

QINETIQ

Modern Slavery and Human Trafficking Statement

July 2021

This is QinetiQ Group Plc fifth Modern Slavery Statement issued under section 54 of the Modern Slavery Act 2015 (the Act) in the UK and in accordance with the modern slavery laws of other locations in which QinetiQ operates (Applicable Home Territory Acts). It constitutes our modern slavery and human trafficking statement for the financial year ending 31 March 2021, setting out the measures QinetiQ Group plc takes to prevent slavery and human trafficking in our business and supply chains.

Modern Slavery is widespread, effecting all sectors and territories. We are committed to responsible business conduct, and believe that slavery is not acceptable within our business and our supply chain. We fully support the principles of the UK Act and those set out in Applicable Home Territory Acts.

Our Business and Supply Chains

QinetiQ Group plc is the parent company of a number of wholly-owned subsidiaries. The UK, US and Australia are our home countries, where we have more than 600 people in-country. Our priority countries for future growth are Canada, Germany and Belgium.

QinetiQ Ltd, based in the UK is by far the largest part of the Group and is where our Head Office is located (with approximately 70% of our employees). Our other subsidiaries are smaller (approximately 600 people or less in each case), including: the Group's US Global Products division, which comprises QinetiQ Inc., Foster Miller Inc. (doing business as QinetiQ North America) and QinetiQ Special Projects Inc., QinetiQ Pty Ltd (Australia), QinetiQ Space NV (Belgium), QinetiQ Target Systems Ltd (a UK entity with facilities in UK and Canada), QinetiQ Group Canada Inc, QinetiQ Sweden AB, QinetiQ GmbH (Germany) and Newman & Spurr Consultancy Ltd (UK). In FY21 we acquired Naimuri Ltd (UK) and in December 2020 we acquired the final 15% of share capital of Inzpire Group Ltd (UK). Also in FY21 we disposed of OptaSense Ltd (UK, Canada and US), Bolden James Ltd (UK and US) and Commerce Decisions Ltd (UK and Australia) and their associated subsidiaries and we closed down our QinetiQ Solutions office in Malaysia.

The Group revenue for FY21 was £1278.2M. Subsidiaries with revenue greater than £36M in FY20 were QinetiQ Ltd, QinetiQ Limited, Foster Miller Inc. QinetiQ Inc, QinetiQ Pty Ltd and QinetiQ Space N.V.

QinetiQ is a science and engineering company operating primarily in the defence, security and critical infrastructure markets. We are an information, knowledge and technology based business with more than 3,000 scientists and engineers (our total workforce is 6,800) and a wide array of unique facilities. We report through two divisions: Our customers are predominantly government organisations

- EMEA Services, providing advice and services, particularly test and evaluation; and
- Global Products, delivering products and solutions supported by research and development.

As our core business is Test and Evaluation so we do not undertake mass production or significant manufacturing. The exception is QinetiQ Target Systems (which produces targets), Space NV (which produces satellites) and our US Global Products division (which principally produces robots and now sensor products following the acquisition of MTEQ).

Modern Slavery and Human Trafficking Statement

Our product and service supply chains are relatively short and often draw primarily on domestic suppliers although in some cases these extend globally. Our suppliers can be divided broadly into two categories;

- Those that we use to support our operations (eg Infrastructure, Facilities Management Services, IT) and
- Those that support the delivery of services and products to our customers (eg Engineering and Research).

We have approximately 6,600 active suppliers and most of our spend (approximately 90%) is within our home countries (UK, US and Australia). The goods and services that we procure by spend in the delivery of our business are largely high-end technology or commercial off-the shelf products, or high-end consultancy and research services.

Our Policies and Controls

We are committed to responsible and ethical business practice and expect similar standards from our business partners and suppliers. We respect international principles of human rights including, but not limited to, those expressed in the UN Declaration of Human Rights, United Nations Guiding Principles, UK Government Modern Slavery Act 2015; US Trafficking in Victims Act 2000, also referred to as TVPA, in Australia we are committed to meeting the requirements of the Commonwealth Modern Slavery Act 2018 and the relevant legislation in all of the territories where we operate and procure our goods and services. We also support the United Nations Sustainable Development Goals, and in the context of our modern slavery programme Goal 8.7 which aims to end modern slavery and human trafficking. Through our policy and process we seek to anticipate, prevent and mitigate potential negative human rights impacts.

The QinetiQ Group **Code of Conduct** describes our values and standards; and how we work with our people, our customers and partners, local communities and the public. As well as complying with all applicable laws and regulations, we are committed to meeting the highest level of ethical standards. Our Code of Conduct includes guidance on Modern Slavery.

We abide by and respect international labour laws. Because of the nature of the work that we do and where our sites are located, we do not have a significant risk of slavery within our operations and workforce. However, we are not complacent. We have ensured that our resourcing policy includes consideration of modern slavery.

Our employees are protected by our policies such as health and safety, security, recruitment, pay, working hours, freedom of association and non-discrimination.

Human rights issues are embedded in our international business risk management processes, and our trading policy, and we have specific requirements to address the risk of modern slavery and human trafficking in our procurement policy and processes. Our Supplier Code of Conduct defines the minimum standards that our suppliers are required to adhere to when they deliver products or services to QinetiQ (which may also involve their own suppliers). Our policies and codes provide guidance to our employees, suppliers and partners to support the prevention of modern slavery and human trafficking from taking place in our business or in our supply chains.

We monitor the application of our policies and procedures through our business assurance processes. We believe that this embedded approach to responding to modern slavery and human rights issues is effective.

We are committed to a culture where people are confident to speak up and we communicate this to employees via our Code of Conduct, our business ethics training and wider awareness communications. We have an ethics email advice service, a network of Ethics Champions and an independent confidential reporting line for employees and third parties to report any concerns, including in relation to modern slavery. Details of this are covered in our Code of Conduct. During FY20 we have had no issues raised about modern slavery via these routes.

Our Due Diligence and Risk Management

We undertake modern slavery risk assessments at an enterprise level across our business, and particularly in relation to our supply chains.

We have in place a pre-qualification process for new suppliers, and our sub-contract terms and conditions explicitly require our suppliers to be legally compliant with modern slavery and human trafficking legislation. Suppliers to the QinetiQ Group are screened for sanctions and previous prosecutions in relation to human rights abuse.

In the UK we are an active participant of the Joint Supply Chain Accreditation Register (JOSCAR) which in collaboration with other UK defence and security primes, helps us mitigate modern slavery risk within our supply chains. Our supplier screening is ongoing and is part of a wider human rights and governance compliance activity. We undertake a risk review of suppliers, based on country, product, services and sector risk. For the elements of our supply chain we consider to have a potentially higher risk of modern slavery and human trafficking occurring, or potential cause for concern, we undertake appropriate action to understand, qualify and address the risk or issue. Currently less than 0.4% of our Tier 1 suppliers are located in high risk countries which represents 0.12% of our total spend. We are increasing our engagement with key Tier 1 suppliers to understand how they manage risk further down the supply chain.

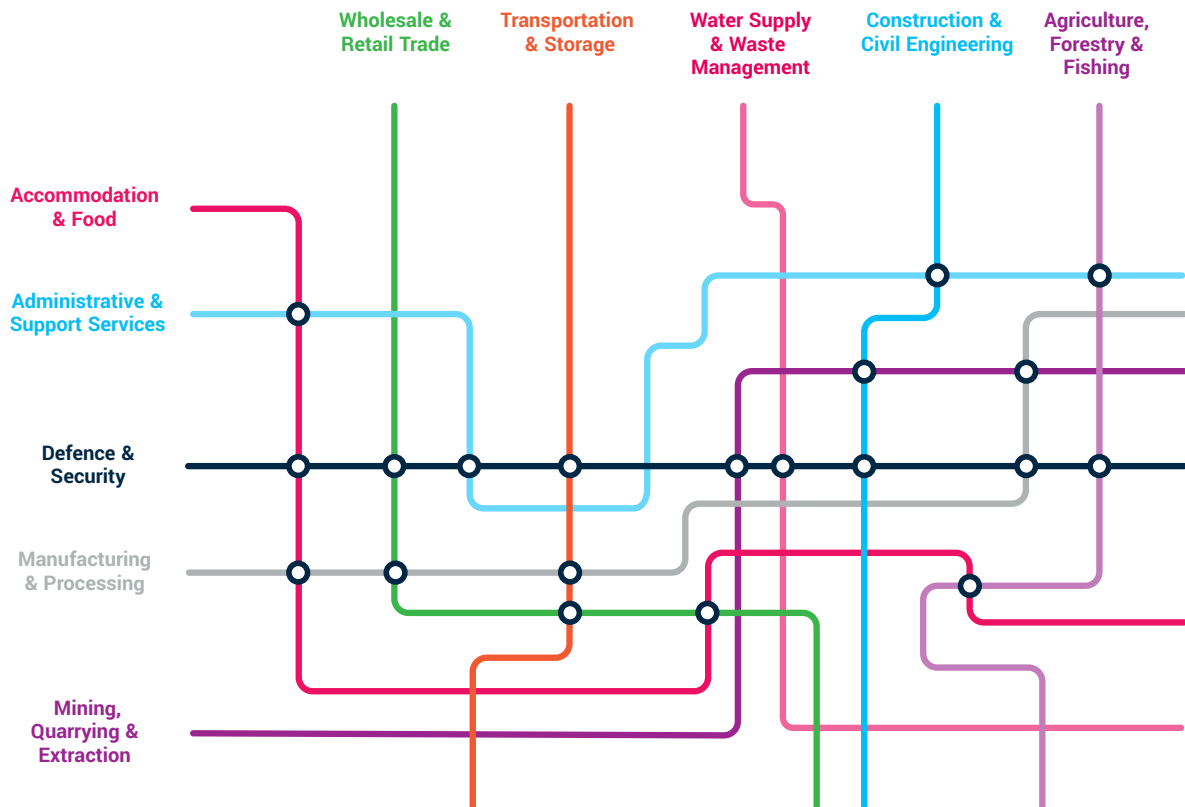
Our due diligence has not been static, taking into consideration the changing impact of the COVID-19 pandemic and the influence this has had on exacerbating the risks of modern slavery occurring in some sectors. We have introduced specific due diligence to appropriately reduce the impact of COVID-19 on QinetiQ and our supply chain and whilst remaining vigilant, our approach now follows our established process for continuous monitoring of our supply chain.

Training and Raising Awareness

QinetiQ recognises that the knowledge, responsibility and conduct of our people play an important role in mitigating the risk of slavery and human trafficking within our organisation and supply chains. To help our employees identify and address modern slavery risk in our business we have provided modern slavery training and briefings for employees with roles in Supply Chain and Procurement, Human Resources and Governance. We have also included modern slavery in our annual business ethics training, which is a mandatory requirement for all employees and undertaken by our Board, to ensure our employees are aware of the issue and understand their role in helping to prevent modern slavery. We have in place a 'Modern Slavery Resource Hub' on our intranet to give our employees and those in key roles access to the latest information and resources. We have also undertaken awareness communications for employees.

Case Study

To raise awareness within QinetiQ and externally, we wrote and issued a Blog on **Tackling Modern Slavery**. The piece drew out a misconception that certain industry are unlikely to be a victims of modern slavery by illustrating that a single industry does not operate in isolation with other industries but often overlapping with shared suppliers, products and services. The Blog was well received and helped to raise awareness of modern slavery and the need to be vigilant in all industries.



Stakeholder Engagement

We recognise that learning from, and collaboration with others will strengthen our approach to Modern Slavery. We actively participate in our trade body (ADS) Business Ethics Network, where we are able to share best practice on ethical and human rights issues and work in collaboration with our suppliers.

As part of our QinetiQ Collaborate series of events, in FY21 we ran a QinetiQ Collaborate: Tackling Modern Slavery virtual event inviting selected organisations from our supply chain and Unseen, the modern slavery charity.

Within our company, addressing Modern Slavery requires collaboration across functions and business units, with key roles from Corporate Responsibility & Sustainability, Supply Chain and Procurement, Legal & Governance, International Operations, Business Services and HR involved. We engage across our Group to ensure that our subsidiaries are involved in our programme including being consulted in the writing of this statement.

Case Study

The QinetiQ Collaborate “Tackling Modern Slavery” virtual event held in March 2021, followed an event in the same series on **“Social Value in Defence and Security”** in January 2021.

The event brought together a range of suppliers to share best practice and lessons learnt on tackling Modern Slavery, with guest speaker from Unseen providing an update of legislation and recent issues e.g. COVID19. The event enabled cross-industry collaboration and awareness of Modern Slavery in QinetiQ’s supply chain.



Assessment of and the effectiveness of our approach

Our approach has been to ensure we have an effective policy and process, to engage with our supply chain and to raise awareness of the issue of modern slavery with our people, via training and communications. Modern slavery is a complex and evolving issue, and we regularly review progress, learn from best practice and deliver improvements so that we continue to improve our approach.

In FY20 we introduced a question on Modern Slavery for each business unit and department in our self-certification governance process which has been helpful.

In FY21 we:

- Successfully implemented year 1 of a 3-year Modern Slavery action plan to develop our approach to supply chain management, training and capacity building, due diligence and risk assessment and stakeholder engagement.
- Engaged with key Tier 1 suppliers to raise awareness of Modern Slavery and to share best practice.
- Continued to raise awareness (via communications and new intranet web resource) and training for our people; with modern slavery included in our annual business ethics training as well as more detailed training for key roles. We sought feedback on the effectiveness of the training and created some complementary resources.
- Continued to screen new suppliers and provide additional scrutiny on high-risk suppliers.
- Hosted an event on Tackling Modern Slavery to promote sharing of best practice and increasing the awareness of Modern Slavery with our UK supply chain.
- Developed and shared a Modern Slavery Blog to draw awareness and engagement on the subject both internally and externally.
- Participation in our Trade Body (ADS) Business Ethics Network to share industry best practice and collective issues.

Next Steps

During FY22 we plan to:

- Continue to work with our most recently acquired subsidiaries to align our policies and processes.
- Review, update and continue to roll out and embed our 3-year Modern Slavery Action plan to develop our approach to supply chain management, training and capacity building, due diligence and risk assessment and stakeholder engagement.
- Review the feedback and recommendations from our first submission to the UK Government risk based Modern Slavery Assessment Tool (MSAT) and use this to inform our approach.
- Continue to provide training for those in key roles.
- Continue to engage with Tier 1 suppliers and develop an engagement approach with supplier in Tier 2.
- Continue to screen suppliers.
- Continue to engage through our trade and professional bodies to share and learn from best practice.
- Continue to monitor the development of new regulations or guidance relating to prevention of modern slavery and human trafficking in the territories where we operate, to ensure that our policies and processes remain current and compliant.

Governance

Strong governance underpins responsible business practice and our Board receives regular briefings on business ethics and modern slavery. Our Business Ethics Committee, chaired by our Chief Ethics Officer (Group Company Secretary & General Counsel) has oversight of our human rights approach, including Modern Slavery.

The Modern Slavery programme is delivered via collaboration across key functional roles, (Supply Chain and Procurement, Legal & Governance, Business Services and Corporate Responsibility teams, Human Resources,).

The Managing Directors of each of our QinetiQ Group businesses and functions are responsible for Modern Slavery activity within their operations. Overall accountability is held by the CEO, Steve Wadey and our Board have final approval.

The Board of directors of QinetiQ Group plc approved this statement at its Board meeting, dated 21 July 2021.

Signed:



Chief Executive Officer, QinetiQ Group plc

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