

Modern slavery and human trafficking statement 2023

Executive Summary

Our Ambition: To respect the human rights of those we employ and others who use the services we provide.

Milestones and performance

- Complete retrospective high risk supplier modern slavery due diligence - completed - recommendations are being actioned.
- Develop a 'sponsored- partnership' with the charity 'Slave Free Alliance' - relationship in place and being used.
- Scored 93% in the UK Cabinet Office Modern Slavery Assessment (MSAT).
- Employee engagement 'Ethical Standards' up 2 points.
- Contingency worker headcount down 3.3%.
- No prosecutions for human rights violations.
- Of the speak up cases closed in 2023, there were none substantiated relating to human rights.

Achievements

- Upgraded screening platform for third parties which includes more robust human rights and Modern Slavery and Human Rights (MSHT) checks.
- Fully investigated three Speak Up cases related to modern slavery, all of which were unsubstantiated.
- Continued to drive communications, training and discussion across divisions on human rights and MSHT.
- Developed a 'sponsored- partnership' with the charity 'Slave Free Alliance', part of 'Hope for Justice' to support global operations.
- Completed a gap analysis with Slave Free Alliance, focusing on areas we can strengthen our defences against modern slavery.
- Completed retrospective modern slavery due diligence exercise and now working on outstanding recommendations.
- Continued as members of UK BSA Modern Slavery Council along with UK Cabinet Office and other strategic service providers to Government.

- Supported development and publication of BSA Modern Slavery Council's toolkit 'Tackling modern slavery in facilities management and construction'.
- Serco Middle East continued to monitor human rights and MSHT through supplier assurance, including accommodation reviews, along with training of local suppliers regarding MSHT in relation to labour conditions.
- Continued to deliver Return and Reintegration Assistance Program (RRAP) contract operations on behalf of the Australian Department of Home Affairs which includes supporting those who are victims of modern slavery.

What next

- Further leverage relationship with Slave Free Alliance to enhance and improve our modern slavery compliance.
- Continue to follow up on selected suppliers following due diligence responses to understand their management of MSHT in their supply chain. We will also
 - (i) Review how human rights and MSHT due diligence is monitored for those suppliers not classified as high risk.
 - (ii) Review how we retrospectively assess our suppliers under £10k spend who did not go through due diligence.
- Modern Slavery Oversight Group to continue to meet monthly, monitoring activities, best practice and compliance in modern slavery.
- Review how our Ethics Champions may 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 including higher risk contracts and procurement teams.

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Reporting entity and legislative compliance

This document constitutes Serco's Modern Slavery and Human Trafficking (MSHT) statement for the financial year 2023, as agreed by senior management and approved by the Serco Group plc Board. This statement meets the requirements of the reporting criteria of the UK Modern Slavery Act 2015, the Australian Modern Slavery Act 2018, and The Canadian Modern Slavery Act 2024. 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 and Serco Inc (including Serco Canada, Inc.)) have been consulted in the development of this statement and advised of the specific reporting requirements to meet UK, Australian and Canadian MSHT legislation and the actions we are taking or intend to take to address them. See List of subsidiaries and related undertakings, Listed in Serco Annual Report and Accounts 2023.

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 strive not to be complicit in any form of human trafficking or the use of 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 from our partners and suppliers.”

Mark Irwin
Serco Group plc Chief Executive

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

Human Rights and MSHT – our policy

Our commitment to human rights and MSHT is defined within our Group Human Rights Policy Statement¹, related operating procedures, and relevant sections of mycode². 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.

Our policies are the foundation of the Serco Management System¹ (SMS) which houses the policies, processes and standards we work to. In 2023 we completed a comprehensive review of the SMS, updating it and clarifying responsibilities to clearly show which policies were owned by who, such as Contract Managers and Colleagues. Additionally, we created a specific area on Human Rights, moving it from within Business Ethics and Conduct, to highlight it.

Application of the SMS ensures 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. For further information refer to our Human Rights Supplement³.

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 Up⁴:** 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 2023, there were 3 issues relating to MSHT raised through Speak Up. Whilst one, relating to the right to work of a service user remains under investigation the other two were unsubstantiated. One related to allegation of illegal workers at a contract where there was no issue, and the second regarding misunderstandings around compensation practices by a supplier.

- **Grievance procedure:** Where a grievance cannot be resolved informally, it will be dealt with under our formal grievance procedure where applicable. During 2023, 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 and Compliance team through corporateresponsibility@serco.com. During 2023, no issues relating to MSHT were raised through this channel.

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

Business Services Association (BSA) Modern Slavery Council

The BSA Modern Slavery Council, of which Serco is a founding member, maintains a focus on tackling modern slavery in its members' operations and supply chains. The Council says no to slavery. The Council's Steering Committee, made up of Amey, Balfour Beatty plc, CBRE, ISS Facility Services UK, OCS Group UK, Serco and Sodexo, work with Slave-Free Alliance to represent the 17 organisations on the wider Council. Serco joined the council in 2022 and continued its membership in 2023. In 2023 Serco supported BSA in the development of a new national toolkit: 'Tackling modern slavery in facilities management and construction'. The toolkit is aimed to provide business and voluntary, community and social enterprises within the service and infrastructure projects sector with a best practice guide on how to address the risk of modern slavery within their own structures and supply chains.

Scotland Against Modern Slavery (SAMS)

In observance of Anti-Slavery Day on October 18th, 2023, our Contract and Compliance Manager at NorthLink Ferries represented Serco at the Scotland Against Modern Slavery (SAMS) members round table discussion. This forum provided an invaluable opportunity to share insights, strategies, and best practices in the ongoing battle against modern slavery. Their presentation focused on the pivotal role of maritime transport in preventing human trafficking and promoting ethical supply chains. As an Ambassador for SAMS, Serco continue to leverage their position to champion the cause, fostering a culture of vigilance and responsibility both within and beyond our organisation.

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 is shown in Figure 1.

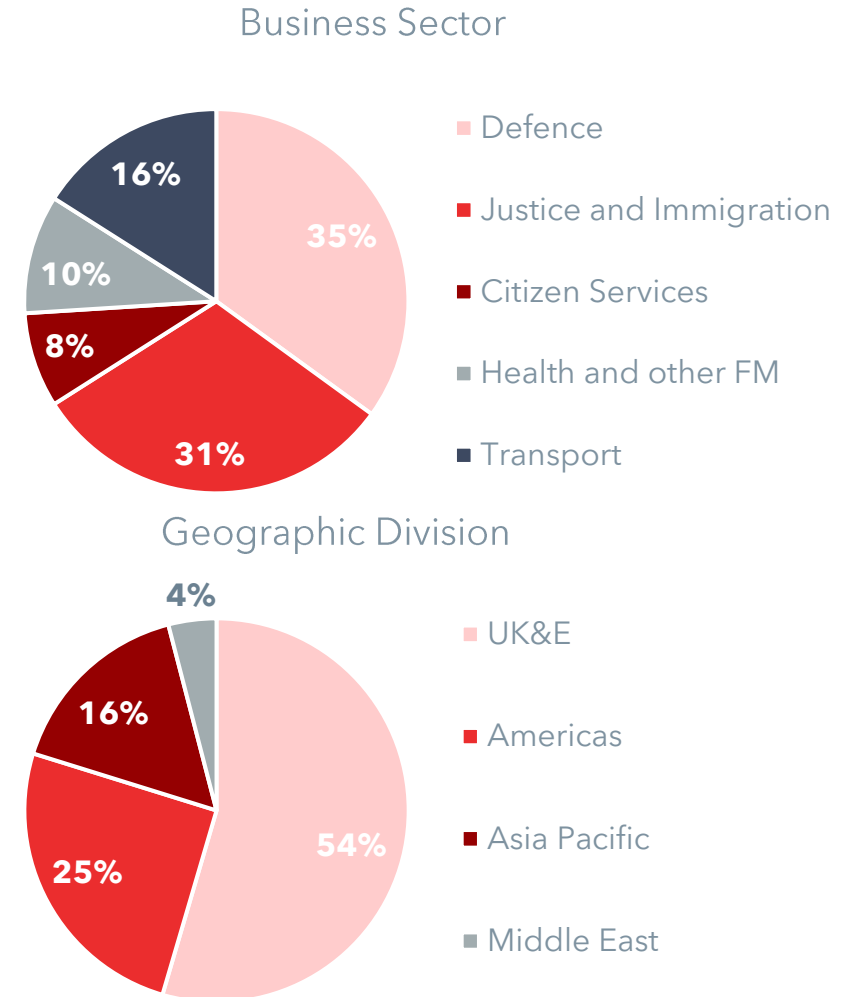
Group policy on human rights and its implementation through the business is driven through the Ethics Compliance function. This is led by the Group Director of Business Compliance and Ethics who is responsible for our Ethics Compliance strategy and associated policy and governance – including human rights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

The Group Director of Business Compliance and Ethics reports to the Group General Counsel, 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 and 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 Executive Management Team.

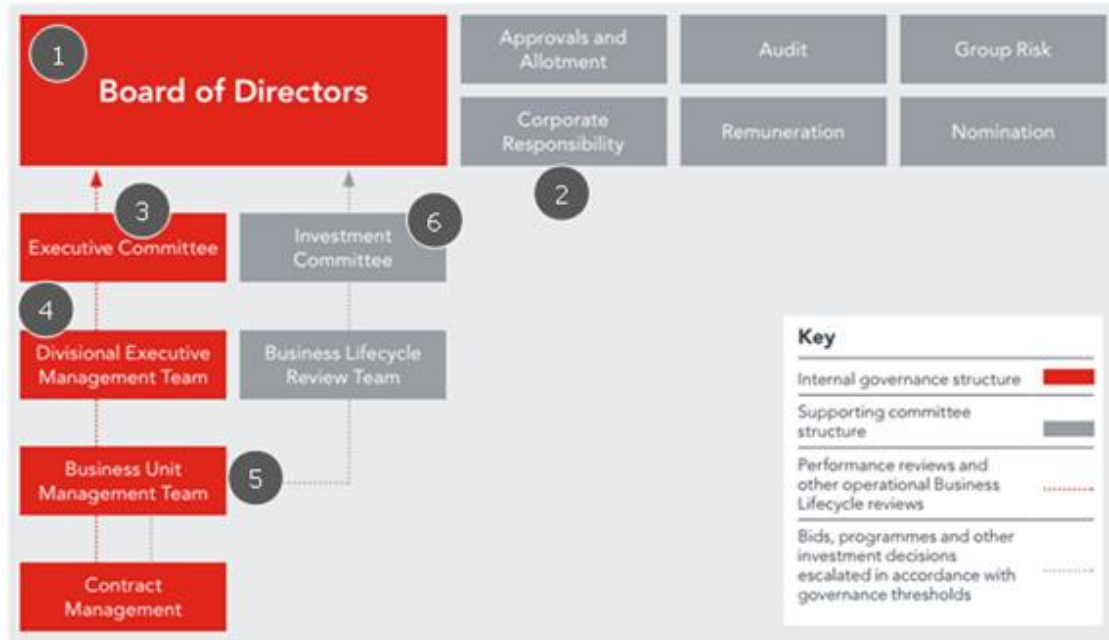
Divisional Ethics and Compliance leads are supported by the Divisional Ethics Compliance Champion Network, comprising functional and operational representatives from across each Division, most of whom have received MSHT training. Figure 2 illustrates our governance structure.

Figure 1 – Business mix – by business sector and geographic division



See 2023 Annual Report and Accounts for full breakdown.

Figure 2 - 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 Corporate Responsibility Committee (CRC), a formal plc Board committee.
3. The Executive Committee regularly reviews Ethics and 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.

Return and Reintegration Assistance Contract

Serco Asia Pacific runs a contract called the Return and Reintegration Assistance Program (RRAP). The RRAP program offers voluntary assistance to Pacific Australia Labour Mobility (PALM) visa holders back to their country (for whatever reasons).

In August 2023 RRAP staff received a frantic phone call from a UK national who was experiencing destitution due to urgently leaving their dangerous working conditions, they had only arrived in Australia two weeks prior to commence the new role. The Recipient advised that they had been exposed to brutal working conditions at the hand of their employer. The UK national tearfully advised that their employer would throw hot burning oil at staff in a rage of disgust, the employer also decreased the recipients pay by almost 20,000 AUD when they had arrived at their employment location. Not wanting to bear the cruel mental and working conditions anymore, the recipient made their way from Southern New South Wales to Sydney International Airport where they had nowhere to sleep, hardly any funds to their name and was longing to be home safely in the UK with their family. RRAP staff were quickly able to organise the distressed recipient with an air-ticket on the next available flight to their hometown in the UK, along with accommodation prior to his departure and funds to assist the recipient with purchasing food and nourishments.

Despite Australia's reputation for fairness and opportunity, some employers exploit vulnerable employees, creating situations that can be accurately defined as modern slavery. In early 2023 RRAP was contacted by a destitute recipient who was experiencing hardships while living in Australia. Upon their time in Australia the recipient had been working as a cleaner and a waiter to support themselves. The recipient expressed that while they were working in Australia their former employers would not pay them the majority of the time, which would mean that they were not able to pay their rent, nor be able to have sufficient funds to buy food to eat. This resulted in family issues, becoming destitute, and having to live rough, often sleeping in parks and train-stations. The recipient did not want to live like this anymore and was helpless. The RRAP team worked closely with the recipient to organise their return to their home country, Nepal, where they would be able to live with their family who would provide them with safe accommodation and food.



Modern slavery and human trafficking in our ESG Framework

Our core purpose is to 'impact a better future'. That's why we are committed to measuring what matters - the positive impact we make to People, Place, and Planet. We recognise human rights and MSHT under 'People' as part of our evolving framework:

Figure 2 - Impact framework



In our 2022 materiality assessment (reported in our 2022 Annual Report and Accounts (page 43) and 2022 Modern Slavery Statement (page 8)) internal and external stakeholder groups identified a set of priorities from a comprehensive range of ESG topics based on multiple international standards. We supplemented their feedback with evidence-based, global data from our peers and competitors, regulators and policymakers, and public opinion.

Building on this we have conducted a preliminary 'double materiality' analysis of risks and opportunities across our ESG landscape, through objective, AI-driven examination of evidence based, global data. In addition to the data sources cited above, we included metrics from the Sustainability Accounting Standards Board (SASB) relating to ESG impacts on financial performance.

Figure 4 - Initial double materiality assessment

	Impact on the wider world					Impact on Serco				
	High +	High	Medium	Low	Low -	Low -	Low	Medium	High	High +
Data privacy and information security	■	■	■	■	■	■	■	■	■	■
Diverse workforce & inclusive workplace	■	■	■	■	■	■	■	■	■	■
Carbon and climate	■	■	■	■	■	■	■	■	■	■
Behaving with integrity	■	■	■	■	■	■	■	■	■	■
Effective governance and managed risks	■	■	■	■	■	■	■	■	■	■
Safe operations	■	■	■	■	■	■	■	■	■	■
Talent management and engagement	■	■	■	■	■	■	■	■	■	■
Service outcomes and social impact	■	■	■	■	■	■	■	■	■	■
Respecting human rights	■	■	■	■	■	■	■	■	■	■
Efficient use of resources	■	■	■	■	■	■	■	■	■	■
Healthy, fit and thriving colleagues	■	■	■	■	■	■	■	■	■	■
Sustainable third-party relationships	■	■	■	■	■	■	■	■	■	■
Environmental protection	■	■	■	■	■	■	■	■	■	■
Community engagement and investment	■	■	■	■	■	■	■	■	■	■

The results highlight areas where public service providers in all markets and geographies where we operate may experience, achieve, or otherwise cause the most material impacts. This has been reflected in our impact framework and provides a foundation for more detailed assessment and validation of double materiality in the future. This continues to recognise the importance of respecting human rights within our operations and strategy.

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.

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 assessment at Contract, Business Unit and Divisional level, and periodic review by Divisional EMTs.

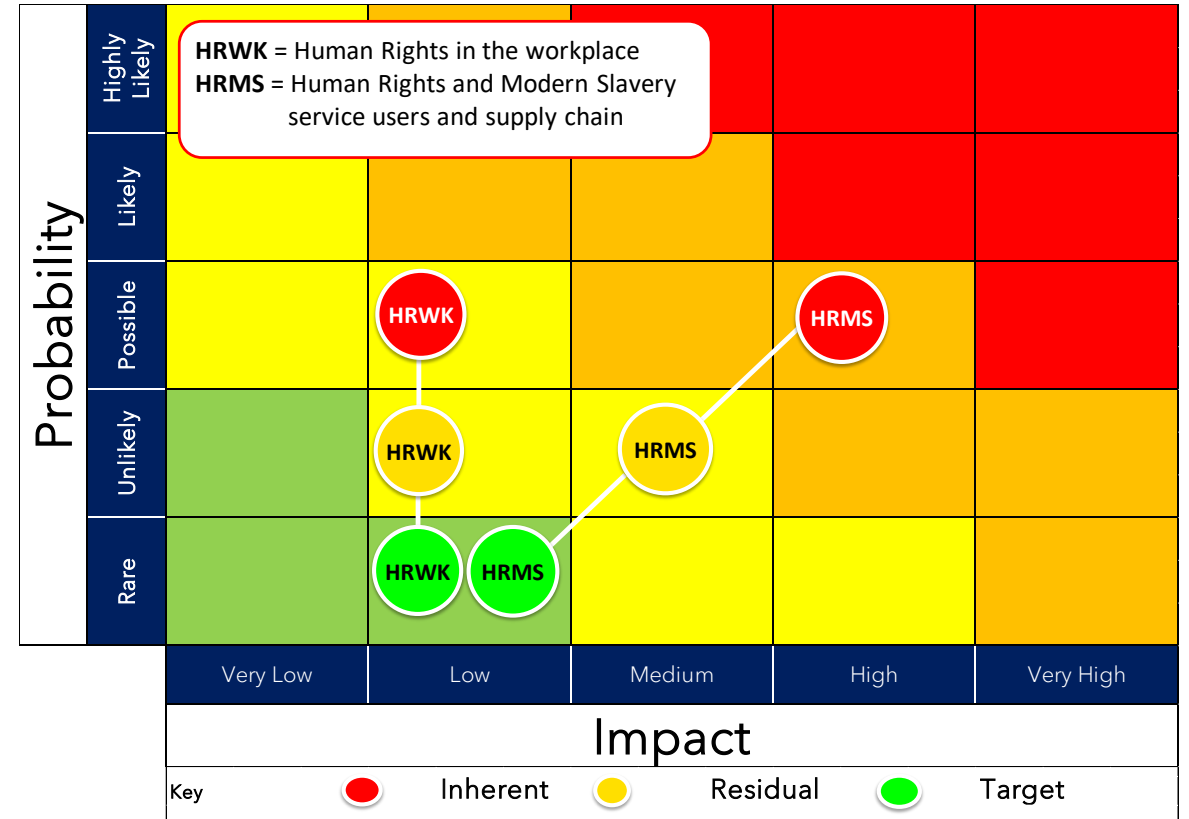
Each division maintains a register of Ethics and Compliance risks and associated mitigation and controls, including human rights and MSHT. These are consolidated into a group register of ethics and compliance risks, regularly reviewed by the Group Executive Committee and CRC. The assessment of human rights and MSHT risk remains medium to low (see Figure 5).

The risk of MSHT is also embedded in our Group principal risk, 'Failure to act with integrity'. As such, it is reviewed by our Board.

To support frontline managers better understanding of ethics and compliance risks, including MSHT, a set of checklists are being developed, including assessment of MSHT impacts, and will be rolled out in early 2024.

We are aware of new modern slavery legislation coming into effect in 2024 in Canada, we believe our current modern slavery risk assessment is low. Serco North America are reviewing current processes and reporting to ensure compliance.

Figure 5 - Human rights and MSHT risk heat map



Managing human rights and MSHT 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 actions 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 potential severe adverse human rights impacts are identified, they are reviewed by the Divisional EMT and may be raised to the Group 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

NorthLink Ferries - Chairing the UK Chamber of Shipping Task Group:

Our Contract and Compliance Manager at NorthLink Ferries continued their role as Chair for the UK Chamber of Shipping's Anti-Modern Slavery and Human Trafficking Task and Finish Group. The team is dedicated to driving significant change across the maritime industry. They are on the cusp of finalising an industry-wide awareness document. This publication aims to elevate understanding and encourage proactive measures across the sector. It is a testament to our collective commitment to eradicate the scourge of MSHT from our seas and beyond.

Managing human rights and modern slavery risks in our supply chain

Our extended supply chain (see pages 14-15 and Annex A) 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.

We identify the following high-risk level 1 purchase categories in our supply chain:

- Corporate services
- Ground transportation
- Hard facilities management
- Human resource services (recruitment and temporary labour)
- Information & communication technology
- Marine
- Soft facilities management

We identify the following high-risk level 2 purchase categories in our supply chain:

- Building maintenance and services
- Catering equipment and services
- Catering food, beverages and ingredients
- Catering equipment, food, and services
- Cleaning
- Cleaning equipment and consumables
- Cleaning services
- Construction
- Environmental, health and safety
- Fleet

- Freight & logistics
- Furnishing and appliances
- Heavy goods vehicles
- ICT infrastructure
- Landscaping and ground
- Laundry and linen services
- Marine Equipment & 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.

Middle East Division – Supply Chain Working Hours

In a determined effort to ensure the welfare of employees across Serco's supply chain, Serco Middle East partnered with multiple service providers to undertake a thorough review of working hours in line with prevailing labour laws. Not content with mere compliance, the team took the additional step of questioning roster structures. The aim was clear: optimise work schedules to prioritise staff welfare. This involved workshops and consultations with heads of workplaces. The result was a shift towards more employee-friendly scheduling, reflecting our commitment to staff welfare.

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.

Coverage 2023: All data is for the total Group.

Total Spend 2023: £2.49bn.

Number of Tier 1 suppliers 2023: 13,981

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

- high-risk purchase categories spend 15.8%
- low-risk purchase categories spend 84.2%

Our % spent in high risk for modern slavery level 2 categories has remained consistent with a 0.1% drop from 2022.

Top ten countries (supplier location) by spend*

Accounts for more than 98% of spend and more than 96% of suppliers

- | | | | |
|---|----------------------|----|-------------|
| 1 | United Kingdom | 6 | Belgium |
| 2 | United States | 7 | New Zealand |
| 3 | Australia | 8 | Germany |
| 4 | Canada | 9 | India |
| 5 | United Arab Emirates | 10 | France |

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

Suppliers in countries in Top 10 Global Slavery Index

www.globalslaveryindex.org

Country	Spend 2023	% of Total Spend 2023	Suppliers in high risk Level 2 purchase category
UAE	£8,220k	3.30%	167
KSA	£4,140k	0.17%	10
Turkey	£ 55k	0.00%	0
Kuwait	£ 748k	0.03%	1

See Annex A (page 19) for a breakdown of the percentage spend in high-risk purchase categories by supplier location.

Make up of our supply chain

Total spend by primary (Level 1) purchase category

Category	% of total spend
Corporate Services	27.5%
Facilities management (hard and soft)	17.1%
Property and real estates	14.2%
Human resources services	13.9%
Information & communications tech	11.1%
Marine	4.6%
Utilities, fuels & oils	3.9%
Ground transportation	2.5%
Health and employment services	2.2%
Unclassified	1.5%
Medical & scientific	0.8%
Aviation	0.6%

Spend across MSHT high-risk purchase categories

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

Category	% spend level 2 high risk category
Recruitment & temporary labour	28.2%
Catering food, beveraged & ingredients	12.7%
Security Services	11.3%
Building maintenance & services	7.9%
Environmental, health and saefty	7.5%
Construction	6.9%
Waste services	4.7%
Travel & events	3.9%
Catering equipment/services/consummables	3.7%
Cleaning services	2.6%
Laundry & linen services	2.6%
Landscaping and grounds	2.0%
Fleet (including heavy goods vehicles)	1.9%
Marine equipment and services	1.5%
ICT infrastructure	1.4%
Freight and logistics	0.8%
Furnishings and appliances	0.4%

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 2022 we invested into a new screening tool to ensure more indepth screening in the area of human rights and MSHT risks. This has been in place for the entirety of 2023, allowing us to have an enhanced screening of our supply chain for human rights breaches and other findings indicative of a MSHT risk.

In October 2022 we partnered with EcoVadis, the global sustainability ratings leader, to commence a review and better understand selected key suppliers' social and environmental performance in 4 key areas - environment, labour and human rights, ethics and sustainable procurement. These evidence-based and verified assessments are refined into easy-to-read scorecards, providing zero to one hundred scores. Rated suppliers are asked to achieve and/or demonstrate progress towards achieving and continuing to maintaining a minimum score of 45 for both the Ethics and Human Rights pillars. Suppliers with a minimum score of 45 have well-established policies, evidence external endorsements and demonstrate measurable and actionable results.

Training and communication

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

- All employees joining Serco and annually during their time with Serco employees 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.

All the Divisions continue to raise awareness on MSHT through various channels. For example, the UK&E Division completed 12 Integrated Assurance Reviews ("IAR"). The purpose of these reviews is to ensure that frontline staff understand and are aware of Serco's various policies and processes, including MSHT. It is also an opportunity to ensure managers have distributed Serco's modern slavery package to staff members and shared it during meetings. Where this might not have happened, the action is remediated. The Middle East organised two dedicated sessions on MSHT, one with customers and another with members of our supply chain.

Customer and Supplier training in collaboration with Slave Free Alliance

Middle East ran with Slave Free Alliance, a leading anti-modern slavery non-profit, two training sessions for our valued customers and suppliers. The primary goal was to enlighten them about the nuances of modern slavery, including its identification and the subsequent responsive measures. Feedback post-training highlighted the sessions' efficacy, with many pledging reinforced efforts towards this shared goal.

Progress and performance

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

Indicator	Unit	2022	2023	22v23	Note	Definition
Employee engagement: Ethical Standards	No.	74	76	+2		Average score of responses to specific questions related to Business Integrity, namely: I never feel pressured to compromise our ethical standards.
Employee engagement: Reporting Unethical Conduct	No.	74	74	0		Average score of responses to specific questions related to Business Integrity, namely: I can report unethical conduct without fear of retaliation.
Contingent worker headcount	%	14	10.7	-3.3	Serco now recruits through our internal workforce solution bringing down the number of contingent workers used as they are now being employed directly.	Total number of contingent workers, defined as those who are employed by another organisation but provide services to Serco, as a percentage of headcount.
Prosecutions for human rights violations (incl. indigenous, modern slavery, etc.)	No.	0	0	0		Total number of prosecution resulting from a breach of Human Rights legislation where Serco has been found guilty. These are counted where the prosecution has concluded in the reported period, not when the original incident took place.
Tier 1 suppliers categorised as potentially high risk for Modern Slavery	No.	1544	1861	+317	As more supplier categories have been included in our high risk list, our number has grown from 2022.	Total number of Tier 1 suppliers that have been categorised as potential high risk for modern slavery
Tier 1 suppliers categorised as potentially high risk for Modern Slavery	%	10.9	13.3	+2.4		Total Number of Tier 1 suppliers that have been categorised as potential high risk for modern slavery as a proportion of the total number of Tier 1 suppliers
Tier 1 supplier enhanced modern slavery assessment completion	%	40	16	-24	The number has dropped from 2022 as we completed our retrospective assessment exercise. The figures in 2023 are purely new suppliers who were onboarded in 2023.	Total Number of Tier 1 suppliers that have been categorised as potential high risk for modern slavery and have completed an enhanced modern slavery assessment in 2023 as a proportion of the total number of Tier 1 suppliers in the potential high risk category for modern slavery.
Substantiated Speak Up cases related to Human rights and modern slavery	No	0	0	0		Total number of Substantiated Speak Up Cases in the period relating to Human Rights breaches (modern slavery, discrimination, minimum wage, living conditions etc.)
Case rate substantiated modern slavery cases	%	0	0	0		Total number of Speak Up Cases categorised as 'Human Rights (incl. Modern Slavery)' that have been substantiated divided by total number of Headcount employees multiplied by 100.

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 2024 we will:

- Further leverage our 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 Ethics and Champions 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.
- Continue to review the indicators that we use to monitor improvement in our management of MSHT risk. Areas we intend to explore include 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 2024

Annex A Percentage of spend in high-risk purchase categories by supplier location

Country	Building Maintenance & Services	Catering Equipment & Services	Catering Equipment, Food & Services	Catering Food, Beverages & Ingredients	Cleaning	Cleaning Equipment & Consumables	Cleaning Services	Construction	Environmental, Health & Safety	Fleet	Freight & Logistics
United Kingdom	42.23%	87.81%		61.50%		65.04%	18.09%	55.20%	50.58%	92.66%	63.06%
Australia	8.56%			30.65%		27.71%	34.79%	21.46%	24.30%	5.24%	26.49%
United Arab Emirates	44.66%			1.90%		3.11%	24.31%	18.69%	5.53%	1.33%	7.12%
United States Of America			15.25%		34.66%	0.00%	0.00%	0.00%	9.97%		
New Zealand	0.00%			4.23%		0.89%	16.38%	0.05%	2.67%		2.06%
Belgium	4.11%	7.29%		1.70%			3.72%	1.10%	0.89%		1.27%
Canada			84.75%		65.34%				3.80%		
Netherlands									0.46%		
Saudi Arabia	0.40%	4.87%	0.00%			0.77%	0.68%	2.46%			
France	0.03%						0.73%	0.33%	1.72%		
Hong Kong, Sar China		0.02%		0.02%		2.48%	1.28%	0.02%	0.08%	0.77%	
Switzerland											
Spain											
Finland								0.03%			
Germany								0.20%			
Norway	0.02%							0.37%			
Ireland											
Japan											
Luxembourg								0.06%			
Kuwait								0.03%			
Qatar											

Country	Furnishing & Appliances	Heavy Goods Vehicles	ICT Infrastructure	Landscaping & Ground	Laundry & Linen Services	Marine Equipment & Services	Recruitment & Temporary Labour	Security Services	Travel & Events	Waste Services
United Kingdom	50.55%	99.40%	51.88%	56.69%	60.86%	61.41%	65.46%	59.05%	94.62%	88.39%
Australia	47.73%	0.60%	48.12%	17.47%	35.27%		10.54%	5.99%	0.56%	5.94%
United Arab Emirates	1.72%			11.22%	1.51%		0.42%	34.38%	1.50%	2.35%
United States Of America		0.00%	0.00%	2.54%	1.26%		19.37%			1.09%
New Zealand				0.01%			0.22%			0.48%
Belgium				4.44%	0.63%		1.02%		1.44%	0.24%
Canada				7.26%	0.47%		1.38%		0.10%	1.36%
Netherlands						38.59%	0.69%			
Saudi Arabia									1.29%	
France							0.28%		0.45%	0.01%
Hong Kong, Sar China				0.01%						0.03%
Switzerland							0.25%			
Spain							0.24%			
Finland								0.57%		
Germany							0.13%			
Norway										
Ireland							0.01%			0.13%
Japan				0.35%						
Luxembourg										
Kuwait										
Qatar									0.05%	

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