



# MODERN SLAVERY REPORT 2022



# Introduction

City Facilities Management Holdings Limited (City) is the holding company for one of the largest privately owned facilities management groups in the UK. This statement is made on behalf of City and all the UK companies in its group, specifically City Facilities Management (UK) Ltd, City Facilities Management (Distribution), City Facilities Management Ltd, City Facilities Systems Solutions Ltd, CBES Ltd trading as City Building & Engineering Services Ltd, and City Facilities (NI) Ltd.

City provides world-leading facilities management services. We believe that the name City is synonymous with professionalism, quality, customer service, and value. The importance we place on our relationship with colleagues and third-party stakeholders is vital to this reputation. We are committed to treating people fairly within our business and throughout our supply chain.

**"WE ARE CLEAR ON OUR RESPONSIBILITIES WITHIN OUR DIRECT OPERATIONS AND SPHERE OF INFLUENCE AND TAKE A ZERO-TOLERANCE STANCE ON SLAVERY AND HUMAN TRAFFICKING, IN ANY FORM."**

At City, we recognise that Modern Slavery is a significant global human rights issue that includes human trafficking, sexual exploitation, and forced labour. We are clear on our responsibilities within our direct operations and sphere of influence and take a zero-tolerance stance on slavery and human trafficking, in any form.



Wendy Golden, Director of Environment, Social, and Governance

At City, we drive our approach to Modern Slavery through our leadership team, our values, and our corporate social value commitments as part of our Environment, Social and Governance (ESG) strategy. Our zero-tolerance approach to Modern Slavery, throughout our business and our supply chain is underpinned by the following UN Sustainability Goals:



We are committed to acting ethically and with integrity in all our relationships and taking all reasonable action to prevent and detect any incidence of Modern Slavery. We recognise we are responsible for ensuring that our colleagues are fully aware of the risk and indicators of Modern Slavery, and that we all have a collective responsibility to raise any concerns, whether this be within our business or our supply chain.

Our Modern Slavery policy and expected standards are shared with our supply chain, and this is also defined in our Ethical Trading Policy and Procurement Code of Conduct. Our standards are embedded in our Procurement Strategy, and day-to-day operations. We will outline how within this statement.

# Our partnerships

## Scotland Against Modern Slavery

We are proud members of a community of organisations actively engaged with Scotland Against Modern Slavery in fighting Modern Slavery.

Scotland Against Modern Slavery fight to create conditions to eradicate human trafficking and exploitation in Scotland. They provide end-to-end support to victims and maximise awareness of Modern Slavery to identify potential victims quickly and provide help.

We have further developed our partnership with Scotland Against Modern Slavery and actively contribute to their calendar of events, establishing actions we can take to share awareness and influence the wider business community to eradicate this criminal activity that has such a devastating impact on the lives of so many vulnerable people.



## Service and Infrastructure Project Providers Modern Slavery Council

City are members of the Service and Infrastructure Project Providers Modern Slavery Council. This new council comprises several facilities management and outsourced project providers to form a cross-industry group to tackle Modern Slavery, supported by the UK Government. The objectives of the new council are to work together to eradicate the risk of modern slavery, eliminate instances of this crime, and help the victims of Modern Slavery identified within supply chains.

The group aims to create a playbook for the industry that incorporates rules that business organisations should follow. The group also works to raise awareness within the industry, markets, and communities and share best practices to mitigate the risks relating to Modern Slavery.

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# Our supply chain and procurement

Our supply chain is extensive due to the nature of our work across the different City businesses and our geographical spread across the UK. We have approximately 2,200 suppliers and subcontractors across the three City businesses (City FM Ltd, CBES, City FM (UK) Ltd). We have a total annual third-party spend of £313 million within our supply chain.

City strives to ensure that our supply chain remains free of Modern Slavery through our robust commercial and procurement practices.

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Mark Smith, Head of Procurement and Strategic Partnerships

# Our supply chain and procurement

## Pre-qualification

The Commercial and Procurement Team engage in conversations at the pre-qualification stage when working with suppliers and subcontractors to ensure they identify any high risks upfront. Pre-qualification helps to avoid engaging with suppliers and subcontractors that do not meet our standard. Where we identify concern, we support those organisations to take corrective action, before we engage them in working with us.

All suppliers and subcontractors must complete our pre-qualification questionnaire via our dedicated procurement portal (SCM). Relevant departments review the answers and award a score. The relevant departments will then assess the supplier or subcontractor as approved, approved with conditions or rejected in line with our Procurement Code of Conduct requirements. The pre-qualification process is repeated every three years with all our suppliers and subcontractors.

We review our portal and pre-qualification questionnaire regularly to ensure the standards we expect of our suppliers and subcontractors reflect the latest policy and guidance.

## Contracts

Our suppliers and subcontractors must acknowledge and understand our zero-tolerance stance on Modern Slavery. We require all our suppliers and subcontractors to sign City contracts before we conduct business.

Our terms and conditions clearly outline our expectations for our suppliers and subcontractors. They must not knowingly engage in any activities that breach Modern Slavery or Human Trafficking regulations or cause City to violate any such regulations and requirements.

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# Our supply chain and procurement

We also require any business in our supply chain to confirm that no one in their supply chain will breach the Modern Slavery Act 2015 and to confirm that they have appropriate measures in place to monitor compliance of the organisations in their supply chain. If any supplier or subcontractor breaches legislation, we will take immediate action and terminate relationships.

Our Purchase Order Terms & Conditions also outline our requirements for adherence to the Modern Slavery Act 2015 for any one-off or low-value purchases. The T&Cs also outline the immediate action we will take, should there be any breach.

We aim to deter any Modern Slavery breach in our supply chain with warranties, indemnities, and termination rights built into our contracts, which would penalise any organisation found to be in breach of our standards and appropriate regulation.

Our sourcing methodology incorporates our Modern Slavery requirements within the Request for Information (RFI) process. Any supplier or subcontractor that does not meet our agreed criteria will not be shortlisted. Ensuring we do not engage with suppliers or subcontractors that do not meet our qualification requirements.

In 2022 a full review of our current supplier and subcontractor onboarding process, including our questions, measures, and systems, has taken place. Following that review, we are currently working on a project to partner with a Safety Schemes in Procurement body to support City with the onboarding and risk management of our supply chain. We aim to announce this new partner by early 2023.

Our procurement leadership group meets quarterly to review actions and agree on the steps of our sustainable procurement journey, which includes combating Modern Slavery and Human Trafficking.

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# Our policies, procedures, and strategic plans

## Recruitment policies

We protect the workplace rights of all our colleagues through our people policies. We manage recruitment via a Preferred Supplier List (PSL) of approved recruitment agencies that meet the City pre-qualification criteria and have signed a contract with us. Ensuring we only deal with reputable agencies that work within applicable laws. City always pays the recruitment fees associated with hiring a colleague or potential colleague.

We conduct Right to Work and Pre-Employment checks on all colleagues joining City. These checks include colleagues providing evidence that they are in possession of their identification documents and that the bank account details provided belong to the colleague and not a third party. We investigate any discrepancies we identify thoroughly and take appropriate action.

## Whistleblowing policies

The City whistleblowing policy is available to all colleagues, and our colleagues are encouraged to understand. We have a dedicated e-mail and phone available for whistleblowing should any colleague suspect or be concerned about any potential fraud, corruption, or unlawful practices within City.

Should any case of Modern Slavery be suspected, we have an escalation process to ensure we thoroughly investigate and take appropriate action. In 2022, there were no issues raised for investigation.

## Five-year procurement strategy

We have established our five-year procurement strategy. Our first-year outcomes include delivering a full re-draft of our Procurement Code of Conduct, the introduction of our Ethical Trading Policy, and a full review of our current onboarding process, questions, measures, and system.

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# Our people

## Training

We recognise our responsibility to raise awareness of the issue of Modern Slavery risks with our colleagues and to ensure colleagues receive relevant training. Our equality training module, designed for all salaried colleagues as part of their induction programme, aims to raise awareness about Modern Slavery. It focuses on how our colleagues can spot potential issues on the ground and how and when they should escalate the issue. Our colleagues are essential to our strategy against Modern Slavery, and the training gives them the tools to carry out their responsibilities.

All City colleagues responsible for identifying and negotiating with suppliers or subcontractors have also received additional Modern Slavery training that is mandatory for these roles. Our Commercial Director is registered to attend a Due Diligence in Combatting Modern Slavery Workshop. We will then provide this training to the Commercial and Procurement Team.

Following a detailed review of our equality online training, we have created two new online training modules. These modules are Diversity, Inclusion and Belonging, and Modern Slavery and will ensure that we provide even more focused training and guidance to our colleagues. These modules will be launched in 2022 and will be a requirement for all salaried staff.



# Compliance

Modern Slavery risk is recorded within our City Group Risk Register. While each Business unit and function is responsible for ongoing management of the risk of Modern Slavery, the Risk and Audit Committee oversees the group response. Where any response is deemed to be insufficient this is challenged and addressed.

The Governance, Risk and Assurance team performs ongoing control design reviews. These reviews ensure adequate mitigating, preventative, or detective controls are in place to reduce the likelihood of Modern Slavery events. The team also ensure that mechanisms for reporting or detecting Modern Slavery-related events are in place.

These controls typically address risk at colleague recruitment and through the onboarding and ongoing management of third-party suppliers/subcontractors. The Governance, Risk and Assurance team periodically conduct independent audits to provide assurance to the board that the relevant business controls are fully implemented and operate consistently and effectively.





# Looking forward

We will continue with the implementation of our five-year sustainable procurement strategy, which in 2023 works towards:

- A new onboarding solution in conjunction with SSIP partner
- Further training of commercial and procurement colleagues
- Attending a supply chain conference with a focus on sustainable procurement
- Working towards EcoVadis Gold Award

