

Modern slavery and
human trafficking
statement
2022

Executive Summary

Our ambition	<ul style="list-style-type: none"> • Always protect the human rights of those we employ and others who use the services we provide.
Milestones and performance	<ul style="list-style-type: none"> • By end 2022 update guidance on human rights impact assessment. <ul style="list-style-type: none"> - New guidelines published including risk of modern slavery and human trafficking (MSHT). The analysis has not highlighted any business-critical risks or actions. • By end 2022 complete retrospective high risk supplier modern slavery due diligence. <ul style="list-style-type: none"> - Due diligence completed. • By Q1 2023 Serco aims to develop a 'sponsored- partnership' with the charity 'Slave-Free Alliance'. <ul style="list-style-type: none"> - Arrangements on track for completion Q1 2023.
Achievements	<ul style="list-style-type: none"> • Approved a standalone human rights, including MSHT, policy statement as part of our refreshed Serco Management System and completed a review of supporting procedures. • Refreshed and strengthened coverage of human rights, and specifically MSHT section within mycode, Serco's new Code of Conduct (mycode.serco.com). • Completed an Environmental, Social and Governance (ESG) materiality assessment, including human rights and MSHT, with external and internal stakeholders. • Tested refreshed due diligence process for human rights and MSHT for mergers and acquisitions with the acquisition of ORS. • Upgraded screening platform for third parties which includes more robust human rights and MSHT checks. • Achieved 92% in the UK Cabinet Office's annual Modern Slavery assessment, up from 84% in 2021. • Investigated two Speak Up cases related to modern slavery, both unsubstantiated but both taken seriously. • Continued to drive communications, training, and discussion across divisions on human rights and MSHT. • Developing a 'sponsored-partnership' with the charity 'Slave-Free Alliance', part of 'Hope for Justice' to support global operations. • We became founding members of UK Service and Infrastructure Project Providers Modern Slavery Council along with UK Cabinet Office and other strategic service providers to Government. • In the Middle East we continued to monitor human rights and MSHT through supplier assurance and audit activities, including over 50 accommodation inspections of facilities provided by our suppliers to their workers, along with continuing education of local suppliers regarding MSHT in relation to labour conditions. • ASPAC has continued to deliver modern slavery training to procurement colleagues, the Executive Leadership Team and Ethics Champions. • Serco continues to deliver Return and Reintegration Assistance Program (RRAP) contract operations on behalf of the Australian Department of Home Affairs (Department) which includes supporting those who are victims of modern slavery.
What next	<ul style="list-style-type: none"> • Finalise and leverage relationship Slave-Free Alliance. • Follow up on selected suppliers following due diligence responses to understand their management of MSHT in their supply chain and take any corrective actions. • Consider how human rights and MSHT due diligence is monitored for those suppliers not classified as high risk. • Modern Slavery Oversight Group to continue to meet monthly. • Look at how our Values and Integrity network can leverage their role in raising awareness on human rights and our MSHT programme. • Continue to refresh and deliver training on modern slavery to key groups.

Content

Executive Summary	1
1 Our Commitment	3
2 Our Values	3
3 Human Rights and MSHT- our policy and commitment	3
4 Our business, structure and governance.....	5
5 Modern slavery and human trafficking in our ESG Framework.....	7
6 Risk management.....	9
7 Our supply chain	10
8 Due diligence	11
9 Training and communications	11
10 Progress and performance	12
11 What next.....	13
Annex A - Supply chain breakdown	14

Reporting entity and legislative compliance

This document constitutes Serco’s modern slavery and human trafficking (MSHT) statement for the financial year 2022, as agreed by senior management and approved by the Serco Group plc Board. This statement complies with the reporting criteria of the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018. The 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 statement and advised of the specific reporting requirements to meet UK and Australian MSHT legislative compliance and the actions we are taking or intend to take to address them. See **List of subsidiaries and related undertakings**, Serco Annual Report.

1 Our Commitment

“Serco’s foundations are a set of values we are committed to, both in how we run the business and how we deliver our services. These values have increased resonance given that many services we provide are addressing complex challenges faced by governments and looking after some of the most vulnerable and disadvantaged in society. Our values steer our commitment to human rights for those who use the services we provide, for those we employ and for those who are employed by our partners and through our supply chain. We condemn any abuse of human rights or slavery in all its forms. 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 continue to monitor our potential human rights and modern slavery impacts and strengthen how we manage and mitigate them. We require the same high standard among our suppliers.”

Mark Irwin

Group Chief Executive Officer, Serco Group plc

2 Our Values

Our Values – Trust, Care, Innovation and Pride – shape how we behave. Underpinning them is the right to be treated with dignity, fairness, equality and respect, which we are committed to upholding 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.

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.

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.

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.

3 Human Rights and MSHT- our policy and commitment

Our commitment to human rights and MSHT is defined within our Group Human Rights Policy Statement, related operating procedures, and relevant sections of mycode (mycode.serco.com). This reflects our commitment to respect and protect the dignity and human rights of our colleagues and everyone we deal with in our work. This includes those in our care, who use our services or work for our business partners or suppliers.

We use international human rights standards such as 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 to guide decision making, constructive engagement and the assessment and management of adverse human rights impacts.

In 2022, we reviewed our existing policy structure and established a standalone Human Rights Policy Statement covering modern slavery. It describes our commitments including recognising any potential human rights impacts related to our work and the need for action to prevent or mitigate us causing or contributing to such impacts.

We strive to ensure recruitment to Serco is fair and free and all colleagues have an employment contract, recruitment agreement or similar work document in a language they understand; any housing provided is within defined standards that consider both host country and international housing and safety standards; we do not use and strive not to be complicit in, forced or compulsory labour nor engage in human trafficking or subject individuals to involuntary servitude, debt bondage or slavery.

We respect the rights of children and young workers and protect them from any work that deprives them of their childhood, their potential, dignity, and development.

We seek not to cause or contribute to torture and other cruel, inhumane, or degrading treatment or punishment and we take all reasonable steps to avoid the use of force in relation to those who are in facilities we manage or benefit from services we provide, and if used it is proportionate to the threat, appropriate to the situation and limited to what is strictly necessary.

We consider the risks of adverse human rights impacts and the risk of MSHT in our due diligence processes when considering new business opportunities, partners and suppliers. We have training and guidance for colleagues to understand how to consider human rights impact across the different markets we operate in and the potential red flags to look out for regarding MSHT. We endeavour to remedy or cooperate in the remediation of any substantiated adverse human rights impacts and have procedures for MSHT response and remediation.

Improving workers lives

In one of our divisions during the retro-onboarding of a supplier and a subsequent site visit, it was discovered that some of the office assistants were living in accommodation that did not meet the Serco accommodation standards. Their wages were also considered below Serco's standard salary. As a result, these workers were moved over to a new recruitment company with much better accommodation facilities and saw their salary increased.

For more information refer to our Human Rights Supplement available on www.serco.com.

Our MSHT commitment and compliance is embedded in our overarching management framework, the [Serco Management System](#) (SMS), and [mycode](#). This includes:

- Policy Statements: Business Conduct and Ethics; Human Rights; People; Procurement and Supply Chain; Employee Lifecycle.
www.serco.com/about/our-policies
- Group Standard Operating Procedures: MSHT Response and Remediation Process; Third Party Due Diligence Manual; Speak Up; Employee Wellbeing; Recruitment - Permanent & Fixed-Term Hiring; Procurement of Consultants, Contractors and Temporary Workers.
- 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 mycode are subject to a schedule of regular review to ensure they are up-to-date, relevant, appropriate and effective

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 Corporate Responsibility Committee regularly receive detailed reports on Speak Up activity, investigations and actions taken. During 2022, there were 2 issues relating to MSHT raised through Speak Up. Both were investigated and found unsubstantiated.

- **Grievance procedure:** Where a grievance cannot be resolved informally, it will be dealt with under our formal grievance procedure where applicable. During 2022, there were no 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 2022, no issues relating to MSHT were raised through this channel.

As part of the relaunch of mycode, we updated the section on Speak Up to ensure staff are aware of the reporting and grievance channels available to them to report concerns, including a guide on 'making a tough decision'.

Investigation into allegations of abuse and wrongdoing

In 2022, we received over 650 Speak Up cases, of which two made allegations about modern slavery. Both of which were subject to a swift and thorough investigation.

In one case it was alleged that workers were paying a percentage of their wage to their supervisor; hiring and paying a certain ethnic minority in non-compliance with local employment law and that one of the workers was on a protection or bridging visa. The investigation was extensive but concluded that the allegations were unsubstantiated.

A second involved our UK&E division as they performed a payroll check to ensure there was no potential modern slavery among front-line colleagues. This meant checking the consistency of different staff bank accounts, telephone or email or home addresses (unless family related). During this review, we found an example of several colleagues having their pay deposited in the same bank account despite being unrelated. Further investigation found that the salary payments were legitimate and there was no evidence of slavery.

4 Our business, structure and governance

Serco delivers services to governments and other institutions who serve the public or protect vital national interests. This is done 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 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. An overview of our core sectors and where we operate are shown in Figures 1 and 2.

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 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. Figure 3 illustrates our governance structure,

Figures 1 - Summary of core sectors

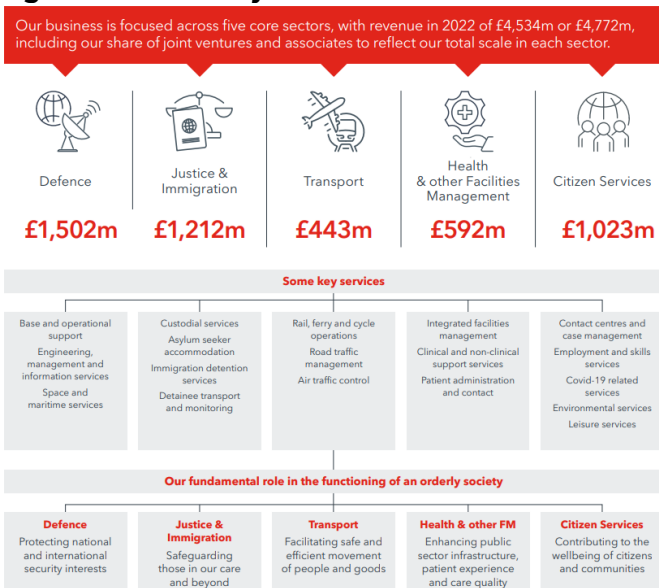


Figure 2 - Where we operate

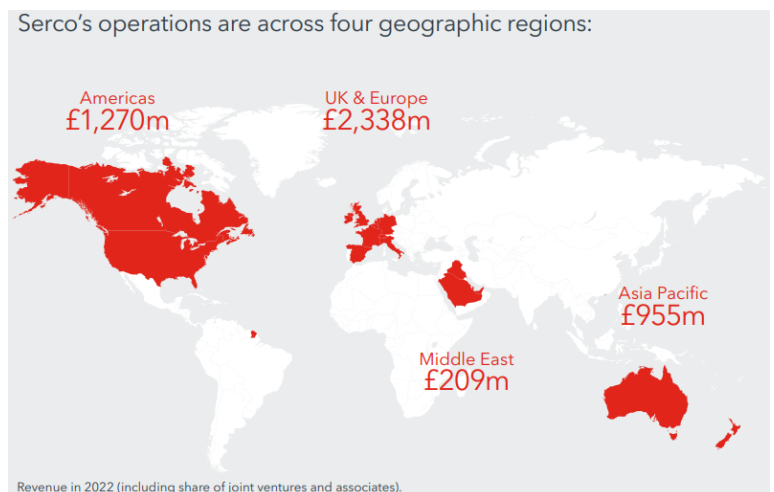
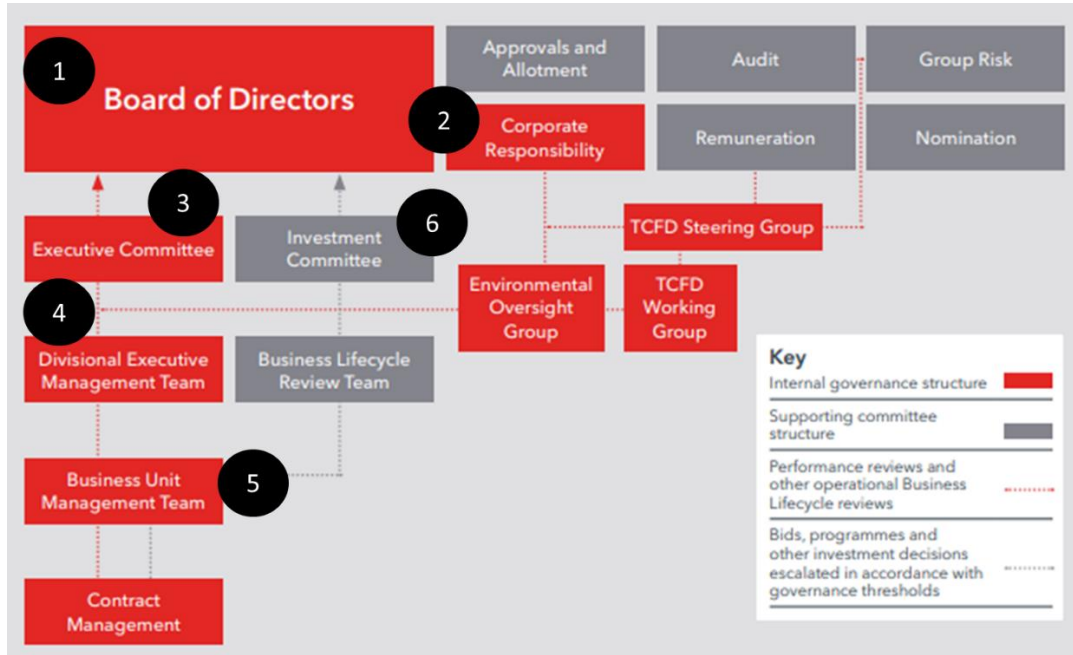


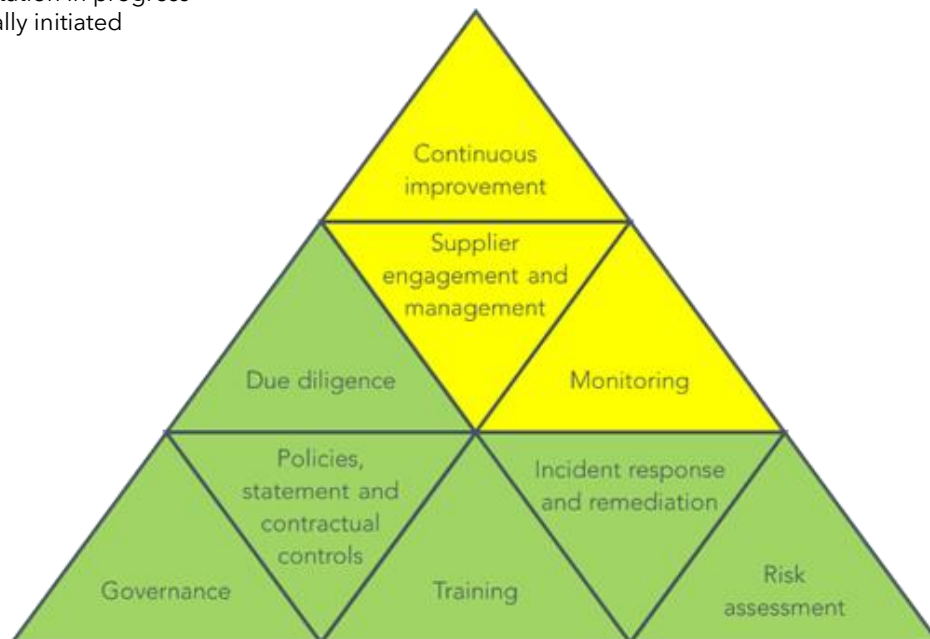
Figure 3 - Our Governance Structure



1. The Serco plc Board has ultimate responsibility for human rights policy, including MSHT commitment.
2. Oversight and review of human rights and MSHT is undertaken by the CRC, a formal plc Board committee.
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, 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.
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.

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



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

5 Modern slavery and human trafficking in our ESG Framework

In shaping our approach to ESG and within this human rights and MSHT, we completed in 2022 an engagement and review process to refresh our materiality assessment so we can better align our ESG framework and programme to those topics that are important to our stakeholders. We took a proactive approach with our customers, investors, suppliers and partners by inviting a selection to complete a survey seeking their views on the importance of different topics. We similarly surveyed internal stakeholder communities including our diversity networks, Serco Goes Green network, and early career programme cohorts, alongside senior business and functional management. To enable us to reflect a broad set of external views we engaged a third party research partner to conduct detailed research into the materiality of these topics across our peers and competitors, regulators and policy makers, and public opinion in the media. From the results we have seen that all stakeholders inside and outside of Serco are broadly aligned in what they believe are the most critical

elements underpinning the sustainable delivery of public services: workforce, culture, governance. In this, human rights was recognised as important both internally and by our external stakeholders, appearing in the top right quadrant of the assessment matrix - see our full updated materiality assessment below (Figure 4).

Having completed the refreshed materiality exercise we have used the outcome to inform a review of our ESG framework which has evolved through several iterations from an initial Corporate Responsibility framework back in 2003. Our objective being to simplify it and create better alignment with business operations and Group principal risks. One change has been to pull out human rights including MSHT and establish it as a defined element within our ESG framework, reflecting its importance to our stakeholders and ourselves. This is reflected in our new ESG framework (Figure 5).

Figure 4- Materiality assessment

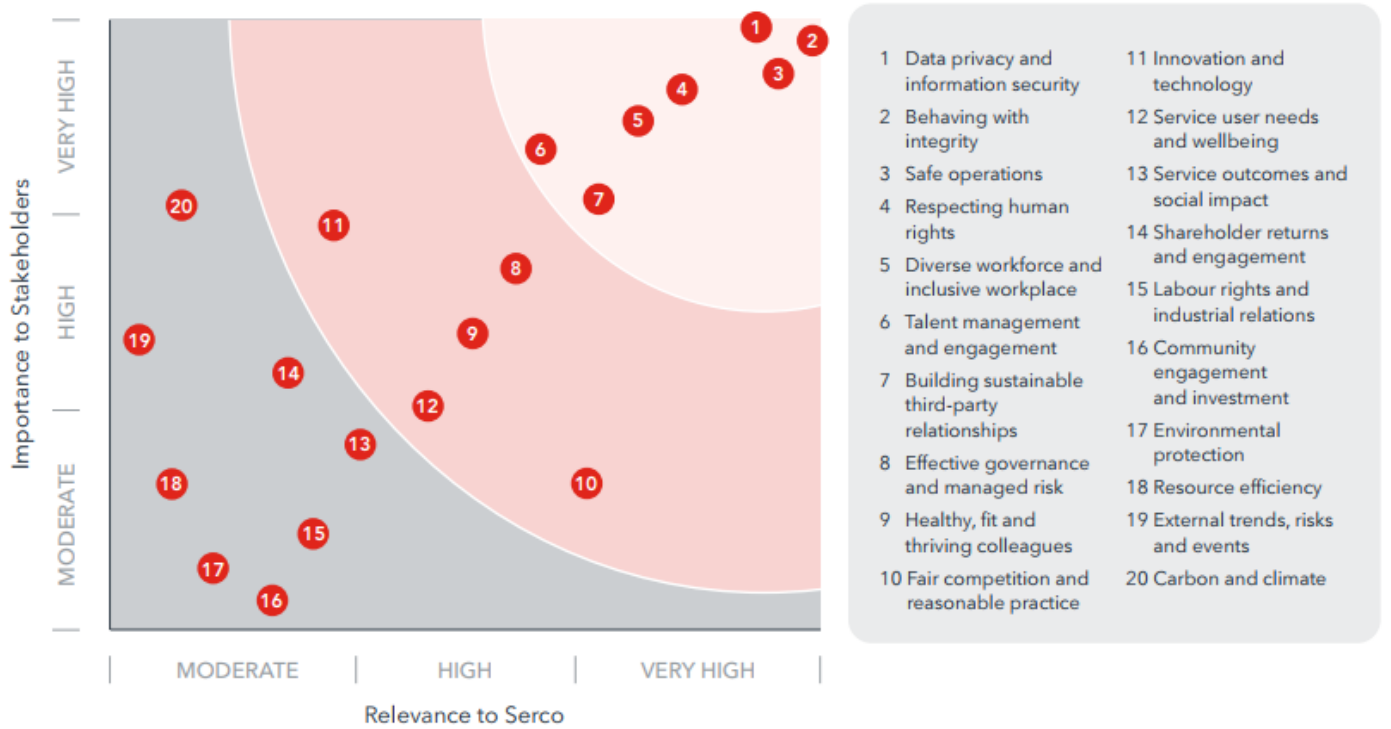
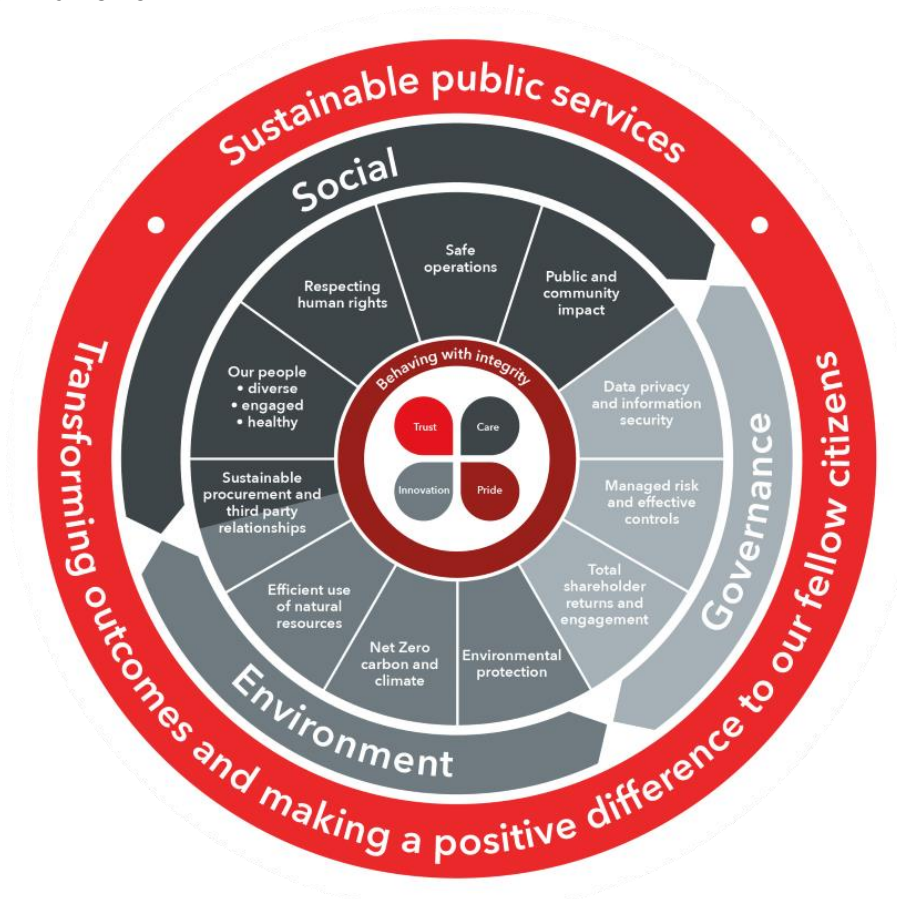


Figure 5 - Serco ESF Framework



6 Risk management

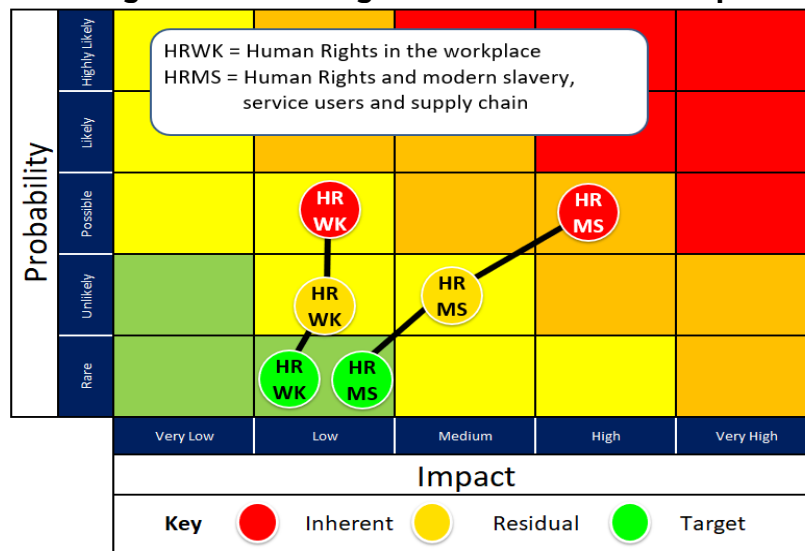
Our MSHT commitment is proportionately embedded in our operations, alongside our commitment to protect those in our care from any violation of human rights.

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 assessment of human rights and MSHT risk remains low (see Figure 6).

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.

Figure 6 - Human Rights and MSHT risk heat map



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

Values and Vigilance: Return and Reintegration Assistance Contract (RRAP), Australia ASPAC Division

ASPAC runs a contract called the Return and Reintegration Assistance Program (Homeward). The RRAP program offers voluntary assistance to Pacific Australia Labour Mobility (PALM) visa holders back to their country (for whatever reason) and are pushing communications/awareness of that program to support and assist these vulnerable people.

In January 2022, Homeward received a referral from the Department of Home Affairs for a minor who had been attending school in Australia for many years. The Recipient was living in crisis accommodation as she was unable to pay the school's accommodation fees. RRAP commenced planning for the Recipient's return home to Thailand, working closely with the Recipient's mother and the Education Agent in Thailand regarding all decisions.

RRAP assisted with organising travel documents and ensured requirements to enter Thailand were met. This included arranging quarantine accommodation upon arrival and obtaining a Thai Pass. RRAP collaborated with the Royal Thai Embassy in Canberra to secure quarantine accommodation for the Recipient. This was a challenging case due to the time difference, and some barriers in communication. After numerous phone calls and emails with various hotels, quarantine accommodation was successfully secured. RRAP also successfully arranged transport and PCR COVID-19 testing in Thailand. The Recipient's Thai Pass was also approved before her planned departure. RRAP coordinated with the Department, the Recipient's mother, the Education Manager in QLD, and the Recipient to organise a safe and smooth return home to her mother. Upon arrival in Thailand, the Recipient, and her mother both expressed their appreciation for the support provided by the RRAP staff.

7 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 in Annex A.

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. We identify the following high-risk purchase categories in our supply chain:

- 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

An ethics 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 and MSHT.

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

In 2022 we we spent £340.8K in high-risk purchase categories, a 45.5% decrease on 2021. This can be attributed to the tail off from Covid-19 and test and trace contract, leading to less use of temporary workforce and therefore lowering our high risk spend.

The majority of spend (98%) and suppliers (97%) are in 10 countries:

1. United Kingdom
2. United States
3. Australia
4. United Arab Emmirates
5. Canada

6. Belgium
7. New Zealand
8. Germany
9. India
10. HongKong

Our spend in countries in the top 10 Global Slavery Index is minimal: Pakistan £8.6k and Afghanistan £1.2K, both are with low risk suppliers.

8 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.
6. Agreement
To establish a contractual relationship.
7. Monitoring
To manage and mitigate risk throughout the lifetime of the relationship.

In 2022 we invested into a new screening tool to ensure more indepth screening in the area of human rights and MSHT risks. This enabled us to complete a retrospective Modern Slavery Due Diligence exercise, scoring and analysing suppliers in high-risk areas with a spend of over £10k. Of the 683 suppliers analysed, 75 (11%) were classed as high risk, 205 (30%) medium risk and 403 (59%) low risk.

Middle East Division - continuing to improve Supplier accommodations for workers

While Serco Middle East provides accommodation to its migrant staff directly hired by Serco. In the past 2 years, Serco Middle East has also been regularly visiting and checking the accommodation of its suppliers to ensure standards of living are met.

In 2022, over 50 site visits on the accommodation provided by our suppliers to their workers were carried out. The Serco accommodation inspection checklist includes specifically looking at the number of people per room, facilities, cleanliness, safety, pest control, prayer facilities, time of travel to workplace, transport provisions, civil defence sign offs, fire safety, room sizes and the ability to leave by free will. As a result of this exercise, 5 supplier accommodations were identified as not meeting these standards. Those suppliers have been notified and have taken immediate action and either relocated all employees or improved their accommodation to comply with the Serco accommodation standards.

9 Training and communications

Our Ethics Compliance function is responsible for designing human rights training, including MSHT. Training is delivered at two levels:

- All Serco employees on joining Serco and annually during their time with Serco, are required to complete appropriate SMS, mycode and Values training through Serco Essentials, our mandatory all-employee training programme. MSHT are specifically covered in mycode and associated training.
- Teams in functions and geographies recognised to be high-risk areas receive specific MSHT training to have deeper, specialised understanding

Throughout 2022, Serco has published eight internal articles on MSHT, including one for modern slavery day. These covered local news articles, social audits, internal progress with the BSA.

All the Divisions continue to raise awareness on MSHT through various channels:

- In the UK&E Division, 10 Integrated Assurance Reviews ("IAR") were completed. The purpose of these reviews is to ensure that our frontline staff understand and are

- aware of Serco’s various policies and processes, including MSHT.
- Key staff in some of our UK joint ventures received Serco’s modern slavery training.
- In ASPAC, new staff in high-risk areas for MSHT (procurement, leadership teams) received MSHT training as did its Ethics & Compliance Champion network.

- The Middle East organised a dedicated session with Group’s Business Ethics & Regulatory Compliance Head which was attended by 30 people as part of its yearly ‘bite-size’ ethics awareness sessions.
- We have also strengthened MSHT as a topic in our induction training.

UK&E Divisions raising the profile externally with other NGOs and other organisations

BSA Service and Infrastructure Project Providers Modern Slavery Council

The BSA UK Service and Infrastructure Project Providers Modern Slavery Council maintains a focus on tackling modern slavery in its members’ operations and supply chains. Competition is off the table, and we say No to slavery. The Council’s Steering Committee, made up of Amey, Balfour Beatty plc, CBRE, ISS Facility Services UK, OCS Group UK and Sodexo, work with Slave-Free Alliance to represent the 17 organisations on the wider Council. In 2022, Serco joined the Council and hosted a Council meeting to work on a toolkit aimed at small and medium sized suppliers.

Slave-Free Alliance/Hope for Justice

UK&E Division led an initiative for Serco’s global Modern Slavery Oversight Group to find a NGO that could support and further develop Serco’s global Anti-Modern Slavery Compliance Programme. Slave-Free Alliance, which is part of Hope For Justice were selected with plans for collaboration in 2023 being developed.

10 Progress and performance

We use several 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			2021	2022	Notes
1a	Our people	Employee engagement: Business Integrity (avg. percentage score)	76	73	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.	23%	14%	
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.	30%	40%	For 2022, this includes the suppliers that were put through the retrospective due diligence exercise.
2b	Tier 1 Suppliers	+ publish a modern slavery statement or equivalent.	42%	40%	2021 % of 221 suppliers, 2022 % of 610 suppliers. In the US there is no legislation requiring 2b-2d of the organisations who make up our supply chain. In the Middle East there is no legislation requiring 2e of the organisations who make up our supply chain.
2c	Tier 1 Suppliers	+ have completed an MSHT risk assessment on their own supply chain.	38%	43%	
2d	Tier 1 Suppliers	+ have cascaded our MSHT requirements to their own supply chain.	34%	55%	

Progress and performance indicators			2021	2022	Notes
2e	Tier 1 Suppliers	+ have a grievance and response mechanism in place.	67%	58%	2b-2e is 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.	1	2	Investigated two Speak Up cases related to modern slavery, both unsubstantiated but both taken seriously.
3c	Our business	Number of modern slavery risk assessments completed on new business opportunities	0	1	Risk assessment and due diligence completed on the acquisition of ORS, a Swiss-based provider of immigration services in several European countries.

11 What next

We recognise the need to remain vigilant to human rights and MSHT impacts. We are committed to continuing to improve awareness, processes and engagement. In 2023 we will:

- Leverage relationship with Slave-Free Alliance.
- Follow up on selected suppliers following due diligence responses to understand their management of MSHT in their supply chain and take any corrective actions.
- Consider how human rights and MSHT due diligence is monitored for those suppliers not classified as high risk.
- Modern Slavery Oversight Group to continue to meet monthly.
- Look at how our Values and Integrity network can leverage their role in raising awareness on human rights and our MSHT programme.
- Continue to refresh and deliver training on modern slavery to key groups.
- To continue to review the indicators that we use to monitor improvement in our management of MSHT risk including the level of impact assessments completed on new business opportunities, and levels of completion of any corrective actions.

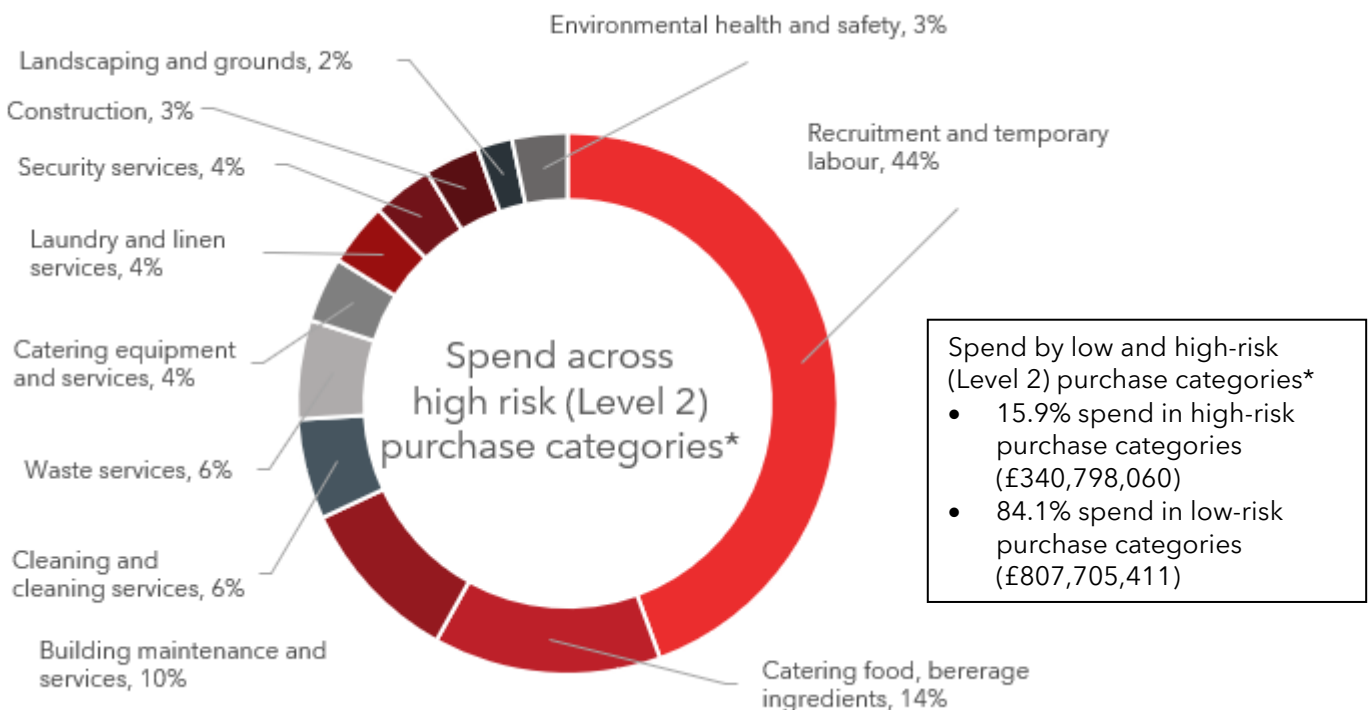
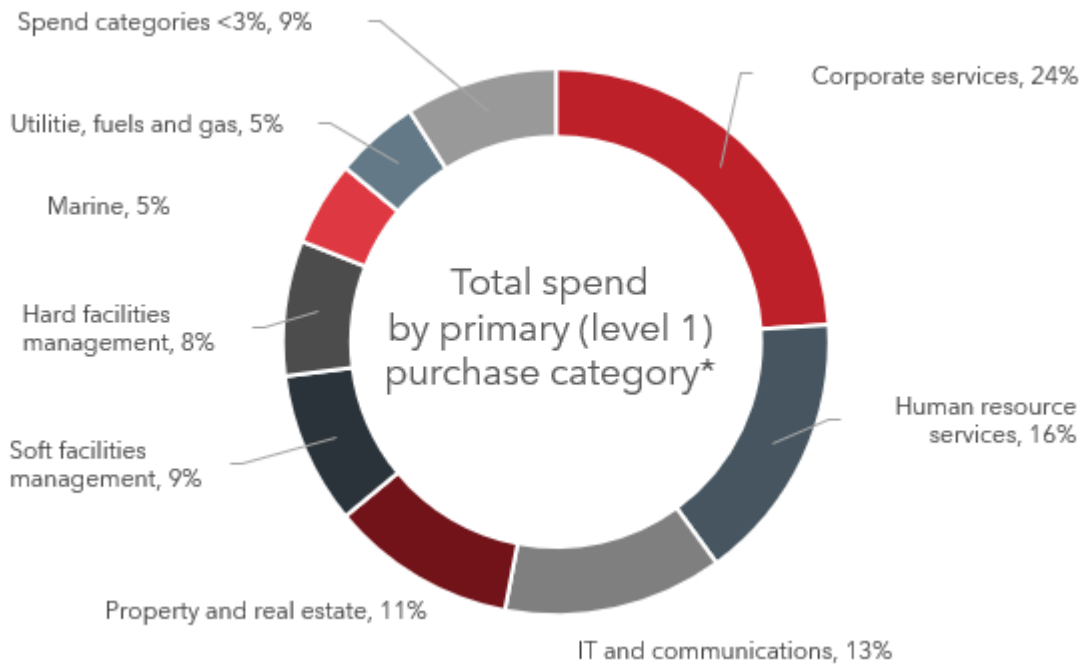


Mark Irwin
Group Chief Executive Officer, Serco Group plc
February 2023

Annex A - Supply chain breakdown

Coverage 2022: All data is for the total Group.
 Total Spend 2022: £2.15bn
 Number of Tier 1 suppliers 2022: 14,049

* Excludes spend and supplier information from our FFA, Sapienza and ORS acquisitions due to unusable data and not being fully integrated with our systems.



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

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	72.10%		57.87%	61.86%	34.58%	88.11%	78.21%	57.91%	66.46%	51.19%	59.07%
France	0.05%				0.67%	0.002%					
Switzerland											
Belgium	0.70%				3.02%	0.20%	4.14%			0.13%	4.24%
Ireland	0.04%						0.35%				
Germany	0.07%				0.31%						
Netherlands	0.15%									0.04%	
Italy											
Finland											
United States	16.87%					0.97%			0.85%	13.02%	3.05%
Canada	0.77%					1.45%			0.24%	2.14%	4.22%
Saudi Arabia	0.14%				5.00%			0.01%		0.003%	
United Arab Emirates	1.05%	100%	16.73%	1.40%	30.43%	2.78%	3.68%	21.99%	1.17%	6.77%	12.33%
Qatar			0.001%								0.03%
Australia	7.74%		25.17%	34.82%	3.98%	5.67%	6.96%	19.82%	31.28%	23.03%	16.93%
India											
New Zealand	0.12%			1.89%	20.05%	0.78%	6.62%	0.16%		2.94%	0.02%
Hong Kong	0.002%		0.16%	0.03%	1.96%	0.04%	0.05%			0.75%	0.10%
Japan											0.003%
Norway			0.07%					0.03%			
Iraq	0.02%										
Kuwait								0.07%			
Spain	0.16%										