under that Convention.
- d. The Company reserves the right to reject at any time any Timber that does not comply with the conditions of this Contract or the Specification. Where the Company exercises its right to reject any Timber, the Supplier shall supply contractually compliant alternative Timber, at no additional cost to the Company and without causing delay to the performance of the Contract.
- e. The Supplier shall maintain records of all Timber supplied and used in the performance of the Contract. Such information shall be made available to the Company promptly if requested at any time.

1.2 Company's Reporting Requirements

- a. Unless the Company has given its written approval in accordance with paragraph 1.1(a) that Timber that is not Sustainable Timber may be used, then, if requested, the Supplier shall promptly provide evidence to the Company's satisfaction that the Timber is Sustainable Timber.
- b. Upon a request by the Company referred to in paragraph 1.2(a), in the event that the Supplier does not promptly provide such evidence, or the evidence provided does not satisfy the Company's requirements, then (and without prejudice to paragraph 1.3(a)), the Company reserves the right to retain 25% of any monies payable to the Supplier under the Contract until such date as the Company is in receipt of such evidence and the Company is satisfied that the evidence establishes that the Timber is Sustainable Timber.
- c. The Supplier shall report quarterly on its use of Sustainable Timber in the performance of the Contract, in accordance with Appendix 2 (Timber Standards) of this Schedule 16.
- d. The Supplier shall report on the amount of Timber that has been supplied to the

Company in accordance with paragraph 1.1(a) which is not Sustainable Timber.

1.3 Verification

a. Evidence of Sustainable Timber

- (i) The Company reserves the right to determine whether the evidence supplied by the Supplier is sufficient to satisfy it that the Specification and the conditions of this Contract have been fully complied with. In the event that the Company is not so satisfied, the Supplier shall, on written request by the Company, commission and meet the costs of an Independent Report to:

- (1) verify the source of the Timber; and
- (2) assess whether the forests of origin were managed in accordance with the specified local laws and regulations.

b. Evidence of Legal Timber

- (i) The Supplier shall, before delivering any Virgin Timber under this Contract, obtain documentary evidence to the Company's satisfaction that the Timber is both Legal and Sustainable Timber. If requested in writing by the Company, the Supplier shall submit such documentary evidence to the Company either prior to delivery or at such other times as the Company may require. For the avoidance of doubt, the Supplier shall identify, as part of the evidence submitted, a chain of custody from the source of the Timber through to delivery of the final product.
- (ii) The Company reserves the right at any time during the execution of the Contract and for a period of 6 years from final delivery of any Timber under the Contract to require the Supplier to produce the evidence required for the Company's inspection within 14 days of the Company's written request.

2 Ethical Sourcing

- 2.1 The Company is committed to ensuring that workers employed in its supply chains throughout the world are treated fairly, humanely and equitably. In the course of complying with this Contract, the Supplier shall comply with and shall procure that its Sub-Contractors (as applicable) comply with those principles of the Ethical Trading Initiative (ETI) Base Code as are detailed in Appendix 1 (ETI Base Code) to this Schedule 16, or an equivalent code of conduct approved by the Company, (the "Ethical Sourcing Principles") in relation to the provision of the Services.
- 2.2 As at the Commencement Date, the Supplier shall be registered with an ethical supplier database, such as SEDEX (Supplier Ethical Data Exchange). The Supplier agrees that for the duration of this Contract, it shall permit and enable the Company to have access to the information relating to the Supplier that subsists in such ethical supplier database.
- 2.3 During the course of this Contract, the Company has the right to request the Supplier to carry out one or more audits using a reputable auditor to verify whether the Supplier is complying with the Ethical Sourcing Principles. The identity of the auditor is to be approved by the Company, such approval not to be unreasonably

withheld or delayed. The costs of the audit shall be borne by the Company.

- 2.4 During the course of this Contract, if the Company has reasonable cause to believe that the Supplier is not complying with any of the Ethical Sourcing Principles, then the Company shall notify the Supplier and the Parties shall agree an action plan with appropriate timeframes for compliance by the Supplier (the "Action Plan"), such Action Plan to be agreed by the Parties by no later than 5 Working Days from the date of the Company notifying the Supplier that remedial action is required or such other period as the Parties may otherwise agree in writing. The costs of the creation and implementation of the Action Plan shall be borne by the Supplier.
- 2.5 Following the agreement of the Action Plan, the Company reserves the right to conduct one or more audits, (either itself or via a third-party auditor approved by the Company) in relation to compliance by the Supplier with the Action Plan.
- 2.6 For the avoidance of doubt, the rights of audit contained in this Schedule 16 shall include without limitation the right of the Company (or a Company-approved auditor) acting reasonably to undertake physical inspections of relevant sites/factories, to conduct interviews with relevant personnel and to inspect relevant documents. The Supplier shall co-operate and shall procure that its Sub-Contractors (as applicable) co-operate with the Company in relation to all aspects of any audit.

3. Supplier Diversity

3.2 **Strategic Equality and Diversity Plan**

- (a) For the duration of this Contract, the Supplier shall comply with the Agreed Strategic Equality and Diversity Plan and shall procure that each of its Sub-Contractors adopts and implements a strategic equality and diversity plan in respect of their respective employees engaged in the performance of the Contract which is at least as extensive in scope as that agreed with the Company and set out in the Agreed Strategic Equality and Diversity Plan.
- (b) For the purposes of this paragraph 3, the expression "Agreed Strategic Equality and Diversity Plan" means the strategic equality and diversity plan to be provided by the Supplier to the Company and as negotiated and agreed between the parties and attached to the Contract as a new Schedule headed "Agreed Strategic Equality and Diversity Plan".
- (c) Where a Sub-Contractor has, pursuant to paragraph 3.2(a) or otherwise, adopted a strategic equality and diversity plan, the Supplier shall procure that each of its Sub-Contractors provides a copy of its strategic equality and diversity plan (and any amendments thereto) to the Company or its nominee as soon as reasonably practicable.

3.3 **Diversity Training**

- (a) For the duration of this Contract, the Supplier shall comply with the "Agreed Training Plan" in relation to all of its employees engaged in the performance of the Contract. For the purposes of this paragraph 3, the expression "Agreed Training Plan" means the diversity training plan to be provided by the Supplier to the Company and as negotiated and agreed between the parties and attached to the Contract as a new Schedule headed "Agreed Training Plan". The Supplier shall procure that each of its Sub-Contractors adopts and

implements a diversity training plan in respect of their respective employees engaged in the performance of the Contract which is at least as extensive in scope as the Agreed Training Plan.

- (b) Where a Sub-Contractor has, pursuant to paragraph 3.4(a) or otherwise, adopted a diversity training plan, the Supplier shall procure that each of its Sub-Contractors provides a copy of its diversity training plan (and any amendments thereto) to the Company or its nominee as soon as reasonably practicable.

3.4 Supplier Diversity

- (a) For the duration of this Contract the Supplier shall at all times comply with the "Agreed Supplier Diversity Plan". For the purposes of this paragraph 3, the expression "Agreed Supplier Diversity Plan" means the supplier diversity plan to be provided by the Supplier to the Company and as negotiated and agreed between the parties and attached to the Contract as a new Schedule headed "Supplier Diversity Plan". The Supplier shall procure that each of its Sub-Contractors adopts and implements a supplier diversity plan in relation to the performance of this Contract which is at least as extensive as the Agreed Supplier Diversity Plan.
- (b) Where a Sub-Contractor has, pursuant to paragraph 3.4(a) or otherwise, adopted a supplier diversity plan, the Supplier shall procure that each of its Sub-Contractors provides a copy of its supplier diversity plan (and any amendments thereto) to the Company or its nominee as soon as reasonably practicable.

3.5 Communications Plan

For the duration of this Contract and in all dealings with the Local Community, the Supplier shall comply with the Agreed Communications Plan. For the purposes of this paragraph 3, the expression "Agreed Communications Plan" means the communications plan to be provided by the Supplier to the Company and as negotiated and agreed between the parties and attached to the Contract as a new Schedule headed "Agreed Communication Plan" and the expression "Local Community" means those areas of London affected by the Services from time to time.

3.6 Monitoring and Reporting

- (a) Subject to paragraph 3.6(c), the Supplier shall use reasonable endeavours to provide the Company on the date of this Contract and subsequently every 12 months from the date of this Contract or such other frequency as the Company may reasonably request with an annual report on performance and compliance with the equality and diversity provisions as set out in paragraphs 3.2 to 3.5 of this Schedule 16. The annual report should set out:
 - (i) the performance of the Supplier over the past 12 months in relation to the Agreed Strategic Equality and Diversity Plan, the Agreed Training Plan, the Agreed Supplier Diversity Plan and the Agreed Communications Plan and/or the action plan submitted for the previous 12 months in accordance with paragraph 3.6(a)(iv);
 - (ii) the proportion of the Supplier's employees engaged in the

performance of the Contract and, to the extent reasonably possible, the employees of the Sub-Contractors engaged pursuant to the terms of the relevant sub-contracts in the performance of the Contract who are:

- (1) female;
 - (2) of non-white British origin or who classify themselves as being non-white British;
 - (3) from the Local Community; or
 - (4) disabled;
 - (iii) the proportion of the Supplier's Sub-Contractors that are SMEs and/or BAMEs and/or other suppliers from other under-represented or protected groups; and
 - (iv) a plan of action for the forthcoming 12 months showing what the Supplier plans to do to continue delivery of the equality and supplier diversity objectives.
- (b) For the purposes of this paragraph 3.6, the meaning of SME and BAME is as set out in Appendix 3 (TfL Supplier Diversity Definitions) to this Schedule 16.
- (c) The Supplier shall ensure at all times that it complies with the requirements of the Data Protection Act 1998 (as may be amended) in the collection and reporting of the information to the Company pursuant to paragraph 3.6(a).

3.7 Equality and Diversity Infractions

- (a) If the Supplier or any of its Sub-Contractors commits an Equality and Diversity Infraction, the Company shall be entitled (but not obliged) to act as follows:
- (i) if an Equality and Diversity Infraction is committed by the Supplier then the Company may serve written notice upon the Supplier identifying in reasonable detail the nature of the Equality and Diversity Infraction, and the Supplier shall cease committing and remedy, at its own cost, the Equality and Diversity Infraction, within 30 days of receipt of such notice (or such longer period as may be specified in the notice); or
 - (ii) if the Equality and Diversity Infraction is committed by a Sub-Contractor of the Supplier, the Company may serve written notice upon the Supplier identifying in reasonable detail the nature of the Equality and Diversity Infraction, and the Supplier shall procure that the Sub-Contractor ceases committing and remedies, at its own cost, the Equality and Diversity Infraction within 30 days of receipt by the Supplier of such notice (or such longer period as may be specified in the notice). If the Supplier fails to procure the remedy of the Equality and Diversity Infraction, the Company may serve a further written notice upon the Supplier and within 30 days of receipt of such further notice (or such longer period as may be specified in the notice), the Supplier shall terminate, at its own cost, the relevant contract with its

Sub-Contractor and procure performance of the affected works or services by another person which also complies with the obligations specified in paragraphs 3.2 to 3.5 of this Schedule 16.

- (b) It shall be a fundamental term and condition of the Contract that the Supplier complies with its obligations under paragraphs 3.7(a)(i) to 3.7(a)(ii). Where, following receipt of a notice given pursuant to paragraphs 3.7(a)(i) to 3.7(a)(ii) the Supplier fails to remedy an Equality and Diversity Infraction to the satisfaction of the Company or in the case of paragraph 3.7(a)(ii) fails to terminate the contract with a defaulting Sub-Contractor and procure performance by another person on the terms specified in paragraph 3.7(a)(ii) the Supplier will be in breach of the Contract and the Company shall be entitled (but not obliged) to terminate the Contract, without further notice to the Supplier, in accordance with Clause 44 of the Contract.
- (c) For the purposes of this paragraph 3.7, "Equality and Diversity Infraction" means any breach by the Supplier of its obligations specified in paragraphs 3.2 to 3.5 of this Schedule 16 and/or any failure by a Sub-Contractor to adopt and implement a strategic equality and diversity plan, a diversity training plan and/or a supplier diversity plan as described in paragraphs 3.2 to 3.5 of this Schedule 16.

3.8 Equality and Diversity Audit

- (a) The Company or its nominee may from time to time undertake any audit or check of any and all information regarding the Supplier's compliance with paragraphs 3.2 to 3.5 of this Schedule 16.
- (b) The Company's rights pursuant to this paragraph 3.8 shall include any and all documents and records of the Supplier and its Sub-Contractors and shall include the Documentation.
- (c) The Supplier shall maintain and retain the Documentation for a minimum of six years from the termination or expiry of the Contract with respect to all matters in respect of the performance of and compliance with paragraphs 3.2 to 3.5 of this Schedule 16. The Supplier shall procure that each of its Sub-Contractors shall maintain and retain the Documentation for a minimum of six years from the termination or expiry of the Contract with respect to all matters in respect of the performance of and compliance with paragraphs 3.2 to 3.4 of this Schedule 16. The Supplier shall procure that each sub-contract between it and its Sub-Contractors shall contain rights of audit in favour of and enforceable by the Company substantially equivalent to those granted by the Supplier pursuant to paragraph 3.8(a).
- (d) The Company shall use reasonable endeavours to co-ordinate its audits and to manage the number, scope, timing and method of undertaking audits so as to ensure that the Supplier and each Sub-Contractor is not, without due cause, disrupted or delayed in the performance of its obligations under the Contract and/or relevant sub-contract (as the case may be).
- (e) The Supplier shall promptly provide, and procure that its Sub-Contractors promptly provide all reasonable co-operation in relation to any audit or check including, to the extent reasonably possible in each particular circumstance:

- (i) granting or procuring the grant of access to any premises used in the Supplier's performance of the Contract or in the relevant Sub-Contractor's performance of its sub-contract, whether the Supplier's own premises or otherwise;
 - (ii) granting or procuring the grant of access to any equipment (including all computer hardware and software and databases) used (whether exclusively or non-exclusively) in the performance of the Supplier's or the relevant Sub-Contractor's obligations specified in paragraphs 3.2 3.4 of this Schedule 16, wherever situated and whether the Supplier's own equipment or otherwise; and
 - (iii) complying with the Company's reasonable requests for access to senior personnel engaged in the Supplier's performance of the Contract or the relevant Sub-Contractor's performance of its sub-contract.
- (f) For the purposes of this paragraph 3.8, the expression "Documentation" means all information relating to the Supplier's performance of and compliance with paragraphs 3.2 to 3.5 of this Schedule 16 and the adoption and implementation of a strategic equality and diversity plan, an equality and diversity training plan and a supplier diversity plan by each Sub-Contractor of the Supplier.

Appendix 1: The ETI Base Code

The following terms shall be defined as follows when used within this Appendix 1:

<u>“Child”</u>	means any person less than 15 years of age unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age shall apply. If however, local minimum age law is set at 14 years of age in accordance with developing country exceptions under International Labour Organisation (<u>“ILO”</u>) Convention No. 11, the lower will apply.
<u>“Young person”</u>	means any worker over the age of a child as defined above and under the age of 18.
<u>“Child labour”</u>	means any work by a child or young person younger than the age(s) specified in the above definitions, which does not comply with the provisions of the relevant ILO standards, and any work that is likely to be hazardous or to interfere with the child's or young person's education, or to be harmful to the child's or young person's health or physical, mental, spiritual, moral or social development.

1.1 EMPLOYMENT IS FREELY CHOSEN

- 1.1.1 There is no forced, bonded or involuntary prison labour.
- 1.1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

1.2 FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING ARE RESPECTED

- 1.2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 1.2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 1.2.3 Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 1.2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

1.3 WORKING CONDITIONS ARE SAFE AND HYGIENIC

- 1.3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health

BUNDLE 2: FIRE: MARCH 2017

arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

- 1.3.2 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- 1.3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 1.3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 1.3.5 The company observing the code shall assign responsibility for health and safety to a senior management representative.

1.4 CHILD LABOUR SHALL NOT BE USED

- 1.4.1 There shall be no new recruitment of child labour.
- 1.4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.
- 1.4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 1.4.4 These policies and procedures shall conform to the provisions of the relevant ILO standards.

1.5 LIVING WAGES ARE PAID

- 1.5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
- 1.5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 1.5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

1.6 WORKING HOURS ARE NOT EXCESSIVE

- 1.6.1 Working hours comply with at least UK national laws and benchmark industry standards, whichever affords greater protection.
- 1.6.2 In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

1.7 NO DISCRIMINATION IS PRACTISED

- 1.7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

1.8 REGULAR EMPLOYMENT IS PROVIDED

- 1.8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- 1.8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub- contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

1.9 NO HARSH OR INHUMANE TREATMENT IS ALLOWED

- 1.9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Note on the Provisions of this Code

The provisions of this code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying this code are expected to comply with national and other applicable law and, where the provisions of law and this Base Code address the same subject, to apply that provision which affords the greater protection.

Appendix 2: Timber Standards

Timber Standards

Appendix 2

Aim of KPI :

Implement the Mayor's Green Procurement Code

Implement the GLA Sustainable Timber Policy

Implement TfL environmental objective: Reduce resource consumption and improve green procurement

Reporting period	
Date	
Completed by	
Title	

Desired Outcome	Service Performance Indicator	Quantity (KG)	Value (£)	% of good represented	Reporting Frequency	objective	2007	2008	2009	2010	2011
Reduce resource consumption and improve green procurement (TfL Env' KPI)	Timber complies with Sustainable Timber... definition and obligations as per Contract.				Quarterly, with Annual report.	Increase/maintain % of sustainable timber supplied					
Reduce resource consumption and improve green procurement (TfL Env' KPI)	Timber does NOT comply with Sustainable Timber definition and obligations as per Contract				Quarterly, with Annual report.	Reduce amount of Non Sustainable Timber procured.					

Appendix 3: TfL Supplier Diversity Definitions

TfL Supplier Diversity Definitions

Issue Date: February 2010

Effective: February 2010

Index

1.	<i>Document Outline</i>	218
2.	<i>Diverse Suppliers.....</i>	218
3.	<i>Small and Medium Enterprises (SMEs).....</i>	219
4.	<i>Black, Asian and Minority Ethnic (BAME) owned businesses.....</i>	220
5.	<i>Suppliers from other under-represented groups or protected groups.....</i>	221
6.	<i>Suppliers demonstrating a diverse workforce composition</i>	221
7.	<i>Other Definitions & Information</i>	221

1. Document Outline**1.1 Background**

Encouraging a diverse base of supplier forms a part of the GLA Group Responsible Procurement Policy. The TfL Supplier Diversity Definitions ensure consistency across Supplier Diversity activities across TfL. These definitions form a basis for the TfL Supplier Diversity Policy and act as a basis for alignment in the measurement of diverse suppliers.

1.2 Version Control

Version Date	Author	Notes
26 February 2010	C Cottam	Turnover/Balance Sheet Amendment
02 February 2009	C Cottam	SME definition update
31 January 2008	J Gall	Ownership categorisation
8 th May 2006	J Gall	EU definitions
19 th October 2005	J Gall	Updates/clarifications

2. Diverse Suppliers

For the purposes of TfL's Procurement Supplier Diversity Programme, "**Diverse Suppliers**" comprise the following four subsets:

- 2.1 Small and Medium Enterprises (SMEs)
- 2.2 Black, Asian and Minority Ethnic (BAME) businesses
- 2.3 Suppliers from other under-represented or protected groups
- 2.4 Suppliers demonstrating a diverse workforce composition

The more detailed explanations of the four above subsets are given in the sections below.

3. Small and Medium Enterprises (SMEs)

3.1 A Small Enterprise⁵ is a business which has both the following:

- i) 0-49 Full Time Equivalent employees¹;

AND EITHER

- ii) Turnover² per annum of no more than £5.6 million net (or £6.72 million gross); in the last financial year;
OR
- iii) Balance sheet total⁴ of no more than £2.8 million net (£3.36 million gross).

3.2 A Medium Enterprise⁵ is a business which has both the following:

- i) 50-249 Full Time Equivalent employees¹;

AND EITHER

- ii) Turnover² per annum of no more than £22.8 million net (or £27.36 million gross) in the last financial year;
OR
- iii) Balance sheet total⁴ of no more than £11.4 million net (or £13.68 million gross).

3.3 A Large Enterprise⁵ is a business which has both the following:

- i) 250 and over Full Time Equivalent employees¹;

AND EITHER

- ii) Turnover² per annum over £22.8 million net (or £27.36 million gross) in the last financial year;
OR
- iii) Balance sheet total⁴ of over £11.4 million net (or £13.68 gross).

¹ Full Time equivalent employees is defined in Section 7.1

² Turnover is defined in Section 7.3

⁴ Balance Sheet Total is defined in Section 7.5

⁵ Further explanation is outlined in Section 7.7 (Definition of Size) & 7.8 (Ownership Categorisation)

4. **Black, Asian and Minority Ethnic (BAME) owned businesses**

A Black, Asian and Minority Ethnic (BAME) owned business is a business which is 51% or more owned by members of one or more Black, Asian or Minority ethnic groups.

Minority ethnic groups are all people including those who have classified themselves as members of ethnic groups other than 'White British'.

The minority ethnic classification groups used by TfL for monitoring purposes are:

<u>Ethnic group</u>	<u>Racial origin</u>
White	Irish Any other White background
Mixed	White & Black Caribbean White & Black African White & Asian Any other Mixed background
Asian or Asian British	Indian Pakistani Bangladeshi Any other Asian background
Black or Black British	Caribbean African Any other Black background
Chinese or other Ethnic Group	Chinese Any other Ethnic Group

5. Suppliers from other under-represented groups or protected groups

5.1 A Supplier from an under-represented group is one which is 51% or more owned by members of one or more of the following groups (where not covered by previous definitions):

5.1.1 Women (gender)

5.1.2 Disabled people with physical and sensory impairments, learning difficulties and mental health requirements;

5.1.3 Lesbians, Gay men, Bisexual and Transgender people (sexual orientation); and

5.1.4 Older people (aged 60 or over), young people (aged 24 or under) (age)

5.2 A Supplier from a protected group is one which is 51% or more owned by members of a group for which protection is provided by anti-discriminatory legislation and which is not already covered by the above (such as religious, faith or belief groups, or alternatively, ownership by a social enterprise or a voluntary/community organisation).

6. Suppliers demonstrating a diverse workforce composition

This relates to Full Time Equivalent employees in the supplier's workforce who may be from one or more minority ethnic groups, and/or under-represented groups and/or protected groups as listed in II and III above.

7. Other Definitions & Information

7.1 Full-Time Equivalent Employees

Where employee numbers are used, these refer to Full-Time Equivalents (FTEs) expressed in **Annual Work Units** (see below). Staff headcount should include full-time, part-time and seasonal staff and includes the following:

- Employees
- Persons working for the enterprise being subordinated to it and considered to be employees under national law
- Owner managers
- Partners engaged in regular activity in the enterprise and benefiting from financial advantages from the enterprise.

Full-time workers are expressed as hours worked per week. TfL refer to standard UK hours of work as full time workers – i.e. those who work 35 hours a week and 52 weeks a year (including annual leave).

7.2 Annual Work Units

Refer to anyone who worked, over the past year, full-time within your enterprise, or on its behalf, during the entire reference year counts as one unit. You treat part-time staff, seasonal workers and those who did not work the full year as fractions of one unit.

7.3 Turnover

Turnover is in line with that defined in the Companies Act 1985:

The amounts derived from the provision of goods and services falling within the company's ordinary activities, after deduction of:

- i) trade discounts
- ii) value added tax

Please refer to Section 7.8 regarding ownership categorisation to understand how to interpret ownership, where an enterprise is part of a parent organisation.

7.4 Financial Year

Financial Year relates to 1st April – 31st March or any other 12 month period as defined by the company.

All data must be relating to the last approved accounting period and calculated on an annual basis. In the case of newly-established enterprises whose accounts have not yet been approved, the data to apply shall be derived from a reliable estimate made in the course of the financial year.

7.5 Balance Sheet Total

The annual balance sheet total refers to the value of your company's main assets.

7.6 Ownership

Individual or those in named control holding capital or voting rights - either through private or shared ownership - of any given business entity.

7.7 Definition of Size

Where headcount and turnover and/or balance sheet conditions apply to different size definitions, headcount acts as the more predominant aspect, in defining size.

An organisation does not need to satisfy both turnover and balance sheet total, only one of the conditions and may exceed one of them without losing its status. This is illustrated by an organisation which has 30 employees, a turnover of £12 million and a balance sheet total of £10 million. The number of employees figure would class the organisation as a small organisation, however the turnover and balance sheet total define the organisation as medium. In this case, the headcount would be used to define the classification of the organisation. This organisation would be classed as a small organisation.

To illustrate this, the following scenarios have been mapped for the different characteristics of supplier diversity definitions (based on information from the Department for Trade & Industry (*now Department for Business Enterprise & Regulatory Reform*)):

		Turnover/Balance Sheet Total		
		£5.6m net(up to)/ £2.8m net (up to)	£22.8m net(up to/incl.)/ £11.4m net (up to/incl.)	£22.8m net(over)/ £11.4m net (over)
Employees	0-49	✓	<i>Employees more predominant</i>	<i>Employees more predominant</i>
	50-249	<i>Employees more predominant</i>	✓	<i>Employees more predominant</i>
	250+	<i>Employees more predominant</i>	<i>Employees more predominant</i>	✓

7.8 Ownership Categorisation

EU Commission Definition on Enterprise Ownership Categorisation

The European Commission's Guidance published in 2005 "The New SME Definition: User Guide and Model Declaration"⁶, outlines parameters for defining an organisation's ownership categorisation and whether an organisation is autonomous, partner or linked.

7.8.1 Autonomous

This is the most common category of ownership.

An organisation is autonomous if:

- It is totally independent, i.e. there is no participation in other enterprises and no enterprise has a participation.
- It has a holding of less than 25% of the capital or voting rights (whichever is the higher) in one or more other enterprises and/or outsiders do not have a stake of 25% or more of the capital or voting rights (whichever is the higher) in your enterprise.

If an organisation is autonomous, it means that it is not a partner or linked to another enterprise

7.8.2 Partner

An enterprise is a partner enterprise if:

- It has a holding equal to or greater than 25%, of the capital or voting rights in another enterprise and/or another enterprise has a holding equal to or greater than 25% in the other.

It is not linked to another enterprise. This means, among other things, that voting rights in the other enterprise (or vice versa) do not exceed 50%.

7.8.3 Linked

Enterprises formed as a **group** through the direct or indirect control of the majority of voting rights. An enterprise owned by another or through the ability to exercise a **dominant influence** on another enterprise.

Two or more enterprises are linked when they have any of the following relationships:
-One enterprise holds a majority of the shareholders' or members' voting rights in another.

-One enterprise is entitled to appoint or remove a majority of the administrative, management or supervisory body of another.

-A contract between the enterprises, or a provision in the memorandum or articles of association of one of the enterprises, enables one to exercise a dominant influence over the other.

-One enterprise is able, by agreement, to exercise sole control over a majority of shareholders' or members' voting rights in another.

⁶Refer directly to the EU Commission Definitions for more guidance:
http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/sme_user_guide.pdf

SCHEDULE 17: STRATEGIC LABOUR NEEDS AND TRAINING

1 Introduction

1.1 Without prejudice to the other provisions in this Contract relating to Supplier Personnel, this Schedule sets out the Supplier's obligations in respect of:

- (A) supporting the TfL Group (and Third Parties nominated by the TfL Group) in the implementation of the Skills and Employment Strategy; and
- (B) ensuring that the Supplier attracts, develops and retains Supplier Personnel with the skills necessary to deliver the Services, throughout the Term.

1.2 In this Schedule, the following terms shall have the corresponding meanings:

"Apprentice"		means a member of Supplier Personnel who is registered as an apprentice or technician with an industry recognised body;
"Agreed Plan"	SLNT	means the Supplier's strategic labour needs and training plan set out at Appendix 3 (Initial/Agreed SLNT Plan) to this Schedule, to be prepared in accordance with the SLNT Plan Template and approved by the Company;
"Initial Plan"	SLNT	means the initial strategic labour needs and training plan set out at Appendix 3 (Initial/Agreed SLNT Plan), submitted by the Supplier prior to the Services Commencement Date and to be agreed between the Parties in accordance with paragraph 2 of this Schedule;
"Monthly Monitoring Report"	SLNT	means the report to be prepared by the Supplier in the form set out at Appendix 5 (<i>Monthly SLNT Monitoring Report Template</i>) and submitted to the Company in accordance with the provisions of paragraph 5 of this Schedule;
"Relevant Employment Vacancy"		means an employment vacancy within the Supplier's organisation for a member of Supplier Personnel;
"Skills and Employment Strategy"	and	means the TfL Group's ten (10) year skills and employment strategy, as amended from time to time. A copy of the current Skills and Employment Strategy is provided at Appendix 1 (Skills and Employment Strategy) to this Schedule;
"SLNT coordinator"	Co-	has the meaning set out in paragraph 3.1 of this Schedule;
"SLNT Infraction"		means any breach by the Supplier of any of its obligations under this Schedule;
"SLNT Output"		means the minimum number of Apprentice positions or equivalent to be delivered by the Supplier (either

directly through its own personnel and the personnel of its Sub-Contractors) under this Contract, as identified and agreed in the Agreed SLNT Plan;

“SLNT Plan Template” means the template for the SLNT Plan set out at Appendix 2 (SLNT Plan Template) to this Schedule, to be completed by the Supplier;

“Trainee” means a member of Supplier Personnel who is registered as a trainee with an industry recognised body; and

2 Agreed SLNT Plan and Implementation Plan

2.1 Based on the Initial SLNT Plan, the Supplier shall:

- (A) further develop the Initial SLNT Plan to reflect the comments and requirements of the Company;
- (B) submit a revised copy of the Initial SLNT Plan to the Company for approval within twenty (20) Working Days from the Services Commencement Date; and
- (C) provide an Implementation Plan as contained in Appendix 4 (Implementation Plan) of this Schedule 17 based on the revised copy of the Initial SLNT Plan within forty (40) Working Days from the Services Commencement Date.

2.2 If the Initial SLNT Plan is:

- (A) approved, it shall be adopted immediately and become the Agreed SLNT Plan; or
- (B) not approved, the Supplier shall amend the Initial SLNT Plan and re-submit it to the Company for approval within the time period agreed in writing between the Parties. If the Company does not approve the Initial SLNT Plan following its resubmission, the matters preventing such approval shall be resolved in accordance with Clause 65.

2.3 Without limiting any other provision of this Contract, the Supplier shall:

- (A) comply with provisions of the Agreed SLNT Plan and the Implementation Plan; and
- (B) at no additional cost to the Company and subject to the provisions of paragraph 2.4 below, review and amend the Agreed SLNT Plan and Implementation Plan every twelve (12) Months following the Services Commencement Date or at other times requested by the Company, to reflect:
 - (1) Good Industry Practice;
 - (2) any changes to the nature of the Services and updates to the Asset Management System; and
 - (3) any amendments proposed by the Company.

2.4 Any changes or amendments to the Agreed SLNT Plan shall be subject to the

provisions of Clause 15 and shall not be implemented until approved in writing by the Company.

3 SLNT Co-ordinator

3.1 Within twenty (20) Working Days of the Services Commencement Date, the Supplier shall nominate a member of Supplier Personnel with the necessary skills and authority to:

(A) be responsible for the implementation and on-going development and maintenance of the Agreed SLNT Plan; and

(B) act as the single point of contact between Company nominated personnel on all matters concerning the Agreed SLNT Plan,

(the “**SLNT Co-ordinator**”).

3.2 The Parties shall add the SLNT Co-ordinator to the list of Key Personnel set out in Schedule 1 (Detailed Terms).

4 Community Relations

4.1 The Supplier acknowledges and accepts that members of the TfL Group work closely with third party organisations to implement the Skills and Employment Strategy.

4.2 Accordingly, the Supplier shall:

(A) at the time of placing an advertisement for a Relevant Employment Vacancy, notify the relevant member of Company personnel (and/or any third parties nominated by the TfL Group) of such advertisement, providing details of the:

(1) Relevant Employment Vacancy;

(2) date of the advertisement; and

(3) publication in which the advertisement is scheduled to appear or appeared (as applicable); and

(B) attend a minimum of two (2) events each year, at a time and location specified by the Company, to publicise employment and training opportunities arising from the provision of the Services.

5 Monitoring and Reporting

5.1 Subject to paragraph 5.2 below, the Supplier shall provide the Company with a Monthly SLNT Monitoring Report from 01 August 2017 and on the first day of each month thereafter, detailing the Supplier's performance against the Agreed SLNT Plan.

5.2 Failure to provide the Company with a copy of the Monthly SLNT Monitoring Report within the timescales set out in paragraph 5.1 above shall constitute a failure for the purposes of paragraph 4 of Schedule 12 (Performance Measurement).

5.3 The Supplier shall ensure at all times that it complies with the requirements of the Data Protection Act 1998 (as may be amended) in the:

(A) development and maintenance of Training Plans; and

- (B) collection and reporting of the information to the Company pursuant to paragraph 5.1 above.

6 SLNT Infractions

Failure to:

- (A) ensure that each SLNT Output for the monitoring period is delivered in accordance with Agreed SLNT Plan; and/or
- (B) review the Agreed SLNT Plan in accordance with paragraph 2.3 of this Schedule 17 (Strategic Labour Needs and Training),

shall constitute a failure for the purposes of paragraph 4 of Schedule 12 (Performance Measurement).

7 SLNT Audit

- 7.1 The Company may from time to time undertake any audit or check of any and all information regarding the Supplier's compliance the provisions of this Schedule 17.
- 7.2 The Supplier shall maintain and retain records relating to the Agreed SLNT Plan and its compliance with the provisions of this Schedule 17 for a minimum of seven (7) years.
- 7.3 The Company shall use reasonable endeavours to co-ordinate such audits and to manage the number, scope, timing and method of undertaking audits so as to ensure that the Supplier is not, without due cause, disrupted or delayed in the performance of the Supplier's obligations under this Contract.
- 7.4 The Supplier shall promptly provide all reasonable co-operation in relation to any audit or check including, to the extent reasonably possible in each particular circumstance:
 - (A) granting or procuring the grant of access to any:
 - (1) premises used in the Supplier's performance of this Contract, whether the Supplier's own premises or otherwise;
 - (2) equipment (including all computer hardware and software and databases) used (whether exclusively or non-exclusively) in the performance of the Supplier's obligations under this Schedule 17, wherever situated and whether the Supplier's own equipment or otherwise; and
 - (B) complying with TfL's reasonable requests for access to senior personnel engaged in the Supplier's performance of this Contract.

APPENDIX 1 TO SCHEDULE 17

Skills and Employment Strategy

A copy of the Skills and Employment Strategy can be obtained from:

<https://www.tfl.gov.uk/cdn/static/cms/documents/skills-and-employment-strategy.pdf>

APPENDIX 2 TO SCHEDULE 17

SLNT Plan Template

Title – SLNT Activity Breakdown

Please complete the following table outlining how you intend to meet your SLNT commitments.

Table 1:**SLNT Activity Breakdown**

SLNT Activity Area	Priority Output	Year 1	Year 2	Year 3	Year 4	Totals	Cross Check	
							SLNT Value	SLNT Totals
Apprenticeships								
- Apprentices Job Start (FTE)	Y					0	1	0
- Workless Apprentices Job Start (FTE)	Y					0	1	0
- Apprentice Start (Existing Staff)	Y					0	1	0
Worklessness								
- Workless Job Starts (FTE)						0	1	0
- Workless Graduate Job Start (FTE)						0	1	0
Educational/Career Support								
- Placement Positions (Days)						0	20	0
- School Engagement (Days)						0	20	0
Job Creation								
- Job Start (non-workless) (FTE)						0	1	0
				Total SLNT Activity				0
				Priority Activities				0

Please detail any information or assumptions relevant to the above outputs you have indicated as meeting your SLNT requirements:

Additional Information/ Assumptions (max 250 words)

Content:

Strategic Labour Needs and Training Method Statement

Title: Delivery Against TfL Priorities

Referring to the SLNT Activity Breakdown outlined in Table 1, please describe the activities you will undertake in each of the SLNT areas. This should include further detail for each of the areas detailed below:

- The qualifications and training programmes you have identified;
- Named staff resource you will be deploying to support the activity;
- External funding streams you have identified to support the activity;
- Assumptions made in preparing proposed activities;
- Any input you require from TfL to undertake these activities.

Any areas where you are not proposing to undertake activity should be left blank.

You may use up to [250] words in each of the following boxes.

Apprentice Job Start

Content:

Workless Apprentice Job Start

Content:

Apprentice Start (Existing Staff)

Content:

Workless Job Start

Content:

Workless Graduate Job Start

Content:

BUNDLE 2: FIRE: MARCH 2017

Placement Positions

Content:

School Engagement

Content:

Job Start (non-workless)

Content:

APPENDIX 3 TO SCHEDULE 17

Initial/Agreed SLNT Plan



EVERY PERSON MATTERS

TECHNICAL SUBMISSION

CQ18. People



**TRANSPORT
FOR LONDON**
EVERY JOURNEY MATTERS