

Modern slavery and
human trafficking
statement
2021

Contents and 2021 progress at a glance

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Global Modern Slavery Oversight Group meeting monthly to drive continuous improvement in how we deliver our modern slavery and human trafficking (MSHT) commitment and compliance in all Divisions.

Corporate Responsibility Committee reviewing progress on a quarterly basis and conducting annual in-depth review of MSHT programme.

Divisional Values & Integrity Networks building awareness at Contract level and strengthening connections with operational initiatives.

Policies, standards and operating procedures 09

Published our new Sustainable Procurement Charter, setting out our sustainable procurement agenda and bringing all our sustainable procurement priorities together to enable an integrated enterprise approach, including MSHT.

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Promoting our 'Raise a concern' hub and global ethics helpline, Speak Up, through targeted communications as well as implementing a Speak Up mobile app.

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Embedding our enhanced methodology for MSHT risk assessment and preparing to apply it to our Tier 2 suppliers.

Implementing a new operating model for contingent workforce in the UK, bringing contingent workforce management in-house and reducing our dependency on external agencies, thereby cutting exposure to associated risks, such as MSHT.

Due diligence 13

Conducting retrospective due diligence on Tier 1 suppliers in high-risk categories and enhancing Divisional action plans to strengthen risk mitigation and compliance.

Training 13

Embedded our new Supplier Code of Conduct training video as a mandatory requirement in supplier onboarding.

Delivering training in every Division to embed our new MSHT response and remediation process.

Becoming partners in the Supply Chain Sustainability School, opening access to the latest sustainability knowledge and training resources, including for MSHT.

Conducting comprehensive, global reviews of the Serco Code of Conduct and our mandatory all-employee training programme, Serco Essentials, to inform their next iterations, including MSHT content.

Progress and performance 14

Revised performance indicators resulting in an increase in Tier 1 suppliers classified in high-risk categories for MSHT. Results of enhanced due diligence on these suppliers show them to present a low risk of MSHT given policy and processes they have in place. Work continues to review these indicators to improve our understanding of MSHT risk and performance.

Reporting entity

This document constitutes Serco's modern slavery and human trafficking statement for the financial year 2021, as agreed by senior management and approved by the Serco Group plc Board.

The joint statement relates to Serco Group plc, covering all business regions, operating companies and business units throughout the world, including wholly owned subsidiaries and majority-owned operations.

All entities owned or controlled by Serco Group plc (including all entities owned or controlled by Serco Australia Pty Ltd) have been consulted in the development of this joint statement and advised of the specific reporting requirements per legislative compliance (see below) and the actions we are taking or intend to take to address these requirements.

See [List of subsidiaries and related undertakings](#), Serco Annual Report.

Legislative compliance

This joint statement complies with the reporting criteria of:

- The UK Modern Slavery Act 2015
- The Australian Modern Slavery Act 2018

Guide to supply chain terms

Tier 1 suppliers

Tier 1 suppliers are companies providing goods or services directly to Serco.

Tier 2 suppliers

Tier 2 suppliers are companies providing goods or services to our Tier 1 suppliers that contribute directly to the goods and services our Tier 1 suppliers provide to Serco.

Purchase categories, Levels 1-3

We categorise the goods and services we procure according to a 3-level hierarchy of purchase categories. For example:

Level 1 purchase category:

Soft facilities management

Level 2 purchase category:

Environmental, health and safety

Level 3 purchase category:

Personal Protective Equipment

Our commitment

"Through our people, we provide services that address some of the most complex challenges facing governments. In much of what we do, we are looking after some of the most vulnerable and disadvantaged in society. Operating with care and respect for human rights is fundamental to this. We are committed to protecting those who depend on our services, and those on whom we depend to deliver them, from violation of those rights. As such, we condemn slavery in all its forms. We will never tolerate it in our business, nor in our supply chain. We will not engage in any form of human trafficking or use forced, bonded, compulsory, illegal or child labour – or knowingly work with anyone who does. We believe our own modern slavery risks to be low, but we are not complacent. We challenge ourselves continuously to build better understanding of these risks and strengthen our defences against them, which includes requiring the same high standard among our suppliers."

Rupert Soames
Serco Group plc Chief Executive

Our Values

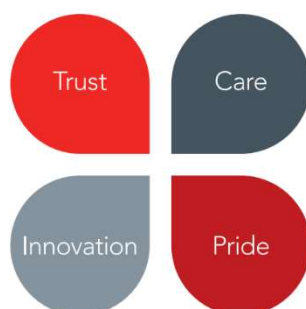
Our Values – Trust, Care, Innovation and Pride – shape our individual behaviours and hence how the Company behaves. Underpinning them is the right to be treated with dignity, fairness, equality and respect, which we are committed to upholding in our business, every day and everywhere.

Trust – We work hard to earn trust and respect.

We deliver on our promises; are open, straightforward and honest; do the right thing; and take personal responsibility for getting things done.

Innovation – We aspire to be better than anyone else at what we do.

We continuously improve our ways of working, and try new ideas, big and small. We share our knowledge and experience and embrace change, knowing that if we don't provide innovation and value for money to our customers, our competitors will.



Care – We care deeply about the services we provide, and the communities we serve, and we look after each other.

We work together to deliver high-quality public services, often of great importance to the nations and the communities we serve. We take care of each other, and those we serve, and we aim to make a positive difference to people's lives.

Pride – We want to be proud of what we do.

We know that the work we do is important, and we take pride in doing it well. We value energy and enthusiasm, skill and experience, and an ability to make hard work fun. We contribute both as individuals and as part of a team.

Modern slavery and human trafficking in our ESG Framework

Our commitment to human rights applies to all Serco stakeholder groups. As such, it is embedded in the centre of our ESG Framework (which encompasses our environmental, social and governance priorities) in 'Behaving with integrity and respecting human rights'.

Our commitment not to tolerate MSHT in our operations and supply chain is addressed in our 'Duty of care' to service users and our commitment to 'Building sustainable third-party relationships'.

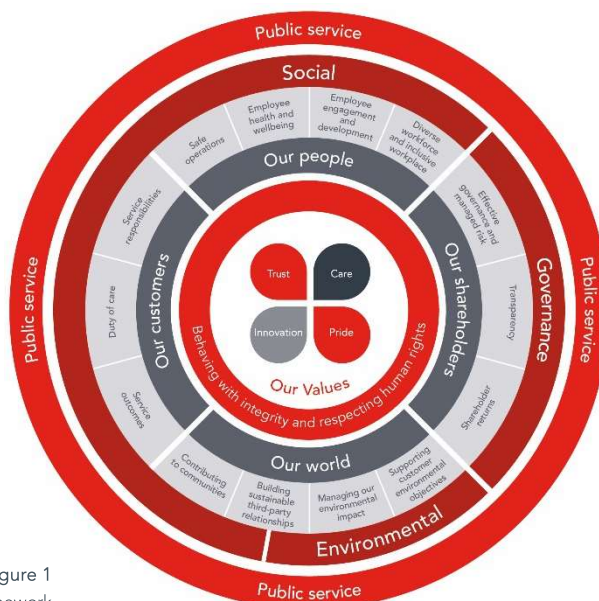


Figure 1
Serco ESG Framework

Our business, structure and governance, and supply chain

Our business

Serco delivers services to governments and other institutions who serve the public or protect vital national interests.

We deliver services through people, supported by effective processes, technology and skilled management. Our customers define what outcomes or services they need to deliver, and we develop new and more effective ways to deliver them.

We provide innovative solutions to some of the most complex challenges facing governments, bringing our experience, capability

and scale to deliver the service standards, cost efficiencies and policy outcomes governments want.

In this way we make a positive difference to the lives of millions of people around the world, often looking after some of the most vulnerable and disadvantaged in society and helping to keep nations safe.

Figure 2
Our core sectors

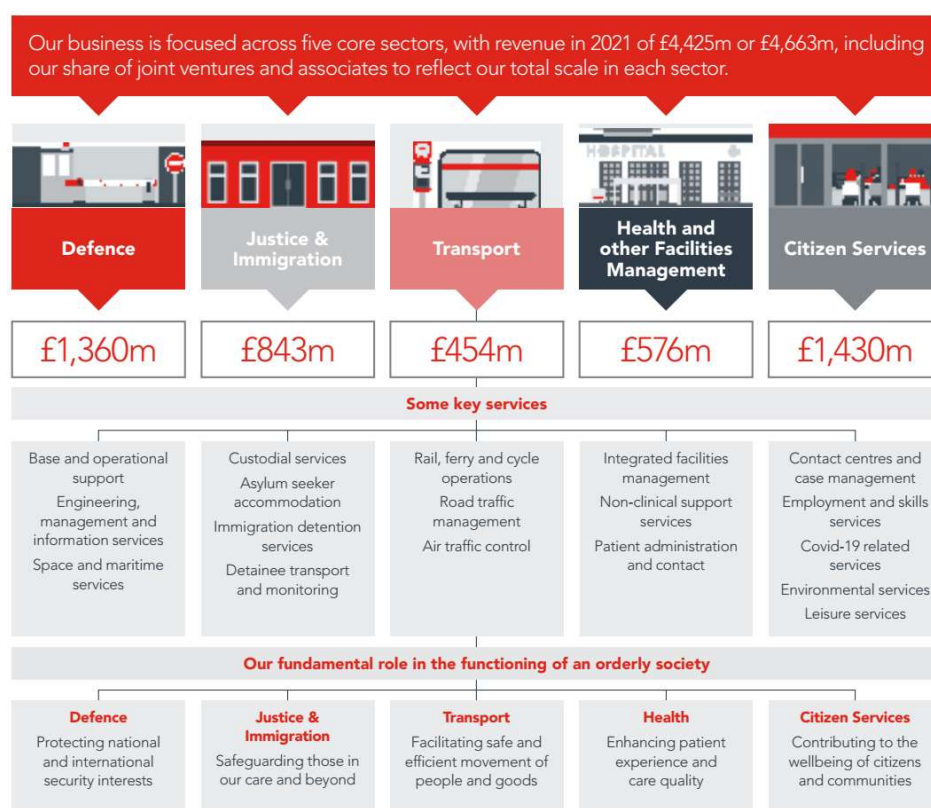
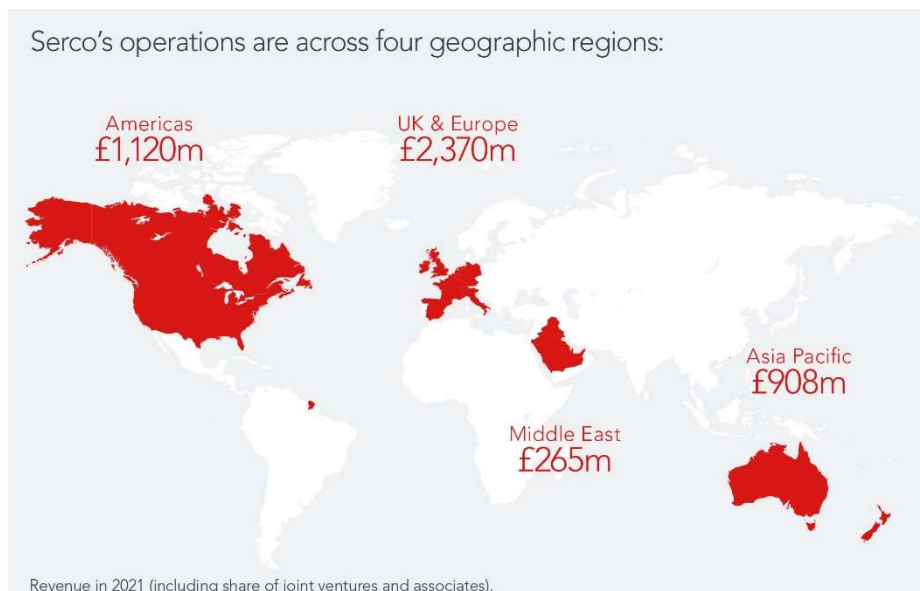


Figure 3
Where we operate



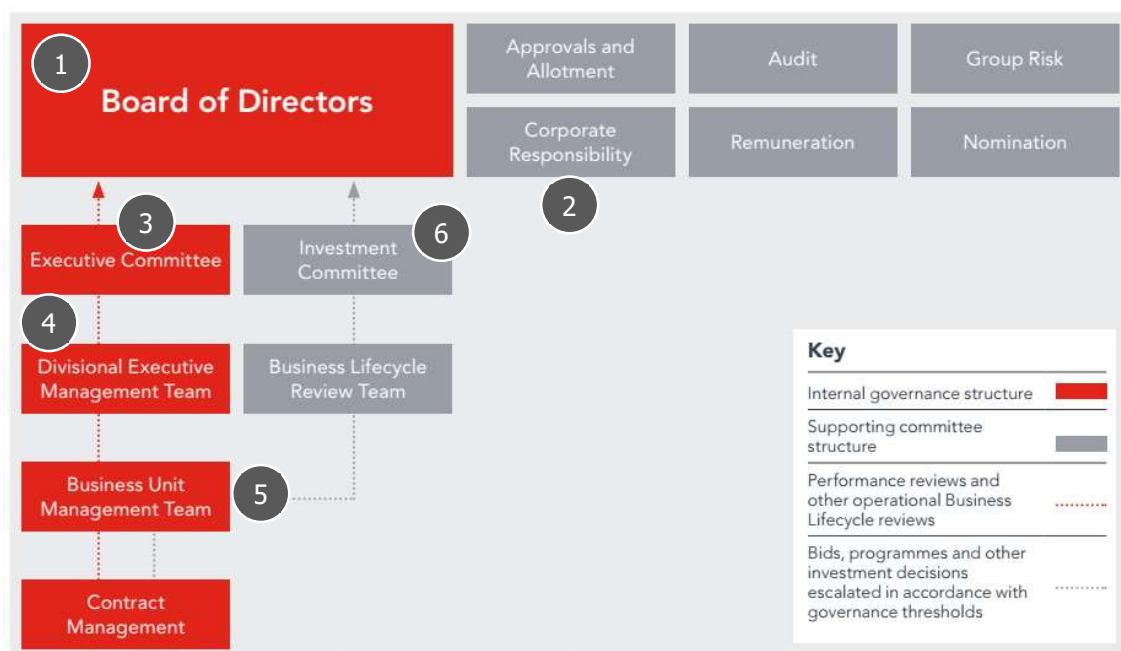


Figure 4: Serco Board and governance structure

Our structure and governance

Figure 4 illustrates our governance structure, which is described below.

1. The **Serco plc Board** has ultimate responsibility for human rights policy, which includes our MSHT commitment.
2. Oversight and review of human rights and MSHT is undertaken by the **Corporate Responsibility Committee (CRC)**, a formal committee of the plc Board.
3. The **Executive Committee** regularly reviews Ethics & Compliance, including human rights and MSHT.
4. **Divisional Executive Management Teams (EMTs)** are responsible for ensuring human rights and MSHT policies are complied with across each Division, and that impacts are understood, and appropriate oversight exercised. Red flags arising from third party due diligence are reviewed by Divisional EMTs or specific EMT members as appropriate.
5. **Business Unit Management Teams** are responsible for upholding our MSHT commitment in our Contracts by ensuring the identification, prevention or mitigation of any adverse human rights and MSHT impacts caused or contributed to by Contract operations or directly linked to Serco through customers, business partners or other third parties, including our supply chain.
6. Oversight and approval of contractual structures and arrangements for joint ventures and strategic partnerships is provided by the **Investment Committee**. Divisional EMTs are responsible for managing these relationships and ensuring compliance with Group Policies and Standards.

Group policy on human rights and its implementation through the business is driven through the **Ethics & Compliance** function. This is led by the **Group Director of Business Compliance and Ethics** who is responsible for our Ethics & Compliance strategy and associated policy and governance – including human rights and MSHT.

The Group Director of Business Compliance and Ethics reports to the Group General Counsel and Company Secretary, a member of the Executive Committee; attends meetings of the CRC; and chairs a Group Ethics and Speak Up Oversight Group, comprising Ethics & Compliance leads from Group and the Divisions.

Each Division has an Ethics & Compliance lead responsible for ensuring policy is adopted, processes are complied with and due diligence is effective, with any issues reviewed and addressed and performance reported to the Divisional EMT.

Divisional Ethics & Compliance leads are supported by our Divisional Values & Integrity Networks, chaired by the Divisional Ethics & Compliance leads and comprising functional and operational representatives from across each Division, all of whom have received MSHT training.

Our business, structure and governance, and supply chain continued

Managing human rights, modern slavery and human trafficking risks in our approach to determining where we operate, what we do and who we serve

As a global business, our human rights policies are guided by international human rights principles encompassed in the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights.

Our potential involvement in activities on behalf of our customers – what we do, where we do it and who we do it for – is carefully governed through our Business Lifecycle Review process. It enables transparent and well-informed decision-making; compliance with our strategy, Group Policies and Standards, and controls; and due consideration of stakeholder interests, adverse human rights impacts and other risks.

Where there is significant potential for our operations, or through business partners and related third parties linked to our operations, to cause or contribute to adverse human rights and MSHT impacts, we use a human rights risk assessment and decision tree process to better understand the risks and determine appropriate action.

This process covers five stages:

1. initial review to define the level of assessment;
2. understand the context (legal and social, customer, third party activity) including stakeholder engagement;
3. identify potential impacts including identification of salient human rights;
4. impact assessment including mitigation, management and remediation; and
5. decision making per the decision tree – a set of logical questions that guide the reviewer to a conclusion as to whether something is acceptable, acceptable with mitigation action or unacceptable.

Throughout this process, assessment is undertaken on the basis that:

- any actual or potential adverse human rights impacts to others are risks to Serco's business; and
- such an assessment will be from the perspective of whether Serco are causing, contributing to or are linked to adverse impacts, in line with best practice and international standards such as the United Nations Guiding Principles.

Where severe adverse human rights impacts are identified, they are reviewed by the Divisional EMT and may be raised to the Executive Committee. Significant risks may also be considered by the plc Board. Business opportunities or relationships will not be pursued if the risks are judged to be unacceptable

Our supply chain

The relationship between Serco and its suppliers is an important component in achieving high performance in our business. In selecting suppliers, Serco works hard to choose reputable business partners who are committed to ethical standards and business practices compatible with our own.

Whilst Serco operates in several different markets, its operations are characterised by the provision of services. This is reflected in the make-up of its supply chain, summarised on pages 7-8.

In 2020, we established a global **Modern Slavery Oversight Group** to drive continuous improvement in how we deliver our MSHT commitment and compliance in all Divisions, per Figure 5 below, with representatives from Group and Divisional Procurement and Ethics & Compliance teams.

The Modern Slavery Oversight Group met once every month in 2021. Progress in delivering our MSHT commitment and compliance programme was reported to the CRC on a quarterly basis, and an in-depth review of our MSHT risk and programme was conducted by the CRC in December 2021.

The Divisional Values & Integrity Networks have played a key role in building awareness of our MSHT programme at Contract level and strengthening connections with operational initiatives.

In October 2021, we completed our annual MSHT report to UK Government via the Cabinet Office Modern Slavery Assessment Tool achieving an improved score of 84% (2020: 78%).

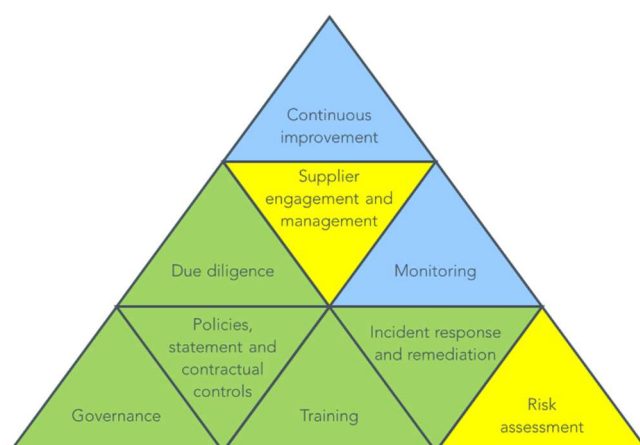


Figure 5: Key areas of focus for the Serco Modern Slavery Oversight Group
Green – planned maturity enhancements implemented
Yellow – implementation in progress
Blue – not yet formally initiated

Our business, structure and governance, and supply chain continued

Our supply chain continued

Figure 6: Total spend by primary (Level 1) purchase category*

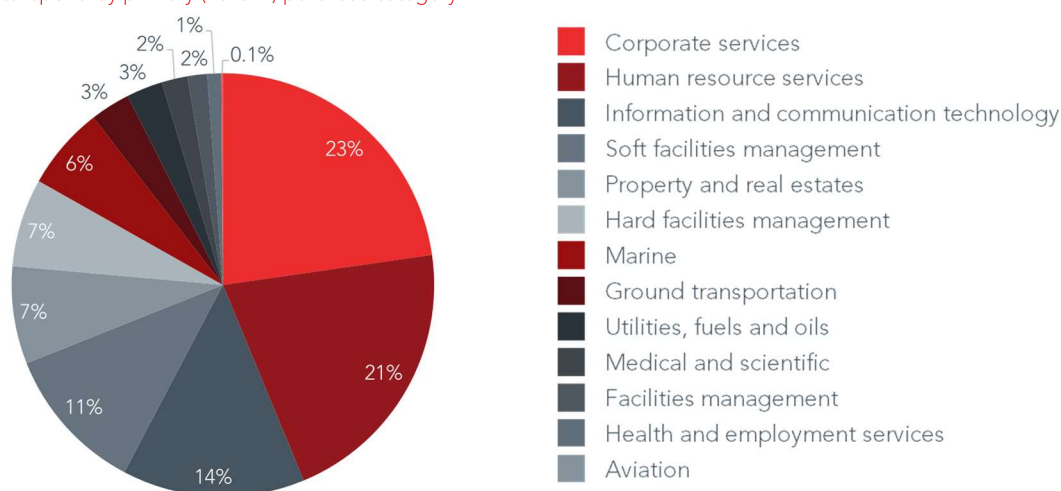
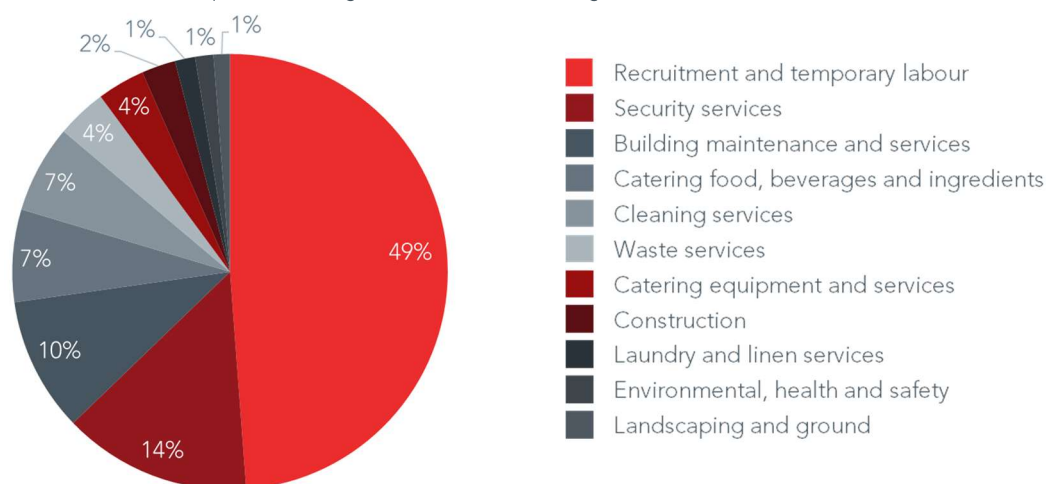


Figure 7: Spend across high-risk purchase categories*

We review our assessment of the purchase categories we believe to be high risk for MSHT on an annual basis.



Spend by low and high-risk (Level 2) purchase categories

- 27.7% spend in high-risk purchase categories (£625,878,026)
- 72.3% spend in low-risk purchase categories (£1,636,566,647)

Increase in 2021 attributed to classification of additional product and service categories as high risk for modern slavery, plus some Covid-19 impact increases; 2021 spend in product/service categories reported for 2020 is broadly comparable with the previous year.

Top ten countries (supplier location) by spend**

Accounts for more than 98% of suppliers

| | | | |
|---|----------------------|----|-------------|
| 1 | United Kingdom | 6 | Belgium |
| 2 | United States | 7 | Netherlands |
| 3 | Australia | 8 | Italy |
| 4 | United Arab Emirates | 9 | France |
| 5 | Canada | 10 | Japan |

Suppliers in countries identified in the Top 10 Global Slavery Index

www.globalslaveryindex.org

| Country | Spend 2021 | % of Total Spend 2021 | Suppliers by Level 2 purchase category |
|-------------|------------|-----------------------|---|
| Afghanistan | £560.3k | 0.02 | Heavy Goods Vehicles; Legal; ICT Professional Services; Marketing & Communications All low risk. |
| Pakistan | £8.6k | 0.0004 | Computers & ICT Equipment All low risk. |

Coverage 2021: All data is for the total Group.
Total Spend 2021: £2.33bn.
Number of Tier 1 suppliers 2021: 13,884

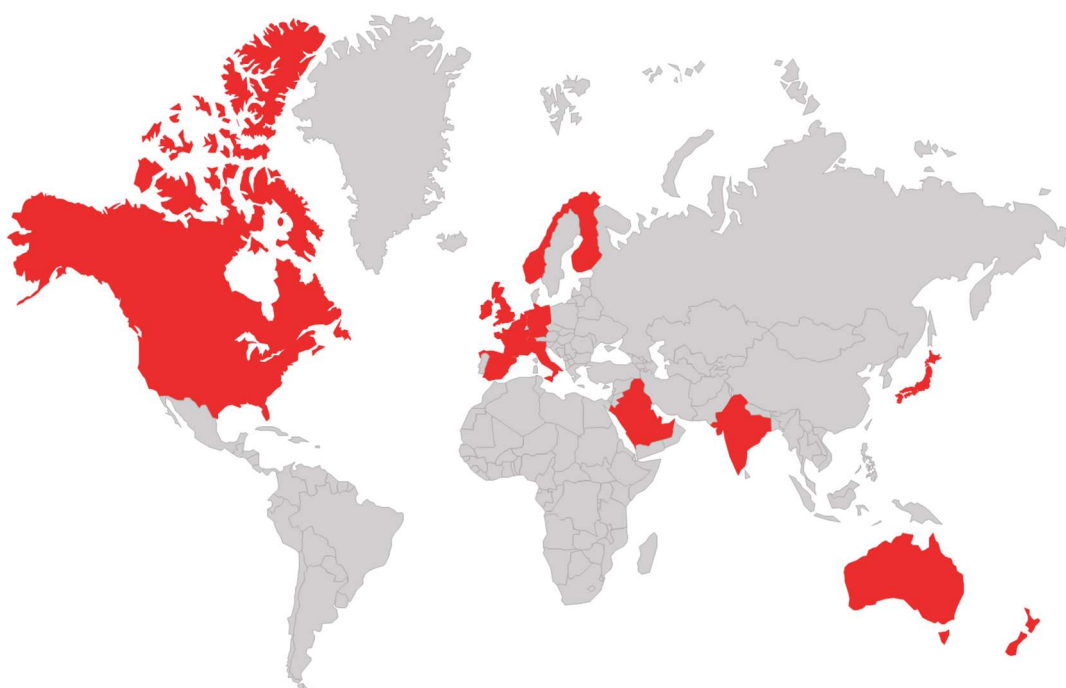
* Excludes approx. £68.7m of spend (3% of Total Spend 2021) not allocated to specific purchase categories.

** Excludes approx. £4.3m of spend (0.2% of Total Spend 2021) where supplier country data unavailable.

Our business, structure and governance, and supply chain continued

Our supply chain continued

Figure 8: Percentage of spend in high-risk purchase categories by supplier location



| Country | Recruitment and temporary labour | Security services | Building maintenance and services | Catering food, beverages and ingredients | Cleaning services | Waste services | Catering equipment and services | Construction | Laundry and linen services | Environment health and safety | Landscaping and ground |
|----------------------|----------------------------------|-------------------|-----------------------------------|--|-------------------|----------------|---------------------------------|--------------|----------------------------|-------------------------------|------------------------|
| United Kingdom | 87% | 82% | 54% | 64% | 48% | 87% | 59% | 48% | 96% | 63% | 56% |
| France | 0.05% | — | — | — | 0.002% | — | 0.2% | — | — | 0.02% | — |
| Switzerland | 0.02% | — | — | — | — | — | — | — | — | — | — |
| Belgium | 0.1% | — | — | — | — | 0.01% | 5% | — | — | — | 2% |
| Ireland | 0.09% | — | — | — | — | — | 0.3% | — | — | — | — |
| Germany | 0.4% | — | 0.01% | — | — | — | 0.05% | — | — | 0.03% | — |
| Netherlands | 0.01% | — | — | — | 0.009% | — | — | — | — | — | — |
| Italy | 0.02% | — | — | — | — | — | — | — | — | 0.02% | — |
| Finland | — | — | 0.04% | — | — | — | — | — | — | — | — |
| United States | 7% | — | — | — | 2% | 0.9% | 0.5% | — | 1% | 7% | 3% |
| Canada | 0.4% | — | — | — | 3% | 0.5% | 5% | — | 0.4% | 3% | 5% |
| Saudi Arabia | 0.2% | — | 0.02% | — | 2% | 0.01% | 0.004% | 0.01% | — | 0.4% | — |
| United Arab Emirates | 0.4% | 11% | 26% | 4% | 27% | 4% | 2% | 36% | 1% | 4% | 17% |
| Qatar | — | — | 0.04% | — | — | — | — | — | — | — | 0.001% |
| Australia | 3% | 7% | 20% | 30% | 9% | 7% | 24% | 12% | 1% | 23% | 17% |
| India | 1% | — | — | — | — | — | — | — | — | — | — |
| New Zealand | 0.06% | — | — | 2% | 9% | 0.3% | 3% | 0.8% | — | 0.05% | 0.02% |
| Hong Kong | 0.009% | — | 0.06% | 0.04% | 0.05% | 0.03% | 0.04% | — | — | 0.04% | 0.06% |
| Japan | — | — | — | — | — | — | — | — | — | — | 0.2% |
| Norway | — | — | 0.04% | — | — | — | — | 0.02% | — | — | — |
| Iraq | — | — | — | — | — | — | — | 3% | — | — | — |
| Kuwait | — | — | — | — | — | — | — | 0.1% | — | — | — |
| Spain | 0.002% | — | — | — | — | — | — | — | — | — | — |

Policies, standards and operating procedures

Our MSHT commitment and compliance is embedded in our overarching management framework, the Serco Management System (SMS), and our Code of Conduct. This includes:

- **Policy Statements:** Business Conduct and Ethics; People; Procurement and Supply Chain.
www.serco.com/about/our-policies
- **Group Standards:** Human Rights; Employee Lifecycle; Employee Wellbeing; Procurement and Supply Chain; Speak Up.
- **Group Standard Operating Procedures:** Human Rights Assessment and Decision Tree; MSHT Response and Remediation Process; Third Party Due Diligence Manual; Recruitment – Permanent & Fixed-Term Hiring; Procurement of Consultants, Contractors and Temporary Workers.
- **Serco Code of Conduct:** all versions – full, at a glance and short-term temporary staff.
www.serco.com/about/serco-code-of-conduct
- **Serco Supplier Code of Conduct and training video**
www.serco.com/suppliers
- **Serco Terms and Conditions** for the purchase of goods and/or services from suppliers.
www.serco.com/suppliers
- **Serco Sustainable Procurement Charter**
www.serco.com/suppliers

All elements of the SMS and Code of Conduct are subject to a schedule of regular review to ensure they are up-to-date, relevant, appropriate and effective.

In 2021, we published our new **Sustainable Procurement Charter**, setting out our sustainable procurement agenda and bringing all our sustainable procurement priorities together to enable an integrated enterprise approach. The Charter is also a call to action and an invitation to collaborate for all our supply chain partners.

MSHT is one of 14 sustainable procurement focus areas in the Charter, where we define our commitments, primary standards and broader aspirations regarding MSHT.

Primary standards – We require our suppliers to:

- adhere to international legislation and principles on MSHT;
- ensure that risk assessment, due diligence and mitigation are regularly carried out in all supply chains;
- prohibit the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children; and
- have a published modern slavery statement or equivalent.

Aspirations

We want to work with our suppliers to offer a respectful and dignified workplace to all their workers, implementing and enforcing effective systems and controls that seek to ensure MSHT is not taking place anywhere in their business or their own supply chains.

Grievance mechanisms

We work to make it as psychologically safe and easy as possible for anyone to raise a concern regarding any risk or issue they encounter or experience in relation to Serco, including employment and work conditions.

As well as promoting the raising and resolving of concerns directly with line managers and local Human Resources and Ethics & Compliance teams, we maintain the following formal channels:

- **Speak Up:** Our global ethics helpline and investigation process is [available online](#) for all employees, suppliers, supplier personnel and the public to use, supported by an online case management system provided by an independent third party. The Executive Committee and CRC regularly receive detailed reports on Speak Up activity, investigations and actions taken. During 2021, there were zero issues relating to MSHT raised through Speak Up.
- **Grievance procedure:** Where a grievance cannot be resolved informally, it will be dealt with under our formal grievance procedure where applicable. During 2021, there were zero issues relating to MSHT raised in this manner.
- **Corporate Responsibility email channel:** We also invite members of the public to raise any concerns to our Group Ethics & Compliance team through corporateresponsibility@serco.com. During 2020, zero issues relating to MSHT were raised through this channel.

In 2020, we launched a new ‘**Raise a concern**’ online guidance hub, making it easier for our employees to take appropriate action on any concern regarding people, business and information management at Serco, including human rights and MSHT.

In 2021, we continued raising awareness and understanding of both our ‘**Raise a concern**’ hub and Speak Up through targeted communications as well as implementing a mobile app version of our Speak Up portal.

Risk management

Our MSHT commitment is proportionately embedded in our operations, alongside our commitment to protect those in our care from any violation of human rights.

All Contract risks – including potential human rights and MSHT impacts – are managed and monitored throughout the business lifecycle per our Enterprise Risk Management methodology. This requires rigorous assessment at Contract, Business Unit and Divisional level, and periodic review by Divisional EMTs.

Each Division maintains a register of Ethics & Compliance risks and associated mitigation and controls, including human rights and MSHT. These are consolidated into a Group register of Ethics & Compliance risks, regularly reviewed by the Group Executive Committee and CRC.

The risk of MSHT is also embedded in our Group Principal Risk, 'Failure to act with integrity'. As such, it is reviewed regularly by our Group Risk Committee (GRC) with updates submitted to the plc Board by the Chair of the GRC.

Managing human rights and modern slavery risks in our supply chain

Our extended supply chain (see pages 7-8) is large and complex, spread across many geographies and purchase categories. We recognise the risk of MSHT within it. We take a risk-based approach, focusing our efforts on mitigation in those areas of our supply chain that we have assessed to represent the highest risk.

An ethics and compliance risk profile is created for current and prospective suppliers, based on assessment against key risk indicators.

This is informed by our third-party risk management solution, which we use to assess suppliers against a comprehensive set of risks and risk tolerance criteria, including several relating to the violation of human rights.

Regarding MSHT, whilst geography and spend are taken into account, the primary factor in how we determine the level of risk represented by a supplier is the nature of goods/services that they provide. We review our assessment of the purchase categories we believe to be high risk for MSHT on an annual basis.

In 2021, we recognised the following high-risk purchase categories in our supply chain (at Level 2 in our purchase category hierarchy):

- Building maintenance and services
- Catering equipment and services
- Catering food, beverages and ingredients
- Cleaning services
- Construction
- Environmental, health and safety
- Landscaping and ground
- Laundry and linen services
- Recruitment and temporary labour
- Security services
- Waste services

Values and vigilance: helping to fight modern slavery and human trafficking from the frontline

Many of the services we provide bring our people into direct contact with members of the public and, in some cases, acutely disadvantaged and vulnerable individuals travelling through challenging systems, such as those for justice and immigration. We understand the complex social challenges that shape and permeate our chosen markets, so we know that certain service user communities are particularly vulnerable to MSHT. We also recognise that certain public services are more likely to be targeted for facilitating these practices.

To help our customers address these challenges and make a real difference to people's lives, we welcome responsibilities beyond simply facilitating service user journeys – either through public systems such as health, education, employment, justice and immigration, or literally, through transport services. Human rights and wellbeing are integral elements in our service design and delivery and we work to achieve positive, sustainable outcomes for society and the individuals in our care. Wherever they work, our people are alert and attentive to the needs of those they serve and will take appropriate action if they suspect someone is at risk of harm, including any form of abuse or exploitation.

Our global MSHT response and remediation process scales up the proactive safeguarding culture, policy and practice already well-established in certain parts of our business.

For these operations, we employ dedicated service user welfare and safeguarding leads to maintain comprehensive safeguarding policies and processes; to equip our people through training with the knowledge and information they need to respond to any concerns; and to work in partnership with all relevant authorities and agencies to ensure that any risks to our service users are identified and reported as quickly as possible, and that they can access appropriate help and support when needed.

See pages 11 and 12 for some examples.

In 2020, we developed an enhanced methodology for MSHT risk assessment and applied it to our Tier 1 supplier population.

In 2021, we have been delivering enhanced MSHT due diligence for these suppliers (see **Due diligence**, page 13) which will complete in 2022.

We have also developed a new operating model for contingent workforce in the UK, creating a new service line, Serco Workforce Solutions (SWS). SWS is bringing the management of contingent workforce in-house, cutting exposure to associated risks, such as MSHT, by reducing our dependency on external agencies.

Values and vigilance: Serco Employment, Skills and Enterprise, UK

Among other programmes, Serco Employment, Skills and Enterprise (ESE) manages Inspiring Families and the new Restart Scheme for the UK Department for Work and Pensions (DWP), helping people to improve their circumstances.

"We support disadvantaged families with specific barriers to sustainable employment," says Foysal Ahmed, Contract Director, Restart Scheme, "some of whom are migrant families and others whose circumstances make them vulnerable. Breaking down these barriers can reveal hidden issues, including abuse and exploitation.

"We aim to provide a caring, supportive and safe environment in which all learners can develop to their full potential. Everyone who helps us deliver the service has a responsibility for the welfare and safety of our learners, which includes reporting any concerns immediately to a designated safeguarding officer."

In 2021, our Serco ESE colleagues delivered our Modern-Day Slavery Awareness training to their supply chain partners, who responded positively. More than c. 200 ESE delivery partner representatives attended our in-house training to date, with comments on the value and how they have already begun to apply key learnings back in their own businesses.

"The session gave in depth information for people to be aware of what is happening to vulnerable individuals and raised awareness about the signs to look out for. Unfortunately, many individuals fall prey to those that want to take advantage, and we can make such a difference to the lives of those suffering at the hands of modern slavery." – a member of our Restart Scheme delivery network

Serco training helped a multi-lingual job coach in our delivery network to give one client the specialist support he needed to find meaningful, sustainable and safe work. For the client, a non-English speaker who had moved to the UK from South Asia and had for years been forced to surrender his wages to his extended family, these were his first steps towards a new and independent life. His new employer foresees a long and bright future ahead for him.

Another Serco Restart Scheme client benefited when one of our work coach partners drew on learning from the course to help a homeless client whose engagement with the scheme was being controlled by another party. Recognising a complex case requiring acute support, where the client's fear and language barrier impeded efforts to understand his circumstances, our partner arranged for an interpreter to speak with him. From that conversation, a local DWP agency was alerted and connected the client with additional support while our partner focused on helping him find work. "Thank you, Serco, for helping us to make a change," said our work coach partner.

"Thank you, Serco, for helping us to make a change."

Values and vigilance: Yarl's Wood Immigration Removal Centre, UK

Yarl's Wood and Gatwick Immigration Removal Centres (IRC) house adult men and women awaiting immigration process outcomes.

"One reason why they are particularly vulnerable," says Penny Wainwright, Assistant Director, Yarl's Wood IRC, "is that if they are victims of modern slavery, they may not realise it. As well as training our people to recognise and report potential victims, we educate our residents about the dangers and help them speak up for themselves.

"For example, we have advisory notices in all resident languages around the site, and invite our anti-slavery partner, Unseen UK, to meet with residents at certain events in our calendar. We also focus on training all service delivery partners who visit the site. Residents are more likely to disclose to them, so we give them the same training as our employees and encourage them to engage with residents as much as possible."

Values and vigilance: Serco Immigration Services, Australia

In Australia, our Immigration Welfare & Engagement Team have worked closely with the Australian Red Cross with research in development of caseworker training focused on the identification of those at risk of MSHT.

"We work with vulnerable people every day," says Clare Camilleri, National Welfare & Engagement Manager, "and many have had some experience of modern slavery in one or more of its many forms.

"We are committed to providing the fullest support to those in our care, which includes ensuring our staff are aware of the issues service users might face. The Red Cross were impressed by the maturity of Serco's approach to tackling modern slavery and we are proud to be supporting their research and helping make a bigger difference in this area."

Values and vigilance: Asylum Accommodation and Support Services Contract, UK

Through our Asylum Accommodation and Support Services Contract (AASC), we assist asylum seekers while their claims are processed, ensuring they have a good standard of accommodation, a safe environment to live in and access to appropriate support.

"Asylum seekers can become increasingly vulnerable to slavery and trafficking during their journey to the UK," says Katy Wood, Business Support Director, AASC. "There are also risks of being drawn into it once in the UK, owing to the limited financial support they have access to whilst awaiting an outcome on their claim, and particularly for those exiting the system with a negative decision from the Home Office, as they are ineligible for both mainstream support and employment opportunities. We see it as our responsibility to ensure adequate care and support is in place for every asylum seeker whilst accommodated with us, and we do all that we can to keep them safe.

"Our safeguarding, partnership and risk and security teams work closely with local modern slavery partnerships and police/statutory agency task forces to protect our service users, and to identify and refer potential victims for Modern Slavery Victim Care eligibility assessment. We also liaise with the Home Office regarding support system improvements where these can be identified."

During the Covid-19 pandemic, our AASC colleagues worked to manage emerging MSHT risks in contingency accommodation sites. A collaborative strategy with local authorities and specialist police forces was implemented and training has been delivered to all onsite teams.

These measures proved effective, helping to safeguard a group of service users believed at risk from traffickers and aiding police with ongoing investigations. Onsite housing officers at one of our North West contingency properties challenged individuals attempting to access the site, refusing them entry and taking their details. From this information, police established significant lines of enquiry into an organised criminal network.

"It is our duty to ensure that our staff are fully aware and alert to suspicious or vulnerable behaviour."

Values and vigilance: NorthLink Ferries, UK

Through NorthLink Ferries (NLF) we operate lifeline ferry services between the Scottish mainland and the Orkney and Shetland islands.

"As a public transport operator, there is always a risk of groups and individuals using our services to facilitate criminal activity, including illegal movement of drugs and people," says Stuart Garrett, NLF Managing Director.

"We play a key role in the hospitality, tourism and food supply chain, all of which are recognised high risk industries for modern slavery. It is our duty to ensure that our staff are fully aware and alert to suspicious or vulnerable behaviour among our passengers and visitors. All staff learn about MSHT in the training they receive and are ready to report any concerns to the authorities."

On UK Anti-Slavery Day 2021 (18th October), NLF joined Scotland Against Modern Slavery (SAMS) as their first member representing the public transport industry. SAMS is an organisation committed to helping eradicate the misery of modern slavery in Scotland. "We are extremely proud to be joining SAMS and look forward to supporting their work in this important area," said Stuart Garrett.

Values and vigilance: Serco Middle East

Our colleagues in Serco Middle East focus on managing human rights and modern slavery risks as defined by regional reliance on the recruitment of overseas workforces.

Serco Middle East stands committed to lead by example on modern slavery controls and procedures above and beyond our standard supplier onboarding and due diligence processes, working closely with suppliers to ensure they are met.

For example, 13 supplier compliance assurance reviews were carried out in 2021, focusing on compliance with accommodation standards and the Serco Supplier Code of Conduct, with review recommendations implemented as appropriate.

Most recently, Serco Middle East have launched a Contractors Forum and Handbook, seeking to work closely with suppliers to share good practice and address industry risks.

Due diligence

We work to ensure that proportionate risk-based due diligence is completed on third parties (suppliers, agents, strategic partners, customers) and that they are appropriately managed throughout the lifetime of the relationship.

Our core process is as follows:

- | | |
|------------------------------|---|
| 1. Risk profiling/assessment | To determine the required level and type of due diligence. |
| 2. Information gathering | Through screening, questionnaires, references and interviews. |
| 3. Evaluation | To verify and consider information gathered and resolve issues/red flags. |
| 4. Approval | To gain formal agreement to enter a relationship with the third party. |
| 5. Agreement | To establish a contractual relationship. |
| 6. Monitoring | To manage and mitigate risk throughout the lifetime of the relationship. |

In 2020, working with Stronger Together, we developed a new supplier questionnaire for **enhanced MSHT due diligence** and integrated it into our supplier onboarding process.

Following the enhanced risk assessment of our Tier 1 supplier population in 2020, we commenced retrospective MSHT due diligence on our Tier 1 suppliers in the high-risk categories identified – approximately 2,000 suppliers across seven Level 2 purchase categories. Data cleansing to remove inactive suppliers in 2021 reduced this number to approximately 800.

Retrospective MSHT due diligence has been completed for select business critical suppliers and in our Serco Americas Division, with our other Divisions to complete in 2022.

Suppliers were scored on their responses to key MSHT risk factor questions concerning their own businesses and their supply chains. Based on their scores, suppliers were categorised into low, medium and high-risk bandings.

Of all suppliers on whom enhanced MSHT due diligence had been completed by end-2021, 70.5% were assessed low-risk, 19.0% medium-risk, and 10.5% high-risk.

Areas of strength and weakness per supplier were also identified and a set of next step recommendations – focused on working with suppliers to strengthen their knowledge, approach and systems regarding MSHT – were generated to inform action planning by Procurement, Legal and Ethic & Compliance teams in each Division.

Training

Our Ethics & Compliance function is responsible for designing human rights training courses in Serco, including MSHT.

Training in Serco is delivered at two levels:

All Serco employees: On joining Serco and annually during their time with Serco, all employees are required to complete appropriate SMS, Code of Conduct and Values training through Serco Essentials, our mandatory all-employee training programme. MSHT are specifically covered in our Code of Conduct and associated training.

Teams in functions and geographies recognised to be high-risk areas: We deliver specific training on MSHT for teams whose roles and/or locations require them to have deeper, specialised understanding.

In 2020, we developed a **new Supplier Code of Conduct training video** – covering human rights, fair working conditions and MSHT – and in 2021 have made it a mandatory requirement in our supplier onboarding.

Also in 2021, we have delivered training in every Division to raise awareness and embed our new **MSHT response and remediation process**, and become partners in the **Supply Chain Sustainability School**, opening access to the latest sustainability knowledge and training resources, including for MSHT. We plan to start connecting our suppliers with MSHT training through the Supply Chain Sustainability School once our retrospective enhanced modern slavery due diligence programme has completed.

Meanwhile, we have also conducted comprehensive, global reviews of both Serco Essentials and the Serco Code of Conduct. The next phase of Serco Essentials will focus on including more targeted training for all employees on key topics, including MSHT. The new Serco Code of Conduct has been designed to improve frontline engagement and will launch in 2022.

Progress and performance

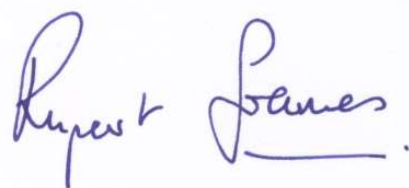
We use a number of different indicators to monitor our progress and performance regarding MSHT, aligned to the specific objectives of our MSHT programme and external best practice.

| | | Progress and performance indicators | 2020 | 2021 | Notes |
|----|------------------|---|------|------|--|
| 1a | Our people | Employee engagement: Business Integrity (avg. score) | 75 | 76 | Assesses employee engagement, as measured through our employee engagement survey, per the following questions: a. I never feel pressured to compromise our ethical standards. b. My line manager does not tolerate behaviours below expected standards. c. I can report unethical conduct without fear. d. If I speak up, I am confident action will be taken. |
| 1b | Our people | Percentage of workforce employed through an agency. | 20% | 23% | |
| 2a | Tier 1 Suppliers | Percentage of current Tier 1 suppliers identified in high-risk categories for modern slavery for whom retrospective enhanced MSHT due diligence has been completed to date. | 8% | 30% | Restatement of 2020 to account for data cleansing to remove inactive suppliers from target population. |
| 2b | Tier 1 Suppliers | + publish a modern slavery statement or equivalent. | 81% | 42% | 2020: % of 64 suppliers completed in 2020 2021: % of 232 suppliers completed to date |
| 2c | Tier 1 Suppliers | + have completed an MSHT risk assessment on their own supply chain. | 58% | 38% | In the US there is no legislation requiring 2b-2d of the organisations who make up our supply chain. |
| 2d | Tier 1 Suppliers | + have cascaded our MSHT requirements to their own supply chain. | 51% | 34% | In the Middle East there is no legislation requiring 2e of the organisations who make up our supply chain. |
| 2e | Tier 1 Suppliers | + have a grievance and response mechanism in place. | 80% | 67% | 2b-2e not applicable to many small and medium-sized enterprises. |
| 3a | Our business | Instances of confirmed MSHT non-compliance | 0 | 0 | |
| 3b | Our business | Number of alleged MSHT complaints received through formal channels including Speak Up. | 0 | 1 | Unsubstantiated allegation of potential modern slavery in Tier 2 supplier raised by former employee of Tier 1 supplier. Identified through second line checks, not formal complaint mechanism. Relevant authorities notified by Serco. |

We will continue to review the indicators that we use to monitor improvement in our management of MSHT risk.

Areas we intend to explore include:

- level of Tier 1 supplier enhanced due diligence and completion of supplier Code of Conduct training;
- level of impact assessments completed on new business opportunities; and
- levels of completion of any corrective actions.



Rupert Soames OBE
Group Chief Executive Officer, Serco Group plc
February 2022