

This statement relates to Serco Group plc, covering all business regions, operating companies and business units throughout the world, including wholly owned subsidiaries and majority-owned operations.

The statement relates to our financial year 2016.

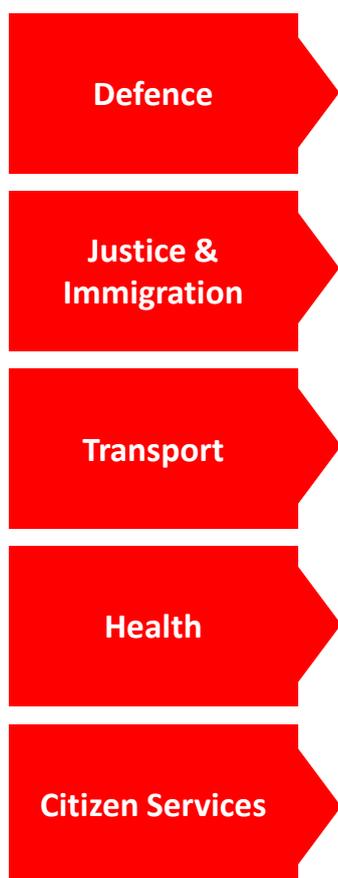
Introduction

Serco is clear about the ethics and business standards that it operates to which recognises its obligations under the UK Modern Slavery Act 2015. These standards are defined in the Serco Management System (SMS) – the policy framework the company operates within, and our Code of Conduct. This includes respecting the human rights of individuals wherever it operates and not engaging in any form of human trafficking or use forced, compulsory, illegal or child labour, or knowingly work with anyone who does.

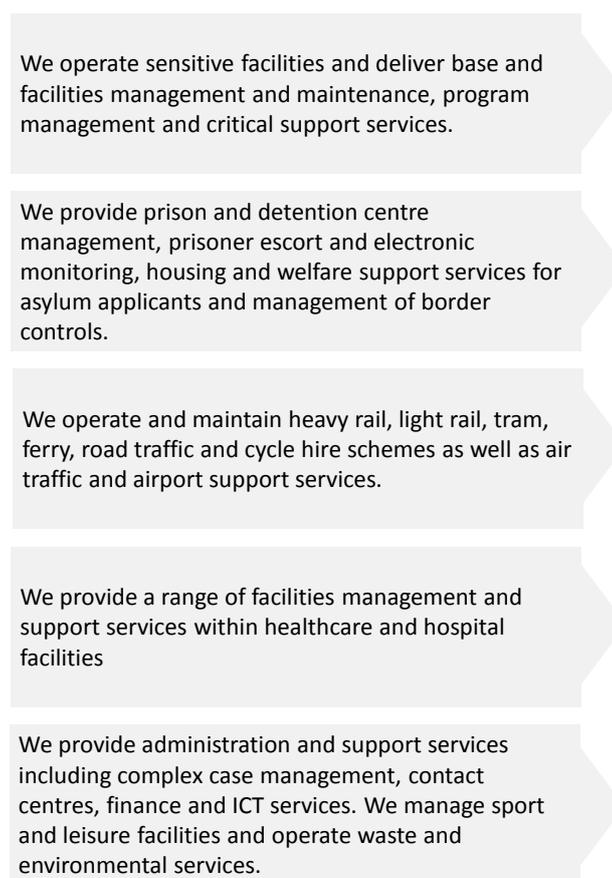
Our business

Serco is a leading provider of public services with over 50,000 employees and turnover in 2016 of £3,047m. Serco’s customers are governments or others operating in the public sector. Serco gains scale, expertise and diversification by operating internationally across five sectors and four geographies: Defence, Justice & Immigration, Transport, Health and Citizen Services, delivered in UK & Europe, North America, Asia Pacific and the Middle East. More information can be found on our website at www.serco.com/about.

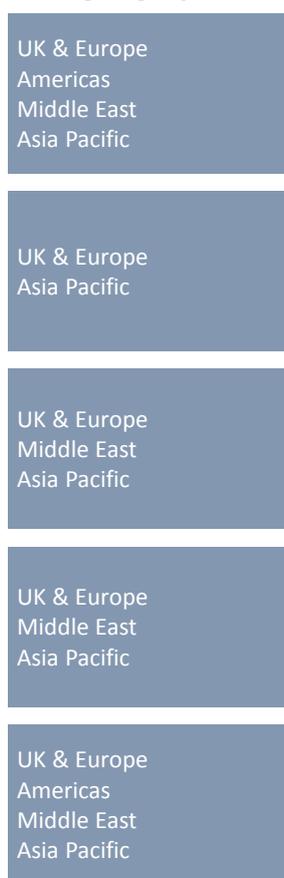
Our markets



Our services



Our geographies



Note: Not all services described are provided in all the geographies stated

Our structure and business model

Serco's business operates through a number of divisions each under the direction of a Divisional Chief Executive and Executive Management Team. The Divisional Chief Executives, along with other senior leaders responsible for corporate functions and the Executive Directors from the plc Board, form the Executive Committee of the company. This Committee reports through the Executive Directors to the Serco Group plc Board.

The plc Board has ultimate responsibility for and sets human rights policy, including that relating to slavery and human trafficking, which sits within the SMS.

Serco's business model starts with the identification of a pipeline of contract opportunities. These identified opportunities go through a series of 'gate' approvals which consider the risk profile of each potential contract, including human rights impacts. Serco's services are ordinarily delivered through a commitment to a long-term contract with the customer. Risks, including potential human rights, slavery and human trafficking impacts, are monitored and managed through the contracts lifecycle.

Our supply chain

The relationship between Serco and its suppliers is an important component in achieving high performance in our business. In selecting suppliers, Serco works hard to choose reputable business partners who are committed to ethical standards and business practices compatible with those of Serco. Whilst Serco operates in a number of different markets, its operations are characterised by the provision of services. This is reflected in the make-up of its supply chain which is summarised below.

Coverage



Global services company

Total Spend Tier 1 Suppliers

£1.8bn

Tier 1 Suppliers

15,600

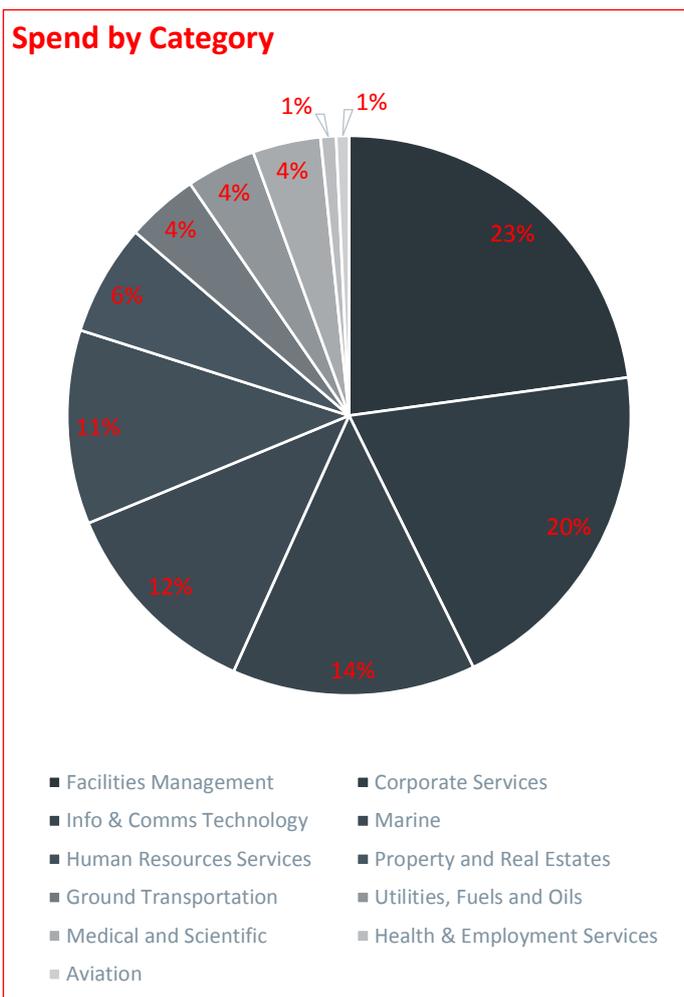
Supplier invoices	Purchase orders
660k	177k

Spend by country

Top 10 countries by volume of suppliers account for 97% of suppliers

1. United Kingdom	Hong Kong .6
2. Australia	United States of America .7
3. United Arab Emirates	Singapore .8
4. India	New Zealand .9
5. Netherlands	Saudi Arabia .10

Serco has suppliers in 4 countries highlighted as being in the Top 10 Global Slavery Index



Our governance

The SMS defines the rules which govern the way Serco operates. One of the policy areas covered is Business Conduct and Ethics, including Serco's commitments regarding human rights, slavery and human trafficking. Full details on the SMS are available on our website at www.serco.com/sms.

The Corporate Responsibility Committee, a formal committee of the plc Board, provides oversight in regard to the implementation of human rights policy and the monitoring of risks and issues raised through Serco's Speak Up process. Policy implementation is through the Executive Committee, Divisional Chief Executives and their Executive Management Teams.

Relevant policies and standards relating to slavery and human trafficking include:

- Our Code of Conduct
- Business Conduct and Ethics policy statement
- Human Rights Group Standard
- People policy statement
- Employee Lifecycle Group Standard
- Procurement and Supply Chain Group Standard
- Our Supplier Code of Conduct
- Speak Up Group Standard

These are available on our website at www.serco.com/about.

Our Code of Conduct

Supporting the SMS is Serco's Code of Conduct (www.serco.com/code). Serco's Code defines what the company is committed to do and the standards it expects. Serco's Values – Trust, Care, Innovation, Pride – define the behaviours it expects. While the Code of Conduct defines 'what' is expected, the Values define the 'how', and with this the behaviours that are expected from those who work for us.

The employee Code of Conduct is supported by our 'Supplier Code of Conduct', which applies to all Serco's suppliers, their facilities and the suppliers they work with in providing goods and services to Serco. It formalises Serco's practices and, recognising differences in cultures and legal requirements, makes clear the expectation that wherever our suppliers are located, whether producing products for us or delivering services for us, they operate in a manner compatible with the high standards that contribute to the reputation of Serco.

Slavery and human trafficking are specifically covered in both Serco's Code of Conduct and its Supplier Code of Conduct. Both these documents explain how to raise issues through Serco's Speak Up process, including concerns regarding slavery and human trafficking. This service is provided by an independent third party. The management and investigation of concerns raised is governed by procedures embedded in the SMS. The Executive Committee and Corporate Responsibility Committee receive reports on Speak Up activity, investigations and actions taken. During 2016 there were no issues relating to slavery and human trafficking raised.

Our risks and due diligence

Serco recognises its responsibility to understand the human rights risks, including those relating to slavery and human trafficking, and any potential impacts associated with the services we provide, the customers we work with, the suppliers we use, and through the fair and appropriate treatment of our employees and those who are in the facilities we manage or benefit from the services we provide.

Serco uses a Human Rights assessment and decision tree process as a tool for evaluating any adverse human rights impacts caused or contributed to by our operations, and impacts directly linked to our operations through our business partners and related third parties. Human rights impacts are assessed for existing

business operations and markets; along with appropriate due diligence, for new markets, geographies, acquisitions, bids and rebid opportunities; and for business partners and related third parties when acting in connection with Serco's own operations.

Serco considers risks to people as being risks to its business. This enables Serco to understand its responsibilities, respond to situations where rights are impacted and respond to opportunities. When identifying potential adverse impacts, consideration is given to engaging relevant stakeholders to identify how business activities can cause, contribute to or be directly linked with adverse impacts. Such engagement is also considered when developing effective mitigation and / or planning for remediation. If a risk is identified it is reviewed by the Divisional Executive Management Team and, if significant, the issue is raised to the Executive Committee, and in extreme cases considered by the plc Board.

Serco's current assessment is of a low risk of slavery and human trafficking taking place in our direct business operations. One area we have focused on is the use of out-of-country employment agencies, particularly those based in high risk countries. For example, our business in the Middle East use a number of out of country recruitment agencies. These have been subject to due diligence; are not allowed to charge candidates, which is embedded in the contracts they sign; and are paid a fair rate for the service they provide. These controls are supplemented with a candidate satisfaction survey undertaken by a randomly selected group of new employees to ensure there are no issues which might lead to any form of slavery, bonded or forced labour.

We recognise the potential risk that those who are in the facilities we manage or benefit from the services we provide may have been subject to slavery or human trafficking, particularly in regard to immigration operations. In the UK, Serco have trained immigration and related staff to recognise potential red flags and raise concerns should they believe that someone has been subject to slavery or human trafficking. In 2017, this will be reviewed and the potential to extend it to operations in AsPac considered.

In Serco Americas, a programme of activity to address the findings of the US Trafficking in Persons Report was aligned with the UK Modern Slavery Act in the development of procedures and training focused on the prevention of human trafficking, which will be implemented across the Division.

In AsPac, approximately 40 compliance reviews with varying scopes were completed in 2016. No issues relating to human rights, slavery or forced labour were found.

Serco Middle East have introduced a questionnaire that all new suppliers are required to complete, which includes declarations of compliance with the Modern Slavery Act. In addition, the Serco Group Suppliers Code of Conduct is issued to all new suppliers with requirement to confirm receipt, understanding and compliance.

Serco undertakes due diligence of its tier 1 suppliers. In 2016, Serco enhanced its due diligence process, which includes monitoring for human trafficking / human rights / slavery / exploitation violations or any adverse media in these areas. For suppliers in high risk areas or where a potential issue has been raised, Serco undertakes enhanced due diligence.

In 2017, Serco will look to further strengthen its supplier due diligence process in specific risk areas to seek greater assurance from those selected tier 1 suppliers in regards to their commitment to ensuring slavery and human trafficking is not within their supply chain.

Training

Serco employees receive training on Serco's Code of Conduct as part of their induction and on annual basis, as part of mandated 'Serco Essentials' training. In recognised high risk areas, specific training on slavery and human trafficking is undertaken, as mentioned above.

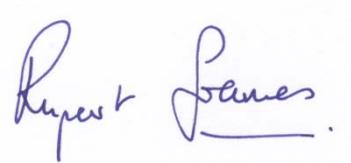
Serco recognises that improved awareness supports reducing the risk of modern slavery. In 2017, Serco will review how slavery and human trafficking risks and awareness might be better incorporated within training generally and to specific groups of employees.

Monitoring

Serco uses a number of indicators to monitor how it manages and communicates its policy and potential impacts as well as specific concerns regarding modern slavery. Indicators used include the proportion of suppliers evaluated through its due diligence process; numbers of employees trained on Serco's Code of Conduct; and numbers of issues raised through Serco's Speak Up process. These are covered in the quarterly reporting process to the Executive Committee and also the Corporate Responsibility Committee. These key performance indicators will be subject to ongoing review by the Corporate Responsibility Committee on behalf of the plc Board, to ensure their continued effectiveness.

Our Commitment

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Serco's slavery and human trafficking statement as agreed by senior management and the Board.

A handwritten signature in blue ink that reads "Rupert Soames".

Rupert Soames OBE
Group Chief Executive Officer, Serco Group plc
January 2017