



Public services for public impact >

Serco Environmental,
Social and Governance Report 2022

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Other ESG resources from Serco

Annex A lists additional sources of information that build on the summary provided in this report. These are available at www.serco.com/esg.

About Us

Serco Group plc's roots go back to 1929, becoming Serco Limited in 1987 and in 1988 was listed on the London Stock Exchange. Serco specialise in the delivery of essential public services, with over 50,000 colleagues working in defence, transport, justice, immigration, healthcare and other citizen services across our four regions: UK & Europe, North America, Asia Pacific and Middle East. A strong public sector ethos runs through our organisation which is why you will always find our people are motivated to make a positive difference. We constantly evaluate our performance and the efficiency of our operations, as well as the outcomes we achieve for citizens.

We welcome comments, questions or suggestions regarding this report at corporateresponsibility@serco.com

Welcome to the latest report on Serco's Environmental, Social and Governance initiatives.

As I step into the role of Serco Group Chief Executive, I'm pleased to introduce our 2022 report, 'Public services for public impact', which helps us evidence our ability to make a positive difference in our fellow citizens' lives. In this report you'll find a summary of our ESG activity in 2022, features of the colleagues who make it happen, and our roadmap for 2023 and beyond. I'm pleased to share that Serco's ESG journey has gone from strength to strength through 2022, so it's fitting that we take the time to celebrate our achievements and reflect on the journey ahead.

Our values sit at the heart of how we maintain our position as a leading provider of services for governments across the world. Delivery of public services places a responsibility on us to generate positive outcomes. It also places us at the heart of the communities we serve, each benefiting through our investment in local jobs and businesses as well as fundraising and volunteering efforts.

We deliver this through our people and by unlocking productivity, growth and better services with a workforce that is cared for, safe, inclusive and whose differences are celebrated.

We are a global Company at the heart of the communities we serve. We have a relentless focus on safety and carried out a Safety Culture survey with positive results. It was therefore disappointing when we did not hit our key safety thresholds, but we remain focused and are committed to preventing injury, incidents and ill health.

Our effort on sustainability continues to evolve and we are committed to supporting the net zero transition, both directly and indirectly. We have strengthened our environmental strategy which includes partnering with governments in their journey towards net zero, broader environmental protection and efficient use of resources, including procuring sustainably. As part of our drive to partner to net zero in the "E" space we are particularly proud to have moved our CDP score from B in 2021 to A- in 2022.

As a partner to governments around the world, it is critical that the citizens we serve have trust in us. We have earned this trust over many years but are not complacent and we will continue to focus on transparency and effective risk management via strong controls and governance.

To further build on our approach we've engaged with a variety of stakeholders. We've refreshed our materiality assessment and ESG framework which guides our long-term approach and have improved our ESG scores with several ESG agencies. We've also built on our progress from last year and delivered on our plans to enhance our relationships with our customers, employees, suppliers, shareholders and the wider community.

Given our progress, I'm proud of how far we've come, our plans for the future, and everyone involved along the way.

Mark Irwin, Serco Group plc Chief Executive



Some interesting facts

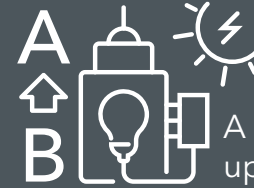


50,000

colleagues
across Serco



12th July Deferred
Prosecution Agreement and
related undertakings ended



A – CDP score,
up from B



32%

of our scope 2 electricity usage
is from renewable sources

25%



improvement in Physical
Assault Rate (v 2019 baseline)



50.5%

of high risk suppliers
for which modern slavery
assessments completed



+15%

Share price performance



Zero

upheld cases of
human rights
violations



67%

of UK company cars are now electric,
petrol/plug in electric hybrid and hybrid



1,198

Pulse Award nominations
celebrating our Values

£220,114

donated by
serco
FOUNDATION

£9m

distributed in one-off
payments to colleagues
outside management grades



Zero

significant data
breaches

Introduction

What is ESG and why is it important?

ESG stands for 'Environment, Social and Governance' and refers to the various practices that companies undertake to run themselves responsibly - whether it's minimising their impact on the environment, engaging with colleagues and supporting local communities, strengthening relationships with customers or enhancing transparency in the boardroom.

As a provider of public services sitting at the heart of the communities we serve, ESG has been an important element of how we do business for many years, having first published a corporate responsibility report in 2003. Over those years we have matured our thinking and reporting, just as other stakeholders have started to place more focus on understanding how businesses perform across the various elements that make up ESG. Individuals are also

starting to use it as a barometer for who they choose to work for. Interest in ESG is therefore coming from an expanding stakeholder base including colleagues, potential recruits, customers, partners, lenders and investors.

As a partner to governments around the world it is important that the citizens we serve have trust in us. We build this by behaving with integrity and living our Values. By showcasing our integrity and values, we can foster sustainable business growth for our investors and offer competitive, more reliable returns.

For these reasons, we have ESG as a defined pillar in our strategy and it remains an important area of focus.





Ben Mervyn
Senior Tug Master
Maritime Services, UK&E

I'm a Tug Master, so I ensure the safety of my crew and guide Royal Navy and associated vessels in and out of port. Our work allows the Royal Navy to operate 24/7, year-round.

No two days are ever the same, and sometimes the challenges can push you to your limit. However, my role also brings immense satisfaction and pride. The vessel becomes a second home, and the crew become family. We each share the same passion for our work and motivate each other to achieve our goals. In the end, it doesn't really seem like work.

How ESG features in our work

As a provider of complex public services in more than 20 countries across the world, we are in a position of being able to support citizens in need, to help defend freedoms and to deliver fairness within society.

In our Annual Report and Accounts (2022 and previous annual and ESG reports) we have set out the implications of Serco being a supplier of services to governments. One impact of which is that that we may be engaged by our customers to help them deliver challenging and sensitive policy objectives which at times lead to public criticism and scrutiny that is not always fair, objective, or balanced. While we are clear that we are not responsible for making or deciding policy, we don't shy away from addressing questions and concerns on our work. Such dialogue is of great value to us and is always welcome.

We recognise the expectations of the governments we serve to operate and behave in a way that is consistent with their public policy objectives and that contributes to their ESG commitments. Given the variety of services we offer it presents different challenges depending on the market.

In our Justice and Immigration business we help governments with the challenges of growing volumes of migrants and asylum seekers, risk costs of their criminal justice system, overcrowded prisons and reoffending rates.

In our defence business we help with national security that has been made more focused because of the invasion of Ukraine, rising foreign threats and the changing nature of warfare.

In our Citizen Services business, there are the challenges of rising costs, growing deficits and public debt and more frequent interactions between governments, citizens and the workforce who demand ever increasing service quality and skills challenges.

In our Health and other Facility Management business there are the challenges of an ageing population, rising health inequalities, growing expectations of health care provisions and infrastructure that needs maintaining and upgrading.

Finally, in our Transport business there are the challenges of the increasing importance of sustainable mobility and connectivity both nationally and internationally.

ESG considerations are woven into everything we do. We are quite rightly subject to significant public scrutiny and, at times, criticism. To try and maintain objectivity and accuracy, we are transparent about what we do. This report provides an overview of how we deliver our ESG commitments across our operations. We also publish reports that third parties carry out in relation to our business (see **ESG resources quick reference guide**).

By setting out and following our ESG Framework, continuing to be transparent, endeavouring to behave with integrity, and following our strong governance underpinned by our values, we believe we are well placed to deliver vital services to governments, help them with their challenges and weather public criticism and scrutiny.

Our government customers actively seek commercial partners who can help them achieve policy commitments; for example, the UK Government's commitment to delivery of social value through public service contracts. But more broadly in delivering public services, our work helps facilitate the UN's **Sustainable Development Goals** (SDGs) and uphold human rights. We provide an update on how we contribute to and influence the UN's SDG within our 2022 Annual Report and Accounts (see page 38).



What guides Serco's ESG activity?

Serco's ESG activity is led at Board level through its Corporate Responsibility Committee, chaired by Kirsty Bashforth, and at management level through its Group Executive led by David Eveleigh, Group General Counsel and Company Secretary, and divisional structure supported by divisional ESG leads. It is grounded in our values of trust, care, innovation, and pride. An overview of ESG governance at Serco is provided in Annex [B].

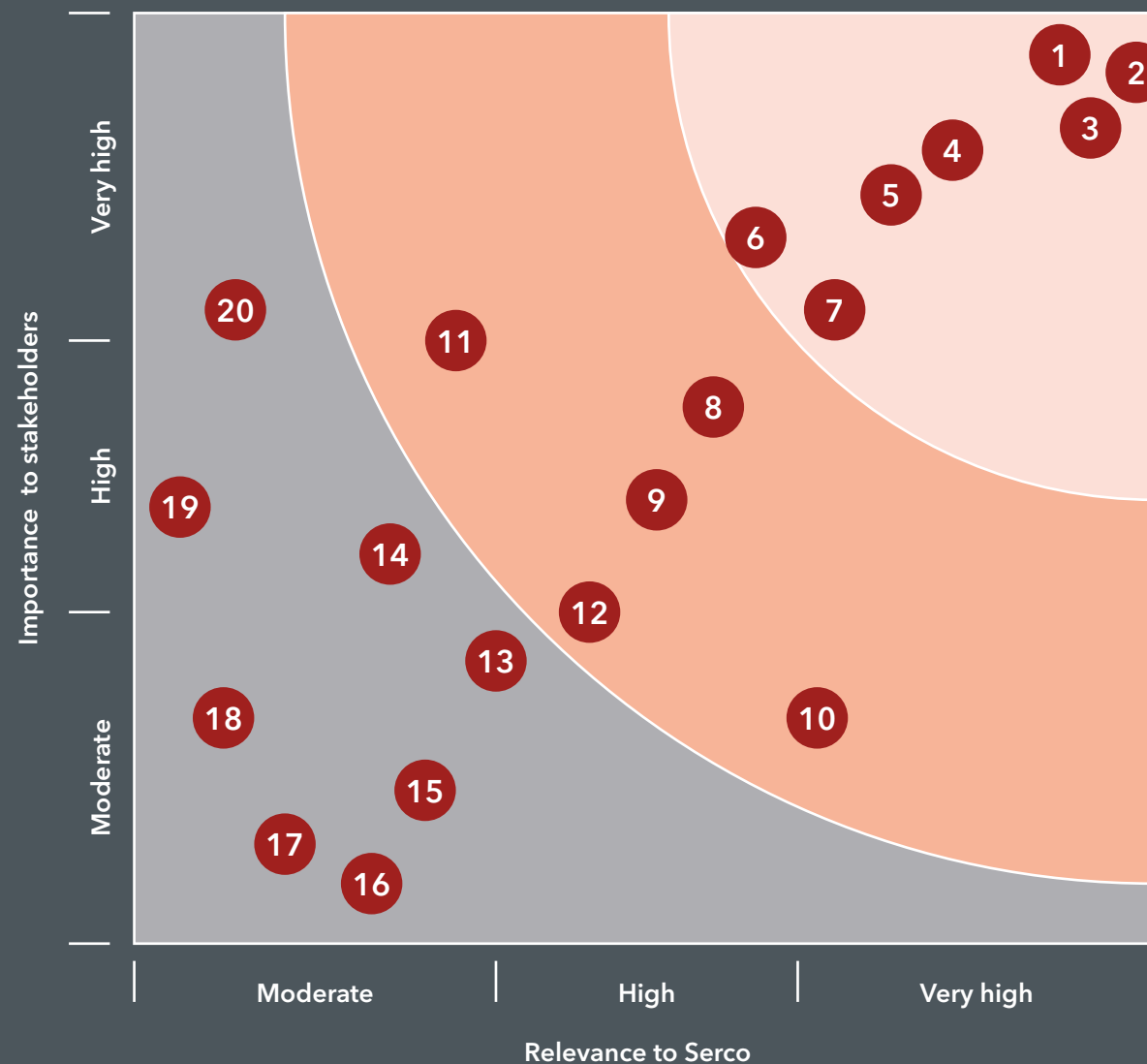
Our ESG activity has evolved in line with best practices and societal attitudes. This leads to periodic review of our approach. This review process starts with our materiality assessment. We regularly consult with our key stakeholder groups on what issues and opportunities they believe we should prioritise in the coming years. In 2022, we felt that the time was right to conduct another assessment. So, we approached a selection of our customers, investors, suppliers and partners, and invited them to complete a survey on the importance of different topics.

We also gathered responses from colleagues, including our diversity networks, the Serco Goes Green network, early career programme cohorts, as well as senior leaders. In addition, we engaged an external research partner to examine each of the issues and determine how important they were to

our competitors, current policymakers, and the media. The results were then validated by the Group Executive Committee and Corporate Responsibility Committee, with the final materiality assessment output available right:

Key

- 1 Data privacy and information security
- 2 Behaving with integrity
- 3 Safe operations
- 4 Respecting human rights
- 5 Diverse workforce and inclusive workplace
- 6 Talent management and engagement
- 7 Building sustainable third-party relationships
- 8 Effective governance and managed risk
- 9 Healthy, fit and thriving colleagues
- 10 Fair competition and reasonable practice
- 11 Innovation and technology
- 12 Service user needs and wellbeing
- 13 Service outcomes and social impact
- 14 Shareholder returns and engagement
- 15 Labour rights and industrial relations
- 16 Community engagement and investment
- 17 Environmental protection
- 18 Resource efficiency
- 19 External trend, risks and events
- 20 Carbon and climate



From the results, we saw that all stakeholders are broadly aligned in what they believe are the most critical elements of sustainable public services: workforce, culture, governance. All the elements on the matrix are important to our overall ESG approach. The assessment has enabled us to recognise the level of priority different stakeholder groups have for each element, ranking these on a priority scale in comparison with each other. We recognise the need to continue to improve those elements identified in the upper right quadrant and will work to raise the importance and our impact from those in the bottom left. It also serves to help us consider how to improve the visibility of these activities so that over time they will be viewed higher on the materiality assessment.

Just because an element is lower on the materiality assessment doesn't mean that we ignore it. For example, whilst environmental protection and carbon and climate are to the left, we are committed to a net zero transition and our

environmental strategy has been a key focus for the year leading to an increased score through CDP from B in 2021 to A- in 2022. This process has helped focus our plans, however, we continue to progress across all elements in our framework.

We have adjusted our ESG framework (right) to make it simpler and more aligned with how we now run our business, manage our operations, principal risks and company policies, as well as taking account of our materiality assessment. For example, the environmental elements of our framework align with the three pillars in our environmental strategy.





Bree Hiatt

Communication & Community Engagement Manager Justice, AsPac

As a Communication & Community Engagement Manager, I work closely with the community to ensure we stay focused on our rehabilitation and reintegration goals, and deliver on our commitment to support the local economy. My responsibilities include managing media and communications activities to build Serco's brand reputation in the justice sector, identifying opportunities for Serco to make a positive social impact, and building relationships with inmates, staff and the community.

One of the main things that drives me is the personal connections I am lucky enough to create, along with sharing in the amazing things we do across the business. I also have the unique opportunity to challenge how people see rehabilitation by connecting the community and inmates.

We recognise that ESG initiatives are only ever truly effective when they are embedded into an organisation's strategic outlook. We believe the revised framework will help us be more effective in driving ESG engagement across the organisation. This reflects a commitment to powering public good through developing and delivering public services that advances the lives of citizens and the communities we service.

ESG is a complex area and whilst the ESG Framework encapsulates all that we do, to bring it to life we have pulled out five themes that really emphasise our focus and where we believe there is differentiation. These Five Themes encapsulate how we approach ESG and are designed to resonate with key stakeholders (colleagues, customers, investors, and communities) and encompass one or more elements of the framework.

1. Public services for public impact
2. At the heart of communities
3. Colleagues as advocates
4. Partnering for net zero
5. Responsible governance

These are the themes which articulate Serco's unique approach to ESG and by which we want to be known. They support how we embed our ESG framework in the activities colleagues deliver every day and leverage the impact they have in those areas of ESG that are important to us.

With a robust framework supported by key themes to inspire and focus on priority areas for frontline colleagues, we have the basis for effective management and delivery of our ESG commitments. This is supported with clear sponsorship across Serco's executive committees of the updated ESG framework and subject matter expertise, which will continue to provide robust oversight over our global operations.

Our core ESG themes



Public services for public impact

The positive human outcomes that are generated by the unique way in which Serco delivers services – this might be reducing costs and improving outcomes to help maintain national security; safeguarding society and supporting vulnerable people in their journey through justice or immigration; providing safe, sustainable and smart transport solutions; improving patient outcomes through safe, caring and efficient healthcare support services; and through our citizen services contracts we build greater wellbeing, resilience and sustainability in society.

ESG framework elements:

Respecting human rights; Public and community impact.



At the heart of communities

Serco is a global company at the heart of the communities we serve. Each community has a unique character, history, and culture. Serco benefits these communities through investment in local jobs and businesses, and through fundraising and volunteering efforts. Serco has a proud history of fundraising and donations to help challenge the most pressing causes in these communities. In many, especially those in isolated locations, Serco is the economic lifeblood through partnerships with local businesses and the provision of good jobs.

ESG framework elements:

Public and community impact; Sustainable procurement and third-party relationships; Efficient use of natural resources.



Colleagues as advocates

Serco is only as good as its people. Contented colleagues, with agency to speak up and have their voices heard, will ultimately deliver more positive impact for the benefit of our customers and citizens. Our people are critical, and we are committed to ensuring our operations are safe and that people get home safely. We need to ensure our colleagues are healthy and we look out for their wellbeing. We seek a diverse workforce as a diversity of voices and backgrounds sparks a creativity that leads to healthier colleagues and ultimately better public services.

ESG framework elements:

Our people, diverse, engaged, healthy; Safe operations.



Partnering for net zero

As a leading provider of public services, Serco plays – and will continue to play – a key role in partnering with governments to help them achieve net zero. But we are much more than a partner to governments in the journey to net zero. We collaborate with our supply chain to ensure high environmental standards are a prerequisite for any partnership, and then work with supply chain partners to help them achieve their environmental goals. We strive to ensure our operations prevent pollution, protect, value and enhance biodiversity and the natural world which sustains us and we are committed to driving sustainable procurement and finding new efficiencies to minimise resource use, avoid waste and help the transition to a circular economy.

ESG framework elements:

Sustainable procurement and third-party relationships; Efficient use of resources; Net zero carbon and climate; Environmental protection.



Responsible governance

Responsible governance is the strong foundation which allows Serco to deliver our approach to ESG. It is about identifying the most salient risks, whether those relate to human rights, environment and economic risk, cyber and information security risk, contract risk such as misreporting or fraud, or whether we are paying our people correctly and addressing these through robust assurance, policies, procedures and business models. We operate within a comprehensive corporate governance framework and approach, with clearly defined responsibilities and accountabilities, and maintain control systems supported by internal compliance and assurance controls and risk management processes.

ESG framework elements:

Data privacy and information security; Managed risk and effective controls; Total shareholder returns and engagement.

Why this report?

We recognise that corporate responsibility is an ongoing commitment and not a single achievement. Our approach may have evolved over time, but our commitment has not and we have made positive steps forward. Reflecting our commitment to strong governance and transparency, we are pleased to report the progress we have made in 2022. This report is our 20th publication on the topic and is intended to provide additional details to the ESG section of our **Annual Report and Accounts** as well as share updates on the commitments we made in our 2021 report.

We are always evolving in our reporting and activity to build more transparency of what we believe to be our impact and where we still need to improve.

We are eager to showcase our journey of responsible governance and the employees who make it all happen. The challenges and opportunities we face – ensuring sustainable growth, lowering our emissions and making a positive difference in citizens' lives – demand an innovative mindset, a caring approach and trust in one another. It is only fitting then that we take pride in our collective action.

We also feel it's important to acknowledge the various Serco colleagues who exemplify our values in their day-to-day work.

Given the scope and scale of a company like Serco, these reports serve as a way to memorialise everything from small acts of kindness to the transformative initiatives that underpin our corporate governance.

Therefore, this report will serve as a snapshot of our progress and ambitions in the ESG space to date. Furthermore, we'll be celebrating the people behind it by featuring case studies and quotes from front-line colleagues that showcase their excellence and demonstrate our impact.

It's important to acknowledge the various Serco colleagues who exemplify our values in their day-to-day work.



Social

A white line-art icon depicting a group of five stylized human figures standing together, representing a community or team.



'I'm delighted to share that our ESG strategy enters another year in a strong position and continues to evolve. It's at the core of Serco and its purpose. We are making good progress which I and my committee colleagues have seen in 2022.

We have worked with the business to enhance contractor safety; reviewed safety performance, approach and maturity at Serco Joint Ventures; and completed an in-depth review of the Group Safety Culture survey results and findings. We have worked with the Group Colleague ConneXions Lead to support delivery and direct the evolution of the Colleague

ConneXions programme, including direct engagement between all Non-Executive Directors and the worldwide Company workforce through active involvement in colleague events, management learning programmes and visits to Serco sites. We looked in detail at colleague well-being and reviewed revisions to our environmental strategy. We have also reviewed performance indicators to monitor community engagement and impact; endorsed an approach to monitoring Serco's public impact and reviewed potential indicators.

Regardless of where you look across the company, you'll find a culture of innovation, care and pride in the services we offer and communities we serve. This, combined with a focus on creating trust with all stakeholders, are vital foundations to enable a positive impact. Although we must remain vigilant, we stand today more resilient, diverse and equipped for the future than ever before.'

Kirsty Bashforth, Chair Corporate Responsibility Committee

As a public service provider, we're acutely familiar with the social aspects of ESG and the delicate nature of balancing the human rights of our staff and service users. It is important to us that our colleagues are healthy, physically, and psychologically safe, and have opportunities to develop their career and reflect the communities they serve. Equally, we recognise our responsibilities toward those who use our services and strive to protect their dignity and human rights. Combined, we want to leave a positive impact on the public and support the social and economic wellbeing of the communities we work in. This section summarises our progress in these areas.

Serco was one of the first global business to achieve an **ISO 45003** - Psychological health and safety at work accreditation from the International Standards organisation at a Group level. The audit certifies our approach of managing psychosocial risk in line with industry best practices and will help us prevent work-related mental health injuries going forward.



Serco received a number of industry awards for our mental health support in 2022. We ranked in the top tier of the **2022 CCLA Mental Health Benchmark UK Report**. The analysis compares how the UK's largest companies approach and manage workplace mental health. Serco was in the top three of 100 UK-based firms overall but led in a variety of wellbeing categories, indicating our leading position in protecting colleague mental health. In addition, we were given a Silver Award from the **Mind Workplace Wellbeing Index** in 2022, leading in categories like employee support and engagement.



Some interesting facts about Safe operations



43%

increase in Safety
Observation Frequency
Rate (v 2021)

4,577 ZERO  **HARM**
engagement tours completed

5.72 

Lost Time Incident Frequency
Rate up from 2021 (4.17) -
area of management focus



27th

Consecutive RoSPA Gold
Award for UK&E Defence
Business Unit



78

health and safety
engagement score keeping
it in top three strengths



Top 30%

against benchmark
companies in Safety
Culture Survey

Safe operations

Given the diversity of the public services we deliver, 'safety' can have many different meanings. Our colleagues work in varied environments, each exposing them to unique risks. These risks change in size and scope as our business grows and our operations evolve.

We have worked hard to establish a 'Zero Harm' vision for the organisation, where no one comes to harm simply because of the work they do. We recognise our place in leading this change but encourage staff to take ownership and work with us to improve processes for everyone's benefit. For example, we maintain strong relationships with union leaders, staff representatives, our supply chain and contractors, and invite colleagues to provide regular feedback. We strengthened our third-party onboarding, management and control of contractor systems and implemented our SafeContractor tool.

As our business evolves, we recognise the need to maintain this vision with a proactive management style. For example, Serco entered into a number of contracts and made a series of acquisitions in 2022 that augmented safety profiles across divisions.

Regardless of the challenges before us, we're committed to preventing injuries wherever we work and promoting a robust culture of transparency. In 2022, whilst we were very disappointed that we missed our key safety thresholds in relation to our Lost Time Incident Frequency Rate (LTIFR), we're pleased to report on several developments in operational safety.

2022 Global Safety Climate Tool Culture Survey

Serco ranked in the top 30% of 130 benchmark companies in our 2022 Global Safety Climate Tool Culture Survey. These gains are the culmination of four years of hard work since the last survey in 2018. During this time, we've made a concerted effort to foster a rich safety culture and deliver comprehensive training sessions, so we're extremely proud of the results.

We gathered over 7,000 responses, amounting to 15% of Serco's total employee base. The data showed most staff felt empowered to raise safety concerns, protected by their colleagues' safety attitudes and welcomed by senior leaders to make suggestions. We'll continue to apply the insights and work to improve the figures even more in future years.

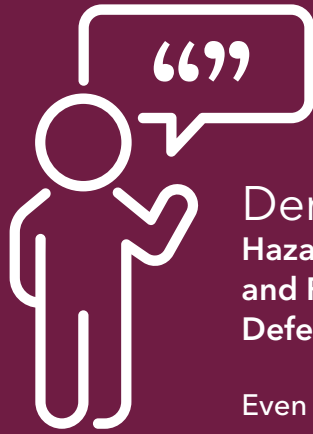


We've also begun to take a more intersectional view of safety and incorporate wellbeing as part of our Zero Harm vision. As mentioned above, we obtained the **ISO 45003** certification in 2022, which will form part of our ongoing work in managing psychological risks in colleagues.

Our key safety KPIs

Through 2022 whilst there were some reductions in major injuries, lost time incidents, lost days, and assaults across a number of areas in the

business, several exceptional and unpredictable events as well as third-party related incidents have driven increases in core KPI performance when compared to 2021. This has meant that as a Group we missed the thresholds we had set for most key KPIs. This included our LTIFR which increased from 4.17 to 5.72, missing our 2022 threshold of 4.64. To put this into context and away from metrics, this meant that in 2022 613 of our colleagues experienced a lost time incident. We do not believe this is acceptable and are committed to seeing improvement and will continue to drive proactive activities.



Dennis Michelin Hazardous Materials Coordinator and Radiation Safety Officer Defence, Canada

Even after 21 years in this position, every day is different. Whether it's raising awareness and training people about radiation safety, conducting site inspections, or preparing waste for disposal and certifying completed projects.

I've been so lucky to have a caring, devoted and knowledgeable supervisor for the last two decades and I know that my work helps to protect everyone in some way or another.

Our metric rates were greatly affected by the large reduction of working hours and lower volumes of work on our Test and Trace support, which by its nature had a much lower frequency of Lost Time Incidents (LTIs). The impact was also felt in the Justice and Immigration businesses with an increase in violence particularly in our AsPac division as Covid-19 prison lockdown control measures were relaxed. There were also increased road related accidents, as our driver examination services in Canada recommenced with efforts to clear the Covid-19 backlog, and a broader return to normal working patterns that raised incident probability. These include more traffic movements, increased travel, and less remote working. Overall, we continue to make progress against our 2019 baseline.

Through 2022 we completed an in-depth review of the root causes of both lost time incidents and their associated lost days. Following employee engagement, interviews with subject matter experts and operational teams, reviews of performance and trends, and the results from the Safety Culture Survey, Viewpoint, and the MIND and diversity and inclusion surveys, we designed an approach intended to further understand and subsequently drive down the number of LTIs, associated lost time and critical activities that support our people returning to work.



This approach was delivered in collaboration with the global HR teams with each Division identifying what is appropriate/ applicable and to establish next step activities and timescales. It focuses on the core areas of Process, Communication and Enabling our People, with a far more progressive 'people-focused' approach fed into 2023 Strategies, thresholds and continuous improvement plans.

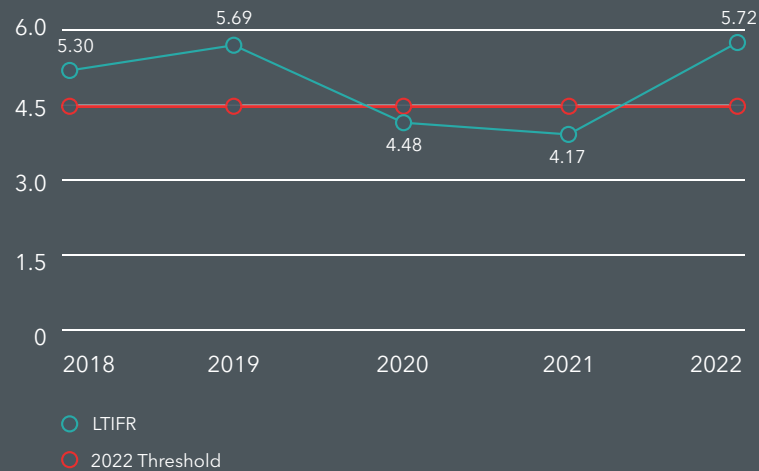
Despite this focus, our LTI rate increased from 4.17 to 5.72 in 2022 missing our threshold for the year of 4.64. There is a similar picture

for our other reporting metrics where despite great efforts we are disappointed to have not achieved the thresholds we set for 2022, except for our physical assault frequency rate, which not only achieved the threshold, but also improved 3% on 2021 performance.

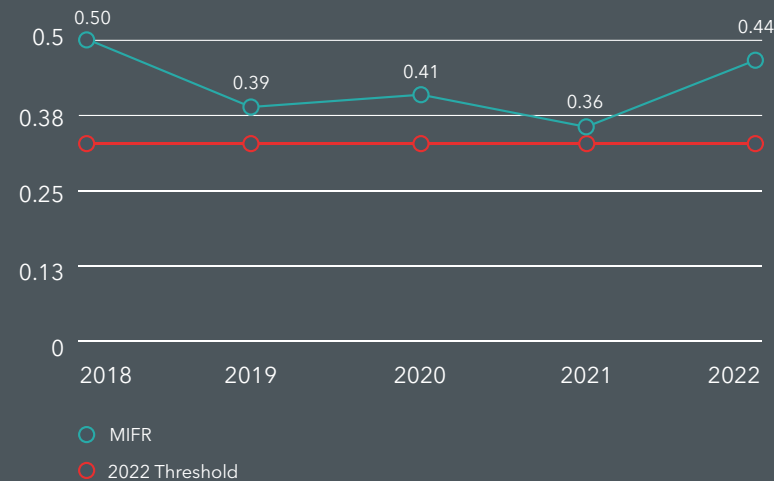
On a positive note, in North America we reduced our Experience Modification Rating (used to price workers' compensation insurance premiums by gauging the past cost of injuries and future chances of

risk) to below 1.0 for the first time since 2008. In the 2022 UK Royal Society for the Prevention of Accidents Awards (**RoSPA**) **Health and Safety awards** we received the UK Defence Sector Award and 27th consecutive Gold Award for our UK Defence business unit and 3rd consecutive Patron's Award for RAF Fylingdales. The Patrons Award is presented to those organisations who have achieved a minimum of 25 consecutive Gold Awards which reflect high standards of safety management.

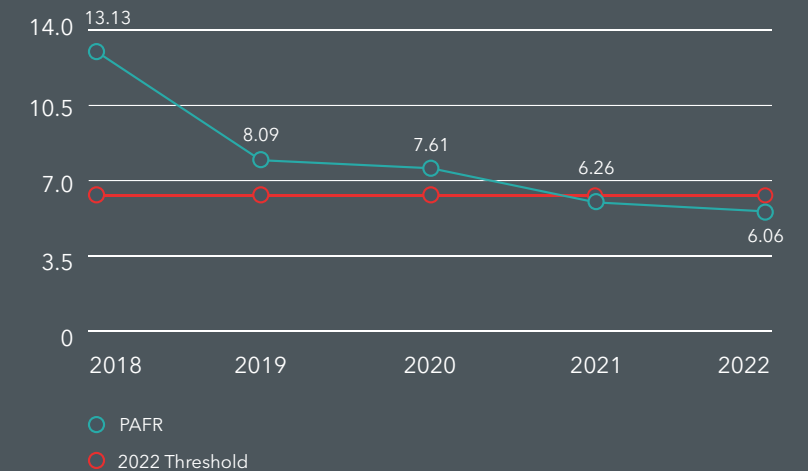
Lost Time Incident Frequency Rate



Major Incident Frequency Rate



Physical Assault Frequency Rate



We have several ongoing continuous improvement initiatives, including contract-based focus on tackling specific root cause issues, supported by wider, collaborative Divisional and Group activities. These were an area of focus in 2022 that will continue in 2023.

Revisions have been made to the 2023 strategic safety thresholds considering changes in size, scale and risk profile of the business. Except for the Major Incident Frequency Rate, due to our evolving business risk profile, 2023 thresholds represent improvements against our 2019 baseline.

We are fully confident that our performance will trend in the right direction with time. We now have even more visibility over key safety areas and recently published division-specific plans, so our measures are more targeted at the unique challenges each region faces.

Sadly, in December, one of our Motorist Assistance Patrols in North America, was seriously assaulted whilst dealing with an abandoned vehicle left on the highway. Despite best efforts of the emergency services, he died of his injuries.

The UK Health and Safety Executive brought prosecutions against Serco regarding two unrelated health and safety breaches that happened from

2015 to 2017 in the PECs Contract and in 2019 in an Environmental Services Contract, respectively. Unfortunately, both matters resulted in a fatality. Initial hearings on sentencing for both prosecutions were held in 2022 with further hearings likely to be concluded in the first half of 2023.

2023 safety thresholds

- Lost Time Incident Frequency Rate: 5.14
- Lost Time Incident Severity Rate: 22.06
- Physical Assault Frequency Rate: 5.41
- Serious Physical Assault Frequency Rate: 0.55
- Major Incident Frequency Rate: 0.41



Rebekah Cutler
Customer Service Advisor
Citizen Services, UK&E

My job involves taking calls from members of the public with safeguarding concerns about children living in Lincolnshire. I also deal with occupational therapy and children with disabilities, as well as working with people interested in (or in the process of) adopting/fostering, too.

I feel I make a difference by providing callers with a friendly voice who they can report their queries and concerns to, and offer them as much guidance and help as possible. Dealing with sensitive information can be hard at times, but I have a great team that has kept me going.

Some interesting facts about Our people – diverse, engaged, healthy



33.3%

of women in executive committee and direct report roles



£203,504

agreed donations made by the Serco People Fund to 253 colleagues



8.4%

UK colleagues enrolled in MyShareSave (3-year savings related share plan)



11,500+

responses to first global diversity survey



18%

of North America's workforce made up of military veterans, reservists, and spouses



Around

80%

of AsPac people managers are now trained in an enhanced mental health approach

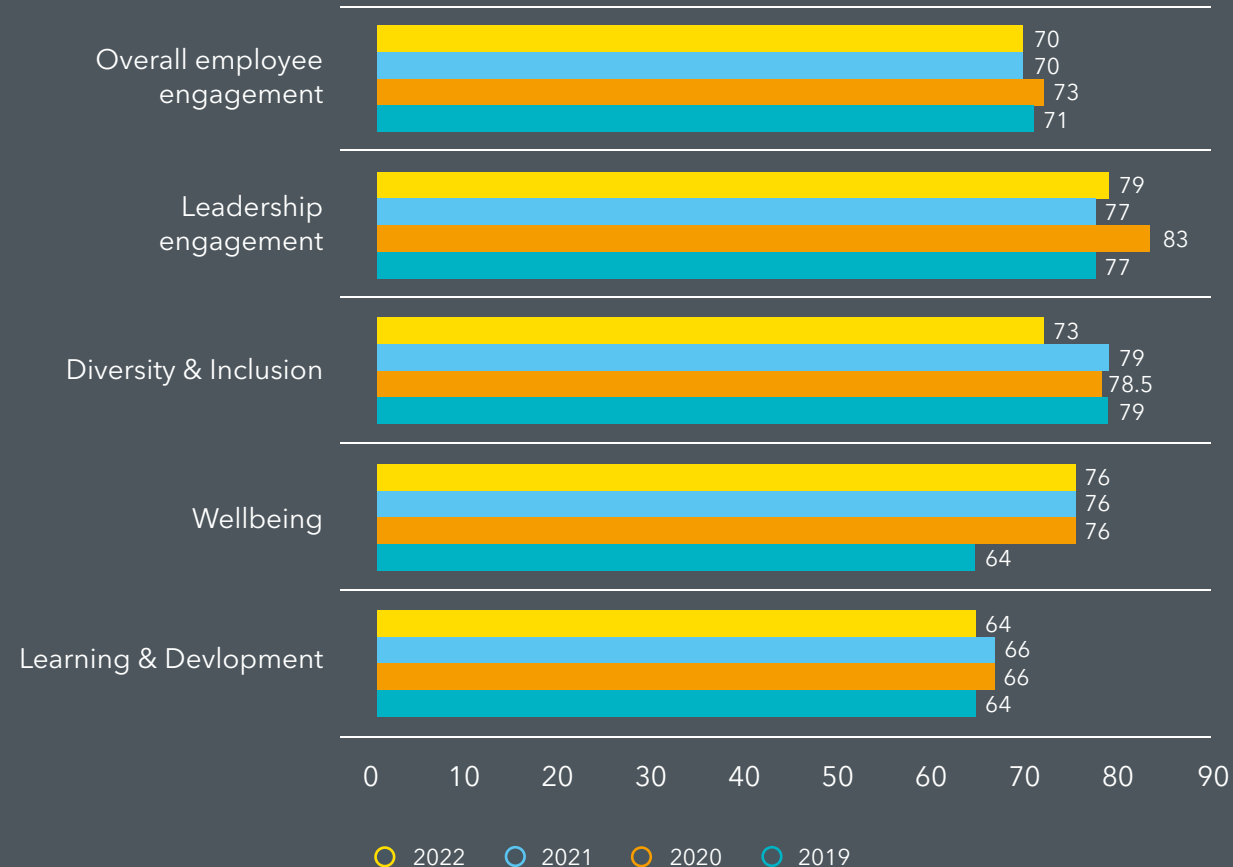
Our people – diverse, engaged, healthy

Our success in public service delivery is through our people unlocking productivity and feeling cared for, safe and included. We recognise our people as our single greatest asset, and that a workforce empowered to speak up benefits colleagues, customers, and citizens. After all, our colleagues' wellbeing is paramount, which is why we support their needs at every turn.

In 2022 we have maintained our engagement levels (measured through our annual Viewpoint Survey) at 70 while also strengthening feedback, receiving over 56,000 individual comments and taken more proactive measures towards diversity and inclusion over recent years.

Today, our mantra is 'Everyone matters, everyone belongs' and we centre our work in supporting our employees around three main pillars: diversity, engagement, and wellbeing. Below are some of the flagship achievements and awards we've secured in 2022. For more information, please see our annual **People Report**, where we go into more detail.

2022 Viewpoint scores - people



Diverse

2022 Diversity and Inclusion Survey

We recognise that our business thrives because of our diverse and talented workforce. We are committed to listening to our colleagues and creating work environments where everyone can belong. So, in 2022, we undertook one of our most ambitious colleague surveys to date. We invited all of Serco's colleagues to answer 10 questions centred around three key areas: how they felt about being themselves and belonging at work, how they felt their manager values differences, and how this is reflected in Serco's policies and practices.

Through responses and comments received, we gained a rich insight into colleague sentiment. Most engagement levels scored in the mid-to-high 60s and 70s, indicating that Serco is a largely inclusive and welcoming workplace. Whilst there is always more we can do, we're optimistic we'll be able to show progress which will be measured in future surveys. The results are now being used to improve various internal policies and build an equitable workplace for everyone.

Demographics included:

- Race/Ethnicity/Cultural Orientation
- Gender Identity
- Disability and Health conditions
- Sexual Orientation (excluding the Middle East)
- Religion and language



Creating diverse and inclusive leadership teams

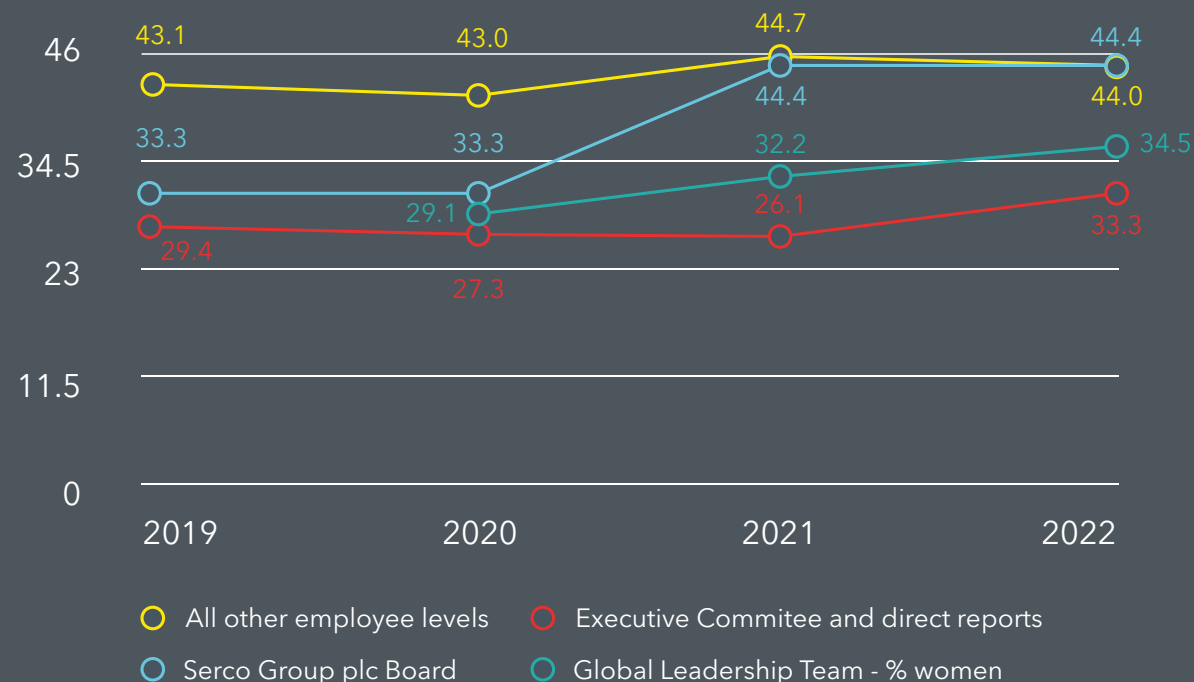
We have firm targets for fostering diverse and inclusive senior leadership teams at Serco.

By the end of 2023, we're aiming for 35% women in leadership roles and to increase the executive team gender balance across each division. Having reached 33% in the first quarter of 2022, we ended the year with 34.5%, a fraction short of our target which we should achieve in early 2023. Equally, we achieved 33.3% of women in executive committee and direct report roles, as reported in the **FTSE Women Leaders Report**.

Part of this success is due to our relationship with the Oxford Saïd Business School, with whom we partnered in 2022 to design Serco's Advanced Leadership Program. The first 2022 intake of participants in our Advanced Leadership Program was 44% female. Throughout 2022 we saw 133 participants in both our Advanced Leadership and Contract Management Programmes. In addition to this, we also launched a dedicated Women in Leadership Programme focused on advancing their careers, with 46 female leaders and future leaders participating. We've also made a concerted effort to close the gender pay gap.

As reported in our 2022 Gender Pay Gap Report, our 2022 consolidated UK median gender pay gap sits at 8.11%, reflecting a sustained longer term downward trend from 12.9% in 2017. Our gender pay gap reflects our wider talent gap with fewer women than men in senior leadership roles and fewer women in specialist and traditionally male dominated roles such as prison custody officers and engineers. We continue to make good progress in our priority areas with a focus on improving diversity in its broadest sense across our whole organisation, of which gender diversity is just one part. The small increase in the pay gap in 2022 compared to 2021 is attributable to fluctuations in the size and make-up of our workforce from year to year, as contracts move in and out of the organisation and as we respond to the needs of our customers; there is therefore a volatility inherent in this metric due to the nature of our business.

% Women





Helping colleagues connect with one another

Over the course of 2022, we were looking to expand our Global Advocacy groups, SercoInspire, SercoUnlimited, In@Serco, SercoEmbrace and SercoVets. Each of which provides a safe space and peer network for women, people with disabilities and health conditions, LGBTQ+ people, people from minority ethnic backgrounds and veterans, reservists and their families.

We were aiming for a 10% year-on-year increase in membership of our Global advocacy groups, which translates to over 5,000 people across Serco. At the end of 2022, membership of our advocacy groups stood at 5,512, a 7.9% increase from 2021 levels. We continue to seek colleagues to join our advocacy groups.

The groups have a rich schedule of events planned across 2023, celebrating International Women's Day, Black History Month, Pride, Remembrance/Veterans Day, International Day of People with Disabilities, World Culture Day, and more.



David Klenner
Master Marine Engineer and Trainer
Defence Maritime Support Services,
AsPac

I've always enjoyed working on the water and wanted to find a way to share my 11 years of industry knowledge. Working at Serco allows me to do both; I get to work with the Navy and experience a working environment like no other, while also helping more junior colleagues develop their careers.

I cover a wide range of Navy assets, so I'm able to keep my skills sharp and I can take pride in the fact that I can teach people about marine safety and boat maintenance.

Our Networks...

Our global inclusion networks are voluntary groups of colleagues that come together based on shared identity or life experiences. For our people, our networks: provide a safe space for discussion of issues; help to raise awareness of issues within the wider organisation; provide a source of support for individual colleagues who may be facing challenges at work; and offer a collective voice for the workforce to our management teams.



Providing a voice to successful and inspirational colleagues in Serco across all gender identities, particularly women. This is a platform for our next generation of female talent to develop and grow. We aim to use the combined energy of the group to make a tangible difference to how gender equality is viewed in the workplace and how this can drive change that benefits us all.



Removing barriers and changing perceptions about disabilities and health conditions both visible and non-visible. The purpose of the network is to remove barriers and change perceptions about physical and mental disability at work. The scope is broad and inclusive – we recognise that not all disabilities are visible and each persons' needs are different.



Providing a safe space for LGBTQ+ colleagues to feel a sense of community and to ensure they have a voice within Serco. The network is committed to ensuring it leads Serco on a journey of improvement, by focusing on best practice approaches, redesigning policy and procedure and forwarding representation of positive role models across all levels of Serco's business.



Multicultural network supporting Serco to become an inclusive employer for all cultures, ethnicities, and backgrounds. The SercoEmbrace network was set up to promote inclusion with respect to race, religion, ethnicity, and culture across Serco. The network is both about giving a voice to people of diverse ethnic and multi-cultural backgrounds, and at the same time inspire the next generation of Serco talent to progress their career further.



Our veteran and reservists network support both current and past colleagues who have served in the military. Serco is dedicated to providing a workplace that enables veterans, reservists and military spouses the opportunity to thrive in their careers. SercoVets offers an array of initiatives, transition support, professional development, and mentorship schemes.



Ramy Hakim Innovation Manager ExperienceLab, Middle East

As the Innovation Manager of Serco's ExperienceLab, I'm responsible for shaping Serco's culture and fostering an agile workforce that continues to add value to the services we provide. I do this by delivering programs that equip colleagues with skills in data, customer experience design and automation software. I also help clients translate business challenges into more desired outcomes, so there's a lot to manage.

I get the unique opportunity to transform how we work internally, as well as modify how we engage with our customers - and I'm thankful to my wider team for what we've achieved. Being a part of ExperienceLab enables me to design new strategies, services and products that help improve outcomes for end-users and our customers at the same time.

Implementation of the Reconciliation Action Plan

Our work in fostering diversity and inclusion spans the whole of our operations - not just the executive level. In 2022, we launched our third **Reconciliation Action Plan (RAP)** - a comprehensive and long-term strategic initiative to build better relationships with First Nations peoples across Australia and the Torres Island Strait.

The latest RAP builds on the previous work we've done in the region. We're now striving towards greater goals and a wider scope of activities in the region, including community outreach, professional development, and more. In 2022, we established a First Nations employee participation group and increased the number of employees who identify as Aboriginal and/or from the Torres Island Strait by 10%.

Strengthening diversity

In the Middle East we launched a range of internships for local graduates to gain practical and niche employment skills, and access fast-track development opportunities at Serco. Combined, the schemes have increased the number of Saudi and UAE nationals working across multiple contracts in the UAE and Kingdom of Saudi Arabia (KSA). 21 contracts increased their national head count from 2021. More specifically, KSA contracts saw an increase of 136%, due to new contracts being awarded. UAE contracts saw an increase of 47%.

Serco Americas committed through the Military Spouse Employment Partnership to increase employment opportunities for military spouses and, when possible, maintaining those opportunities as they relocate. In addition, partners strive to provide military spouses who perform well with opportunities for career advancement. This not only recognises skilled employees within the organisation, they also create a valuable connection to the communities we serve.



Click award title to
view announcement

Other notable awards and achievements

- Australia - Finalist in the 2022 Prime Minister's National Veterans' Employment Awards.
- Australia - Finalist in Australian Defence Industry Awards.
- Australia - 2022 Soldier On Platinum Pledge Partner.
 - Australia - Champion Employer, 2022 Employer Awards by at Work.
 - Australia - Employer of the Decade for disability employment, BIZLINK.
- Europe - Excellence in Recruitment, 2022 Women in Tech Employer Awards.
- Middle East - Winners of Arabian Business' KSA Women's Excellence Awards, Arabian Business Woman of the Year.
- Middle East - Inspiring Female Business Leaders: One of the Top 50 companies inspiring female business leaders.
- Middle East - Best Implementation of Vision 2030: Award winners for 'Best Implementation of Vision 2030' at Arabian Business KSA Excellence Awards.
 - Middle East - Middle East Consultant Awards (MEC) Winners - shortlisted for Under 30s Champion of the Year, Rena Beba, Director of Experience Lab.
- North America - Star Employer Award, VETS Indexes Employer Awards.
- North America - Top 100, Atlantic Canada's Top Employers.
- North America - Silver, Cigna Healthy Workforce Designation.
- North America - Intern Award, Top Virginia Employers for Interns.
- UK - Silver Award, Inclusive Employers.
- UK - Diversity Champion Award, Maritime UK Solent Awards 2022.
- UK - Top 10 for employee resource groups at the Ethnicity Awards 2022.
- UK - Proud sponsors of the 2022 Black Talent Awards.



Engaged

Maximising the colleague lifecycle

In 2022, we wanted to obtain a deeper understanding of the colleague lifecycle to help us retain our people more effectively. In partnership with an external provider, Glint, we launched two surveys, Getting Started at Serco and Leaving Serco.

The insights from comments received through these and our annual Viewpoint engagement survey are now being used to improve the onboarding process and reduce employee turnover levels. We're pleased to share that our 'Onboarding Experience' score improved in Q4 by 2 points to a score of 76, and 73% of new Serco staff think they've had a positive onboarding experience. We have listened to comments received and are evolving our processes to reduce voluntary turnover.

From Viewpoint feedback Serco's North American division hosted a Career Week, which highlighted professional development and

upskilling opportunities available to colleagues. The week-long event was extremely popular and filled with activities and information sessions on potential career pathways.

We are incredibly proud of the strong, inclusive and collaborative relationships we continue to develop with our recognised trade unions. We find trade unions to be as passionate about topics that are important to us as we are, and we engage regularly on topics such as health and safety, wellbeing, inclusion and support for colleagues who are facing extraordinary hardship. We strive to share our learnings while seeking to understand industry best practice. Increasing inflation rates and a greater pressure on cost of living has been a strong theme in our trade union engagements throughout 2022. We have aimed to approach these discussions positively and pragmatically and have generally reached a conclusion in a timely manner.

Improving how we capture colleagues' voices

We recognise that employee feedback is an important part of how we grow and mature as an organisation. Equally, we know it's important to remain agile and be able to action feedback considering new data. That's why, in 2022, we undertook work to capture colleagues' voices anywhere and everywhere, including through channels like Colleague ConneXions.

We began by promoting our feedback channels and building a grassroots system so we could measure shifts in employee sentiment as they were happening. For example, building on our partnership with Glint, we have established a weekly data feed to enable more agile utilisation of surveys throughout the year.

Other channels like Colleague ConneXions and our Global Advocacy groups have active involvement from the Board. This holistic strategy has allowed us to create a globally enabled solution to colleague needs across Serco and develop a culture of continuous listening. As a result, we're confident that we will meet future business needs with more agility and efficiency in 2023 and beyond.



Colleague ConneXions:

Serco's Employee Voice programme, actively sponsored by Serco Board member Dame Sue Owen.



Dawn Porath Engineering Technician Defence, Americas

My job involves a lot of testing, modifying and repairing of electrical equipment, so I'm always problem solving. I was never in the Military so, in a way, my job at Serco is my way of giving back. It's really satisfying to see equipment come to life and work properly because of the hard work you do and I know that at the end of the day, I'm handing over a quality product.

I've also been involved in training colleagues and other end-users on the techniques and checks I do, so they're able to use the equipment more efficiently - which is a great feeling. I even had the commanding officer of a ship personally thank me and my team, so it makes you feel appreciated for the work you do.



Mukul Ali

Job Coach, Citizen Services, UK&E

As a Job Coach, I help people find employment opportunities and rejoin the workforce. This involves building a strong, collaborative working relationship with candidates and delivering support tailored to their needs.

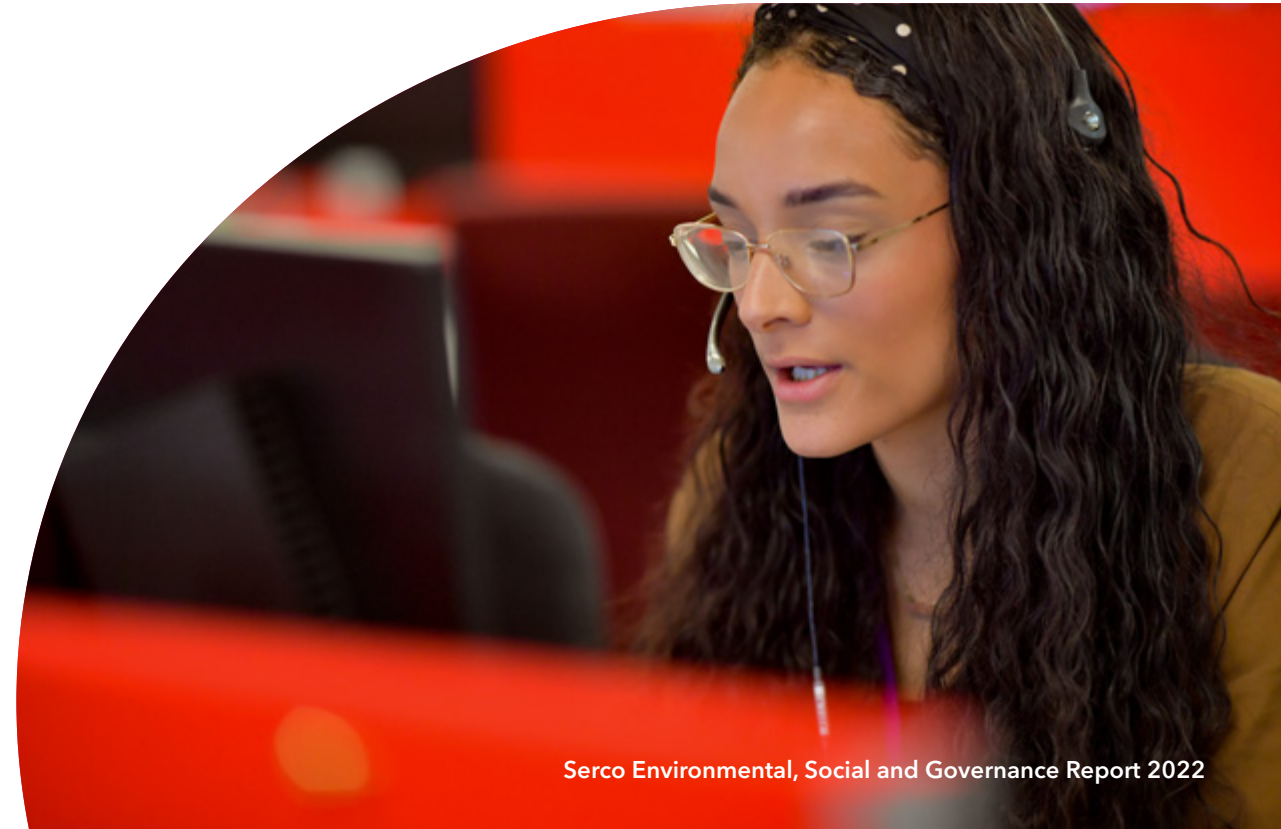
There's a huge amount of responsibility involved but it helps me feel empowered when I can help someone discover their unique skills and change their lives for the better. I'm confident that I can help people fulfil their potential and regain stability in their lives with sustainable work.

Helping our managers action feedback and provide better support

With more feedback coming in, we wanted to ensure our managers felt confident actioning Viewpoint results so colleagues could see tangible results from their responses.

We ran live and drop-in manager support sessions twice a week throughout October and November. The sessions were open to all people managers globally and focused on helping managers

navigate the Viewpoint dashboard, interpret the results, and tackle specific topics. We also refreshed our best practice guide, so managers would have resources to call upon in the future. Combined with the other initiatives to promote engagement, we can announce that Communication, Continuous Improvement and Empowerment have all risen by 2 points in 2022.



Healthy

Promoting financial wellbeing

At Serco, we're committed to taking a comprehensive approach to employee health and wellbeing. Over the last few years, we've launched a variety of projects aimed at promoting financial wellbeing.

One example is our Sharesave scheme. Launched in 2022 in the UK, the scheme allows employees to save a small portion of their monthly pay and invest in the company and benefit from its future success, vision and long-term goals. We've had encouraging take up results and the scheme will be extended to Australia, Canada, US and Middle East.

In different regions we offer colleagues access to discounts on a range of goods thanks to our partnership with leading retailers and discount providers to help employees' salaries go even further. We also offer an Employee Assistance Programme (EAP) in each Division along with a range of other wellbeing initiatives that we launched in 2022. An example would be on site counselling access across our UK Justice and Immigration business unit, currently seeing utilisation of around 12.9% but it is as high as 27% in some contracts.

Serco People Fund

Another example is our £4m donation to the Serco People Fund (SPF), an independent charity launched in 2021. In 2022, the Serco People Fund received 632 applications and supported 253 colleagues and their families through £203.5k in financial grants, including:

- One recipient, who received funds to buy a mobile defibrillator to help manage their heart condition. To pay back the kindness, they registered the defibrillator publicly in case anyone else needs it in their community.
- Another, who received funds to help them restart their life after their abusive ex-partner amassed huge debts in their name. The Fund has helped them settle all of their debt and get a fresh start in life. Further, they have been receiving counselling through Serco's Employee Assistance Programme.
- Another, who helped their wife's sisters, and their children escape to the UK after the Russian invasion of Ukraine. Our People Fund helped them buy necessities for their extended family so they could regain stability after fleeing the war.

We're thrilled to share that the People Fund is now available in UK, Australia and Middle East and is likely to be launched in America in 2023.

Finally, inflation hit record highs in many countries across the globe in 2022 with the economic shocks leaving many vulnerable to rising costs for staple goods like food and energy. In recognition of the hardship our colleagues were under and to alleviate the cost-of-living crisis, we distributed over £9m in one-off payments to colleagues outside management grades in 2022.



632

Applications to
Serco People Fund



£203.5k

In financial grants

Mental health training

Last year, we began delivering mental health training to our people managers across Serco, aimed at raising awareness of mental health pressures in and out of the workplace. We're proud to announce that we more than doubled the number of trained people managers in 2022, with more specific divisional training planned for 2023. Serco AsPac is already providing an enhanced course, in partnership with the Australian Psychological Association, with uptake around 80%.

Wellbeing webinars and allies

Wellbeing comes in many forms, so we have a rotating schedule of online webinars that cover key topics in people's lives. In 2022, our webinars have gone from strength to strength, with attendance averaging 250+ participants and sessions delivered by leading organisations like the Samaritans.

We're particularly proud of the 'Parenting through the pandemic' webinar, which led to the parenting network group in the UK and spin-off support sessions covering single parenting and baby loss. It's an excellent example of the organic employee engagement and community-led support we're

trying to foster across Serco. Additionally, we launched a 'Wellbeing Allies' network in 2022 to help employees find support during hard times. We've trained 102 allies so far, with more planned in 2023.

Driving innovation in wellbeing through research

We're keen to be at the forefront of research-led innovation, which is why, over the past 12 months, Serco UK has fostered a partnership with Sheffield University.

We invited seven postgraduate students to conduct wellbeing research in a real-life occupational setting and present their findings to senior business leaders at Serco. In 2022, the projects focused on digital mental health solutions, financial wellbeing for under 25s, work-life balance for single parents, menopause support, and more.

The insights have begun to shape Serco's approach to our colleague support, and we're excited about the future potential of this project. We're hoping to expand the scheme with other departments and universities across the world. We've already trialled a defence-themed project with Sheffield University and are considering how we can sponsor industry PhDs covering cutting-edge topics. Moreover, in 2023, we'll be launching a follow-up research project with Balance+ on the experience of menopause in the workplace.



Leon Munro
Operator Maintainer
Defence Maritime Support Services,
AsPac

I work in fleet maintenance for our Garden Island transfer vessels here in Western Australia. I'm also the site health and safety representative, so I have the added responsibility of ensuring a safe and efficient worksite. If anyone comes to me with a safety concern, it's my job to follow up.

I love what I do and really enjoy the variety of work we do here. One day it's towing a target for the Anzacs to zero in on, and the next it's assisting with berthing and sailing foreign submarines - what other job gives such a wide range of experiences?

While we work for the Navy, I always do my best to make sure their goals are mine, too. It's through our high standards that we're able to help them respond to critical situations quickly and effectively.

Some interesting facts about Respecting human rights

50.5%

Tier 1 suppliers in high-risk categories for modern slavery for whom enhanced due diligence has been completed



Tested refreshed human rights due diligence process with the acquisition of ORS

92%

in the UK Cabinet Office's annual Modern Slavery assessment, up from 84% in 2021



Established a 'sponsored-partnership' with the charity 'Slave-Free Alliance'



Founding members of UK Service and Infrastructure Project Providers Modern Slavery Council along with UK Cabinet Office and other strategic service providers to the UK Government

Respecting human rights

Serco is deeply committed to protecting the human rights of our colleagues and service users.

We're delighted to share that we made significant gains in 2022 in the UK Cabinet Office's annual **Modern Slavery assessment**. We achieved a 92% rating in 2022, up from 84% in 2021. However, we recognise that we must be constantly vigilant to protect our stakeholders and maintain robust processes to protect against systemic abuses. More details can be found in our **2022 Modern Slavery and Human Trafficking Statement** that was reviewed, discussed and endorsed at the Executive Committee, Corporate Responsibility Committee and the Board. Delivery of our commitments to human rights and modern slavery is overseen by the Corporate Responsibility Committee on behalf of the Board.

We recognise that, in many parts of our business, we deliver services to vulnerable and disadvantaged people, and help them navigate traumatic experiences. Respecting their human rights, and the rights of those we employ is a fundamental part of our ethos. We provide full details on our approach in our **Human Rights Supplement** available on our website.

We condemn the abuse of human rights or modern slavery in all its forms, so we continue to monitor our performance and strengthen how we manage and mitigate risks. Internal assessments have shown that our main risk is through our supply chain. This remains an area of focus.

We base our approach on a range of validated standards, including 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





Deborah Nickless Partnership Manager Citizen Services, UK&E

I look after a team of Partnership Coordinators in the UK and help deliver support to long-term unemployed persons. It involves a lot of meetings with different stakeholders (including various government departments and public services) to make sure people get the support they need.

I love seeing people being empowered to rebuild their lives and find the right career, whether it's through help with interview prep or upskilling. I regularly have people get in contact with me after 20 years which can be so humbling.

In 2022 we have enhanced our onboarding process with even more robust risk assessments and detailed due diligence of high-risk companies. We have also upgraded our ethics and compliance screening provider to deliver more comprehensive human rights and modern slavery assessments. During 2022 50.5% of high-risk suppliers were assessed for Modern Slavery. Of the 1,354 suppliers considered for Modern Slavery, 684 suppliers have been through the modern slavery due diligence checks comprising 74 onboarded in 2022 and 610 assessed as part of the retro due diligence assessment. The retro modern slavery due diligence exercise included suppliers operating in a category of high risk for modern slavery with an annual spend more than £10k. We will continue to monitor our due diligence processes across our supply chain and look to leverage our relationship with Slave-Free Alliance across our global operations to implement best practices.

Much of this action is outlined in our **Sustainable Procurement Charter**. This documents our strategic intent to procure more sustainably and responsibly, including protecting human rights and labour standards and eradicating modern slavery. We are measuring our maturity both in terms of ISO 20400 and the EcoVadis maturity assessment to help us enhance our procurement processes in line with the aspirations in our Sustainable Procurement Charter. The Charter then outlines numerous steps to improve the sustainability of our suppliers and their supply chains, including working with diverse and local suppliers and engaging our suppliers in lowering their emissions.

Our first significant step has been to start working with EcoVadis, our chosen sustainability ratings partner, to achieve greater visibility and transparency of the social and environmental performance of our preferred suppliers. Labour and human rights is a key pillar within the Ecovadis rating system. We are engaging at least 300 key suppliers over the next 3 years, targeting areas of improvement.

50.5%

of high risk suppliers
assessed for Modern Slavery



Acting swiftly and decisively on modern slavery allegations

We're determined to make it as safe and easy as possible for anyone to raise concerns to Serco about employment and working conditions. One way we do so is through Speak Up, our global ethics helpline and investigation process which covers all areas including any alleged or suspected cases of modern slavery and human rights abuses.

The helpline is available online for all employees, suppliers, supplier personnel and even the public. Cases are managed independently, and the Executive Committee and Corporate Responsibility Committee regularly receive updates on Speak Up activity, including any investigations and actions taken. In 2022, we received over 650 Speak Up cases, of which two made allegations about modern slavery. Both of which were subject to a swift and thorough investigation.

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

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



Joshua Simpaya Welfare and Engagement Manager Immigration, AsPac

I lead the Welfare and Engagement Department at an immigration centre and oversee programmes to support the mental health and wellbeing of detainees.

My job gives me a deep sense of joy to ensure that the people I interact with are doing well physically, mentally, emotionally and spiritually regardless of their history, cultural background or personal challenges.

Giving people a sense of structure while in our care is so important and I'm proud of the work my team and I are able to do in our daily lives.



Some interesting facts about Public and community impact

£146k



matched funding from Serco Foundation to support humanitarian efforts in Ukraine

4,000+



Australian Government employees, families and civilians supported in the Middle East as part of Afghanistan evacuation



200,000

US Military Service members and families supported to date into the civilian workforce



Community involvement prize at UK National Fitness Awards

15 charities supported by
serco
FOUNDATION

3,000



daily meals fed to volunteers, staff and prisoners at Clarence Correctional Centre during severe flooding in Eastern Australia

Public and community impact

Serco is a global company at the heart of the communities we serve. Serco benefits these communities through investment in local jobs and local businesses, and through fundraising and volunteering efforts. Some projects, like our partnership with Sheffield University (see page 32), are mutually beneficial. However, others are purely charitable and let us support good causes worldwide. Below are some examples of the outreach and community work we've done in 2022.

Our communities comprise those living and working near our operations, those for whom we provide services on behalf of our government customers, and those who represent the needs of the communities we operate in, including charities, independent bodies, and local government. Operating amongst and on behalf of our communities, we strive to maintain a deep understanding of the complex social challenges that impact them, whilst recognising our responsibility to contribute to the sustainability and wellbeing of society wherever we operate.

Our communities are primarily concerned with the impact of our operations on society, the economy, and the environment and knowing that we operate and conduct our business as a respectful and responsible neighbour.

serco FOUNDATION

The Serco Foundation is a charitable trust established in 2012. The Foundation seeks to enhance public service outcomes and support vulnerable citizens internationally by sponsoring charitable causes, research bodies, and social enterprises.

In total, the Foundation donated over £220K in 2022 to 15 charities and ran a matched funding scheme for Serco colleagues who donated to the war in Ukraine. The Foundation match funded a total of £146K that went to help citizens affected by the war. The Foundation also partnered with the Gurehlgam Corporation, a not-for-profit organisation for Aboriginal communities in New South Wales and the Mid-North Coast in Australia.

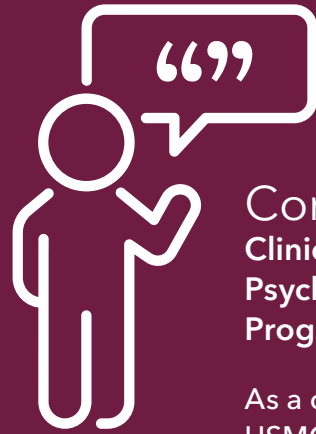
Gurehlgam runs an Aboriginal Healing Centre to support people with poor mental health from domestic violence and systemic racism. The Serco Foundation helped the organisation hire an Indigenous Program Officer and offer more effective community outreach and support. The Corporation now reports that 70% of Stolen Generation members who participated in healing projects felt more able to manage their grief. Furthermore, the Men's healing programme has resulted in a 50% reduction in future contact with Corrective Services and a drop in family violence.



£220k
donated to 15
charities in 2022



£146k
matched funding from
Serco Foundation to
support humanitarian
efforts in Ukraine



Cornelia Cager Clinical Counsellor Psychological Health Outreach Program, Americas

As a clinical counsellor for the USNR/ USMCR Psychological Health Outreach Program (PHOP), I help service members and their families to access a wide range of resources to support their mental health. My responsibilities include contacting providers to make sure they can meet the needs of the service member, providing referrals for resources, and delivering training on behavioural health-related matters. I also mentor new staff members in PHOP and assist with their growth and development.

In this position, I get to make a positive difference in the lives of service members and their families, and help military leadership to better understand the role mental health plays in readiness and resilience.

Facilitating a space for the community

Serco manages parks and gardens throughout Melbourne's CBD, working in partnership with the City of Melbourne to deliver services using sustainable and innovative methods. In 2022 the team was asked to help clear an area of one park that falls outside our boundaries, which had become overgrown and dangerous to maintain due to its uneven terrain. However, a native lizard species lives among the 180 hectares of parkland and is one of the only surviving populations in central Melbourne and using chemicals or heavy equipment would harm the animals.

Keen to solve the problem, Head Gardener Bruce Crotty researched environmentally friendly ways to clear land and found Graze Away, a local business that uses goats to remove weeds and vegetation.

The City of Melbourne agreed, and the idea became a research partnership with the local government and the University of Melbourne. The solution is completely natural: free from chemical herbicides and doesn't rely on petroleum-based fuels, meaning it's zero-carbon, too. The reduced vegetation also lowers the risk of fires, adding a further safety element for parkgoers and local wildlife.

This is just one example of the forward-thinking approach we take to public service delivery. Not only does it showcase our eagerness to engage local communities, it also demonstrates our commitment to incorporating environmental solutions at every opportunity. We're immensely proud of Bruce's innovative thinking and want to thank him for his 30 years of service at Serco.

Supporting the next generation of nurses

Earlier in 2022, we made two new scholarships available to registered nurses in Australia. The scheme aims to support nurses working in mental health or the military and living in rural areas.

The scholarship was launched in conjunction with the Australian College of Nursing Foundation and is part of a broader programme honouring Lieutenant Colonel Vivian Bullwinkel AO, MBE, ARRC, ED, FNM, FRCNA. Bullwinkle was an Australian Army nurse who served during the Second World War, and the sole surviving nurse of the Bangka Island Massacre in 1942.

These scholarships recognise Matron Irene (Melville) Drummond and Esther Sarah Jean (Stewie) Stewart, who served alongside Sister Bullwinkel and were among the 21 people killed in the tragedy. The scholarships provide \$2,500 each to help with the costs of postgraduate studies, such as course fees and textbooks.

serco INSTITUTE

The Serco Institute is a think tank established by Serco in 2002 that explores the evolving nature of public service delivery. Through its research, it helps drive excellence in public service delivery by looking at pressing issues in society. In 2022, the Institute reached an exciting new milestone in its growth: publishing its first reports in Arabic and French.

In the former, the Institute looked at the need for a unique approach to developing government services. The report is the second in a series of publications aimed at the **UAE** and the Kingdom of **Saudi Arabia**, and was developed in partnership with **Serco's ExperienceLab**. The reports consider how to measure satisfaction levels in public services – a vital metric in maintaining value for money – and how governments compare across the globe.

In the latter, the Institute shared findings from its survey on **voters' attitudes** towards public services in the wake of the French Presidential election. The survey was the latest in the Institute's ongoing work measuring voter sentiment in the **UK** and **Australia**.

Ahead of COP27, researchers released their analysis of UK public support for climate action amid the ongoing cost-of-living crisis. As a critical issue in the UK economy, its timely release helped evidence voters' priorities for policy making. Similarly, the Institute released a report on **micromobility** and its place in the future of urban transport. The report enjoyed success and helped inform UK ministers' approach to new industry regulations.



Environment





Alongside our customers and other stakeholders, we recognise that environmental sustainability is a critical factor in the wellbeing of society. We are therefore committed to doing what we can to address the environmental and climate emergencies and support the net zero ambitions of our clients and wider society.

In 2022 we completed an in-depth review of our approach and progress in embedding and maturing the management and reporting of climate-related risks and opportunities. We have formally committed to net zero and in 2023 we

will be submitting our updated net zero targets for independent validation and have reviewed our carbon offsetting (removals) strategy for the future, prioritising the avoidance and reduction of carbon in the near term.

We are proud to have moved our CDP score from a B in 2021 to an A- in 2022. We continue to support environmental sustainability through our ESG framework, strategy, culture, and diverse range of support services, from sustainable transport solutions, waste and recycling services, management of greenspaces, marine sector scientific monitoring and pollution emergency response, to supporting vital earth observation from space. Our growing green ambassador network helps to drive improvement in our own performance, support client ambitions and deliver improvements in the communities in which we work.

Michael Lynch, Group Head of Environment, Energy & Sustainability



We understand that environmental sustainability is a defining challenge for humanity and recognise the urgency of the climate and wider environmental crises through the business we do, our value chain and the communities where we operate.

As a result, we are committed to addressing the net zero ambitions of the countries we live and work in by decarbonising our services in line with the latest global climate science whilst also supporting and contributing to our customers' objectives. We partner with governments to help deliver their net zero targets and address the climate and wider environmental emergencies. We look to design environmental efficiencies into our operations and contracts – for example Clarence Prison, a new prison in Australia, is one of the most environmentally focused prisons yet designed and built. We also help extend the life of assets and seek to improve the energy efficiency of our customers' assets and infrastructure. We help reduce urban air pollution and associated carbon through the operation of bike schemes for some of our customers in the UK. Our focus on sustainable procurement is a vital component in reducing carbon emissions, minimising our consumption of natural resources and supporting the transition to a circular economy. Our aim is to reduce our strain on the planet and the natural resources which we share. We strive to prevent pollution and protect, value, restore and enhance the ecosystems and biodiversity of the natural world which sustains us.

Our refreshed ESG framework now mirrors our global environmental strategy, which rests on three key pillars:

1. Net zero carbon and climate
2. Efficient use of natural resources
3. Environmental protection

Furthermore, our updated ESG framework also recognises that our focus on **sustainable procurement and third-party relationships** straddles our work in both the social and environmental domains. There are a number of areas where we have shown real progress in 2022.

Our refreshed net zero targets will be externally validated in 2023 and are currently anticipated to be:

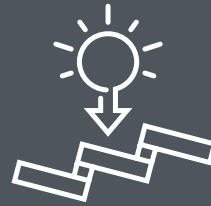
- A 34% reduction of scope 1 and 2 operational emissions by 2030 against a 2022 baseline.
- Scope 3 – A proportion of our suppliers by spend to set science-based targets by 2028.
- Net zero by 2050 across scope 1, 2 and 3 emissions.



Some interesting facts about Net zero carbon and climate

**242**

tCO₂e reduction in scope 1 emissions through use of biodiesel HVO delivering over 90% savings versus conventional diesel



Initiated feasibility study for installation of solar PV panels at customer sites in AsPac

**260+**

members of the global Green Ambassador network

**25k**

tCO₂e savings generated through energy efficiency initiatives in the Middle East

Supported

59k

tCO₂e reduction through London Cycle Hire Scheme

**23%**

of overall supply chain scope 3 emissions sourced directly from supplier disclosures



Net zero carbon and climate

Our environmental strategy has matured over the years. The first pillar of our environment strategy is focussed on net zero and understanding how the climate could affect our operations now and, in the future, both from a risk and an opportunity perspective.

In 2022, we reviewed our net zero targets to ensure we remain in step with leading corporate sector practice and prepare for increasing customer expectations, such as the US Executive order requiring qualifying US federal contractors to disclose their greenhouse gas emissions and set science-based targets. The Science Based Targets Initiative's (SBTi) net zero standard was launched during the United Nations COP26 Climate Change Conference held in 2021 and provides guidance on setting science-based targets to keep global temperature increase to 1.5°C. With the help of external partners, we have formulated refreshed targets which address the ambition of more urgent action this decade. These targets will be independently validated by SBTi in 2023 and our progress will be measured against our new baseline year of 2022.

As committed in our 2021 ESG report, we have also reviewed our carbon reporting methodology supported by client conversations and recognition that we cannot set near-term net zero scope 1 and 2 targets against assets we don't own or lease. We have liaised with key customers and have opted to move to a financial control boundary approach as opposed to an operational control boundary. As a result, our reported scope 1 and 2 carbon no longer includes emissions resulting from our operation of customer-owned assets where crucially we don't have the ability to upgrade and replace such assets to meet our own net zero targets. We have moved these emissions into our scope 3 (indirect emissions from our wider activities such as supply chain and business travel) reporting which recognises both our role in supporting our clients' net zero ambitions, and that clients should also report emissions from their owned assets, in accordance with global standards.

To reflect the above progress, we have updated our **net zero transition plan**, which we have based on the initial UK gold standard guidance, which is globally applicable and was launched ahead of COP26. Our full net zero transition plan will be published in late 2023 and will be a dynamic document which will be updated regularly to take account of the final gold standard guidance, our progress in meeting short-, medium- and long-term objectives and any wider guidance which emerges throughout our operating geographies.

Our climate risks and opportunities are linked to our climate transition planning and have been matured over 2022 to better understand the potential short-, medium- and long-term financial

impacts of climate change using different scenarios. Importantly this provides us and our stakeholders with more insight into the challenges we need to prepare for, mitigate and turn to our advantage where possible.

Our full Task Force for Climate-related Financial Disclosures (TCFD) disclosure can be accessed [here](#). The document highlights our progress over 2022, such as quantifying the range of significant risks/ opportunities and ongoing collaboration with our property insurance partners to better understand how the physical impacts of future climate change may impact our global operating locations, client assets and activities.



Christa Wise Air Traffic Manager Transport, Americas

I'm the Air Traffic Manager at Ramona Airport, CA. In addition to being an air traffic controller myself, I also lead a team of controllers who provide service to over 144,000 air traffic operations annually. As an ATC, my emphasis is on providing excellent customer service to ensure our pilots are in safe hands. As a manager, I am responsible for all staff training, scheduling, and ensuring the facility meets regulatory standards.

I started my career in the Navy, and as someone who loves aviation, I'm so fortunate that Serco added me to their team almost a decade ago. Air traffic controllers are the eye in the sky for pilots, and the service we provide can make or break their flights. I glow every time I receive positive feedback that we're delivering a positive experience for pilots.

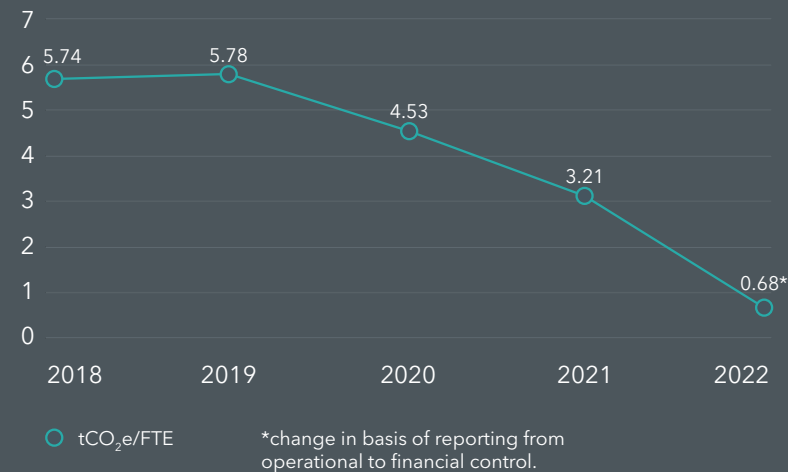


Given our move to establish 2022 as our new base year for our net zero targets and our change to financial control reporting, many of our metrics are no longer comparable to previous years.

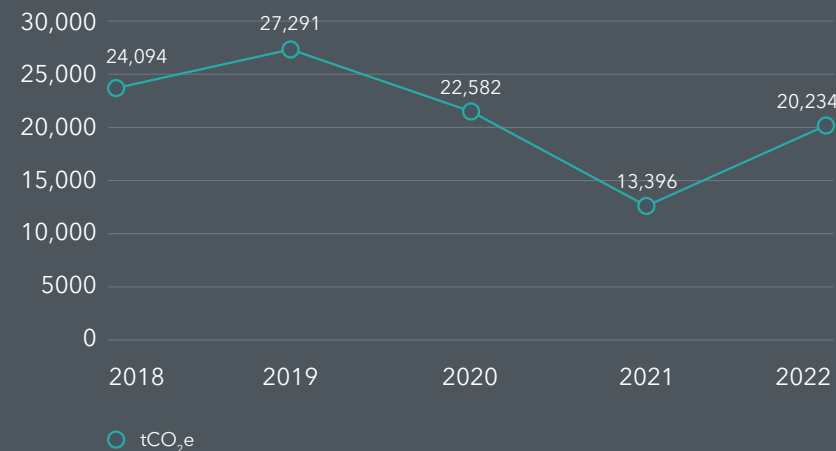
However, we continue to improve our own net zero carbon and climate performance and support our clients and communities, for example we have:

- improved energy efficiency, such as reductions in electricity use across the UK prisons we operate;
- increased our precision in calculating supply chain emissions resulting in a significant reduction of our total emissions;
- increased our understanding of future climate risk impacts at our operating sites through collaboration with our insurance partners;
- supported local communities in responding to increasing severe flood events on the ground whilst also supporting emergency response coordination through our earth observation satellite services; and
- reduced business travel which, whilst an increase on 2021, as we emerged from the impacts of Covid-19, remain 25% down on 2019 pre-covid emissions.

Headcount intensity (Scope 1+2) market-based Scope 2



Business travel emissions



We are also pleased to report on some wider progress on carbon and climate, not just in relation to the Company but also in relation to our customers environmental goals.

We have continued to ensure we build the appropriate skills, competencies, and training to help support and deliver a low carbon future. In 2022, our board developed skills in sustainability reporting. Similarly, our Group Finance function restructured to appoint a lead on sustainability reporting and climate related risks and opportunities. As an Institute of Environmental Management and Assessment (IEMA) approved training centre we self-deliver approved training courses and 60 colleagues have now been successfully trained on a range of IEMA courses. We have also enhanced our learning management system through courses from the Supply Chain Sustainability School, a partner we have engaged through our sustainable procurement charter focus.



Sile Lateef Muritala Pump Mechanic Dubai Airport Facilities Management, Middle East

As a Pump Mechanic, I inspect, diagnose and repair various types of motors, hydraulic equipment, valves and compressors. I think my passion and skills have helped me find a long term career path at Serco.

I'm always volunteering to be a part of new projects and I've been able to take on difficult workloads with a lot of independence - I even won a "Spot Award" for my work on the DATM operation here in Dubai Airport and I've helped my site maintain a consistent safety track record.

We continue to engage our wider value chain on carbon, climate, and wider environmental matters, including input into government consultations, membership of industry organisations such as the Environmental Services Association in the UK, Dubai chamber in the Middle East, Greater Washington Board of Trade ESG group in North America and engagement with government initiatives such as Climate Active in Australia.

Other divisional efforts include our Real Estate Sustainability Strategy in North America supported by JLL Real Estate Services, which will offer a green leasing referencing guide and operational collateral. These outputs will be shared across our divisions in 2023 to further net zero planning and energy and carbon management in our leased facilities.

We continue to transition to green electricity at our AsPac leased sites with more planned as contracts end. Additionally, we have begun to explore in AsPac renewable energy certificates (RECs) to cover our energy use where green tariffs are unavailable. Any further adoption across other divisions will take account of emerging global guidance on the use of RECs.

We have also supported our client's net zero aspirations. For example, in 2022 we have initiated a feasibility study for the installation of PV panels across AsPac customer sites including Melbourne Parks and Gardens and Traffic Camera Services contracts. We have also helped the planning for the

introduction of solar panels at our UK Forth Valley hospital contract, forecast to produce 2-3% of the site's electricity requirements. In the Middle East, Khadamat University LED retrofit lighting project delivered 1,939 tCO₂e savings in 2022. Similarly, we estimate our London Cycle Hire Scheme contract has helped to reduce circa 59,000 tCO₂e through 2022 bike scheme use. Finally, in our UK Leisure Business Unit, we installed charge points across eight sites to support site users with electric vehicles.

A significant achievement in 2022 of which we are very proud was an improvement in our **CDP Climate Change score**. The increase reflects the progress we have made across several areas including, energy management, disclosing climate risks and opportunities, engaging our value chain and climate governance. We received a score of A- which moves us into the leadership category 'Implementing current best practices' positioning us well against global peers.

Some interesting facts about Efficient use of natural resources



120+

initiatives managed
through our green
ambassador network

18%

water savings at Auckland
South Correctional facility

500



contactless business cards in
North America, reducing waste
and encouraging sustainable
behaviours from leadership



Northlink Ferries, UK, has
significantly reduced the
use of single use plastics



Implemented smart solar-
controlled irrigation systems
which reuse fountain water at
Middle Eastern Universities

320



train tyres recycled at
Palm Monorail, Middle East



recycle...
more

Helpline

01509 634 563

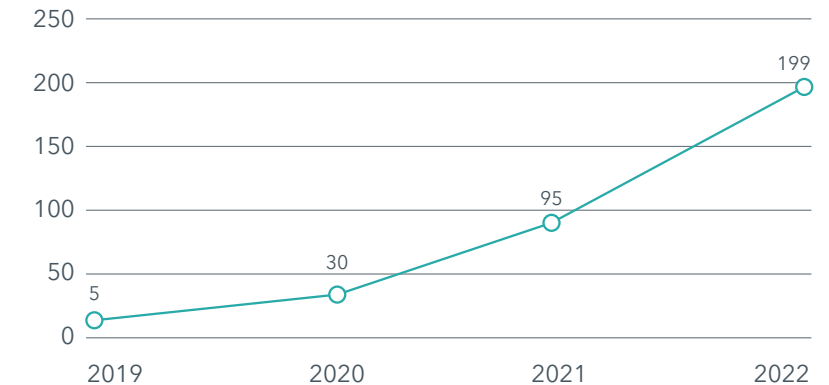
Efficient use of natural resources

The second pillar of our environmental strategy is to use natural resources as efficiently as possible. To this end, we aim to use less raw materials, reduce waste, divert resources from landfill, and contribute towards a circular economy by harnessing new innovations. In 2022, we're pleased to report progress on several initiatives across our global operations, outlined below:

In AsPac, colleagues at an Australian immigration contract on Christmas Island introduced a waste oil incinerator, generating energy, reducing both landfill waste and reliance upon fossil fuels. Colleagues at our Auckland South Corrections Facility reduced facility water consumption by 18% following significant drought years. The team's proactive measures mean there's less strain on water resources and demonstrates the potential of savings available at other facilities.

Our Middle East operations include grounds maintenance services in extremely arid landscapes. Water is therefore an extremely precious resource. Serco colleagues working at one of our university contracts installed a new irrigation system

Serco Green Ambassador Initiatives Completed



equipped with a solar clock. The smart technology means water resources are used more efficiently. By watering plants at certain times, more water goes directly to campus flora, thereby lowering the overall demand as evaporation is reduced. Our contract at the Palm Monorail recycled 320 train tyres in 2022, as part of our commitment to recycling.

In the UK, we've continued to reduce our use of single use plastics in hospitals by switching to vegware (where possible), washable caps and plant based fully recyclable milk cartons in partnership with our supply chain network. We have also introduced reusable water bottles at retail outlets to encourage more sustainable behaviours among hospital users. Serco Caledonian Sleepers has fitted eco-friendly refillable dispensers to help reduce the use of single use plastic bottles used for shower gels and shampoos, reducing virgin plastic use by 81% and liquid waste by 75%. In total we estimate we will remove close to 400,000 single use plastic bottles from our fleet per year.

On a number of our defence sites drinks vending machines and associated plastic cups have been replaced, introducing mains filtered water across sites to encourage the refilling of water bottles. Food waste has also been targeted with initiatives such as 'cook to order' introduced in our transport catering operations.

We continue to drive resource efficiency throughout our operations and increase our focus and reporting, including:

- introducing IT waste stream reporting, backdated to 2018 to improve our disclosures;
- involvement in recycling challenges in the Middle East to drive behavioural change;
- managing our property portfolio to use our leased assets as efficiently as possible as new business joins our portfolio and hybrid working models become more prevalent; and
- increasing precision on waste stream data collection and reporting.



We estimate removing
400,000
 single use plastic bottles per
 year on Caledonian Sleepers.

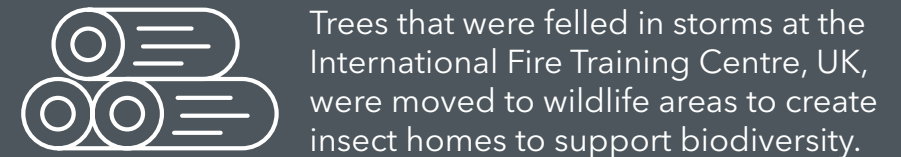
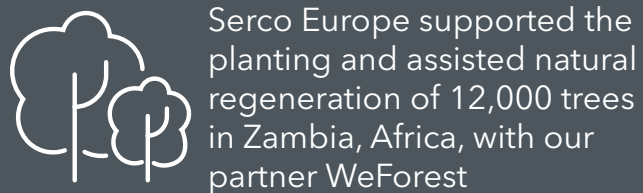
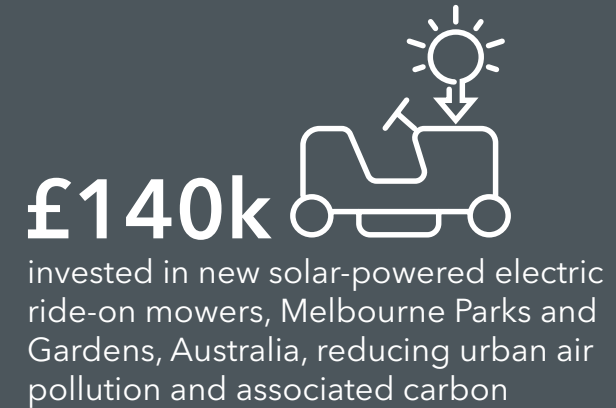


David Ikenna Alaribe
 Technical Assistant
 Dubai Airport Facilities Management,
 Middle East

As a Technical Assistant, I am responsible for the inspection, maintenance, and repair of supplies and fittings across Dubai Airport. This includes maintaining a steady water supply and distribution across the airport, maintaining water lines from leaks and breakdowns, and conducting fire simulators in case of an emergency. My work includes working closely with subcontractors, the fire safety department and the emergency services.

I love my work and the fact I help maintain the image and reputation of Serco. My job is extremely varied and ranges from driving to site locations to troubleshooting and creating new work orders. I also like that my employers have the confidence to let me work independently and without supervision.

Some interesting facts about Environmental protection



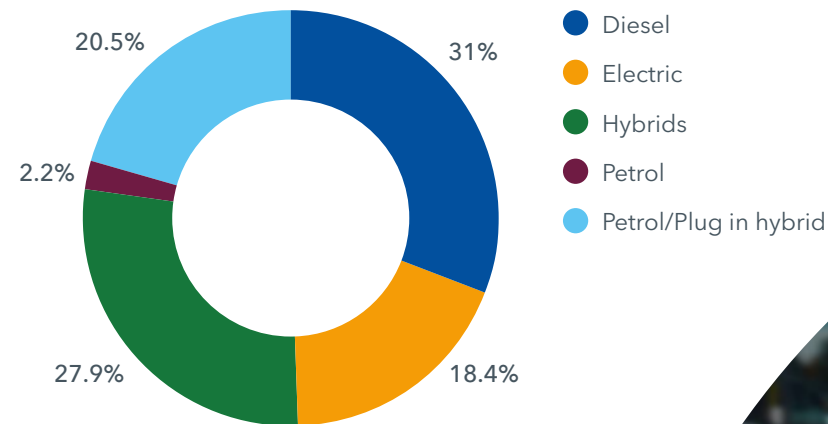
Environmental protection

The final pillar of our environmental strategy is geared towards preventing pollution and looking after nature. In 2022, we're pleased to report progress on several key initiatives across our global operations, outlined below.

In the UK, our company car scheme is supporting the reduction of urban air pollution and associated carbon emissions with electric vehicles now accounting for 18% of the fleet, petrol/plug-in electric hybrids at 20% and hybrids at 28% overall.

At our Melbourne Parks and Gardens contract in Australia our diesel-fuelled ride-on mowers can emit damaging air pollution and more carbon in one day than some cars in one year. By switching to 3 solar-powered mowers in 2022, we have removed circa 420 cars off Melbourne roads each year. We are planning on changing our entire fleet of mowers to support the City of Melbourne further to achieve its Climate Change Mitigation Strategy by 2050.

2022 UK Company Car Breakdown



67%

of UK company cars are now electric, petrol/plug in electric hybrid and hybrid





Jason Brown
Group Leader, Chemist Asc.
EPA, Americas

I've been working in this position for almost 23 years. Although I need to wear multiple hats, it's something I gladly do. I can go from assisting two field scientists or a lab analyst, to performing audits on air quality measurements and verifying data from sites across the country. My work depends on my integrity so I'm always confident that, when I give our clients assistance on any of their goals, my work can stand alone as a guide.

Like most of us that work in environmental programs, I want to see a clean environment and promote a healthy future. But for me, what I enjoy the most is helping new hires become leaders of our industry. I've had the pleasure of watching several young professionals go on to achieve amazing careers in environmental protection and I couldn't be more proud.

Earth Day is an annual event that marks a coordinated global effort to raise awareness of sustainability. In 2022, 74 of our North American colleagues participated in various clean-up projects across local parks, streams, beaches, and streets. The projects helped us connect with the community and remove waste from the environment to help protect nature.

European colleagues took part in our 2022 Serco Goes Green challenge in partnership with an environmental charity with actions taken locally being matched with trees. We set the target of planting 10,000 trees in the Katanino Forest Reserve, Zambia, by the end of 2022 and we're thrilled to share that we closed the year with over 12,000 trees planted or naturally regenerated. The project is an example of our commitment towards supporting ecosystem restoration through nature-based solutions helping to address biodiversity loss, climate change and supporting the United Nation's Decade of Ecosystem Restoration.

Across our global operations there is increasing focus on green space creation, tree planting and biodiversity initiatives. For example, the Mangrove National Park is a dense forest protected by the UAE government. Mangrove forests in the UAE are very important for nesting birds since they prevent

soil erosion and are a rich source of food for animals and insects. As such, Serco Middle East is involved in a tree planting initiative in support of the Ministry of Climate Change and Environment, UAE (MOCCAE) and the roadmap for the National Carbon Sequestration Project. The programme aims to plant 100 million mangroves by 2030 at a national level.



12,000+
trees planted or
naturally regenerated

In the UK, one of our defence contracts introduced a pollinator planter, built from reclaimed timbers, pallets and plastic sheeting saved from landfill. Similarly, trees felled during storms at the International Fire Training Centre were moved to wildlife areas for use as insect homes.

We will continue to explore nature-based solutions as part of our net zero transition planning and commitment to supporting nature restoration and biodiversity. In 2022, we liaised with the UK Government peatland team to investigate opportunities to support the government's Peatland Action plan.

At the macro level, our services to the European Space Agency on earth observation facilitates the collection and communication of vital satellite information to protect nature and people. For example, we support the International Charter of Space and Major Disasters by analysing the scope, geographical location and surface extent of events and then help to deploy the most appropriate satellites to analyse the impacted area. Over 75% of natural disasters that occur worldwide involve flooding, but we also support the mapping of forest fire scars and oil spills as well as a range of other ecological events.

We continue to strive to avoid and reduce pollution and improve our focus on protecting nature throughout our operations as expectations increase on organisations to understand value chain impacts on biodiversity, including:

- supporting and influencing clients in taking up biofuels to reduce air pollution and carbon;
- increasing the number of electric vehicles in our fleet and related infrastructure improvements;
- preparing for the forthcoming Taskforce on Nature-Related Financial Disclosure requirements;
- delivering marine pollution response services in the UK and AsPac; and
- supporting the global scientific community on nature monitoring through our contracts with the European Space Agency and partnerships with environmental organisations at Northlink Ferries.



Tamer Ayad Environmental Expert Citizen Services, Middle East

As an Environmental Expert for Serco, I help to minimise light pollution in AIUla and ensure local residents and tourists benefit from the natural night sky. The aim of the initiative is to preserve cultural astrological stories for future generations and sustain opportunities for night sky tourism.

I conduct baseline studies of light levels to measure our compliance to regional standards and assess where and how we can improve. The role also involves working with local decision makers and the public to build awareness of light pollution and its impact on our surrounding wildlife, so there's lots to do. It's a great feeling to help your local community retain a resource like this (the beauty of the night sky) while also protecting the environment, too.

Some interesting facts about Sustainable procurement and third party relationships



Tier 1 suppliers completed human rights and modern slavery due diligence



50

site visits completed on the accommodation provided by our suppliers to their workers



45.5%

reduction in spend in modern slavery high-risk purchase categories



83.5%

suppliers paid on time

ecovadis

EcoVadis appointed as our chosen sustainable ratings provider



Upgraded our third-party screening platform to enable more robust human rights checks



Sustainable procurement and third party relationships

Implementing sustainable procurement is a complex multi-year endeavour. We began in 2021 by publishing our Sustainable Procurement Charter (as previously mentioned on pages 35). In 2022, we made progress towards these ambitions. First and foremost, we are establishing greater visibility and transparency on the social and environmental performance of our key suppliers. To do this, we're implementing a sustainable ratings provider, EcoVadis, for our most material and high-risk suppliers. The initial launch will encompass at least 300 suppliers over a three-year period.

Establishing transparency isn't done quickly or easily, but we are already gaining insights into the social and environmental performance of some of our most key suppliers, which is informing future sourcing activities. We recognise sustainable procurement places pressure on our business partners and suppliers. However, we believe the transparency we are seeking from our suppliers and the improvements we are beginning to establish are for the greater good and will help us protect stakeholder interests for the foreseeable future.

We view both social and environmental sustainability with our suppliers and their supply chains as a key tenet of our long-term approach to engaging and managing our suppliers. By acting with integrity with our suppliers and partners as well as working together with our most material suppliers on social and environmental improvements, we believe we can foster a highly resilient organisation that's equipped for the future.



Leon Munro
Operator Maintainer, Defence Maritime
Support Services, AsPac

I work in fleet maintenance for our Garden Island transfer vessels here in Western Australia. I'm also the site health and safety representative, so I have the added responsibility of ensuring a safe and efficient worksite. If anyone comes to me with a safety concern, it's my job to follow up.

I love what I do and really enjoy the variety of work we do here. One day it's towing a target for the Anzacs to zero in on, and the next it's assisting with berthing and sailing foreign submarines - what other job gives such a wide range of experiences?

While we work for the Navy, I always do my best to make sure their goals are mine, too. It's through our high standards that we're able to help them respond to critical situations quickly and effectively.

Whilst we need to focus on mitigating the macroeconomic conditions, pressures, and global issues affecting our procurement activities, the effects of climate change cannot be ignored. We recognise the need to work collaboratively across our supply chain to achieve our own, our customer's and wider society's net zero ambitions and recognise the importance of having a robust and transparent net zero transition plan to support this process.

Encouraging suppliers to set science-based targets will enable more accurate measurement of our supply chain emissions, drive decarbonisation across our supply chain, help us to focus on carbon hotspots and deliver more innovative and lower carbon solutions. Setting net zero commitments and science-based targets is referenced in our Sustainable Procurement Charter, and we expect to improve our understanding of hot spot categories for carbon emissions and review carbon measurement platforms in 2023.



Alongside this, we expect to progressively implement appropriate sustainability KPIs in our supplier contracts. Indicative KPIs were highlighted in our Sustainable Procurement Charter (e.g. percentage waste diverted to landfill, total weight of waste diverted from landfill, etc) and we are working in 2023 to refine these KPIs to ensure we prioritise those that meet our vision and goals.

We continue to work on eliminating modern slavery and human rights abuses from our supply chain. We have identified the suppliers at highest risk of modern slavery, focusing on suppliers in highest risk categories of spend, and undertaken enhanced due diligence on these suppliers across all our regions. We will use the findings to establish the highest risk suppliers where further investigations are needed and as a next step, we will request them to be EcoVadis rated or consider alternative sources of supply. To support this work we are members of the UK Service and Infrastructure Project Providers Modern Slavery Council and are working with industry peers on establishing best practice through a playbook expected to be published in 2023.

In line with our Sustainable Procurement Charter's focus on diverse and local suppliers, we worked on developing initiatives to support our Supplier Diversity strategy across the UK and Europe, the Middle East and the AsPac region. Serco is committed to diverse suppliers and supply chains to help the local economies in which we operate to thrive. We understand that this approach helps to drive innovation in our services thereby increasing our competitive advantage and staff retention. Initiatives centre on being easier to do business with and making Serco more accessible. Examples of initiatives include reduced payment terms for diverse suppliers in our AsPac region, which we are now actively considering expanding across other divisions, introducing a low-risk supplier onboarding pathway as the default for all new supplier requests, except for suppliers who are high risk of Modern Slavery or who trigger other risk pathways in order to reduce the onboarding burden, and increasing limits on purchasing cards to facilitate immediate lower value payments to many of our diverse suppliers.



Sitara D'mello

Portfolio Safety & Assurance Manager Defence, Middle East

I oversee contract compliance for various Serco clients including the Australian Defence Force and Coalition Forces, and help to develop their quality and safety systems. On occasion, I also help support contracts in the Middle East, too. The role covers everything from contractual requirements and service delivery to occupational safety, environmental assessments and quality assurance for various ISO standards.

Being in a support function I deal with employees, subcontractors, regulatory bodies, and coalition force members on a daily basis. I'm a people person, so I make sure everyone is listened to and we incorporate their views or needs in our planning. I know that by keeping our staff, clients, the environment and the wider public safe, I'm making a difference. I'm lucky to have a great manager who has helped me find a great work-life balance while also feeling empowered to take on new challenges.

Governance





internal reporting through metrics and dashboards over the year.

We have worked hard to improve how stakeholders view our approach to ESG. Our new framework has unified our work under one collective direction: driving excellence and creating value for our entire stakeholder network. As a result, we're seeing positive progress, with improved ESG scores from several ESG ratings agencies over the year.

David Eveleigh, Group General Counsel and Company Secretary

As the executive lead for the Company on ESG, it has been an eventful year. ESG has become a central part of our current and future delivery of modern public services and our values and purpose.

We are fortunate to have a dedicated Board committee looking at ESG matters, the Corporate Responsibility Committee, and ESG matters feature regularly at the Executive Committee and at the divisional executive leadership meetings. We also have strong leads in each division and a global ESG Group. I'm proud of our work strengthening our ESG governance and improving our





Mohamed Maged El Ahmar GX Team Leader, Dubai Airport Guest Experience, Middle East

As an operations and guest experience team leader, my main responsibility is to ensure our service contracts with clients run smoothly. My team provides support to guests, so they need to be knowledgeable and capable at solving issues and answering queries.

I'm always keen to find new ways to support my colleagues and maintain a consistent track record of service delivery to the highest standards. I know that by creating the best environment for my team and engaging in feedback, we can make sure our guests and clients are always kept happy.

At Serco, we believe governance is not an achievement nor a set of fixed criteria. Instead, we believe that governance is an evolving process of embedding oversight and effective controls, risk management, assurance, protecting stakeholder interests, and behaving with integrity. We stand today with a strong track record of fostering excellence across our operations and a robust governance structure that underpins our strategic outlook. This section provides updates on some of the improvements we've taken in our governance posture and our plans for the future.



Some interesting facts about Our values



118

Divisional Pulse
Awards presented



44

Global Pulse Awards
given to exceptional
individuals and teams



89th

in 2022 FTSE Women
Leaders review



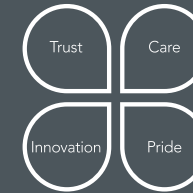
44.4%

of Serco's Board
members are women



70

engagement score 'I
feel proud to work at
Serco' (=2021)



+1 point

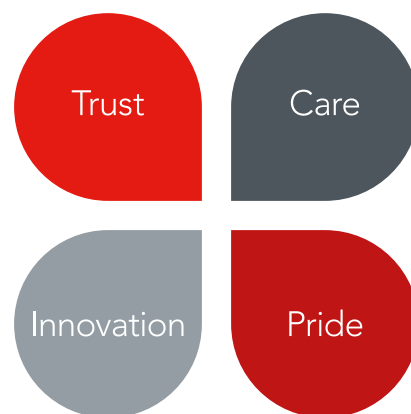
Viewpoint engagement "People
at Serco live the values"

Our values

Our values – trust, care, innovation, and pride – lay the foundation for our ethos on business management and culture. They serve as a grounding force amid the challenges before us and a framework for how we interact with our stakeholders.

Via our **Anti-Bribery and Corruption**, and **Human Rights** Supplements, we maintain a zero-tolerance policy toward corruption and activities that break the law relating to human rights. We always seek to compete legally, fairly, and ethically, and strive to behave with integrity by engaging sensitively with local cultures and respecting human rights.

Throughout this report, you've seen the care, trust and innovation that our colleagues have displayed, from stamping out modern slavery to decarbonising our supply chain and supporting our colleagues through difficult times. Bold actions like these, large and small, are what make our organisation what it is today. And so, our ESG report gives us the opportunity to live up to our last value: pride. Celebrating these efforts, lauding their impact and, of course, giving kudos to the people behind them is a vital part of how we mature as a business.



For over a decade, we've been running our Pulse Awards; an annual celebration of employees who exemplify our values and demonstrate excellence in the workplace. In 2022, we had 1,198 nominations from across all our divisions. Of these 118 were recognised with a divisional award and 44 awarded a prestigious global award.



Our values

At the core of our ESG framework and business are our Values. We recognise the need to bring our Values to life through our behaviour as colleagues, managers or leaders because they set our culture and shape the reputation of the Company as a whole.

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. We each bring our Values to life through the ways we behave as colleagues, managers or leaders.

This is how we bring Trust to life

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. We each bring our Values to life through the ways we behave as colleagues, managers or leaders.

This is how we bring Innovation to life

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 nation or the community. We take care of each other, and those we serve, and we aim to make a positive difference to people's lives. We each bring our Values to life through the ways we behave as colleagues, managers or leaders.

This is how we bring Care to life

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. We each bring our Values to life through the ways we behave as colleagues, managers or leaders.

This is how we bring Pride to life.



Nikki Wright
Carers Assessor
Citizen Services, UK&E

I'm a member of the Careers Team for Lincolnshire County Council and support unpaid carers. It's completely different from the work I was doing before, but once I started, I knew it was for me. I've been able to help carers find information about benefits entitlements and claim for allowances that enable them to deliver a better quality of care.

To have a role that provides direct support to communities that look after our most vulnerable citizens has been the most rewarding responsibility of my professional career. I'm able to take great pride in the service I provide and by knowing I've helped improve people's quality of life.



Philip Moncrief III Technical Projects Lead Defence, Americas

I'm the Technical Projects Lead for a team of highly skilled technicians working on anti-terrorism assets. We ensure that the assets are properly serviced and capable of being deployed at short notice.

I take great pride in the fact that my work helps to protect the men and women that serve my country and allows the government to direct its time and attention onto other matters, safe in the knowledge that we're supporting them in the background.

Equality and diversity in senior leadership

We feel that it's important for our organisation to reflect the communities we serve. Doing so allows us to foster strong relationships with our government customers and achieve a truly unique model of public service delivery. What's more, incorporating a wide range of viewpoints lets us build a holistic picture of our performance and identify ways to improve it. That's why we're thrilled to share two major updates on how we've been increasing the diversity of our senior leadership teams in 2022.

We managed to increase our ranking in the **2022 FTSE Women Leaders review**, from 115th to 89th place in 2022. The FTSE Women Leaders review is a cross-industry analysis of the gender balance in senior positions at some of the UK's largest companies. 44.4% of Serco's board members are women. We also made gains in our combined count of executive committee members and direct reports, from 26.1% to 33.3% in the same two-year period. As a result, Serco now ranks among leading UK organisations for its gender balance at the executive level.

We're also proud to share that we met the requirement from the **Parker Review** two years earlier than planned. First published in 2017, the Parker Review urged all UK FTSE boards to improve their ethnic diversity. Specifically, for each organisation to have at least one senior executive Director from an ethnic minority background by 2024. Serco now joins over 200 FTSE companies that have implemented the recommendations.

As a result, Serco now has a more diverse board than ever before. We're confident that our increased diversity will help tackle new challenges more effectively and action colleague feedback with more insight.



44%

of Serco's board
members are women

Some interesting facts about Managed risks and effective controls

Zero 
prosecutions of
corrupt behaviour

115 
languages supported
in mycode online

14 
refreshed policy
statements published

4% 
increase in Speak Up
rate per 100 employees

 **98.9%**
contracts complete
annual SMS self-
assessment

 **45days**
days average to close
a speak up case

 Enhancement made to our
control, assurance and
governance processes

Managed risks and effective controls

We have strong values that should drive the behaviours of those who work for us and enable us to build trust in what we do. However, we also understand that we cannot be complacent and are realistic that in any company as large and diverse as ours, someone, somewhere, is likely to be doing something wrong, whether intentional or not. We therefore maintain a robust governance structure that's effective in both identifying and mitigating risks for our stakeholders.

In recent years we have been strengthening our approach to Enterprise Risk Management (ERM). Work has continued in 2022, including improving the consistency of our structures across divisions, shared objectives, and improvements in ERM integration in strategy and bid activity. We have also improved our HR assurance approach in several areas, for example improvements in payroll controls and completed all planned assurance of ethics and compliance activities across the group.

Finally, we have seen the discontinuance of the Deferred Prosecution Agreement (DPA) without any further action from the SFO, completed a root and branch refresh of the Serco Management System (SMS), launched mycode (Serco's refreshed code of conduct), and strengthened our approach to risk management.

Closure of our DPA with the UK's Serious Fraud Office

In previous Serco reports, we disclosed that Serco Geografix Limited (a UK-based Serco Group subsidiary) entered into a DPA with the Serious Fraud Office (SFO). After significant work, we can announce that we formally closed our DPA in July with no further action taken. This means that we have been released from the DPA and the undertakings we gave in the case with no further penalty. The SFO confirmed that Serco had fully co-operated and fulfilled all its obligations agreed as part of the DPA, including reviewing, improving, and enhancing aspects of our Group-wide compliance programme related to internal controls, compliance policies, and procedures.

Whilst the DPA has ended, we recognise that the impact of potential wrongdoing remains high. There are emerging factors like global sanctions, heightened whistleblowing requirements, and the potential of an increased incentive for fraud due to the rising cost of living which could impact our company and stakeholders. As such, strong oversight and maintaining a strong compliance programme and robust assurance procedures and controls will continue to be an ongoing focus for Serco management.

We remain committed to enacting due diligence on third parties and maintaining our compliance in each region we operate. Overall, we are confident that our leadership, internal policies, processes, and controls are effective at managing risk into the future.

Refresh of Serco Management System

Whilst we have had the SMS for many years, over the last 12 months we have undertaken a review to improve its relevance and simplify it for users to improve its effectiveness.

Our SMS sets out what's required of everyone who works for Serco and delivers on our promises to stakeholders. For instance, we promise our customers and regulators that we will deliver public services safely and effectively, to pay our suppliers promptly; to engage with the public responsibly; and to look after our colleagues and give them opportunities to grow. As you would expect, identifying each of these and sharing them with everyone requires some organisation.

So, we have consolidated Serco's promises into 14 policy statements, down from 17, that reflect our current business priorities. The full list, also available [on our website](#), now includes:

- Business Development
- Human Rights
- Business Conduct & Ethics
- People
- Customer & Contract
- Security & Information Technology
- Finance
- Privacy
- Environment & Climate Change
- Procurement & Supply Chain
- Governance, Assurance & Legal
- Quality
- Health & Safety
- Risk Management & Insurance

The new policies were developed, in part, by Serco's Group and Divisional subject matter experts, so they're more reflective of Serco's global operations. Against each, we've outlined the most important requirements that colleagues need to follow. The refreshed resources will ensure we work in a consistent way and have been simplified so they're as self-contained as possible – complete with step-by-step guidance on how to deliver each requirement. As a result, the policies are now easier to understand and more actionable. We'll be conducting an annual review going forward to ensure our policies remain relevant and manageable for employees to implement in their respective division.



Gillian Sampford Customer Service Advisor Citizen Services, UK&E

I work in the referrals and request team for Children's Social Care, which means I help to protect children and assist vulnerable families. The work relates to all aspects of social care, from safeguarding and child protection, to providing support for the whole family - so it's quite varied.

I worked with primary school children as a teaching assistant previously and wanted to work full time in a similar role. As it happened, Serco had a position available and after 3 months of frontline calls, I applied to the referrals team.

I love being able to ensure a positive outcome for everyone we work with. I'm part of a great team which really helps us do our best for every child. The job satisfaction is like no other and our latest OFSTED inspection really affirmed the great work we do.

mycode – Serco’s new Code of Conduct

Two years ago, we set out on a journey to refresh our Code of Conduct and established a forward-thinking steering group, comprised of employees from HR, diversity groups, operations, and communications across all divisions. The aim was to go beyond simply revalidating the contents, and instead improving its engagement with front-line colleagues.

Through extensive employee surveys, we discovered that, while our code was relevant, it was used too much as a managerial tool. Employees felt it was too corporate and impersonal. As part of the changes, we knew we needed to bring it to life and make it much easier to engage with by our diverse colleagues.

After lots of revisions and input from our employee networks, we landed on a set of 10 core principles. The new style provided an easier format for employees to understand, meaning it would be easier to follow, too. In 2022, we launched a dedicated microsite, mycode.serco.com, complete with unique branding which provides online resources for employees in over 100 languages. The site includes further accessibility support, including for employees with visual impairments and those from specific cultural backgrounds, such as Samoan and Mauri speakers.

We also provided our people managers with resources to help colleagues find and engage with the materials that take account of their role, computer literacy, mobile access, work schedule, and more. We’re pleased to share that we’ve received positive feedback from the initial awareness campaign and level of accessibility embedded throughout, and we look forward to seeing how our engagement levels will perform in the coming months.

mycode 10 principles

We watch out for each other

– and keep each other safe.

We show care and respect

– always, to everyone.

Bullying? Discrimination? Abuse?

– no way, not here.

We’re honest and fair

– and never bend the rules.

When we report

– we are accurate, honest and open.

Bribes? Kickbacks? Fraud?

– we won’t be part of it.

We safeguard others trust in us

– respecting those we work with.

If we’ve been trusted with it

– we take care of it.

If it’s confidential or private

– that’s the way it stays.

We protect our systems

– and always think twice before clicking!

Assurance

As part of our capability assessment, and recognising expected requirements of the UK Department for Business, Energy and Industrial Strategy (BEIS) White Paper, we identified the need to improve and refresh our approach to Assurance. In particular, the need for a clearly defined Audit and Assurance Policy to clarify the range of assurance over our lines of defence. To address this, we launched an Assurance review which, following a successful pilot in our UK&E Division, we anticipate being rolled out across the Group through 2023.

This extends work done in 2021 which was a part of our commitment to process improvement. We refreshed our approach to our annual SMS self-assessment and introduced a maturity scale for the key principal and divisional risks. Following a successful introduction, in 2022 we now require the minimum standards we expect each contract to achieve with mandated action plans if a particular requirement is not initially met.

We acknowledge that whilst SMS controls can provide reasonable assurance against misstatement or loss, it cannot be absolute. To provide additional oversight and guidance, we have several committees and programmes that aim to reduce risks even further. These include:

- the Group compliance assurance programme, guided by the Group enterprise risk function;
- regular compliance framework review exercises (CFWRs) conducted by the group ethics and compliance team. Recent reviews have covered Speak Up, conflicts of interest, gifts and hospitality, export controls and competition/ antitrust practices;
- internal audit teams;
- financial assurance team reviewing compliance with our Financial Controls Manual;
- regular assurance by group subject matter experts including HR, data protection, information security;
- an ethics and compliance team for each division; and
- contracts and business units will often have people in assurance roles.

For the first time, a selection of non-financial social and governance datapoints reported in our Annual Report and Accounts and this report have been subject to independent limited assurance by Grant Thornton. Environmental data continues to be independently assured through Carbon Intelligence.

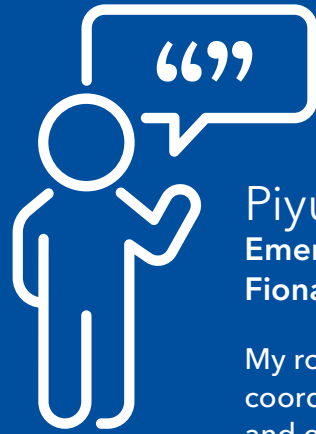
Each element of assurance works to review processes, identify issues close to the ground, handle Speak Up investigations, maintain transparent records and mitigate our exposure to global factors, like export controls, trade sanctions and increasing regulatory action. All CFWR and Divisional reviews result in recommendations that are tracked to ensure these are implemented sustainably. The outcome of these CFWR and the Divisional reviews are in turn reported quarterly to the Corporate Responsibility and Executive Committees and twice a year to the Audit Committee.

The finance assurance team also reports to the Audit Committee on their assurance activities of compliance with the Group's Financial Controls Manual. Over the last 12 months, we have continued to improve our financial control environment. Whilst the UK Government's proposals outlined in the consultation document issued by BEIS Restoring Trust in Audit and Corporate Governance document has not resulted in any formal changes to the expectations or reporting from businesses, we have continued to improve the financial controls framework. This work recognises that this

programme, if achieved, should support the objectives set out in the consultation document in respect of financial controls. We are conscious of the impact of this programme and have been mindful of additional costs and administration placed on its operations before the expectations from BEIS or the Financial Reporting Council are formalised.

Finally, the Internal Audit team provides an independent assessment of the structure and efficacy of our governance, risk management and control frameworks in place to manage risk. They carry out an annual programme of risk-based audits and report findings to the Audit Committee.

External to the Company, different parts of our business are subject to review by customers, regulators, etc. For example, in the UK prisons and detention centres inspections, in AsPac reports by Ombudsmen and the Australian Human Rights Commission. We **publish public third-party reports** on Serco's operations on our website.



Piyush Piysuh
Emergency Management Advisor
Fiona Stanley Hospital, AsPac

My role covers all sorts of activities, from coordinating our disaster response strategy and emergency operations centre to facilitating training drills, managing the logistics of a heliport, and more.

We now cover 34% of the population of Western Australia so the job is demanding as it is rewarding. Having worked with Serco at the Fiona Stanley Hospital for over 4 years, I have been fortunate to be a part of a fantastic team that continues to provide great services to the community.

Updates to how we manage risk

The Risk Committee has maintained oversight of our principal risks conducting “deep dives” with Divisions, debating principal risks with subject matter experts, reviewing insurance trends and internal insurance programmes, overseeing Compliance Assurance activities and monitoring approach to enterprise risk management and related tools.

We’re pleased to share that phase one of our new Governance Risk and Compliance (GRC) software tool is now live. The new system will improve how we document, manage and test key financial and IT controls, including how we track and close mitigating actions. When phase one is embedded, the intention is to implement an Enterprise Risk Module which will act as a central space for all risk management data and help our compliance teams manage our governance status more effectively. We hope that automating risk management workloads like these will allow us to take a more strategic approach and become even more proactive about responsible governance.

Link to this, business continuity planning and crisis readiness remain a key part of our control framework, particularly as mitigation in the event of a catastrophic event that could impact our people, service users and wider communities that we serve. Our 2022 focus was to improve visibility of the status of Divisional business impact assessments and continuity plans and to improve accountability for maintaining and testing these plans. We have made progress in this area through the maintenance of a centrally-visible dashboard that standardises business continuity reporting, detailing latest updates and testing status. Throughout 2023, we will address areas where reporting or testing of plans need improvement and we are planning a Group led crisis management exercise in Q2.

Speak Up

Code of Conduct

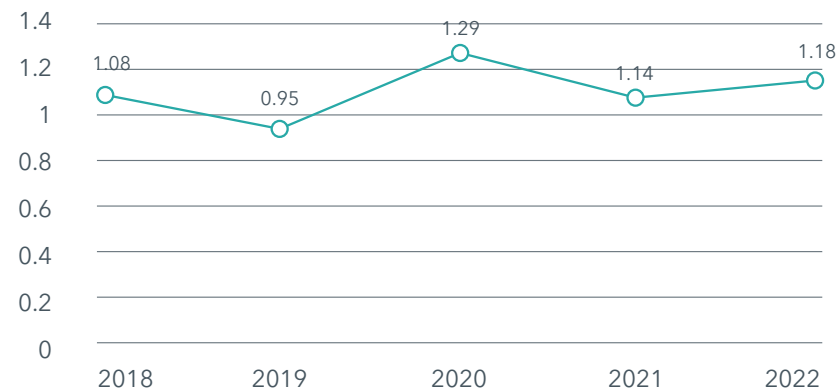
We continue to provide a confidential reporting service 'Speak Up' for all Serco employees, our suppliers, their personnel and the public. When using the service they can do so anonymously. Speak Up is facilitated through an independent third-party call centre and case management provider. We absolutely prohibit retaliation towards anyone who reports a violation of mycode or helps with an investigation. We periodically run campaigns to raise awareness of Speak Up. One was linked with the launch of mycode, with further awareness campaigns planned for 2023.

In 2022, 666 cases were raised making our case rate per 100 employees 1.18 which is up on last year. Of these, 97% were investigated. 89% of cases were closed in the year with 27% partially or fully substantiated. This resulted in 442 individual actions, the bulk of which (70%) were HR related, with disciplinary action taken in 58 substantiated cases and one or more people terminated in 23 substantiated cases. Of the closed cases, root cause analysis showed that wilful/deliberate bad behaviour was the main root causes (15%), a slight decrease on 2021 where it was 16%; and human

error/mistake was the second most recurrent root cause (10%). We will be looking at improving the granularity of root cause analysis in 2023.

We have significantly improved how we manage and report data focused on a range of key indicators. For instance, we have further enhanced our dashboards and started reporting on root cause analysis. However, we recognise that greater and more meaningful oversight is required to enable trends to be highlighted, which will be a focus for 2023. We have implemented a different system for managing retaliation and now survey speak up users twice a year.

Speak Up Case Rate per 100 employees



Some interesting facts about Data privacy and information security



3
substantiated
complaints from data
protection regulators



4
unannounced global
phishing exercises



120
data protection champions
conducted a mock data
breach exercise

iapp

member (International
Associated Privacy
Professionals)



Refreshed data protection and
information security training
through Serco Essentials



43
data protection champions
appointed in Middle East



Data privacy and information security

We continue to focus on the critical areas of data privacy and information security.

Serco joined the **International Association of Privacy Professionals**, the largest and most comprehensive network for information privacy and safety specialists, in 2022. The organisation provides training resources, a certification programme, and hosts events to improve the quality of data privacy across industries. Our membership will help us stay up to date with emerging best practices and trends in data privacy across our global operations and offer more value to our customers.

In January, we brought over 100 data protection champions from the Middle East, UK and Europe together to celebrate International Data Protection Day and conduct training exercises. The event was very popular and allowed us to run several follow-up sessions around the main theme for 2022: accountability, responsibility and ownership.

In the months since, we've hosted monthly sessions highlighting key privacy challenges and helping staff evidence their progress through our accountability matrix in Serco's UK and Europe and Middle East Divisions. The accountability matrix allows us to benchmark against the UK Information Commissioners Office compliance requirements and engage in leading data privacy practices when specific regulations are lagging in some divisions.

We also updated our data privacy section on [Serco.com/privacy](https://serco.com/privacy) to provide more transparency on our privacy programme and how we manage personal information with our business partners. Globally, we continue to monitor the changes in data protection laws and their impact on our data protection programme on a risk based and proportionate approach.

Furthermore, we've managed to maintain a strong emphasis on colleague awareness against phishing attempts, running a minimum of four global training simulation exercises every year together with their annual compulsory learning-based training. We're glad to share that, over the years, this has resulted in a healthy growth in colleagues correctly identifying and reporting these to our Security Operations Centre. Phishing remains a very common initial cybersecurity attack vector, hence our emphasis on staff education as well as technology-based prevention measures.

Whilst we did not have any significant data breaches, we had three substantiated complaints in our AsPac division following investigations by the regulator. One related to detainee complaint from an Immigration Detention Centre after a detainee list was accidentally left on a coffee table and circulated amongst detainees. The second followed a complaint from a Serco employee who believed their personal information was inappropriately shared internally. The third related to an immigration detention detainee complaint involving an Officer allegedly sharing medical details when not authorised. In this case Serco were ordered to pay \$2,000 to the detainee.



Georgina Featherstone Intelligence Analyst Justice, UK&E

My main role involves processing and analysing the various intelligence reports we receive about security issues in the prison as well as long-term trends. I then help coordinate the response to make sure our inmates, staff and visitors are kept safe from any emerging threats. I work closely with the police to make sure both organisations are aware of key issues, and I'm currently working on a level 4 apprenticeship in Intelligence Analysis to further my professional skills.

I also help with the family side of things at the prison, including organising family days for the children of offenders, and acting as the main point of contact for visitors. Combined, the position allows me to use my degree in criminology and psychology, and really make a difference in the world. I know that I'm keeping people safe and preventing not only reoffending rates, but also intergenerational offending through our rehabilitation work.



Jayson Bondad Maintenance Manager Transport, Middle East

I'm the Maintenance Manager for the Palm Monorail in Dubai which means I'm responsible for the engineering and maintenance works for the service. Like it sounds, my job involves coordinating the safety and servicing works to ensure the monorail runs on time.

It's been my dream to be an engineer since I was a kid and I love to see how logistics and safety can come together. I've been working at Serco for the past 12 years and I've had the chance to learn a lot and expand my skills.

Working on the monorail service is great because I can see passengers and tourists enjoying the beautiful Palm Jumeirah view. I'm also able to support an enthusiastic team who are always looking for ways to make our workload more efficient.

Continued excellence and ongoing collaboration

We recently renewed our **ISO 27001** accreditation covering our UK IT shared service for the 17th consecutive year, certifying our information security management in line with the international standard. We also maintained compliance with a number of regional information security criteria, like the UK **Cyber Essentials Plus** scheme (which we've held now for 7 consecutive years) as well as adhering to the US government's National Institute of Standards and Technology Defence Contractors publication for protecting the confidentiality of US Department of Defense controlled unclassified information in our North America division.

Each of these achievements allows us to present enduring value to our customers and work within an appropriate framework for their needs. However, we remain committed to staying up to date on the latest trends so we can service their needs. We will maintain our ongoing work with key government customers to ensure we have a clear understanding of the accountability and ownership we hold in managing their data (and more importantly, the data of those who use our services).

Our cybersecurity investment for 2023

Lastly, as a public services provider, we're often entrusted with highly sensitive and personal data, which makes us more of a target for threat actors than some other firms. And so, we recognise the need to remain vigilant against emerging cybersecurity threats and be prepared for the challenges they may generate.

Into 2023, we have identified investments to further enhance our cyber security as part of our plans to allow Serco colleagues to maintain access to our cloud environment whilst simultaneously improving our ability to prevent, detect, investigate, and respond to advanced threats. Against the background of the rising sophistication in modern cyber-attacks, we recognise this can never be perfect, but we will always strive to achieve the best we can.

Some interesting facts about Total shareholder returns and engagement

Since 2017



grown revenue by
≈50%



free cash flow has
gone from negative
to generating nearly
£600m
in the subsequent
five years

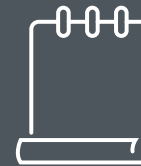


>3x

Underlying Trading Profit
has more than trebled



Order intake has been
£24.6bn
a book-to-bill rate of 110



Our order book has
increased by ~35% from
£10.7bn
to 14.6bn

Total shareholder returns and engagement

So far in this report, we've explored how we've deepened our ties with our employees, supply chain partners, customers and service users. However, shareholders are critical within our stakeholder network, and therefore feature as a priority in our approach to ESG just the same.

We seek long-term relationships based on transparency, honesty, and clarity – all of which are critical for building trust.

Our shareholders and debt holders are concerned with a broad range of issues, including our CEO succession; the cost-of-living crisis, the ongoing war in Ukraine; other operational and financial performance metrics, developments in our markets for public services, the execution and delivery of our strategy; the sustainability of our business, and the impact Serco has on the communities we serve and the environment in which we operate.

The Group Chief Executive Officer, Chief Financial Officer and other members of senior management meet with shareholders to discuss relevant developments in the business at our post-results road shows and programme of investor meetings. Our new Group Chief Executive Officer, Mark Irwin, has already met with many of our investors through his previous roles in the UK and Europe and Asia Pacific Divisions and will continue to become better acquainted with them in his new role. We also consult with investors and fund managers to seek their views and actively engage with proxy advisers and ESG analysts to provide feedback on specific topics.

We're committed to maintaining positive relationships with our investors and use reports like these to showcase our work in creating an attractive investment opportunity. We focus on creating long-term, sustainable value by protecting the interests of our owners alongside our employees, customers and the communities we operate in.



We seek to generate shareholder value alongside milestones in our strategic deliverables. For example, our short-term incentives include a mix of financial measures as well as key goals aligned to long-term shareholder value. By contrast, long-term incentives include more conventional measures, like:

- Relative total shareholder return (TSR) as an explicit performance measure
- Earnings per share (EPS) growth
- Return on invested capital (ROIC)
- Employee engagement
- Progress with increasing our order book.

Taken together, we feel that these metrics are the most appropriate framework to encapsulate our governance approach. This is because we aim to deliver a balanced performance framework that embeds value across our stakeholder network and makes it tangible to all parties.

Equally, we recognise the need to remain transparent, which is why we maintain a range of communication channels with our investors. These include regular meetings with shareholders, institutional firms and analysts in addition to our Stock Exchange Announcements and day-to-day Investor Relations activities. Furthermore, Board members routinely meet with advisory bodies to examine our remuneration standards and guidelines for personal shareholdings for senior management.

We're pleased to share that in 2022 exceeded expectations for our shareholders. Our expected revenue of £4.2bn-£4.3bn achieved £4.5bn, with an underlying Trading Profit of £237m that was originally predicted at £195m. This meant we achieved £159m in free cash flow from our forecast of £100m.



Roger Page Customer Service Advisor Citizen Services, UK&E

I work in the Customer Service Centre providing frontline corporate services for Peterborough City Council.

I have the privilege of dealing with our citizens at the happiest and most challenging times of their lives. As such, I know how important it is to provide exceptional customer service, clarity, and reassurance. Dealing with people in need is very satisfying, we can improve someone's day by easing their burdens which makes me feel good and the job worthwhile.

Case examples





ESG – through the performance of our people

We believe we have a strong track record of embedding ESG across Serco. This publication is our 20th report on the topic and serves as the latest snapshot of our corporate growth to date. While we recognise the need to do more, we also deeply enjoy showcasing the successes and excellence of our colleagues. That's why this section is explicitly dedicated to them and the outstanding work they've achieved in 2022.

Below are just some of the projects and milestones they've achieved over the past 12 months. Actions like these exemplify our values and make them tangible to fellow employees, our service users, customers, partners and shareholders. And so, we'd like to say that we're exceptionally proud of everyone involved and extend our heartfelt thanks.



In the Asia-Pacific region

Rehabilitating inmates through cross-community partnerships

Staff at Serco's Clarence Correctional Centre in New South Wales, Australia, have a long-standing partnership with Keeping Our Freedom Youth. Their Toys Change Lives programme is a community re-entry and employment pathway to reduce recidivism rates in Aboriginal and Torres Strait Islander youth. The programme employs at-risk inmates and provides training in carpentry and traditional art by helping them create toys.

In 2022, we reached an exciting milestone. Over the summer, we donated more than 1,000 toys to the programme, which has now seen over 40 inmates participate since the partnership began. The bespoke crafts have helped raise funds for other education and employment opportunities in the community, meaning they're helping to improve the outcomes of other inmates, too. Moreover, by partnering with a local business to provide the timber, the programme now benefits even more of the New South Wales community.

Pastor Boughey, founder of Keeping Our Freedom Youth, said the partnership with Serco has allowed the programme to transform lives more effectively. 'We can now offer more training and employment opportunities to at-risk youth thanks to this partnership, and we look forward to working with Serco well into the future,' Pastor Boughey said.

Ensuring safety standards during a health crisis

Earlier in the year, we were alerted to the exceptional work of two staff members at the Prince of Wales Hospital in Hong Kong, Ben Poon and Sing Long Chan. The hospital was facing a mounting dilemma as the region grappled with a 5th wave of Covid-19 cases. As patient numbers rose, staffing levels dropped to critical levels, as people tried to limit patient exposure to Covid-19.

Yet, this only intensified the problem; the increase in patients meant a similar increase in clinical waste. Moreover, the external contractor responsible for handling the waste could not keep up with increasing volume, which caused a spill that became visible to the public.

Though it was outside of Serco's service contract, the two staff members knew something needed to be done. Maintaining a clean and hygienic hospital environment was vital to prevent further patient infections. Despite being unable to recruit help from other portering staff (who were also working at capacity), both employees worked through frigid temperatures to clean up the spill and sanitise the depot once again.

The job was finally completed at 5am, just enough time for them to take a shower at home and return to work the next morning. Their actions not only protected patients, but also prevent the hospital

from receiving the negative press that other health centres were receiving from the perceived lack of hygiene management. Hospital colleagues were extremely appreciative of the effort, and the hospital Cluster General Manager provided a letter conveying their 'heart-felt appreciation for walking the extra mile in providing customer-orientated service'.

Supporting communities in times of extreme flooding.

In March, the Clarence Valley experienced severe rain and flooding, impacting communities all along the east coast of Australia. Unfortunately, the devastation caused people to lose their homes, businesses and everything in between. The unprecedented weather conditions caused the river Levee's banks to breach meaning that the local towns still recovering from the earlier floods were once again devastated, with no support to get them through. Colleagues at Clarence Correctional Centre (CLA) though personally affected by the disaster, volunteered their time and skills across the region as part of a flood rescue and recovery effort. Emergency supplies were delivered to those in need via boat. The Clarence Catering Team and inmates worked together to extend the capacity and prepare meals for the volunteers. As a result, the kitchens were able to produce over 3300 meals a day to feed inmates, staff, and the wider community volunteers.

In a similar case when extreme floods hit south-east Queensland, the Brisbane Immigration Transit Accommodation team pulled together, working extended hours, to ensure appropriate care was provided to those in the Centre. The quantity of rain caused basic services (such as sewage) to fail so colleagues liaised with external companies for portable toilets to arrive and ensure detainees had consistent access to basic provisions. After the waters subsided and the clean-up began, the team continued working to prevent new issues emerging, for example, pest control measures to prevent the spread of mosquito larvae. They also helped the community, including the 90-year-old father of a colleague, whose uninsured house needed extensive cleaning after being submerged in muddy floodwaters.

Decisive action saves lives

Shomal Kumar (Operations Manager, Kohuora Auckland South Corrections Facility, New Zealand) was on holiday in rural Queensland. He and his partner were driving on a remote country road near Boyneside, when they saw a car on fire. No other cars had stopped to assist, and flames were visible from under the bonnet.

Shomal immediately stopped his car. An elderly man was attempting to persuade his wife to leave the car. She was in distress and would not get out because their two dogs were trapped in the back of the car. Shomal immediately went to their aid, managing to extricate one of the dogs and the woman out of the car, and moved the couple away from immediate danger. We're glad to report that his swift and determined actions managed to prevent a tragedy.

Ensuring passenger safety

Adam Brown and Alicia Pollock (senior vessel masters at Jervis Bay) were called in at the last minute to provide ferry services for an important event in Sydney harbour. After boarding ten passengers at Darling Harbour and with a rapidly fading light, their vessel joined the shipping lane in time to cross Sydney Harbour.

Suddenly the fire alarm sounded onboard the vessel. Ever conscious of passenger safety, the team followed security protocols. Yet with white smoke filling the engine room it was impossible to identify the cause of the fire and the vessel was now drifting across a busy shipping channel. Adam and Alicia quickly informed the Port Authority and requested assistance. A Serco colleague in a sister vessel immediately proceeded to help and arrived in time to transfer the passengers to safety. In the end, the immediate actions of Adam and Alicia prevented the already dangerous situation from escalating and endangering lives.

Community Engagement

Serco has entered into a three-year sponsorship agreement with Zonta House WA to provide annual program funding and maintenance services at its refuges across Perth.

Zonta House provides crisis accommodation, transitional accommodation, outreach services and support programs for women escaping family violence. Demand for its services has increased by 20% over the last two years with rising incidences of family violence attributed to the impacts of Covid-19 and the economy.

Serco is committed to helping to end family violence by creating a supportive workplace environment where employees feel safe seeking assistance for family and domestic abuse-related concerns, in addition to supporting organisations like Zonta House that provide direct support in the community.

"As an employer of more than 18,000 people in Australia, we know there are people in our workforce who tragically, are affected by family violence," Serco AsPac CEO Peter Welling said.

"This is not something that we accept; it is something that business leaders must proactively address and there are a number of several ways in which Serco is taking action to create sustainable change."

"In addition to management training and individual support, Serco offers special leave for people experiencing family violence and will be rolling out new training for managers to support employees who may be at risk."

Zonta House has helped more than 1,800 women to access critical help and recovery programs proven to improve their mental health, well-being and employment opportunities since 2015. Its programs have been independently assessed as having a social return on investment (SROI) ratio of 1:4.47; that is, for every \$1 invested in Zonta House, \$4.47 of social and economic value is created.

The sponsorship agreement, valued at approximately \$15,000 per year, will guarantee the continuation of these programs and provide financial relief to the organisation that relies heavily on donations.

Solider On

Serco Australia continues to support Soldier On as a Platinum Pledge partner, helping to secure the future of veterans and their families. Solider On is a not-for-profit veteran support organisation, helping those who have served and continue to serve in the ADF through our Health and Wellbeing services, Employment Support, Learning and Education Programs, as well as Participation and Social Connection activities.

Serco has supported Soldier On as a platinum partner since 2018, and proudly employs 550 veterans and 180 reservists across Australia, ensuring veterans and their families have opportunities to thrive in line with Soldier On's vision.

Recognising the immense value veterans bring to the team, Serco strives to attract, engage and retain top talent of transitioning, former, reserve and military family members, and is dedicated to fostering an inclusive environment where veterans are set up for success.

In 2022, Serco was recognised as a finalist in the 2022 Prime Minister's National Veterans' Employment Awards for the second year running and received an Honourable Mention in the 2022

ADF Reserves and Employer Support Awards. This in addition to being named 'Estate & Infrastructure Business of the Year' at the 2022 Defence Connect Australian Defence Industry Awards.

Serco is also a leading member of the Industry Advisory Committee (IAC) on Veterans' Employment and actively contributing to formulation of Ministerial advice and collaborate on policy development; supporting ADF Transition Seminars to provide career advice and mentorship for service members preparing to transition to civilian life as well as the Soldier-On Pathways Program. We have also established a Veterans, Reservists and Defence Family Members Advisory Committee (VRFAC) that actively engages with our Veteran community, to develop.





In the Middle East

Transforming processes through digital innovation

Serco operates within Dubai International Airport, one of the world's busiest hubs for airline travel. We are responsible for ensuring that thousands of guests feel welcome and safe 24 hours a day, 7 days a week. In 2022, team leaders and supervisors noticed that colleagues were experiencing some problems that risked impacting the guest experience and turned to digital solutions to fix them.

The first problem regarded daily operational activities. Existing paper-based processes were inefficient at documenting vital information like handover notes and ongoing site issues. The system was time-consuming and error-prone, meaning senior leaders had poor visibility over their workload and were burdened by paperwork.

As a solution, the team developed an app using Power Apps from Microsoft. The new digital platform provided a unified environment for all the site's daily operational reporting and ensured that the team could share updates more easily. The app even included a geo-location reporting and

dashboard tool that meant supervisors could pin-point issues exactly and see the whole team's performance at a glance.

The second problem concerned staff learning and engagement. The team needed a way to deliver and document training sessions, so staff could stay up to date on the latest processes, safety methods, compliance requirements, and more.

And so, the team created a microlearning environment that delivered digital training sessions in bite-sized courses. The new platform helps staff keep on top of processes, updates, news and more as they develop, and helps team leaders track which staff need extra support.

The shift to these wholly digital processes was a massive change, but the entire team took it in their stride which has demonstrated their flexibility and excellent teamwork. The team have shared their approach to problem-solving with other regional colleagues, which has inspired them to create apps for their operational checks, too. As a result, we're seeing a wave of innovation sweep our Middle Eastern operations.

Helping service users celebrate a religious holiday

Serco manages other facilities across Dubai, including Zayed University. In 2022, the site's CSR and Welfare committee went above and beyond during Ramadan celebrations - a month-long period of reflection, charity and personal growth.

As it began, the group ensured that campus celebrants were accommodated for as much as possible while fasting by exceeding the local guidelines. Later, Serco staff generously donated more than 600 kg of rice and 100 kg of stationery items to Emirates Red Crescent, an aid organisation that helps underprivileged children in the Emirati region. The scheme was delivered in partnership with Dubai's Chamber of Commerce under their Give and Gain programme, which invites local businesses to sponsor charitable causes. In 2022, estimates suggest that the programme took over 17,000 volunteer hours and benefitted 147,000 individuals.

At the end of the month, the committee organised a huge feast as part of the final Iftar of Ramadan at Beach Rotana. The evening was hugely popular, offering food, entertainment and prizes for the community after its fasting period.

Recognising local talent

Serco tries to invest in native talent to help our business connect with the community and draw from as wide a talent pool as possible. In particular, we offer fast-tracked internal hiring schemes that recognise the talents of local workers and their potential.

The Khadamat Facilities Management team went above and beyond last year to support these goals by conducting a focused recruitment campaign and creating dedicated positions for UAE nationals and trainees. The new staff gained access to specific training and coaching support including shadowing schemes, external pieces of training, job rotations and cross-functional training.

Supporting the Australian Department of Defence in Operation Afghanistan Non-Combatant Evacuation

Last year, instability within Afghanistan prompted the Australian Defence Force to conduct an extensive evacuation operation, becoming Australia's largest humanitarian airlift operation in recent history. Australia's government employees, their families and Afghan civilians were evacuated to an Australian base in the Middle East by the Australian Defence Force.

Supporting this operation were Serco Middle East colleagues who mobilised at very short notice and worked tirelessly to provide vital temporary accommodation and support services at Al Minhad Air Base (MELABs) for over 4,000 evacuees. The Serco team at MELABs also helped develop accommodation space at four different locations within the base. Each site required accommodation blocks, beds, linen, cleaning activities, meals delivered quickly in preparation of arriving evacuees.

Serco's support was instrumental to the successful evacuation operation and has become an excellent example of how we can support our government customers at short notice and in difficult circumstances.

In the United Kingdom and Europe

The Power of a Book!

A new book for a child brings a spark of joy! With one in four disadvantaged children having fewer than ten books at home, the impact on language development for a child can be significant. Colleagues across Serco are keen supporters of The Children's Book Project, a charity that distributes over 100,000 books to children in England annually. The executive team and colleagues across Serco have used their volunteer days to support the charity.

In addition to their volunteer days, Serco leisure centres felt they could do more. So, they held The Great British Book Drive, collecting over 10,000 new and gently used books from over 40 sites, and delivered them to the charity's warehouse in London.

Several members from Serco's UK Justice and Immigration centres support The Children's Book Project by distributing books to prisoners' families. Inmates are invited to visit a pop-up bookshop and choose a free book for each of their children, posted by the prison service directly to their families, along with handwritten letters.

When the charity faced challenges in hiring distribution vehicles, Serco colleagues decided to help. Staff from several UK Serco sites coordinated to identify a potential van from our fleet that could be donated to the organisation and permanently solve their distribution problem. The van was decorated in the charity's branding and renovated with new shelving, storage units and lighting by Serco colleagues, including the team from RAF Marham along with colleagues and inmates from HMP Ashfield. As a result, the charity took full ownership of the vehicle in June of this year, and our Citizen Services business unit has agreed to maintenance costs for five years, with consideration for a replacement van after.



Averting a food crisis in health

Earlier this year, one of our main food suppliers to the Health Business Unit was subject to a serious cyber-attack that brought down their IT network. This impacted the production activity, ordering systems, picking systems and delivery processes. Helen Willis, Head of Food Services was instrumental in supporting our contracts through this time and ensuring continuity of supply to the entire business unit and to all the hospitals we support. The potential impact to Health was significant in that patient recovery and nutrition could be seriously compromised. It was thanks to Helen's hard work and commitment that within 24 hours she had established an alternative ordering system with the supplier to re-establish deliveries within 48 hours. Helen's hard work and dedication is a true example to all in how team spirit and real care for others makes a difference every day.

Reflecting the local community

Serco Caledonian Sleepers, UK, actively engages with the local community through use of local suppliers to reflect Scotland. It also actively supports a number of charities. For the second year it has donated Caledonian Sleeper Club room return tickets to be raffled by The Give a Dog a Bone charity, a small Scottish charity that works with elderly people and dogs to tackle loneliness.

A similar arrangement is in place with the Railway Benefit Fund (RBF) and the Rail Aid Charity (Rail Aid is a UK Rail fundraising initiative on behalf of the international children's charity - Railway Children) by providing several donations to various events.

Helping employees live authentically through inclusion

The European Diversity & Inclusion (D&I) Allies are a group of Serco employees who volunteer their time to raise awareness of diversity issues. The team helps to foster an inclusive working environment across our European sites through grassroots initiatives and engaging events.

In June, the group organised a coordinated celebration of D&I across every business unit in our European division. Each site had speakers who shared insights from their professional lives and helped raise awareness of the resources and peer networks available across Serco. The event also shared some more details about our D&I strategy for Europe - which included the very event that attendees were invited to.

The event was an amazing success and doubled the network's membership. Furthermore, it meant that more Serco employees could engage in the events planned for the remainder of the year, including Diversity Day, World Mental Health Day, World Aids Day, and more. Grassroots initiatives like these are why our European division was awarded the Women in Tech Excellence Award for Recruitment, which we hope will be the first of many such awards in the years to come.



Smashing crime in Doncaster prison

A detective who put South Yorkshire Police on the map as leaders of prison crime investigations has been named detective of the year. DC Scott Jarvis from the Doncaster Prison Crime Team has been named as the Doncaster district's detective investigator of the year for two years running – and this year was named SYP's overall winner. The force awards celebrate the amazing work that happens every day and recognise those who have made an outstanding contribution to South Yorkshire. DC Jarvis was honoured for his hard work and dedication.

Caring approach to change

Yarl's Wood Immigration Removal Centre houses non-UK residents who have failed to meet the criteria to remain in the UK and has previously been a predominantly female centre. Due to the migrant crisis and the need to make better use of the current resources, a decision was made by the Home Office to change the purpose of Yarl's Wood to a predominantly male facility. This decision resulted in a major overhaul of the centre. Showing great care and consideration for residents, colleagues and contractors, Stacey Arnold, Assistant Director, project managed what was a complicated programme of works. The centre remained open to meet the demands of the migrant

crisis, despite the extensive works, and remained a safe and secure environment because of Stacey's attention to detail and commitment to those she was responsible for.

Responding to a terrorist attack

The Asylum Accommodation and Support Services Contract, North West Operations and Business Support Teams are responsible for the provision of fit and habitable accommodation and transport for asylum seekers, while the business support team provides the contract with expertise related to the full range of operations including complex cases. In November 2021, a taxi carrying a service user arrived at the main entrance of Liverpool Women's Hospital and, tragically, an improvised explosive device carried by the passenger ignited, killing him, and injuring the driver in what was a terrorist attack. With emotions running high, the terror level threat increased and a significant number of employees and supply chain personally affected, our teams showed great care working tirelessly to ensure the continuity of our services, the safeguarding of service users and colleagues, and the requirement for additional support of agencies such as police, counter terrorism and local communities.

Making individuals feel special

Sheila Wood, Housekeeper, James Cook University Hospital constantly goes above and beyond for patients and will always try to make each individual feel more at ease about being in hospital. She made friends with one patient who had been close to passing and would regularly talk to the patient and the patient's daughter. Unfortunately, one day after the patient's daughter had left, Sheila noticed the patient had started to take his last breaths and as soon as Sheila noticed this, she informed the ward manager and stayed by his side so that he wasn't alone in his final moments. When the ward rang the patient's daughter to inform her of her father's passing, she was distraught, however, with the knowledge that Sheila had been by his side, she was relieved that he was with someone he knew and liked. Sheila lives and breathes Serco's values and it's moments like this that show you just how much of a lasting impact our colleagues leave on not only the patients but their families, too.

Managing arson risk in prisons

Elinor Bull, Forensic Psychologist in Training, HMP Lowdham Grange, undertakes assessments and therapy with our prisoners. Over the past 12 months she has worked closely with operational colleagues in developing an arson risk management strategy to assess and manage the potential risk posed by certain prisoners. This involved a detailed review of relevant literature and the prisoners with a

history of starting fires, as well as a review of existing procedures and development of the new strategy in line with her findings. This has been a significant piece of work aimed at reducing the number of firesetting incidents and potential risk of harm that could result. Elinor's innovation has resulted in a new multi-disciplinary approach, the result of which has reduced firesetting by 53 per cent in the prison, while the effective management of arsonists has increased to levels where we can identify and control the risk accordingly.



Sustainable food production

Our team has delivered an innovative project to increase food production and minimise food waste at the Defence Academy, working alongside our subcontractor ESS. The team constructed a five-hectare organic market garden which now supplies eight restaurants onsite with fresh, seasonal produce. Thanks to investment in a food waste composter, the Defence Academy now produces 450kg of compost every fortnight, which is used to fertilise the market garden or donated locally.

Switching to environmentally friendly food packaging, which can be shredded and added to the composter, has further reduced our landfill waste. The team has also procured an electric vehicle and trailer to transport the food waste and compost around the grounds. This project supports our net zero goal and promotes the Defence Academy's target for everyone onsite to commit to a 40 per cent vegetarian diet.

Taking responsibility for safety

Ben Norfolk, Mechanical Supervisor, Engine Repair Facility at RAF Odiham is a great example of bringing safety culture to life, demonstrated when he had concerns with the electric winch used to lift the T55 Chinook Helicopter engine into the test bed. When operating, the winch moved a chain that would sometimes hit the side of the engine. The control panel to operate the winch hung down next

to the chain and was also at risk of striking the engine. The person operating the winch would hold the chain and the control panel away from the engine with their forearm. Ben took the initiative to research a safer winch alternative and presented this to our customer who embraced the opportunity to improve safety. Thanks to Ben's persistence, the team has adopted a safer way of working, protecting our people and our customer's equipment and bringing our drive for Zero Harm to life.

Courageous act

Claire Watson, Retail Assistant, James Cook University Hospital is an integral member of our coffee shop team, who is always willing to help others. Following one of her shifts, Claire was walking home over a pedestrian bridge near the James Cook train station when she spotted a commotion and immediately rushed over to see if she could help. As she approached, she realised there was an adult woman who had climbed over the bridge with the intention of jumping with two other people on the bridge holding onto the lady's wrists to stop her from falling. Claire immediately went to assist, climbing over the railing and, whilst standing on a narrow ledge, she grabbed the woman by the belt of her jeans and hauled her back over to safety. There is no doubt that Claire's courageous and brave actions that day prevented this lady from suffering a serious injury or worse.

Switching to low carbon fuels

Serco supported Babergh and Mid Suffolk District Councils progress their joint Carbon Reduction Management Plan by reducing emissions from their waste management vehicle fleet by switching from standard diesel to Hydrotreated Vegetable Oil (HVO), a biodiesel which reduces carbon by over 90% and other air pollutants significantly. It is made using sustainably sourced waste vegetable oils and carries the International Sustainability and Carbon Certification - approved by the European Commission. A full year of use in vehicles operated by Serco has resulted in a reduction of 242 tonnes CO2e, supporting both the Councils and Serco's net zero journeys. HVO is widely regarded as a transition fuel for large vehicles which do not yet have Electric Vehicle alternatives at a comparable cost to conventional fossil fuel vehicles. 'We worked closely with Talick Fuels Ltd to source the HVO and seek assurances of its sustainability and provenance for the councils. I hope that this example of best practice and collaboration will inspire other local authorities to consider adopting the same approach. For us it was so straightforward and delivered instant results.' Terry Prince, Project Director, Programmes & Transformation, Citizen Services Serco UK & Europe.



In North America

Providing financial support to the people of Ukraine

Like many others across the world, we were appalled by the invasion of Ukraine by Russia earlier in 2022. In response, Serco colleagues from across the world decided to help. However, we'd like to focus on five employees from Canada who initially sought to raise \$10,000.

The amount was a relatively high goal for such a small team spread across hundreds of thousands of kilometres of land. Moreover, the group had no previous experience in online fundraising and only had seven weeks to build a fundraising platform, secure products, plan events and prepare marketing materials. The group put together three events: a silent auction, a sales of silicone 'Serco Stands with Ukraine' bracelets, and a sponsored walkathon. By the end, the group eventually managed to raise over \$16,000.

The Serco Foundation matched the sum to create a total of \$32,148 CAD in addition to the £100,000 the Foundation had already donated in weeks prior to the cause. All of the money went to Doctors Without Borders (Médecins Sans Frontières), who have been providing lifesaving help to victims of the conflict.

Ensuring safe operations

Over the past year, as with many industries, there has been a shortage of Air Traffic Control Specialists (ATCS). The Federal Aviation Administration (FAA) Contract Tower (FCT) program has experienced unprecedented staff turnover brought upon by the Covid-19 pandemic, prior vaccine mandates, outdated Service Contract Act wage determinations, the rising cost of living at many FCT locations, and an ageing workforce entering retirement.

The turnover meant some towers became critically staffed and still others did not have enough staff to keep their towers open full-time. The Aviation Program Management Team asked for volunteers to go on temporary duty to critically staffed towers in desperate need of help. 18 Serco controllers from various locations across the western U.S. and Alaska answered the call for volunteers. They stepped out of their comfortable routines at home to live in hotels for many months. Going to a new airport as an air traffic controller is unlike most jobs. These volunteers had to go into training to achieve certification before they could work without supervision. That meant studying new Standard Operating Procedures, learning new airport diagrams, airspace charts, and countless new letters of agreement. It also meant having to recertify as weather observers for the new locations, and many other tasks that they knew at their home airports. They did it without complaint to help their fellow controllers in need and the airports they served.

Quick response saves lives

While on routine patrol, Hugo Bautista, Regional Supervisor, LADOTD Motorist Assistance Patrol, received notice of a person experiencing a mental health crisis. Hugo immediately headed to the scene while liaising with additional MAP Units and the Department of Public Safety (DPS).

When Hugo and a DPS Officer arrived on the scene, he could see that a woman had climbed over the side of the bridge with an extension cord around her neck. With no time to waste Hugo reached over the wall and wrapped his arms around her upper body as the DPS Officer attempted to dislodge the extension cord and got her back onto the shoulder of the roadway. Afterwards, Hugo and the DPS Officer rendered first aid until the emergency services arrived and transported the woman to hospital for further treatment.

Supporting colleagues to build a more diverse, equitable and inclusive workplace

The SercoEmbrace Americas Leadership Team, from its inception has created safe spaces for anyone at Serco to discuss lived experiences, challenges, inequities, as well as opportunities related to diversity, equity, and inclusion in the workplace. The Team hosted a variety of events and activities that are open to everyone at Serco, from celebrating different cultural heritage months to creating platforms where employees can come together to share and learn from each other. They created an 'Article Club', inviting colleagues to read and discuss articles that positively or negatively impacted 'ways of life' for a specific culture. Employees either identified as allies or they considered themselves a member of the culture. The discussions were informal, educational, and real.

The sessions allowed allies to better understand a specific culture and ask questions or in some cases discuss their personal bias in a safe space. Members of the culture were able to provide insight on how these topics impacted their lives. They also hosted a podcast series that tackle some of the same issues as the article club and invited colleagues to share their stories, too. The Moment with Malcolm podcast gives their view of the world and how challenges related to diversity, equity and inclusion have impacted them, as well as discussing opportunities for change and the way forward. In its first year, this team has encouraged new conversations that have positively impacted the organisation, pushing forward transparency and action as Serco honours its commitment to building an inclusive workplace for all employees.

Supporting our customer critical mission

Louis Lecher, Exercise Planner III, MARFORPAC, Camp H.M. Smith was instrumental in the highly successful development, planning, and execution of BALIKATAN 2022, a Joint Chiefs of Staff Sponsored bi-lateral military exercise of the United States of America and Republic of the Philippines. This joint exercise, conducted in April 2022 by nearly 9,000 armed forces personnel from the two nations across northern coast of Luzon, Palawan, and adjoining waters, pushed the envelope of the partnership and significantly strengthened interoperability and alliance military capabilities in this critical region. Mr. Lecher was cited as "the glue that held all aspects of the exercise together and prevented it from coming apart."

Consistently achieving excellence

Our final feature is of a US-based Serco employee who has been recognised for his consistent delivery of excellence. Kevin Kilborn is one of Serco's lead Programmer Analysts who assists our Navy Customers with digital processes on Naval ships. During the pandemic, Kevin was instrumental in facilitating the transition to remote work by ensuring Microsoft technologies could interact with legacy IT infrastructure.

Kevin has developed over 30 fully-fledged apps while working at Serco and invariably goes the extra mile to create innovative digital platforms on time. His apps are used in some of the largest naval fleets, each helping to facilitate vital security efforts across the globe. Two recent examples, the Trials Administration Program and an Implementation Directive tool, have been developed in parallel and are helping to reduce inefficiencies in some of the Navy's most critical projects.

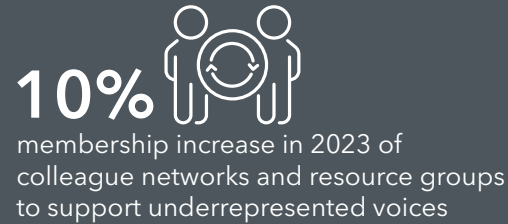
2023 Roadmap



Our commitment to do more

The thresholds we have set ourselves...

People thresholds



Serco People Fund

Launch Serco People Fund
in North America

Safety thresholds

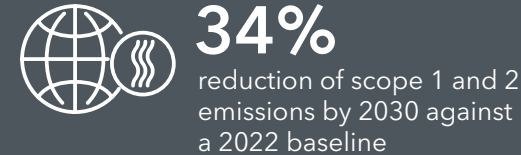


Sustainable procurement thresholds

ecovadis

To have our most material
preferred suppliers rated
on EcoVadis by end 2023

Environment thresholds



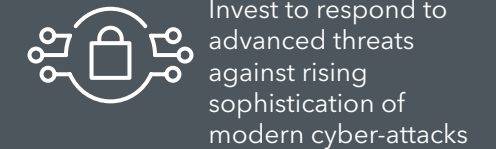
Scope 3 - A proportion
of our suppliers by
spend to set science-
based targets by 2028



Governance thresholds



Focus on going
'back to basics',
2023 awareness
theme, simplifying
data protection



While we're able to look back proudly on our past and the progress we've made, we also understand that effective delivery of ESG is an ongoing commitment rather than a static achievement. And so, we recognise the need to identify our shortcomings, look forward and strive for continuous improvement. As we venture further into 2023, we're committed to improving our corporate governance and solidifying our gains by embedding ESG even more strongly across Serco.

Our 2023 roadmap

Throughout this report, we've already mentioned the specific targets or initiatives we're undertaking across each domain within our ESG framework. Furthermore, we have a dedicated section discussing the actions we're taking to mitigate the Group's principal risks in our ARA (see page 96) and on ESG (see page 36). Instead, in this closing section, we'd like to emphasise the theme of 'bigger, better and more' within our strategy for the year ahead.

As governments continue to scrutinise their expenditure, delivering public impact is a core element of the way we conduct our business. We want Serco to continue to grow as an organisation where transparent governance, citizen-centred operations and ethical environmental stewardship are a vital part of how we do business. Although the economic context has changed and new societal challenges are emerging, we're cautiously optimistic about our roadmap and we are proud of the robust foundations laid in recent years.

The Serco of today has a strong culture of trust, care, innovation and pride, which is deeply embedded across our operations and reflected in our colleagues' actions. Moreover, our latest achievements and strategy mean Serco is a more

resilient, diverse and innovative company than ever before. For our colleagues, we plan on expanding our wellbeing support, improving safety practices, fostering diversity and nurturing long-term skills so we can support career aspirations and retain our talent.

For our customers and service users, we remain committed to providing superior public services and placing the citizen at the centre of our delivery model. Through our ongoing consultations with governments and research organisations like the Serco Institute, we're confident that we'll be able to continue driving excellence in the sector and stay at the forefront of the public's needs. Similarly, we look forward to collaborating on sustainability initiatives and deepening our ties with our supplier network as we explore new business opportunities together.

And finally, for our shareholders, we pledge to stay focused on delivering competitive, sustainable returns. We're confident that our governance structure offers diverse points of view as well as robust oversight, ensuring that Serco is in the best possible position to navigate the challenges ahead.

We continue to recognise the challenges of accurate reporting in our business operations, particularly within our paper-based reporting

systems, and continue to ensure robust governance to ensure data is accurate and validated, including by adopting new digital tools. Our Speak Up reporting system continues to provide controls against incidences of modern slavery, financial crimes, corruption, and fraud. In combination with the steps from our Sustainable Procurement Charter, we'll soon be able to offer more visibility and assurances over the absence of human rights abuses in our supply chain. Similarly, our investments in our IT infrastructure will mean we're better equipped against sophisticated cyberattacks while enriching our remote working capabilities. Finally, we overhauled our recording of conflicts of interest in 2022, so we're now able to deliver more objective assessments during procurement decisions, employee reviews, and other critical oversight processes.

In concluding, we'd like to extend one last thank you to all of our colleagues for making this report possible. We're incredibly grateful and proud of the progress we've made as a company in 2022. We believe that we're navigating the challenges and opportunities of 2023 in a stronger position than ever before, and we look forward to revealing how we have progressed once again in next year's report.

Performance



Our ESG performance

Here we share datapoints from our ESG performance and disclosure data. The full suite of publicly available ESG data points with notes and commentary can be found on our website www.serco.com/esg/reporting. The Data book combines existing ESG reporting requirements with relevant GRI reporting requirements. The information is separated into Environment, Social and Governance areas. Also available on our website are two 'basis of reporting' documents, one for Environment reporting and the second covering Social and Governance reporting. These documents set out our reporting approach and criteria.

Data provided is for the total Group unless otherwise stated. Data excludes joint ventures to enable like-for-like comparison. 'UK' includes Serco Business Services and Group functions unless otherwise stated. Data is as reported internally in January 2022 unless otherwise stated. Additional data may arise after this date; numbers will be restated in the following year's report. Unless otherwise stated, where like-for-like historic data is not available, we have marked –.

External assurance

We engaged Grant Thornton UK LLP to provide independent limited assurance over selected 'Social' and 'Governance' KPIs in accordance with ISAE 3000 (Revised) for the year ending 31st December 2022. KPIs covered are marked with a ◇ and in our 2022 Annual Report and Accounts and 2022 ESG Databook. This assurance is specific to the 2022 values and excludes prior year performance or any targets stated. Grant Thornton has issued an unqualified opinion over the KPIs covered and the full assurance statement is available from www.serco.com/esg/reporting

In regard to environmental data, we again engaged Carbon Intelligence, part of Accenture, to provide independent reasonable assurance over our Environmental KPIs in accordance with ISO14064-3:2019 for the period 1st Oct-21 to 30th Sep-22. KPIs covered are marked with a □ and in our 2022 Annual Report and Accounts and 2022 ESG Databook. Carbon Intelligence's full assurance statement is available from www.serco.com/esg/reporting

Our People - diverse, engaged, healthy

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Social	Employee engagement	Avg. score	67	71	73	70	70	0	0	∅	●	
	Employee engagement: Wellbeing	Avg. score	-	64	76	76	76	0	0		●	
	Employee engagement: Learning & Development	Avg. score	60	64	66	66	64	-2	-3%		○	2
	Absence due to sickness	Avg. days per emp.	5.6	6.3	6.7	6.6	7.1	0.5	8%	∅	●	1
	Internal promotion rate for leadership roles	%	39	48	64	45	57	12	27%		●	
	Leadership Engagement	Avg. score	69	77	83	77	79	2	3%		●	
	New Hires	Number	13,222	16,921	16,916	18,569	14,920	-3,649	-20%		○	3
	Americas	Number	2,684	4,602	2,802	3,301	3,093	-208	-6%		○	
	Asia Pacific	Number	3,586	3,565	4,799	6,937	6,179	-758	-11%		○	
	Middle East	Number	756	690	463	674	696	22	3%		○	
	UK & Europe	Number	6,196	8,064	8,852	7,657	4,952	-2,705	-35%		○	
	New Hires (%)	%	30.2	34.8	34.2	36.6	29.9	-6.7	-18%		○	
	Staff Turnover	Number	11,830	12,455	11,418	16,995	15,255	-1,740	-10%		●	
	Americas	Number	3,566	2,921	2,680	3,241	3,147	-94	-3%		●	
	Asia Pacific	Number	3,036	3,639	3,406	5,967	4,430	-1,537	-26%		●	
	Middle East	Number	770	877	720	645	610	-35	-5%		●	
	UK & Europe	Number	4,458	5,018	4,612	7,142	7,068	-74	-1%		●	
	Staff Turnover	%	27.3	29.3	23.3	31.5	30.5	-1	-3%		●	

Our People - diverse, engaged, healthy

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Social	Staff Turnover - voluntary	%	19.1	19.2	15.9	20.6	23.5	2.9	14%	∅	●	
	Redundancies	Number	405	402	519	356	680	324	91%		○	4
	Employees covered by collective bargaining agreements	%	-	-	58.8	59.1	46.9	-12.2	-21%		○	5
	Employee engagement: Diversity & Inclusion	Avg. Score	74	79	78.5	79	73	-6	-8%		●	6
	Total number of employees	Number	43,756	48,616	49,479	50,744	49,960	-784	-2%		○	12
	Serco Group plc Board- % women	%	33.3	33.3	33.3	44.4	44.4	0	0%		●	
	Gender Diversity - Executive Committee and direct reports - % women	%	31.8	29.4	27.3	26.1	33.3	7.2	28%	∅	●	
	Gender diversity - Global Leadership Team - % women	%	-	-	29.1	32.2	34.5	2.3	7%	∅	●	
	Gender diversity - All other employee levels - % women	%	42.4	43.1	43.0	44.7	44.0	-0.7	-2%	∅	●	10

Permanent employees

ESG	Excludes contingent workers, including Serco Workforce Solutions (UK)		Units	All		Serco Group Board		Executive Committee and direct reports		All other employee levels		Notes
				Male	Female	Male	Female	Male	Female	Male	Female	
Social	Group	Total	Number	27,231	21,351	5	4	64	32	27,162	21,315	7, 10, 13
			%	56%	44%	56%	44%	67%	33%	56%	44%	
		Full Time	Number	21,988	13,222	5	4	64	32	21,919	13,186	
			%	62%	38%	56%	44%	67%	33%	62%	38%	
		Part Time	Number	3,460	6,593	-	-	-	-	3,460	6,593	
			%	34%	66%	-	-	-	-	34%	66%	
		Non-guaranteed hours employees with unknown full/part time status	Number	1,783	1,536	-	-	-	-	1,783	1,536	
			%	54%	46%	-	-	-	-	54%	46%	
	Americas	Total	Number	5,334	3,784	-	-	11	9	5,323	3,775	
			%	58%	42%	-	-	55%	45%	59%	41%	
		Full Time	Number	4,476	3,066	-	-	11	9	4,465	3,057	
			%	59%	41%	-	-	55%	45%	59%	41%	
		Part Time	Number	858	718	-	-	0	0	858	718	
			%	54%	46%	-	-	-	-	54%	46%	

Permanent employees

ESG	Excludes contingent workers, including Serco Workforce Solutions (UK)		Units	All		Serco Group Board		Executive Committee and direct reports		All other employee levels		Notes
				Male	Female	Male	Female	Male	Female	Male	Female	
Social	Asia Pacific	Total	Number	6,754	6,528	-	-	10	3	6,744	6,525	7, 10, 13
			%	51%	49%	-	-	77%	23%	51%	49%	
		Full Time	Number	4,672	3,668	-	-	10	3	4,662	3,665	
			%	56%	44%	-	-	77%	23%	56%	44%	
		Part Time	Number	1,111	1,635	-	-	-	-	1,111	1,635	
			%	40%	60%	-	-	-	-	40%	60%	
		Non-guaranteed hours employees with unknown full/part time status	Number	971	1,225	-	-	-	-	971	1,225	
			%	44%	56%	-	-	-	-	44%	56%	
	Middle East	Total	Number	1,574	446	-	-	5	5	1,569	441	
			%	78%	22%	-	-	50%	50%	78%	22%	
		Full Time	Number	1,574	445	-	-	5	5	1,569	440	
			%	78%	22%	-	-	50%	50%	78%	22%	
		Part Time	Number	0	1	-	-	-	-	0	1	
			%	0%	100%	-	-	-	-	0%	100%	

Permanent employees

ESG	Excludes contingent workers, including Serco Workforce Solutions (UK)		Units	All		Serco Group Board		Executive Committee and direct reports		All other employee levels		Notes
				Male	Female	Male	Female	Male	Female	Male	Female	
Social	UKE (incl. SBS & Group)	Total	Number	13,569	10,593	-	-	38	15	13,531	10,578	7, 10, 13
			%	56%	44%	-	-	72%	28%	56%	44%	
		Full Time	Number	11,266	6,043	-	-	38	15	11,228	6,028	
			%	65%	35%	-	-	72%	28%	65%	35%	
		Part Time	Number	1,491	4,239	-	-	-	-	1,491	4,239	
			%	26%	74%	-	-	-	-	26%	74%	
		Non-guaranteed hours employees with unknown full/part time status	Number	812	311	-	-	-	-	812	311	
			%	72%	28%	-	-	-	-	72%	28%	

Permanent employees

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Social	UK Gender Pay Gap	%	11.9	10.2	10.9	6.96	8.11	1.15	17%		●	8
	Contingent worker headcount	Number				13,053	12,213	-840	-6%		○	9
	Employees with disclosed disabilities	Number	343	847	1,690	2,545	2,529	-16	-1%		○	10
	Employees with disclosed disabilities %	%	0.8	1.7	3.4	5.0	5.0	0	0%		○	10
	Age profile - Serco Group plc Board		-	-	-	-	-	-	-			
	16-24	%	-	-	-	0	0	0	0%		○	
	25-40	%	-	-	-	0	0	0	0%		○	
	41-54	%	-	-	-	22	22	0	-1%		○	
	55-64	%	-	-	-	44	56	12	26%		○	
	65+	%	-	-	-	22	22	0	-1%		○	
	Undisclosed	%	-	-	-	11	0	-11	-100%		○	
	Age profile - all employees		-	-	-	-	-	-	-			10
	16-24	%	9	9	7	9	8	0	-5%		○	
	25-40	%	39	38	37	36	34	-2	-4%		○	
	41-54	%	30	29	31	31	31	0	1%		○	
	55-64	%	18	18	19	20	21	1	5%		○	
	65+	%	3	4	4	5	6	1	14%		○	
	Undisclosed	%	2	3	2	0	0	0	0%		○	

Ethnicity - Serco Group plc Board

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Social	Ethnicity - Serco Group plc Board											
	Asian	%	-	-	-	11.1	11.1	0	0%		○	
	Black	%	-	-	-	0	0	0	0%		○	
	Mixed	%	-	-	-	0	0	0	0%		○	
	Other	%	-	-	-	0	0	0	0%		○	
	White	%	-	-	-	88.9	88.9	0	0%		○	
	Undisclosed	%	-	-	-	0	0	0	0%		○	
	Ethnicity - all employees											10
	Asian	%	2.0	2.0	3.0	3.5	5.2	2	49%		○	
	Black	%	3.0	4.0	4.0	4.9	9.0	4	84%		○	
	Mixed	%	1.0	1.0	1.0	1.3	2.2	1	69%		○	
	Other	%	2.0	2.0	2.0	2.3	4.1	2	78%		○	
	White	%	31.0	33.0	35.0	37	58.3	21	58%		○	
	Undisclosed	%	61.0	42.0	54.0	51	21.2	-30	-58%		○	

Our People - notes and commentary

1. Absence due to sickness - The overall amount of absence days has actually decreased compared to 2021. However, our overall metric has increased as the headcount has decreased. Some positive identifications in the data (specifically the UK Data): Days off due to mental ill health has reduced by 3,259 days compared to 2021. Work related stress illness has fallen by 3,404 days.

2. Employee Engagement: Learning & Development - We use the viepoint question 'I have good opportunities to learn and grow' and whilst we have not reported this figure previously, since 2018 the score has risen from 60 to 64.

3. New hires - Whilst we saw a significant decrease in new hires during 2022, this was to be expected partly due to the reduction in our covid-19 related contracts, most notably in the UK with the closure of many testing centres, and in the call operative space in AsPac.

4. Redundancies - The increased level of redundancies in 2022 compared with 2021 is driven by redundancies relate to the exit of covid-19 related contracts in April 2022.

5. Employees covered by collective bargaining agreements - The reduction in 2022 compared with prior years is not driven by any specific activity, data is taken as a snapshot at the end of the year and given the nature of our business and turnover of contracts this may often be outwith our control.

6. Employee Engagement: Diversity and Inclusion - In 2022, inline with the natural evolution of our overarching D&I strategy, our approach to evaluating the progress made in the D&I space also shifted, subsequently resulting in a change of approach to our viewpoint survey question. This shift saw a move from our evaluation being centred around 'acceptance' to feeling a sense of 'belonging'. The expectation was that the score would drop with this change

due to a sense of belonging being a much more personal and meaningful phrase than 'a feeling of being accepted'.

7. Variance between Total number of employees and the sum of Male/Female All Employees. The male/female % split is a snapshot taken at the end of December where the Total number of employees is based on the monthly total averaged over the last 12 months. There are also a number of colleagues who don't identify as either male or female.

8. The small increase in the UK Gender Pay Gap in 2022 compared to 2021 is attributable to fluctuation in the size and make-up of our workforce from year to year, as contracts move in and out of the organisation and as we respond to the needs of our customers; there is therefore a volatility inherent in this metric due to the nature of our business.

9. Contingent worker headcount includes those who are classified as 'casuals' in AsPac.

10. Excludes ORS and Sapienza in Europe as data unavailable at time of reporting.

11. Our board ethnicity has been reported as per our submission for the Parker Report in October 2022. From January 2023 our board ethnicity mix is: 77.8% white / 11.1% Mixed ethnic Groups / 11.1% Asian/British Asian.

12. Calculated as an average over a 12 month period January to December 2022.

13. Taken as a snapshot of employee breakdown at 31st December 2022.

Respecting Human Rights

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Social	Percentage of high risk suppliers assessed as high risk for modern slavery	%	-	-	-	-	11.4	-	-		○	
	Prosecutions for human rights violations (incl. indigenous)	Number	0	0	0	0	0	-	-		●	
	Number of substantiated Speak Up cases related to Human rights and modern slavery	Number	0	0	0	0	0	-	-		●	
	Speak up case rate - substantiated Human rights and modern slavery cases	per 100 employees	0	0	0	0	0	-	-		●	

Safe Operations

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Social	Employee engagement: Safety	Avg. score	77	79	79	78	78	0	0%		●	
	Lost Time Incidents (LTIs)	Number	477	531	471	523	613	90	17%		●	
	Employee LTIs	Number	458	516	462	488	585	97	20%		●	
	Non-employee LTIs	Number	19	15	9	35	28	-7	-20%		●	
	Lost Time Incident Frequency Rate (LTIFR)	Per 1m hours worked	5.30	5.69	4.48	4.17	5.72	1.55	37%	0	●	
	Employee LTIFR	Per 1m hours worked	-	-	-	5.19	6.15	0.96	19%		●	

Safe Operations

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Social	Non-employee LTIFR	Per 1m hours worked	-	-	-	1.09	2.34	1.25	114%		●	
	Lost Time Incident Working Days Lost (LTI-WDL)	Number	13,261	12,773	12,230	11,657	13,975	2,318	20%		●	
	Employee LTI-WDL	Number	12,814	12,265	12,075	11,273	13,788	2,515	22%		●	
	Non-employee LTI-WDL	Number	447	150	155	384	187	-197	-51%		●	
	Lost Time Incident Severity Rate (LTISR)	Avg. Days	27.80	24.05	25.96	22.29	22.80	0.51	2%		●	
	Employee LTISR	Avg. Days	-	-	-	23.10	23.57	0.47	2%		●	
	Non-employee LTISR	Avg. Days	-	-	-	10.97	6.68	-4.29	-39%		●	
	Major injuries	Number	45	36	43	45	47	2	4%		●	
	Employee major injuries	Number	44	34	39	38	47	9	24%		●	
	Non-employee major injuries	Number	1	2	4	7	0	-7	-100%		●	
	Major Incident Frequency Rate (MIFR)	Per 1m hours worked	0.50	0.39	0.41	0.36	0.44	0.08	22%		●	
	Employee MIFR	Per 1m hours worked	-	-	-	0.41	0.49	0.08	19%		●	
	Non-employee MIFR	Per 1m hours worked	-	-	-	0.22	0	-0.22	-100%		●	
	Work-related fatalities	Number	1	0	0	0	1	1	-		●	1
	Employee work-related fatalities	Number	1	0	0	0	1	1	-		●	1
	Non-employee work-related fatalities	Number	0	0	0	0	0	0	-		●	
	Fatal Incident Frequency Rate (FIFR)	Per 1m hours worked	0.01	0.00	0.00	0.00	0.01	0.01	-		●	
	Employee FIFR	Per 1m hours worked	0.01	0.00	0.00	0.00	0.01	0.01	-		●	
	Non-employee FIFR	Per 1m hours worked	0.00	0.00	0.00	0.00	0	-	-		●	

Safe Operations

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Social	Physical Assault Frequency Rate	Per 1m hours worked	13.13	8.09	7.61	6.26	6.06	-0.20	-3%	∅	●	
	Serious Physical Assault Frequency Rate	Per 1m hours worked	1.32	0.63	0.62	0.57	0.58	0.01	2%	∅	●	
	Total number of hours worked	Number	90,006,311	93,284,496	105,197,842	125,277,996	107,102,338	-18,175,658	-15%		○	
	Employee hours worked	Number	-	-	-	93,043,239	95,111,272	2,068,033	2%		○	
	Non-employee hours worked	Number	-	-	-	32,234,757	11,991,066	-20,243,691	-63%		○	
	Employee fatalities as a result of work-related ill health	Number	0	0	0	0	0	-	-		●	
	Non-employee fatalities as a result of work-related ill health	Number	0	0	0	0	0	-	-		●	
	Employee cases of recordable work-related ill health	Number	4	10	164	177	153	-24.00	-14%		●	
	Non-employee cases of recordable work-related ill health	Number	-	0	4	4	2	-2.00	-50%		●	
	Safety observations (SOFR)	Per 1m hours worked	-	-	-	137	196	59	43%		●	
	Zero Harm engagement	Number	-	-	-	4,173	4,577	404	10%		●	
	Prosecutions	Number	0	0	0	0	2	2	0		●	2
	Fines paid	£'000	0	0	0	0	0	0	0		●	
	Improvement/Enforcement Notices/ Notice of Contravention	Number	2	1	2	2	0	-2	-100%		●	

Safe operations - notes and commentary

Through 2022 whilst there were some reductions in major injuries, lost time incidents, lost days and assaults across a number of areas in the business, several exceptional and unpredictable events as well as third-party related incidents have driven increases in core KPI performance when compared to 2021. This has meant that as a Group we missed the thresholds we had set for most key KPIs. This included our LTIFR which increased from 4.17 to 5.72, missing our 2022 threshold of 4.64. To put this into context and away from metrics this meant that in 2022 613 of our colleagues experienced a lost time incident. We do not believe this is acceptable and are committed to seeing improvement and will continue to drive proactive activities. Whilst comparisons to the 2019 baseline are more favourable, Lost Time Incident Frequency Rate and Major Incident Frequency Rate have both seen increases. The Serious Physical Assault Frequency Rate has not achieved the intended threshold (6% reduction where 9% targeted), however the broader Physical Assault Frequency Rate has achieved the 25% desired reduction against 2019 threshold. This is considered a significant improvement given the challenges seen in parts of the business where assaults are most prominent.

Revisions have been made to strategic health and safety thresholds considering our performance in 2022 and the changes to the risk profile through contract wins and exists. The thresholds for 2023 are: Lost Time Incident Frequency Rate 5.14. Lost Time Incident Severity Rate 22.06. Physical Assault Frequency Rate 5.41. Serious Physical Assault Frequency Rate 0.55. We are however, anticipating an increase in the Major Incident Frequency Rate to 0.41 due to recognised increasing risk in this area.

Notes

1. In December 2022 a member of one of our Motorist Assistance Patrol teams in North America, was seriously assaulted whilst dealing with an abandoned vehicle left on the highway. Despite, best efforts of the emergency services he died of his injuries.
2. The UK Health and Safety Executive brought prosecutions against Serco regarding two unrelated health and safety breaches that happened from 2015 to 2017 in the PECs Contract and in 2019 in an Environmental Services Contract respectively. Unfortunately, both matters resulted in a fatality. Initial hearings on sentencing for both prosecutions were held in 2022 with further hearings likely to be concluded in the first half of 2023.

Our People

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Social	Public and Community Impact											
	Serco Foundation - grants made	£	-	-	597,520	201,519	220,114	18,595	9%		●	
	Serco People Fund - seed funding	£	-	-	-	4,000,000	0	-4,000,000	-100		○	
	Serco People Fund - grants made	£	-	-	-	-	203,504	-	-		○	1

Public and Community Impact - notes and commentary

1. The Serco People Fund made total donations of £203,504 during 2022, supporting current and retired Serco colleagues, and their close family members, in both the UK and Australia. Donations made to Serco Australia colleagues were made in Australian Dollars, GBP values were recorded at the time of exchange. Donations in the UK amounted to 93%, with donations in Australia accounting for 7% of the total value.

Net zero carbon and climate

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Environment	Carbon dioxide equivalent (Scope 1+2) market-based Scope 2 - Total Group	tCO ₂ e	257,086	262,996	225,456	208,639	38,762	-	-	□		1
	Total UK	tCO ₂ e	188,601	189,490	156,814	161,283	25,829	-	-	□		1
	Total Rest of World	tCO ₂ e	68,485	73,506	68,642	47,356	12,933	-	-	□		1
	Americas	tCO ₂ e	8,124	5,390	6,479	5,963	5,388	-	-	□		1
	Asia Pacific	tCO ₂ e	47,121	55,773	48,749	31,820	5,236	-	-	□		1
	Middle East	tCO ₂ e	13,240	12,343	13,322	9,288	2,090	-	-	□		1
	Europe	tCO ₂ e	0	0	92	285	220	-	-	□		1
	Carbon dioxide equivalent (Scope 1+2) location-based Scope 2 - Total Group	tCO ₂ e	259,814	266,894	237,759	218,018	40,438	-	-	□		1
	Total UK	tCO ₂ e	191,329	193,387	169,117	170,604	27,029	-	-	□		1
	Total Rest of World	tCO ₂ e	68,485	73,507	68,642	47,414	13,409	-	-	□		1
	Americas	tCO ₂ e	8,124	5,390	6,479	5,963	5,388	-	-	□		1
	Asia Pacific	tCO ₂ e	47,121	55,773	48,749	31,820	5,666	-	-	□		1
	Middle East	tCO ₂ e	13,240	12,343	13,322	9,288	2,090	-	-	□		1
	Europe	tCO ₂ e	0	0	92	343	265	-	-	□		1
	Combustion of fuels and operation of facilities (Scope 1) - Total Group (all fuel types)	tCO ₂ e	176,254	181,413	165,259	165,417	31,894	-	-	□		1
	Total UK	tCO ₂ e	170,022	175,681	156,379	159,562	25,688	-	-	□		1
	Total Rest of World	tCO ₂ e	6,233	5,732	8,881	5,855	6,206	-	-	□		1

Net zero carbon and climate

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Environment	Americas	tCO ₂ e	592	384	790	1,583	2,991	-	-	□		1
	Asia Pacific	tCO ₂ e	2,065	2,353	5,073	3,740	2,924	-	-	□		1
	Middle East	tCO ₂ e	3,576	2,995	3,004	248	72	-	-	□		1
	Europe	tCO ₂ e	0	0	14	285	219	-	-	□		1
	Gas (Scope 1) - Total Group	tCO ₂ e	26,381	26,658	19,931	22,168	1,424	-	-	□		1
	Total UK	tCO ₂ e	25,449	25,887	18,787	20,544	919	-	-	□		1
	Total Rest of World	tCO ₂ e	932	771	1,145	1,624	505	-	-	□		1
	Americas	tCO ₂ e	592	384	672	1,326	505	-	-	□		1
	Asia Pacific	tCO ₂ e	340	387	473	298	0	-	-	□		1
	Middle East	tCO ₂ e	0	0	0	0	0	-	-	□		1
	Europe	tCO ₂ e	0	0	0	0	0	-	-	□		1
	Petrol (Scope 1) - Total Group	tCO ₂ e	4,067	3,546	4,283	3,725	4,746	-	-	□		1
	Total UK	tCO ₂ e	612	663	487	1,645	1,310	-	-	□		1
	Total Rest of World	tCO ₂ e	3,455	2,883	3,796	2,080	3,437	-	-	□		1
	Americas	tCO ₂ e	0	0	0	0	1,484	-	-	□		1
	Asia Pacific	tCO ₂ e	29	15	922	1,892	1,819	-	-	□		1
	Middle East	tCO ₂ e	3,426	2,868	2,868	101	49	-	-	□		1
	Europe	tCO ₂ e	0	0	6	87	85	-	-	□		1
	Diesel (Scope 1) - Total Group	tCO ₂ e	24,633	27,369	28,665	27,824	23,707	-	-	□		1
	Total UK	tCO ₂ e	24,237	27,082	27,864	26,793	22,201	-	-	□		1

Net zero carbon and climate

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Environment	Total Rest of World	tCO ₂ e	396	287	801	1,031	1,506	-	-	□		1
	Americas	tCO ₂ e	0	0	0	0	780	-	-	□		1
	Asia Pacific	tCO ₂ e	245	159	665	834	595	-	-	□		1
	Middle East	tCO ₂ e	151	128	128	0	0	-	-	□		1
	Europe	tCO ₂ e	0	0	8	198	131	-	-	□		1
	Burning oil / Kerosene (Scope 1) - Total Group	tCO ₂ e	384	1,098	834	928	346	-	-	□		1
	Total UK	tCO ₂ e	384	1,098	834	928	346	-	-	□		1
	Total Rest of World	tCO ₂ e	0	0	0	0	0	-	-	□		1
	Americas	tCO ₂ e	0	0	0	0	0	-	-	□		1
	Asia Pacific	tCO ₂ e	0	0	0	0	0	-	-	□		1
	Middle East	tCO ₂ e	0	0	0	0	0	-	-	□		1
	Europe	tCO ₂ e	0	0	0	0	0	-	-	□		1
	LPG / Propane (Scope 1) - Total Group	tCO ₂ e	1,672	2,131	2,063	435	134	-	-	□		1
	UK	tCO ₂ e	221	339	213	151	134	-	-	□		1
	Rest of world	tCO ₂ e	1,451	1,792	1,850	284	0	-	-	□		1
	Americas	tCO ₂ e	0	0	0	0	0	-	-	□		1
	Asia Pacific	tCO ₂ e	1,451	1,792	1,850	284	0	-	-	□		1
	Middle East	tCO ₂ e	0	0	0	0	0	-	-	□		1
	Europe	tCO ₂ e	0	0	0	0	0	-	-	□		1

Net zero carbon and climate

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Environment	Gas oil (Scope 1) - Total Group	tCO ₂ e	2,973	1,899	1,421	1,228	335	-	-	□		1
	UK	tCO ₂ e	2,973	1,899	1,421	1,228	335	-	-	□		1
	Rest of world	tCO ₂ e	0	0	0	0	0	-	-	□		1
	Electric vehicle (Scope 2) - Total Group	tCO ₂ e	-	-	-	3	16	13	498%	□	●	2
	UK	tCO ₂ e	-	-	-	3	15	12	402%	□	●	2
	Rest of world	tCO ₂ e	-	-	-	0	1	1	0%	□	●	2
	Biodiesel HVO /CNG / Hybrid (Scope 1) - Total Group	tCO ₂ e	-	-	-	-	20	-	-	□	○	
	UK	tCO ₂ e	-	-	-	-	17	-	-	□	○	
	Rest of world	tCO ₂ e	-	-	-	-	3	-	-	□	○	
	Americas	tCO ₂ e	-	-	-	-	0	-	-	□	○	
	Asia Pacific	tCO ₂ e	-	-	-	-	0	-	-	□	○	
	Middle East	tCO ₂ e	-	-	-	-	0	-	-	□	○	
	Europe	tCO ₂ e	-	-	-	-	3	-	-	□	○	
	Fugitive emissions (Scope 1) - Total Group	tCO ₂ e	263	232	1,005	1,173	1,182	-	-	□		1
	UK	tCO ₂ e	263	232	377	336	427	-	-	□		1
	Rest of world	tCO ₂ e	-	-	628	837	755	-	-	□		1
	Americas	tCO ₂ e	-	-	118	257	222	-	-	□		1
	Asia Pacific	tCO ₂ e	-	-	502	433	510	-	-	□		1
	Middle East	tCO ₂ e	-	-	8	147	23	-	-	□		1

Net zero carbon and climate

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Environment	Europe	tCO ₂ e	-	-	0	0	0	-	-	□		1
	Scope 2 - Grid electricity purchased / acquired for own use (market-based) - Total Group	tCO ₂ e	80,832	81,583	60,197	43,222	6,868	-	-	□		1
	UK	tCO ₂ e	18,580	13,809	436	1,721	140	-	-	□		1
	Rest of world	tCO ₂ e	62,252	67,774	59,761	41,501	6,728	-	-	□		1
	Americas	tCO ₂ e	7,532	5,006	5,689	4,380	2,397	-	-	□		1
	Asia Pacific	tCO ₂ e	45,056	53,419	43,675	28,080	2,312	-	-	□		1
	Middle East	tCO ₂ e	9,664	9,348	10,319	9,040	2,018	-	-	□		1
	Europe	tCO ₂ e	0	0	78	0	1	-	-	□		1
	Scope 2 - Grid electricity purchased / acquired for own use (location-based) - Total Group	tCO ₂ e	83,560	85,481	72,500	52,601	8,544	-	-	□		1
	UK	tCO ₂ e	21,308	17,707	12,739	11,042	1,340	-	-	□		1
	Rest of world	tCO ₂ e	62,252	67,774	59,761	41,559	7,204	-	-	□		1
	Americas	tCO ₂ e	7,532	5,006	5,689	4,380	2,397	-	-	□		1
	Asia Pacific	tCO ₂ e	45,056	53,419	43,675	28,080	2,743	-	-	□		1
	Middle East	tCO ₂ e	9,664	9,348	10,319	9,040	2,018	-	-	□		1
	Europe	tCO ₂ e	0	0	78	58	46	-	-	□		1
	Scope 2 - Grid electricity purchased / acquired for own use - Total Group	MWh	167,375	170,493	152,154	130,575	21,518	-	-	□		1
	UK	MWh	75,275	69,276	54,638	52,003	6,853	-	-	□		1

Net zero carbon and climate

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Environment	Rest of world	MWh	92,100	101,217	97,515	78,572	14,665	-	-	□		1
	Americas	MWh	17,530	12,608	15,003	12,758	6,782	-	-	□		1
	Asia Pacific	MWh	59,945	74,406	62,327	47,813	4,044	-	-	□		1
	Middle East	MWh	14,625	14,202	19,855	17,741	3,669	-	-	□		1
	Europe	MWh	0	0	331	260	171	-	-	□		1
	Energy consumption used to calculate Scope 1+2 emissions - Total Group	MWh	891,931	918,740	827,475	811,377	167,136	-	-	□		1
	UK	MWh	772,007	792,086	693,610	709,939	115,240	-	-	□		1
	Rest of world	MWh	119,924	126,654	133,865	101,438	51,896	-	-	□		1
	Americas	MWh	20,748	14,411	18,657	19,999	32,234	-	-	□		1
	Asia Pacific	MWh	69,645	85,634	82,541	61,882	14,671	-	-	□		1
	Middle East	MWh	29,531	26,609	32,250	18,158	3,889	-	-	□		1
	Europe	MWh	-	-	417	1,399	1,101	-	-	□		1
	Energy consumption used to calculate Scope 1+2 emissions - Total Group	GJ	3,210,952	3,307,464	2,978,910	2,922,188	601,688	-	-	□		1
	Reduction in energy consumption from conservation and efficiency initiatives	GJ	-	-	-	9,093	1,506	-	-			1
	Headcount intensity (Scope 1+2) market-based Scope 2	tCO ₂ e/FTE	5.74	5.78	4.53	3.21	0.68	-	-	□		1
	Headcount intensity (energy use)	GJ/FTE	49.38	50.86	45.81	44.94	10.60	-	-			1
	Headcount intensity (Scope 1+2) location-based Scope 2	tCO ₂ e/FTE	5.80	5.87	4.78	3.35	0.71	-	-	□		1

Net zero carbon and climate

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Environment	Financial intensity (Scope 1+2) market-based Scope 2	tCO ₂ e/per £m revenue	90.62	80.97	58.04	47.15	8.55	-	-	□		1
	Financial intensity (Scope 1+2) market-based Scope 2	GJ/£m revenue	1,132	1,018	767	660	133	-	-	□		1
	Financial intensity (Scope 1+2) location-based Scope 2	tCO ₂ e/£m revenue	91.58	82.17	61.20	49.27	8.92	-	-	□		1
	Total fuel consumption, non-renewable sources	%	100.00	100.00	99.55	99.45	95.25	-	-	□		1
	Total fuel consumption, non-renewable sources	MWh	724,556	748,247	672,314	677,387	138,705	-	-	□		1
	Total fuel consumption, non-renewable sources	GJ	2,608,401	2,693,690	2,420,330	2,438,592	499,339	-	-	□		1
	Total fuel consumption, renewable sources	%	0.00	0.00	0.45	0.55	4.75	-	-	□		1
	Total fuel consumption, renewable sources	MWh	0	0	3,007	3,754	6,912	-	-	□		1
	Total fuel consumption, renewable sources	GJ	0	0	10,825	13,513	24,885	-	-	□		1
	Total fuel consumption (non-renewable and renewable)	MWh	724,556	748,247	675,321	681,140	145,618	-	-	□		1
	Total fuel consumption (non-renewable and renewable)	GJ	2,608,401	2,693,690	2,431,156	2,452,105	524,223	-	-	□		1
	Total purchased or acquired electricity consumption, non-renewable sources	%	100.00	100.00	71.33	67.85	68.42	-	-	□		1
	Total purchased or acquired electricity consumption, non-renewable sources	MWh	167,375	170,493	108,533	88,593	14,723	-	-	□		1

Net zero carbon and climate

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Environment	Total purchased or acquired electricity consumption, non-renewable sources	GJ	602,550	613,774	390,717	318,934	53,002	-	-	□		1
	Total purchased or acquired electricity consumption, renewable sources	%	0.00	0.00	28.67	32.15	31.58	-	-	□		1
	Total purchased or acquired electricity consumption, renewable sources	MWh	0	0	43,621	41,983	6,795	-	-	□		1
	Total purchased or acquired electricity consumption, renewable sources	GJ	0	0	157,037	151,138	24,463	-	-	□		1
	Total purchased or acquired electricity consumption (non-renewable and renewable)	MWh	167,375	170,493	152,154	130,575	21,518	-	-	□		1
	Total energy consumption (non-renewable)	MWh	891,931	918,740	780,847	765,980	153,428	-	-	□		1
	Total energy consumption (renewable)	MWh	0	0	46,628	45,736	13,708	-	-	□		1
	Total energy consumption (renewable)	%	0	0	6	6	8	-	-	□		1
	Total scope 3 (market based)	tCO ₂ e	-	-	-	-	968,126	-	-	□	○	3
	Total scope 3 (location based)	tCO ₂ e	1,288,432	1,030,276	950,247	1,844,900	975,321	-	-	□		1
	Specialist marine fuel (Scope 3) - Total Group	tCO ₂ e	115,883	118,480	107,011	107,877	111,312	-	-	□		1
	UK	tCO ₂ e	115,883	118,480	106,350	107,877	111,312	-	-	□		1
	Rest of world	tCO ₂ e	0	0	661	0	0	-	-	□		1
	Americas	tCO ₂ e	0	0	0	0	0	-	-	□		1
	Asia Pacific	tCO ₂ e	0	0	661	0	0	-	-	□		1

Net zero carbon and climate

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Environment	Middle East	tCO ₂ e	0	0	0	0	0	-	-	□		1
	Europe	tCO ₂ e	0	0	0	0	0	-	-	□		1
	Scope 3 - Biomass	tCO ₂ e	-	-	46	57	18	-	-	□		1
	UK	tCO ₂ e	-	-	46	57	18	-	-	□		1
	Rest of world	tCO ₂ e	-	-	0	0	0	-	-	□		1
	Other fuels (scope 3 upstream)	tCO ₂ e	-	-	-	-	0	-	-	□	○	3
	UK	tCO ₂ e	-	-	-	-	0	-	-	□	○	3
	Rest of world	tCO ₂ e	-	-	-	-	0	-	-	□	○	3
	Americas	tCO ₂ e	-	-	-	-	0	-	-	□	○	3
	Asia Pacific	tCO ₂ e	-	-	-	-	0	-	-	□	○	3
	Middle East	tCO ₂ e	-	-	-	-	0	-	-	□	○	3
	Europe	tCO ₂ e	-	-	-	-	0	-	-	□	○	3
	Petrol (Scope 3 upstream) - Total Group	tCO ₂ e	-	-	-	-	5	-	-	□	○	3
	UK	tCO ₂ e	-	-	-	-	5	-	-	□	○	3
	Rest of world	tCO ₂ e	-	-	-	-	0	-	-	□	○	3
	Diesel (Scope 3 upstream) - Total Group	tCO ₂ e	-	-	-	-	5,836	-	-	□	○	3
	UK	tCO ₂ e	-	-	-	-	5,836	-	-	□	○	3
	Rest of world	tCO ₂ e	-	-	-	-	0	-	-	□	○	3
	Biodiesel HVO (Scope 3 upstream) - Total Group	tCO ₂ e	-	-	-	-	3	-	-	□	○	3

Net zero carbon and climate

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Environment	UK	tCO ₂ e	-	-	-	-	3			□	○	3
	Rest of world	tCO ₂ e	-	-	-	-	0			□	○	3
	Scope 3 - Business travel (Air, Rail, Hotel stays, Private car / hire) - Total Group	tCO ₂ e	24,094	27,291	22,582	12,396	20,234	7,837	63%	□	●	
	UK & Europe	tCO ₂ e	6,374	5,453	2,697	1,290	3,567	2,276	176%	□	●	
	Rest of world	tCO ₂ e	17,720	21,837	19,885	11,106	16,667	5,561	50%	□	●	
	Americas	tCO ₂ e	2,839	2,952	7,463	6,301	10,729	4,428	70%	□	●	
	Asia Pacific	tCO ₂ e	13,608	15,683	11,465	4,390	4,919	529	12%	□	●	
	Middle East	tCO ₂ e	1,273	3,202	957	415	1,018	604	146%	□	●	
	Scope 3 - Air travel - Total Group	tCO ₂ e	20,009	22,203	14,875	7,035	13,606	6,571	93%	□	●	
	UK & Europe	tCO ₂ e	4,310	3,973	1,139	460	2,295	1,835	399%	□	●	
	Rest of world	tCO ₂ e	15,699	18,230	13,736	6,575	11,312	4,736	72%	□	●	
	Americas	tCO ₂ e	1,728	1,649	4,944	4,162	7,581	3,419	82%	□	●	
	Asia Pacific	tCO ₂ e	13,085	13,937	8,434	2,229	2,977	747	34%	□	●	
	Middle East	tCO ₂ e	886	2,644	358	184	754	570	310%	□	●	
	Scope 3 - Rail travel - Total Group	tCO ₂ e	298	370	171	34	122	87	257%	□	●	
	UK & Europe	tCO ₂ e	172	210	93	26	92	66	257%	□	●	
	Rest of world	tCO ₂ e	126	160	78	8	29	21	258%	□	●	
	Americas	tCO ₂ e	43	52	29	5	23	18	347%	□	●	
	Asia Pacific	tCO ₂ e	48	63	31	0	0	0	0%	□	●	8

Net zero carbon and climate

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Environment	Middle East	tCO ₂ e	35	44	18	3	6	3	110%	□	●	
	Scope 3 - Hotel stays - Total Group	tCO ₂ e	1,943	2,459	5,075	3,132	3,872	740	24%	□	●	
	UK & Europe	tCO ₂ e	869	664	661	242	377	135	56%	□	●	
	Rest of world	tCO ₂ e	1,074	1,795	4,413	2,889	3,495	605	21%	□	●	
	Americas	tCO ₂ e	369	428	1,699	1,337	1,907	570	43%	□	●	
	Asia Pacific	tCO ₂ e	405	1,075	2,179	1,339	1,339	0	0%	□	●	
	Middle East	tCO ₂ e	300	293	536	213	248	35	17%	□	●	
	Scope 3 - Private car / hire - Total Group	tCO ₂ e	1,844	2,258	2,461	2,196	2,634	438	20%	□	●	
	UK & Europe	tCO ₂ e	1,024	606	803	563	803	240	43%	□	●	
	Rest of world	tCO ₂ e	820	1,652	1,658	1,633	1,831	199	12%	□	●	
	Americas	tCO ₂ e	699	823	791	797	1,219	422	53%	□	●	
	Asia Pacific	tCO ₂ e	69	608	821	821	603	-218	-27%	□	●	
	Middle East	tCO ₂ e	51	222	45	15	9	-5	-36%	□	●	
	Scope 3 - Headcount intensity (Business travel) - Total Group	tCO ₂ e/FTE	0.54	0.60	0.45	0.19	0.36	0.17	87%	□	●	
	UK & Europe	tCO ₂ e/FTE	-	0.21	0.10	0.03	0.11	0.07	226%	□	●	
	Rest of world	tCO ₂ e/FTE	-	1.11	0.88	0.44	0.72	0.28	64%	□	●	
	Americas	tCO ₂ e/FTE	-	0.46	0.89	0.81	1.29	0.49	60%	□	●	
	Asia Pacific	tCO ₂ e/FTE	-	2.01	1.27	0.35	0.59	0.25	71%	□	●	
	Middle East	tCO ₂ e/FTE	-	0.59	0.18	0.09	0.12	0.04	40%	□	●	

Net zero carbon and climate

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Environment	Scope 3 - Electricity (location based) and gas upstream leased - Total Group	tCO ₂ e	-	15,870	6,408	6,927	96,687	-	-	□		1
	UK & Europe	tCO ₂ e	-	15,870	6,408	6,927	62,797	-	-	□		1
	Rest of world	tCO ₂ e	-	0	0	0	33,890	-	-	□		1
	Americas	tCO ₂ e	-	0	0	0	4,469	-	-	□		1
	Asia Pacific	tCO ₂ e	-	0	0	0	29,361	-	-	□		1
	Middle East	tCO ₂ e	-	0	0	0	60	-	-	□		1
	Scope 3 - Electricity and gas upstream leased	GJ	-	285,266	107,180	122,603	1,468,096	-	-	□		1
	Scope 3 - Electricity (market based) and gas upstream leased - Total Group	tCO ₂ e	-	-	-	-	89,493	-	-	□	○	3
	UK & Europe	tCO ₂ e	-	-	-	-	55,603	-	-	□	○	3
	Rest of world	tCO ₂ e	-	-	-	-	33,890	-	-	□	○	3
	Americas	tCO ₂ e	-	-	-	-	4,469	-	-	□	○	3
	Asia Pacific	tCO ₂ e	-	-	-	-	29,361	-	-	□	○	3
	Middle East	tCO ₂ e	-	-	-	-	60	-	-	□	○	3
	Scope 3 - Electricity transmission and distribution loss - Total Group	tCO ₂ e	5,810	5,878	5,781	3,277	3,265	-12	0%	□	●	
	UK & Europe	tCO ₂ e	1,816	1,503	1,095	977	1,404	427	44%	□	●	
	Rest of world	tCO ₂ e	3,994	4,375	4,686	2,300	1,861	-439	-19%	□	●	
	Americas	tCO ₂ e	426	304	301	275	290	15	6%	□	●	
	Asia Pacific	tCO ₂ e	2,279	2,798	2,861	1,531	1,430	-101	-7%	□	●	

Net zero carbon and climate

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Environment	Middle East	tCO ₂ e	1,290	1,273	1,519	491	137	-354	-72%	□	●	
	Europe	tCO ₂ e	-	-	4	3	3	0	3%	□	●	
	Scope 3 - Electricity transmission and distribution loss	GJ	602,543	612,741	547,754	470,072	555,278	85,206	18%	□	●	
	Scope 3 - Well to tank emissions - Total Group	tCO ₂ e	-	-	47,917	52,771	10,065	-42,706	-81%	□	●	
	UK & Europe	tCO ₂ e	-	-	36,821	40,208	6,819	-33,389	-83%	□	●	
	Rest of world	tCO ₂ e	-	-	11,096	12,563	3,246	-9,317	-74%	□	●	
	Americas	tCO ₂ e	-	-	1,099	1,630	1,414	-216	-13%	□	●	
	Asia Pacific	tCO ₂ e	-	-	7,809	7,831	1,198	-6,633	-85%	□	●	
	Middle East	tCO ₂ e	-	-	2,184	3,058	634	-2,424	-79%	□	●	
	Scope 3 - Commuting and working from home - Total Group	tCO ₂ e	-	-	-	22,573	32,986	10,412	46%	□	○	
	UK & Europe	tCO ₂ e	-	-	-	7,388	6,031	-1,357	-18%	□	○	
	Rest of world	tCO ₂ e	-	-	-	15,185	26,955	11,769	78%	□	○	
	Americas	tCO ₂ e	-	-	-	12,053	23,316	11,263	93%	□	○	
	Asia Pacific	tCO ₂ e	-	-	-	2,278	3,098	820	36%	□	○	
	Middle East	tCO ₂ e	-	-	-	854	540	-313	-37%	□	○	
	Scope 3 - Waste - Total Group	tCO ₂ e	-	-	-	1,717	1,984	267	16%	□	○	
	UK & Europe	tCO ₂ e	-	-	-	341	291	-50	-15%	□	○	
	Rest of world	tCO ₂ e	-	-	-	1,377	1,693	317	23%	□	○	

Net zero carbon and climate

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Environment	Americas	tCO ₂ e	-	-	-	104	110	7	6%	□	○	
	Asia Pacific	tCO ₂ e	-	-	-	1,261	1,571	310	25%	□	○	
	Middle East	tCO ₂ e	-	-	-	12	12	0	0%	□	○	
	Scope 3 - ICT Waste - Total Group	tCO ₂ e	52	39	73	112	291	179	160%	□	●	3
	UK & Europe	tCO ₂ e	25	28	14	21	22	1	5%	□	●	3
	Rest of world	tCO ₂ e	26	10	59	91	269	178	196%	□	●	3
	Americas	tCO ₂ e	26	10	59	91	236	145	160%	□	●	3
	Asia Pacific	tCO ₂ e	0	0	0	0	32	32	-	□	●	3
	Middle East	tCO ₂ e	0	0	0	0	0	0	-	□	●	3
	Scope 3 - Gross other indirect GHG emissions (market based) - Total Group	tCO ₂ e	29,904	49,039	82,688	99,662	277,710	-	-	□		1 & 10
	Scope 3 - Gross other indirect GHG emissions (location based) - Total Group	tCO ₂ e	-	-	-	-	284,904	-	-	□	○	3 & 10
	Scope 3 - Gross other indirect GHG emissions - Total Group	GJ	-	898,007	654,934	592,675	3,722,775	-	-	□		1 & 11
	Scope 3 Purchased goods and services and capital goods categories using hybrid approach	tCO ₂ e	1,258,528	981,237	867,559	1,745,238	690,417	-	-	□		12
	Scope 3 Purchased goods and services and capital goods categories % of overall Scope 1, 2 (market based) and 3	%	82.9	78.7	78.5	88.9	68.6	-	-	□		12
	Proportion of operating locations exposed to 1:100 year climate-related hazard - flooding	%	-	-	-	12	12	0	0%		○	14

Net zero carbon and climate

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
	Environmental tax and levies - electricity and gas	£'000	-	-	-	741	781	40	5%		○	16
	Spend on electricity and gas	£'000	-	-	-	36,582	54,022	17,440	48%		○	
	CDP Climate Change questionnaire score	Score	C	C	B	B	A-			□	●	

Efficient use of natural resources

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Environment	Total water consumption	Megalitres	-	-	-	861.82	894.897	33	4%	□	●	13
	Non-hazardous waste generated	Metric Tonnes	-	-	-	11,049	11,654.3	605	5%	□	●	
	Non-hazardous waste diverted from landfill	%	-	-	-	72.7	66.6	-6	-8%	□	●	
	Hazardous IT waste generated	Metric Tonnes	15.3	16.9	8.4	19.2	21.8	3	14%	□	●	
	Hazardous IT waste diverted from landfill	%	100.0	100.0	100.0	100.0	100.0	0	0%	□	●	
	Owned / leased road fleet fuel consumption	tCO ₂ e	144,583	149,395	139,959	139,429	28,474	-	-	□		1
	Owner / Leased Road fleet fuel consumption	MWh	-	581,616	545,381	545,452	134,501	-	-	□		1
	Road fleet fuel type composition (Petrol/Diesel/Electric/Hybrid)							-	-			
	Petrol	%	-	-	-	16	18	-	-			1
	Diesel	%	-	-	-	67	60	-	-			1
	Electric	%	-	-	-	6	7	-	-			1
	Hybrid	%	-	-	-	11	15	-	-			1

Environmental protection

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Environment	Operations covered by certified ISO 14001 Environmental Management Systems - by revenue	%	-	-	-	24	30	6	25%		●	15
	Operations covered by certified ISO 50001 EMS - by revenue	%	-	-	-	-	0.5	-	-		○	15
	Staff trained via professional body certified environmental courses	Number	-	-	-	-	60	-	-		○	
	Prosecutions	Number	0	0	0	0	0	-	-		●	
	Fines paid	£'000	0	0	0	0	0	-	-		●	
	Enforcement notices	Number	0	0	0	0	0	-	-		●	

Environment - notes and commentary

Our reporting year for greenhouse gas (GHG) emissions is one quarter behind our financial year, namely 1 Oct 2021 to 30 Sept 2022. See our Environmental Basis of Reporting Supplement for information on our reporting boundary and methodologies, available at www.serco.com/esg/environment

We quantify and report to ISO 14064-3:2019. In 2022 we moved to a financial control approach to define our reporting boundary, previously reported emissions from customer owned assets have moved into our scope 3 upstream leased reporting category. Our refreshed net zero targets will be set against 2022 as our new baseline as per Science Based Targets Initiative guidance.

We report all material emission sources for which we consider ourselves responsible and have set our materiality threshold at 5%. Our move to a financial control reporting boundary and our net zero target review in line with the Science Based Targets Initiative (SBTi) methodology means that many of our metrics are no longer comparable. However this represents progress as we anticipate our new net zero targets to be independently validated in 2023. These are likely to be in line with the latest climate science using our new base year of 2022, in line with SBTi guidance. Our environmental reporting was further expanded in 2022 to include additional performance metrics, including our transition to renewable fuels (biodiesel HVO) and ICT hazardous waste streams.

Net zero and Climate

2022 is the new base year for our net zero targets (to be independently validated in 2023) Currently anticipated to be scope 1 & 2 (market based) reduction of 34% by 2030 vs 2022 baseline. Target to increase suppliers signed up to science-based targets by 2027. Net zero across scopes 1 - 3 by 2050. As a consequence of changing to financial control reporting many of our metrics are no longer comparable to previous years. We have introduced renewable fuel in the form of biodiesel HVO to our fleet in 2022 in order to transition from fossil fuels. For the first time our entire scope 1, 2 & 3 emissions have been externally assured and verified to the ISO 14064-3 standard following improvements made to the measurement of purchased goods and services & capital goods categories. Furthermore additional environmental KPIs have also been assured by Carbon Intelligence, part of Accenture.

Efficient use of natural resources

We continue to drive resource efficiency throughout our operations and increase our focus and reporting on this pillar. In 2022 we have included hazardous IT waste stream within our reporting and have backdated to 2018 to support performance analysis despite the nature of this waste stream being infrequent.

Environmental Protection

We continue to strive to avoid and reduce pollution and improve our focus on protecting nature throughout our operations as expectations increase on organisations to understand value chain impacts on biodiversity.

Environment - notes and commentary

Notes

1. Previously reported data no longer comparable due to change to financial control reporting boundary.
2. Company car fleet emissions only, commercial Electric Vehicle fleet included in facility scope 2 emissions
3. New reporting indicator / emission source
4. Commercial vehicle fleet emissions only
5. See notes below table for examples of energy efficiency action as required by Streamlined Energy and Carbon Reporting.
6. New reporting category but comparable as previously reported in entirety in scope 2
7. New reporting category, data previously reported in scope 1
8. Rail bookings not tracked by travel agency as minimal and therefore considered immaterial
9. New indicator with historic data provided
10. Includes verified Scope 3 emissions only: waste, transmission and distribution losses, well-to-tank, employee commuting, working from home, business travel, upstream leased (electricity & gas, specialist marine fuel, diesel, biodiesel HVO, petrol, biomass and other fuels)

11. GJ calculated for transmission and distribution losses and upstream leased asset categories.

12. For many companies scope 3 emissions form the majority of emissions with purchased goods and services & capital goods categories collectively significant. The Quantis Scope 3 evaluator tool was developed by the World Resource Institute / World Business Council for Sustainable Development's GHG Protocol and was designed as a first-step screening process to encourage the measurement and reporting of value chain GHG emissions. This year we have gained more precision for these categories by using a hybrid approach, the Quantis methodology updated to address inflation along with supplier specific scope 1 & 2 and upstream scope 3 emissions where available.

13. 2021 water consumption restated as previously reported in m3

14. There are six Serco sites in the medium to highest risk bands for flood depth for a 100 yr. flood return period, per a <2°C scenario 2050. Based on climate risk analysis of 52 operating locations in 2021; to be expanded in 2023 supported by analytics from insurance partners.

15. All Contracts are required to comply with our SMS and environmental requirements, which align with ISO 14001. At many of our Contracts we also operate within customer ISO 14001 certified management systems. A smaller proportion of our Contracts have certified ISO 50001 management systems, as only our more energy-intensive operations benefit from this standard.

16. 2021 restated

17. Data includes pass through costs

Our Shareholders - Data Privacy and Information Security

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
	Substantiated complaints from data protection regulators	Number	-	-	-	3	3	-	0%		●	1
	Total number of significant data breaches	Number	-	-	-	2	0	-2	-	0	●	

Data privacy and information security - notes and commentary

1a. Substantiated complaints include: 1. Regulatory investigation into a detainee complaint from an Immigration Detention Centre after a detainee list was accidentally left on a coffee table and circulated amongst detainees.

b. Regulator investigation following a complaint from a Serco employee who believed their personal information was inappropriately shared.

c. Regulator investigation into an immigration detention detainee involving an Officer allegedly sharing medical details when not authorised. In this case Serco were ordered to pay \$2,000 to the detainee.

Effective controls and managed risk

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Governance	Prosecutions for corrupt behaviour	Number	0	0	0	0	0	0	-		●	
	Prosecutions for anti-competitive behaviour	Number	0	0	0	0	0	0	-		●	
	Speak Up Cases	Number	496	461	709	749	666	-83	-11%		●	
	Speak Up Case rate	per 100 employees	1.08	0.95	1.29	1.14	1.18	0.04	4%	∅	●	1
	High Risk Case rate	per 100 employees	0.091	0.116	0.097	0.077	0.133	0.06	73%		●	
	Speak Up cases reported anonymously	%	35	52	62	59	61	2.00	3%		●	
	Speak Up cases investigated	%	94	92	91	97	97	0	0%		●	
	Closed Speak Up Cases	Number	498	454	679	776	674	-102	-13%		●	
	Average days taken to close Speak Up cases	Number	69	60	44	44	45	1	2%		●	2
	Speak Up cases closed within three months of case being raised	%	75	89	84	84	86	2	2%		●	
	Speak Up closed case substantiation rate	%	40	37	24	22	27	5	23%		●	3
	Substantiated Speak Up cases with corrective action taken	%	98	98	93	98	98	0	0%		●	
	Substantiated Speak Up cases with Disciplinary action taken	%	11	42	40	34	32	-2	-6%		●	
	Substantiated Speak Up cases where one or more individuals were dismissed	%	6	23	12	14	13	-1	-7%		●	

Effective controls and managed risk

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
	Annual SMS self-assessments completed	%	-	95.7	99.7	98.9	98.9	0	0%	0	●	4
	Annual Compliance Assurance plan delivered	%	-	94.3	85.2	95	98	-2	-2%	0	●	
	Annual Audit plan delivered	%	-	100	94.6	100	100	0	0%		●	

Effective controls and managed risks - notes and commentary

1. Whilst 2022 saw a drop in overall number of cases (down 83 (11%) on 2021), partly impacted by the end of Test and Trace that had a disproportionately high number of cases, the normalised case rate is slightly (4%) up on 2021 and nearly 10% up on 2018, so the trend is positive albeit we are short on Navex benchmark at 1.3.

2. The average time to close cases saw a slight increase by 1 day from 44 days. We take all investigations seriously and strive to close them as soon as possible whilst ensuring the integrity of the investigation.

3. There was an increase in substantiation rate which reflects better quality of issues being raised. During 2022 we increased awareness on the purpose of Speak Up, guiding people to HR if the matter is people related.

4. SMS self-assessment excludes North Americas METS business Unit, assessment not deployed due to technical issues

Total Shareholder returns and engagement

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Governance	Employee engagement: Our Values	Avg. score	81	82	69	67	68	1	1.5%		●	
	Employee engagement: Business Integrity	Avg. score	73	75	75	76	74	-2	-2.6%		●	
	Serco Group plc Board - % women	%	33.3	33.3	33.3	44.4	44.4	0	0%		●	
	Independent membership - plc Board	%	77.8	77.8	77.8	77.8	77.8	0	0%		●	
	Independent membership - Audit Committee	%	100	100	100	100	100	0	0%		●	
	Independent membership - Remuneration Committee	%	100	100	100	100	100	0	0%		●	
	Independent membership - Nomination Committee	%	100	100	100	100	100	0	0%		●	
	Independent membership - CR Committee	%	80	80	80	75	75	0	0%		●	
	Independent membership - Group Risk Committee	%	100	100	100	100	100	0	0%		●	
	Independent board member attendance of Board and Committee meetings	%	94.1	98.2	96.4	99.5	100	0.5	1%		●	
	Annual Bonus ESG weighting	%	-	-	15	15	15	0	0%		●	
	Long Term Incentive Plan ESG weighting	%	-	-	15	15	15	0	0%		●	
	Share price performance	%	-3	69	-26	14	15	1	7%		●	
	Share price	Pence	95.6	161.9	119.5	134.6	155.4	20.8	15%		●	

Total Shareholder returns and engagement

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
	Underlying diluted earnings per share	Pence	5.21	6.16	8.43	12.56	13.92	1.36	11%		●	
	Underlying return on invested capital	%	13.6	15.4	19.1	23.7	20.6	-3.1	-13%		●	
	Group order book	£bn	12	14.1	13.5	13.7	14.8	1.1	8%		●	

Sustainable procurement and third party relationships

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Governance	On time payment	%	-	-	-	81.4	83.5	2.1	3%	0	●	1
	Americas	%	-	-	-	-	80.2	-	-		○	
	UK, Middle East & Asia Pacific	%	-	-	-	-	83.8	-	-		○	1
	Spend in purchase categories identified as high risk for modern slavery	%	-	-	22.45	27.7	17.18	-10.52	-38%		●	
	Due diligence screening - third-parties validated	Number	7,867	5,253	4,053	2,555	2,777	222	9%		○	
	Due diligence screening - third-parties pending review	Number	191	1,092	283	123	591	468	380%		○	
	Due diligence screening - third-parties disqualified	Number	1	0	16	6,563	6	-6,557	-100%		○	2
	Proportion of spending on local suppliers	%	-	-	-	97.2	96.8	-0.4	0%		●	
	Americas	%	-	-	-	99.4	99.3	-0.1	0%		●	
	Asia Pacific	%	-	-	-	89.9	97.2	7.3	8%		●	

Total Shareholder returns and engagement

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Governance	Middle East	%	-	-	-	84.5	96.4	11.9	14%		●	
	UK	%	-	-	-	98.4	95.3	-3.1	-3%		●	
	Europe	%	-	-	-	100	100	0	0%		●	
	Agent payments - Total Group	£'000	-	-	1,275	2,223	1,666	-557	-25%	0	○	
	Americas	£'000	-	-	228	1,628	1,258	-370	-23%		○	
	Asia Pacific	£'000	-	-	0	0	0	0	0%		○	
	Middle East	£'000	-	-	991	476	254	-222	-47%		○	
	UK & Europe	£'000	-	-	56	119	154	45	38%		○	
	Lobbying payments - Total Group	£'000	-	-	230	274	250	-21	-8%	0	○	
	Americas	£'000	-	-	162	176	194	18	10%		○	
	Asia Pacific	£'000	-	-	43	70	57	-14	-19%		○	
	Middle East	£'000	-	-	0	0	0	0	0%		○	
	UK & Europe	£'000	-	-	25	28	0	-28	-100%		○	

Sustainable procurement and third party relationships

- notes and commentary

Notes

1. On Time payment excludes any businesses acquired during 2022 (FFA, ORS and Sapienza) and our Europe business, which moved onto SAP in late 2022.

We have also excluded Serco Leisure from our reporting as it is considered negligible and is not reportable through SAP.

2. Significant increase in 2021 due to cleansing of database after contract closure

Group principle risks

ESG	Indicator/Disclosure	Units	2018	2019	2020	2021	2022	2021 vs. 2022	Var %	Externally Assured	Trend	Notes
Governance	Failure to grow profitably	Risk trend	No change	No change	No change	No change	No change	-	-		●	
	Failure to manage our reputation	Risk trend	Decreasing	No change	Increasing	-	-	-	-		○	
	Financial control failure	Risk trend	Decreasing	Decreasing	No change	No change	No change	-	-		●	
	Major information security breach or cyber attack	Risk trend	No change	No change	Increasing	Increasing	Decreasing	-	-		●	
	Contract non-compliance, non-performance or misreporting	Risk trend	No change	No change	No change	No change	No change	-	-		●	
	Significant failure of supply chain	Risk trend	No change	No change	No change	Increasing	No change	-	-		●	
	Failure to act with integrity	Risk trend	Decreasing	No change	No change	No change	No change	-	-		●	
	Failure to attract, engage and retain key talent	Risk trend	-	New	No change	Increasing	No change	-	-		●	
	Health, safety and wellbeing	Risk trend	-	-	New	No change	No change	-	-		●	
	Catastrophic incident	Risk trend	No change	No change	No change	No change	No change	-	-		●	
	Material legal and regulatory compliance failure	Risk trend	No change	No change	Increasing	No change	No change	-	-		●	
	Failure to deliver expected benefits from Transformation	Risk trend	Decreasing	-	-	-	-	-	-		○	

Appendix

Annex A – Other ESG resources from Serco

There are several sources of additional information that build on the summary provided in this report, which are available at www.serco.com/esg and include:

ESG resources quick reference guide

An index of our ESG reports and resources available online, including public third-party reports on Serco operations and an overview of ESG queries received from investors and analysts:

www.serco.com/esg/reference

Inside ESG at Serco

An online guide to how we manage and govern ESG at Serco and our ESG priorities:

www.serco.com/esg/inside-esg

ESG in action

A selection of interviews and examples from around the world of Serco, showcasing how our people are living our Values and bringing our ESG commitments to life:

www.serco.com/esg/case-studies

ESG data book 2022

Full suite of publicly available ESG data points with notes and commentary. The Data book combines existing ESG reporting requirements with relevant GRI reporting requirements. The information is separated into Environment, Social and Governance areas:

www.serco.com/esg/reporting

Global Reporting Initiative ("GRI") and Sustainable Finance Disclosure Regulation ("SFDR") Content Indexes

We publish GRI and SFDR Content Indexes to enhance our ESG reporting and transparency and help stakeholders navigate our disclosures more quickly and easily:

www.serco.com/esg/reporting

Environmental basis of reporting ("EBR") supplement

A guide to the scope of the environmental indicators in our ESG Data Book, setting out the reporting approach and criteria for the environmental elements in our non-financial reporting:

www.serco.com/esg/environment

Social and governance basis of reporting supplement

A guide to the scope of the social and governance indicators in our ESG Data Book, setting out the reporting approach and criteria to non-financial reporting:

www.serco.com/esg/reporting

mycode

Serco's code of conduct:

www.serco.com/mycode

The Serco people report

Interviews and stories about employees from every sector and region, exploring different aspects of the colleague experience and how Serco people make a difference every day:

www.serco.com/about/people-report

Modern slavery and human trafficking statement

A guide to our commitment and approach to preventing modern slavery in our business and supply chain:

www.serco.com/esg/modern-slavery

Human rights supplement

An overview of how we manage and mitigate human rights impacts that we may face through the services we provide:

www.serco.com/media/7308/serco-human-rights-supplement-oct-2021-final.pdf

Anti-bribery and corruption supplement

An overview of the adequate procedures we have in place to manage the risk of bribery and corruption:

www.serco.com/media/5769/anti-bribery-and-corruption-supplement.pdf

Supplier code of conduct

An overview of the standards expected from all suppliers of Serco, including all of the Serco Suppliers' facilities:

www.serco.com/suppliers

Sustainable procurement charter

Sets out our commitments in ESG and the primary standards we expect of our supply chain, as well as indicative key performance indicators and wider aspirations:

www.serco.com/suppliers

Annex B – ESG governance and oversight

Board oversight and scrutiny of ESG matters (including anti-corruption and anti-bribery, human rights, environmental approach, health and safety and other colleague matters) is embedded in our corporate governance through the standing 'Corporate Responsibility Committee' of the Board. Oversight and scrutiny of other governance matters at Serco is distributed between all standing committees of the Board, with certain matters reserved for the Board itself.

In 2021, to better align ESG matters across divisions and core group functions an ESG Oversight Group was established. The purpose of the group is to maintain our ESG framework; periodically review materiality of ESG elements following engagement with stakeholders; agree commitments, objectives and identify common initiatives. It also reviews the KPIs we monitor and our internal ESG performance and monitors external assessments of Serco's ESG performance (e.g., ISS, MSCI, Sustainalytics etc.). Finally, it considered our ESG messaging and reporting to leverage internal and external engagement.

Each of the elements that make up our ESG framework has an identified Executive Sponsor and specific subject matter experts who lead on the topic from a group perspective. Within each of these areas there are oversight groups and forums that bring together representatives from each division and relevant group functions.

The elements that make up our ESG framework are firmly embedded in how we manage our business which is driven through the SMS, our framework of Policy Statements and supporting Operating Procedures. Each element is aligned to a group policy area. They also support mitigation of group principal risks.

ESG is recognised as a key pillar in the Group strategy, ensuring it receives appropriate oversight from the Executive Committee, and is therefore embedded within divisional strategies under the oversight of divisional senior management teams. Each element is supported by a subject specific strategy or plans.

The following tables look at each principal area of responsibility / sustainability in our ESG framework. For each it defines what we mean, shows alignment to group policy and the SMS, along with group principal risks. It then highlights oversight and leadership responsibilities.



Key

Oversight		Leadership	
Board	Executive (Principal bodies)	Executive Sponsor	Subject Matter Expert (SME)
B1 Audit Committee	E1 Group Executive Committee	S1 Group Chief Executive Officer	X1 Director Business Compliance and Ethics
B2 Corporate Responsibility Committee	E2 Divisional Executive Management Team	S2 Group Chief Financial Officer	X2 Head Organisational Effectiveness
B3 Group Risk Committee	E3 ESG Oversight Group	S3 Group General Counsel and Company Secretary	X3 Colleague Experience Director
B4 Serco Foundation (registered charity)	E4 Ethics and compliance Oversight Group	S4 Group Chief Operating Officer	X4 Group Director Talent and Organisational Capability
B5 Serco People Fund (registered charity)	E5 Modern Slavery Oversight Group	S5 Group Strategy and Communications Director	X5 Group HSE Director
	E6 HR Leadership Forum		X6 Group Head Environment, Energy and Sustainability
	E7 Global People Forum		X7 Group Public Policy Manager
	E8 Global People Risk Community of Practice		X8 Risk and Sustainability Director (Procurement)
	E9 Group Health, Safety and Environment Oversight Committee		X9 Group Chief Information Security Officer
	E10 TCFD Climate Risk Steering Group		X10 Data Protection Officer
	E11 Global Procurement Leadership Forum		X11 Director Enterprise Risk
	E12 Divisional Procurement Boards		X12 MD, Group Operations
	E13 Group IT Security Leadership Forum		X13 Group Financial Controller
	E14 Global Data Protection Governance Group		X14 Head Investor Relations
	E15 Global Enterprise Risk Management Forum		X15 Group Chief Information Officer
	E16 SMS Steering Group		
	E17 Group Security Leadership Forum		

All

Principal area of responsibility / sustainability	What we mean	Group policy and SMS	Strategic alignment and direction	Group principal risk (Primary)	Oversight		Leadership	
					Board	Executive	Exec Spons	SME
Behaving with integrity	We believe that the world's leading companies must set and achieve high standards of performance and behaviour. We are clear about what we believe in and the ethics and business standards and procedures we will operate to.	Business Conduct and Ethics	Ethics and Compliance Strategy	Failure to act with integrity	B2	E1 E2 E4	S3	X1

Social

Principal area of responsibility / sustainability	What we mean	Group policy and SMS	Strategic alignment and direction	Group principal risk (Primary)	Oversight		Leadership	
					Board	Executive	Exec Spons	SME
Our people – diverse, engaged, healthy	We recognise our success reflects our people, so being a great business depends on us having great people who are engaged, reflect the communities they serve, are healthy and have opportunities to develop in their chosen field.	People	People strategy including wellbeing, diversity, engagement, development strategies	Failure to attract, engage and retain key talent	B2	E1 E2 E7 E8	S4	X2 X3 X4
Respecting human Rights	We 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.	Human Rights	Ethics and Compliance Strategy	Failure to act with integrity	B2	E1 E2 E4 E5	S3	X1

Social

Principal area of responsibility / sustainability	What we mean	Group policy and SMS	Strategic alignment and direction	Group principal risk (Primary)	Oversight		Leadership	
					Board	Executive	Exec Spons	SME
Safe operations	Our vision is Zero Harm, and our work is never so urgent or important that we cannot take time to do it safely. Wherever we work, we are committed to the prevention of injury, incident and ill health and promoting a positive and equitable culture in which we continually improve our performance.	Health and Safety	Safety Strategy	Health, safety and wellbeing	B2	E1 E2 E9	S4	X5
Public and community impact	We are committed to delivering services that reflect our customers' business needs, have a positive impact on the public we serve and support, strengthen, and contribute to the social and economic wellbeing of those communities in which we work.	Customer and Contract Quality	Community activities in line with strategic themes	Failure to grow profitably Contract non-compliance, non-performance or misreporting	B2 B4 B5	E1 E2	S5	X7

Environment

Principal area of responsibility / sustainability	What we mean	Group policy and SMS	Strategic alignment and direction	Group principal risk (Primary)	Oversight		Leadership	
					Board	Executive	Exec Spons	SME
Net Zero carbon and climate	We support and contribute to customer objectives, helping them meet climate and environmental challenges by reducing our emissions and decarbonising our services in line with global climate science and net zero ambitions.	Environment and Climate Change	Environment strategy	Material legal and regulatory compliance failure	B2	E1 E2 E9 E10	S4	X6
Efficient use of natural resources	We are committed to driving sustainable procurement improvements and the implementation of operational efficiencies to minimise resource use, avoid waste and help the transition to a circular economy.	Environment and Climate Change	Environment strategy	Material legal and regulatory compliance failure				
Environmental protection	We ensure our operations prevent pollution, protect, value and enhance biodiversity and the natural world which sustains us.	Environment and Climate Change	Environment strategy	Material legal and regulatory compliance failure				
Sustainable procurement and third-party relationships	We are committed to sustainable third-party relationships and procurement practices that provide goods and services in a way that achieves value for money over the entire life cycle, generating benefits not only to Serco, but also to society and the local economy, whilst minimising damage to the environment.	Procurement and Supply Chain	Procurement strategy and Sustainable Procurement Charter	Significant failure in supply chain	B2	E1 E2 E11 E12	S4	X8

Governance

Principal area of responsibility / sustainability	What we mean	Group policy and SMS	Strategic alignment and direction	Group principal risk (Primary)	Oversight		Leadership	
					Board	Executive	Exec Spons	SME
Data privacy and information security	We are committed to protecting the organisation and data subjects against attack resulting in loss of service or a data breach (including personal or customer data).	Security and Information Technology Privacy	DPO strategy and IT Security strategy	Information security breach (including Cyber Attack and Data Protection risks)	B1 B3	E1 E2 E13 E14 E17	S1 S3	X9 X10 X15
Managed risk and effective controls	We maintain a system of internal controls including financial, operational and compliance controls, risk management and internal audit.	Risk Management and Insurance	Enterprise Risk Management Strategy	Material legal and regulatory compliance failure	B1 B3	E1 E2 E15 E16	S2 S3	X11 X12 X13
Total shareholder returns and engagement	We focus on creating long-term, sustainable value that protect the interests of our owners alongside those of our colleagues, customers and the communities in which we operate.	Finance	Investor Relations engagement plans	Financial Control Failure	B1	E1	S2	X14



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