

Modern slavery and
human trafficking
statement
2020

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Global Modern Slavery Oversight Group established to drive continuous improvement in all Divisions.

Policies, standards and operating procedures 09

All elements in our management framework relating to modern slavery and human trafficking reviewed, updated and enhanced.

New modern slavery and human trafficking response and remediation process for all Divisions developed and deployed to enable swift, victim-centric response and cooperation with relevant authorities.

Grievance mechanisms 09

New 'Raise a concern' online guidance hub launched, making it easier for employees to take appropriate action on concerns, including any related to modern slavery and human trafficking.

New guidance for employees on how to identify and respond to potential signs of modern slavery or human trafficking developed and deployed.

Risk management 10

Emergency supplier onboarding procedure deployed, maintaining ethics and compliance checks in our supply chain throughout rapid expansion to meet Company-wide Covid-19 needs.

Worked with Stronger Together to develop an enhanced methodology for modern slavery and human trafficking risk assessment and applied it to our Tier 1 supplier population. Enhanced risk assessment for Tier 2 will commence in 2021.

Due diligence 13

Implementation of our ethics and compliance due diligence process and screening tool completed and Third-Party Due Diligence Manual published.

New supplier questionnaire for enhanced modern slavery due diligence developed with Stronger Together and integrated into our onboarding process.

Retrospective modern slavery due diligence on Tier 1 suppliers in our high-risk purchase categories commenced.

Training 13

Global Procurement, Legal and Ethics & Compliance teams trained on modern slavery and human trafficking in purchasing practices with Stronger Together.

Training on modern slavery and human trafficking for our global Recruitment teams and certain key contracts developed and delivered in-house.

Modern Slavery module in Serco Essentials refreshed and a new Supplier Code of Conduct training video in development – covering human rights, fair working conditions and modern slavery.

Management training for our new response and remediation process developed.

Progress and performance 14

Reporting entity

This document constitutes Serco's modern slavery and human trafficking statement for the financial year 2020, as agreed by senior management and approved by the Serco Group plc Board.

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.

Legislative compliance

This 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:

- 'Personal Protective Equipment' is a Level 3 purchase category within our 'Environmental, health and safety' Level 2 purchase category; and
- 'Environmental, health and safety' is a Level 2 purchase category within our 'Facilities management' Level 1 purchase category.

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.”

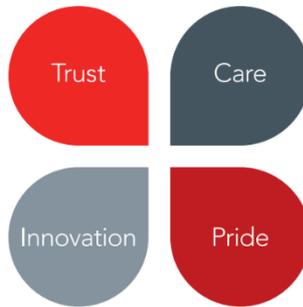
Rupert Soames
Serco Group plc Chief Executive

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 Corporate Responsibility Framework

Our commitment to human rights applies to all Serco stakeholder groups. As such, it is embedded in the centre of our Corporate Responsibility Framework (which encompasses our Environmental, Social and Governance priorities) in 'Behaving with integrity and respecting human rights'.

Our commitment not to tolerate modern slavery and human trafficking in our operations and supply chain is addressed in our 'Duty of care' to service users and our 'Responsible relationships' with suppliers and other third parties.

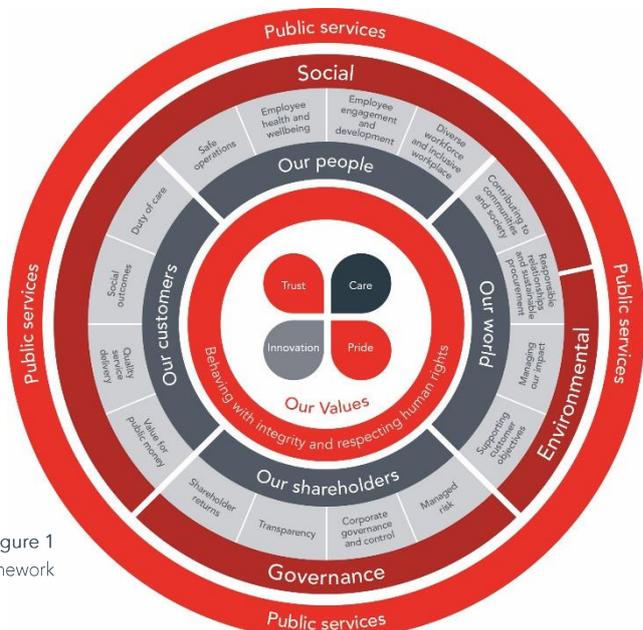


Figure 1
Serco Corporate Responsibility Framework

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

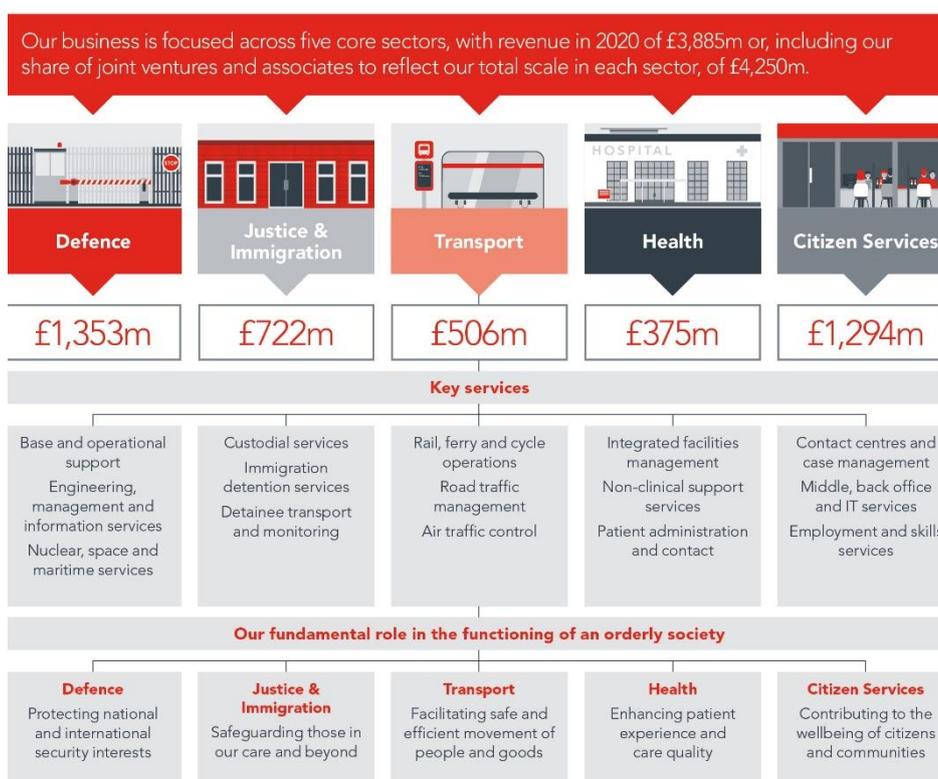
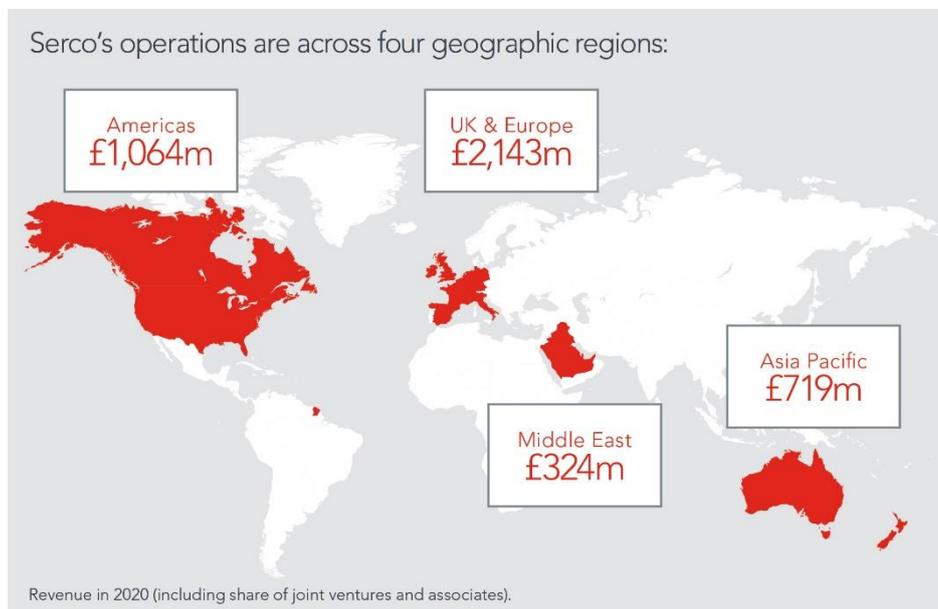


Figure 3
Where we operate



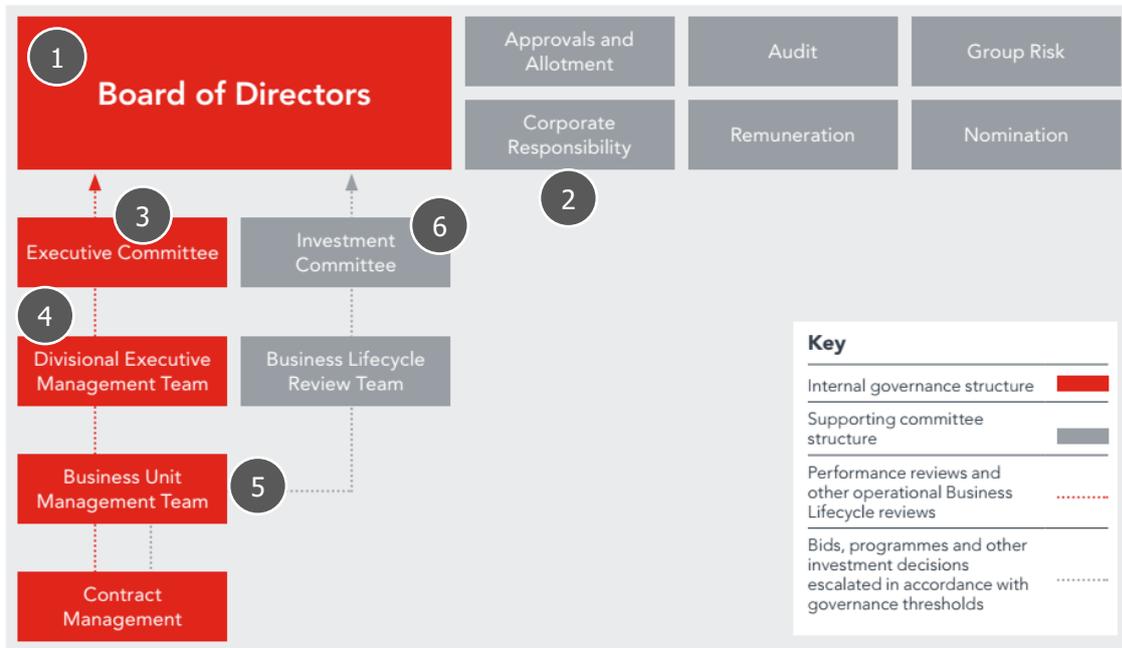


Figure 4: Serco Board and governance structure

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 modern slavery and human trafficking commitment.
2. Oversight and review of human rights, modern slavery and human trafficking is undertaken by the **Corporate Responsibility Committee**, a formal committee of the plc Board.
3. The **Executive Committee** regularly reviews Ethics & Compliance, including human rights, modern slavery and human trafficking.
4. **Divisional Executive Management Teams (EMTs)** are responsible for ensuring human rights, modern slavery and human trafficking 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 modern slavery commitment in our Contracts by ensuring the identification, prevention or mitigation of any adverse human rights, modern slavery and human trafficking 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, modern slavery and human trafficking.

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.

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, modern slavery and human trafficking 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.

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

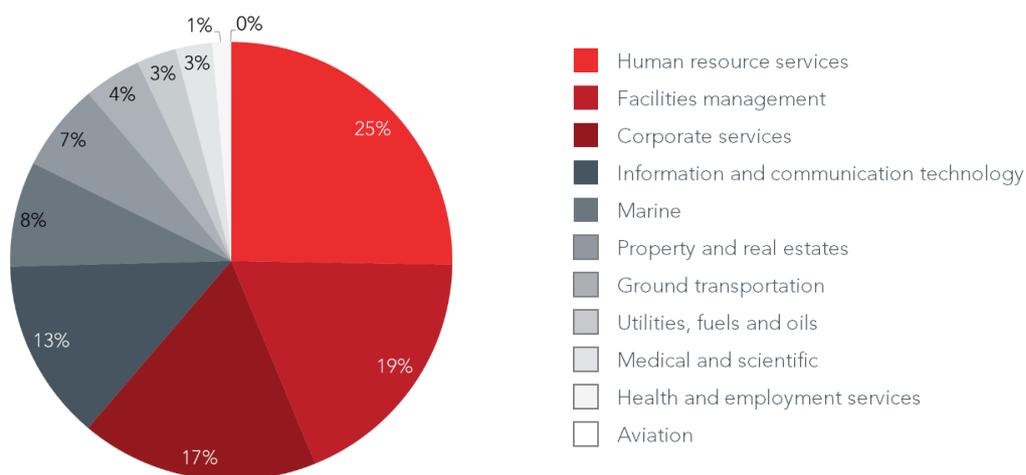


Figure 5: Key areas of focus for the Serco Modern Slavery Oversight Group

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.

Our supply chain *continued*

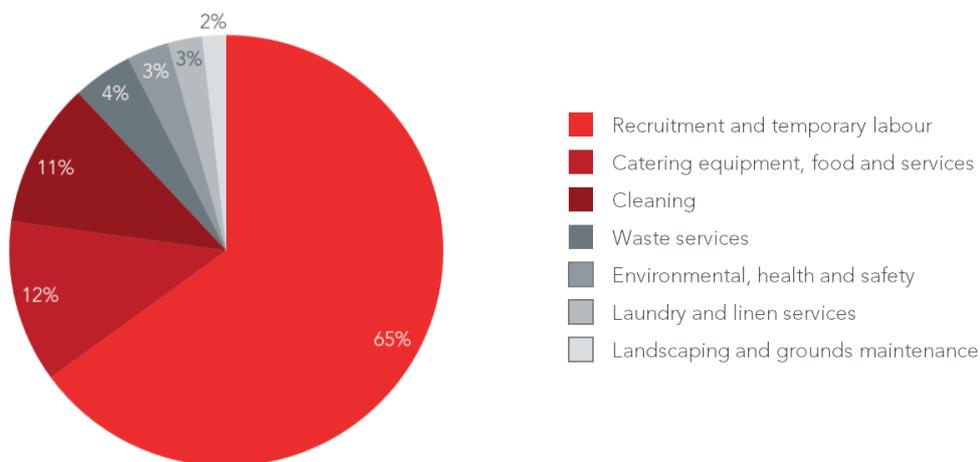
Figure 6: Total spend by primary (Level 1) purchase category*



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

- 22% spend in high-risk purchase categories (£473,497,564)
- 78% spend in low-risk purchase categories (£1,635,185,663)

Figure 7: Spend across high-risk purchase categories



Top ten countries (supplier location) by spend

Accounts for more than 90% of suppliers

1	United Kingdom	6	Saudi Arabia
2	United States	7	Netherlands
3	Australia	8	Italy
4	United Arab Emirates	9	Japan
5	Belgium	10	India

Suppliers in countries identified in the Top 10 Global Slavery Index

www.globalslaveryindex.org

Country	Spend 2020	% of Total Spend 2020	Suppliers by Level 2 purchase category
Afghanistan	£841,882	0.0391%	1 x Fleet (low risk)
Pakistan	£2,559	0.0001%	1 x Marketing (low risk) 1 x ICT software and services (low risk)

Coverage 2020: All data is for the total Group.

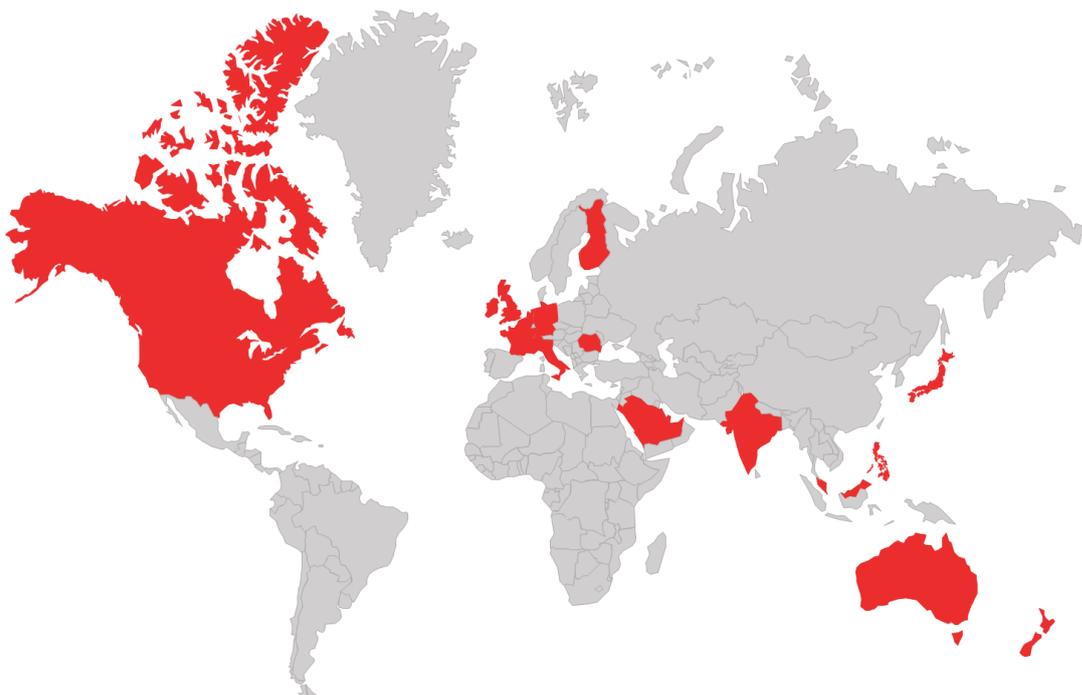
Total Spend 2020: £2.15bn

Number of Tier 1 suppliers 2020: 15,870

* Excludes approx. £45m of spend (2% of Total Spend 2020) not allocated to specific purchase categories.

Our supply chain *continued*

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



Country	Recruitment and temporary labour	Catering equipment, food and services	Cleaning	Waste services	Environmental, health and safety	Laundry and linen services	Landscaping and grounds maintenance
United Kingdom	86.92%	61.74%	43.89%	88.85%	70.53%	65.40%	65.29%
France	0.14%	0.13%	0.002%		0.02%		
Switzerland	0.10%						
Belgium	0.10%	1.43%	0.04%	0.02%	0.02%		1.35%
Ireland	0.08%		0.002%				
Germany	0.06%	0.03%	0.002%	0.06%	0.06%		
Netherlands	0.06%		0.008%				
Italy	0.03%	0.02%	0.008%	0.01%	0.01%		
Finland		0.03%					
Denmark			0.01%				
Romania					0.01%		
United States	7.14%	0.21%	3.18%	1.08%	4.90%		2.45%
Canada	0.30%	1.88%	1.87%	0.52%	1.09%	0.02%	3.70%
Saudi Arabia	0.61%	0.01%	4.07%	0.10%	0.16%		
United Arab Emirates	0.29%	1.15%	35.85%	4.13%	6.92%	0.57%	16.78%
Qatar			0.03%				
Australia	2.01%	30.23%	10.15%	5.06%	15.01%	33.97%	10.29%
India	1.14%						
New Zealand	0.94%	3.06%	0.14%	0.21%	0.90%	0.04%	0.04%
Malaysia	0.04%						
Hong Kong	0.03%	0.09%	0.74%	0.02%	0.36%		0.06%
Philippines	0.002%						
Japan							0.05%

Policies, standards and operating procedures

Our modern slavery and human trafficking commitment and compliance is embedded in our overarching management framework, the Serco Management System (SMS), and our Code of Conduct. 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.

Our modern slavery and human trafficking commitment is embedded in the SMS and Code of Conduct through the following specifically:

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

In 2020, we developed and deployed a new **modern slavery and human trafficking response and remediation process** for all Divisions, to enable swift, victim-centric response and cooperation with relevant authorities.

We also reviewed the elements within the SMS relating to modern slavery and human trafficking, updating and enhancing where appropriate.

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 to all employees, suppliers and the public, 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 2020, there were no issues relating to modern slavery and human trafficking 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 2020, there were no issues relating to modern slavery and human trafficking raised through our formal grievance procedure.
- **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, there were no issues relating to modern slavery and human trafficking 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, modern slavery and human trafficking.

We have also developed new guidance for employees on how to identify and respond to potential signs of modern slavery or human trafficking and deployed this alongside our new response and remediation plan.

Risk management

Our modern slavery and human trafficking 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, modern slavery and human trafficking impacts – are managed and monitored through the Contract 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, modern slavery and human trafficking. These are consolidated into a Group register of Ethics & Compliance risks, regularly reviewed by the Executive Committee and the Corporate Responsibility Committee.

The risk of modern slavery and human trafficking 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.

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 certain parts of our business, 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 modern slavery and human trafficking. At the same time, we 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 our 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, which includes taking appropriate action if they suspect someone is at risk of harm, including any form of abuse or exploitation.

That is why we have launched a **new modern slavery and human trafficking response and remediation guidance and process.**

Deployed at the end of 2020, the new guidance and process has been developed to make it easier for everyone in Serco to recognise the signs of modern slavery and human trafficking and take appropriate action in response. It explains what we expect of Serco employees in helping us to safeguard our service users against modern slavery and human trafficking, what these practices are and their most common forms, how to recognise potential victims, and what action to take.

Our new response and remediation guidance and process scales up the proactive safeguarding culture, policy and practice already well-established in certain parts of our business, including Northlink Ferries and Serco Employment, Skills and Enterprise in the UK, and our Immigration operations in both the UK and Australia (see next page).

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. *Continues next page*

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

Serco Employment, Skills and Enterprise manages the Inspiring Families programme in North and East London, helping people to improve their personal and family circumstances and get back into work.

"We support disadvantaged families with specific barriers to sustainable employment," says Foysal Ahmed, Head of Employability and Adult Skills for Work, "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."

Through **Northlink Ferries**, 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, NorthLink Ferries 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 modern slavery and human trafficking in the training they receive and are ready to report any concerns to the authorities."

Through our **Asylum Accommodation and Support Services Contract**, 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. "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."

Yarl's Wood Immigration Removal Centre (IRC) houses 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."

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

"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 that our service users might face. The Red Cross have been impressed by the maturity of Serco's approach to tackling modern slavery and we are proud to be supporting their research. We look forward to piloting the training when it is ready and helping make a bigger difference in this area."

Risk management *continued*

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 modern slavery and human trafficking 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 modern slavery and human trafficking, 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 – see right.

During 2020, our response to **Covid-19** necessitated foreshortened supplier onboarding to help meet acute business need for critical goods and services. Recognising the potential impact on our capacity to assess and address risks, including those relating to modern slavery and human trafficking, we deployed our emergency onboarding process, which includes ethics and compliance checks normally carried out as part of the full supplier onboarding process.

Also in 2020, we worked with Stronger Together to develop an **enhanced methodology for modern slavery and human trafficking risk assessment** and applied it to our entire Tier 1 supplier population.

Analysing our supply chain spend from June 2019 to May 2020, focusing on levels of spend and factors associated with increased vulnerability of workers, we identified seven high-risk purchase categories in our supply chain (at Level 2 in our purchase category hierarchy):

- Landscaping and grounds maintenance
- Environmental, health and safety
- Laundry and linen services
- Waste services
- Cleaning
- Catering equipment, food and services
- Recruitment and temporary labour

See Figure 7 on page 7 for the proportions of our spend across these purchase categories in 2020.

Together, these represent approximately 2,000 suppliers in our Tier 1 supply chain, across 25 Level 3 purchase categories. We are now delivering enhanced modern slavery due diligence for these suppliers (see **Due diligence**, page 12).

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, we completed the implementation of our **ethics and compliance due diligence process and screening tool** and published our **Third-Party Due Diligence Manual** – a single volume comprising all existing, updated and new due diligence Group Standard Operating Procedures.

Working with Stronger Together, we have developed a new supplier questionnaire for **enhanced modern slavery due diligence** and integrated it into our supplier onboarding process.

Following the enhanced risk assessment of our Tier 1 supplier population, we have commenced retrospective modern slavery due diligence on Tier 1 suppliers in the high-risk categories identified, prioritised according to geography, spend and business criticality. This is planned to complete in 2021.

Training

Our Ethics & Compliance function is responsible for designing human rights training courses in Serco, including modern slavery and human trafficking.

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. Modern slavery and human trafficking 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 modern slavery and human trafficking for teams whose roles and/or locations require them to have deeper, specialised understanding.

In 2020, we worked with Stronger Together to **train our global Procurement, Legal and Ethics & Compliance teams** on modern slavery in purchasing practices (55 people).

We also developed and delivered **in-house training on modern slavery for our global Recruitment teams** and certain key contracts (258 people).

We have refreshed the modern slavery module in Serco Essentials and are developing a **new Supplier Code of Conduct training video** – covering human rights, fair working conditions and modern slavery – which will become a mandatory requirement in supplier onboarding from 2021.

In 2021, we will publish new management training to accompany our new response and remediation process. We will also look at providers through whom we can offer modern slavery training to our suppliers; launch the next instalment of our 'Living our Code of Conduct' training; review our approach to and content of mandated training for the next three years; and consult with frontline employees to inform a refresh of our Code of Conduct and how they engage with it.

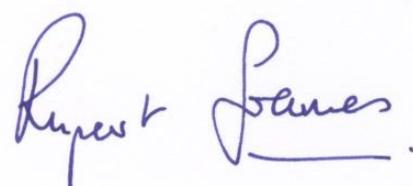
Progress and performance

We use a number of different indicators to monitor our progress and performance regarding modern slavery and human trafficking (MSHT). In 2020, we refined and updated these to align more closely to the specific objectives of our modern slavery programme and external best practice.

		Progress and performance indicators	2019	2020	Notes
1a	Our people	Employee engagement: Business Integrity (avg. score)	75	75	'Employee engagement: Business Integrity' 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 completion of planned specialist MSHT training deployed to individuals in identified high risk roles.	–	80%	Main category of high-risk roles covered: Procurement, Legal and Ethics & Compliance across Serco worldwide.
1c	Our people	Percentage of workforce employed through an agency.	–	20%	
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.	–	4%	This process commenced in Q4 2020, prioritising business-critical suppliers. Retrospective enhanced MSHT due diligence will be completed for all remaining Tier 1 suppliers in our high-risk categories during 2021.
2b	Tier 1 Suppliers	Percentage of Tier 1 suppliers identified in high risk categories for modern slavery (who have completed enhanced MSHT due diligence) with a modern slavery statement or equivalent.	–	81%	
2c	Tier 1 Suppliers	Percentage of Tier 1 suppliers identified in high risk categories for modern slavery (who have completed enhanced MSHT due diligence) that have completed a modern slavery or human trafficking risk assessment on their own supply chain.	–	58%	
2d	Tier 1 Suppliers	Percentage of Tier 1 suppliers identified in high risk categories for modern slavery (who have completed enhanced MSHT due diligence) that have cascaded our MSHT requirements to their own supply chain.	–	51%	
2e	Tier 1 Suppliers	Percentage of Tier 1 suppliers identified in high risk categories for modern slavery (who have completed enhanced MSHT due diligence) with a grievance and response mechanism in place.	–	80%	
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	0	Speak Up is Serco's independently operated system for raising concerns.

We will continue to review the indicators that we use to monitor improvement in our management of modern slavery and human trafficking 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
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