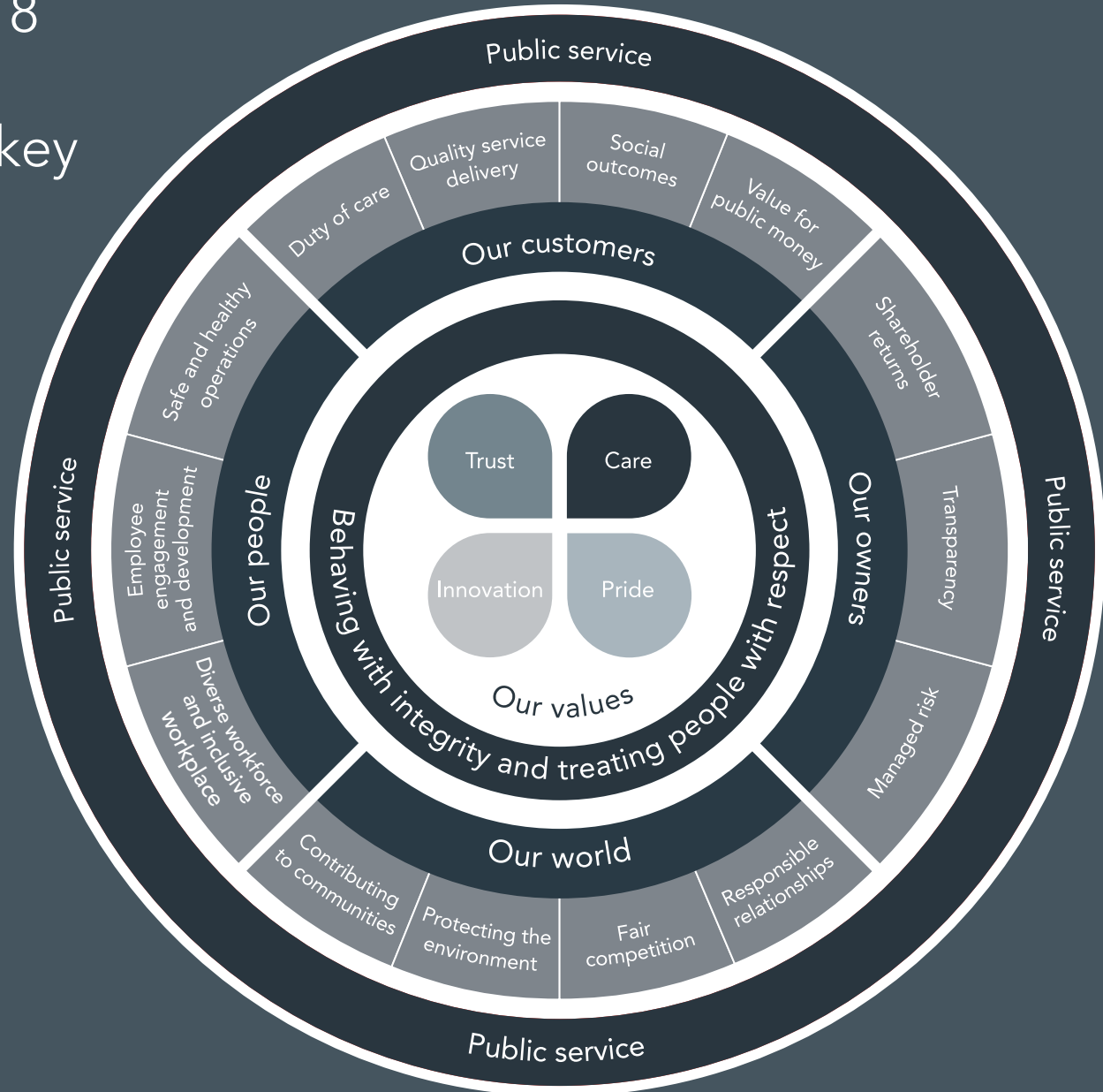


Serco Corporate Responsibility Report 2018



Corporate responsibility key performance indicators



Corporate responsibility key performance indicators

		2014	2015	2016	2017	2018	2017 v 2018	Var %	Comments
Behaving with integrity and treating people with respect									
Viewpoint Index: Ethics and Integrity	14-17: % 18: Avg. score	70	69	69	69	73	-		¹ Applies to all data from our 'Viewpoint' employee engagement survey. In 2018, our methodology for calculating employee engagement changed, aligned to our new survey provider. Pre-2018, engagement results represent the proportion of engaged employees expressed as a percentage. As of 2018, engagement scores represent the average response, with maximum potential scores of 100. It is not possible to adjust all our historic data to restate to the new methodology. However, analysis performed by our new survey provider indicates that engagement levels from 2017 to 2018 have remained broadly stable, with opportunity for improvement against new benchmarks. Regarding Viewpoint Index scores, an index comprises one or more related questions that cover a specific area of analysis.
Upheld cases of corrupt behaviour	Number	0	0	0	0	0	0	-	
Upheld cases of human rights violations	Number	0	0	0	0	0	0	-	
Speak Up cases:									
Investigated	%	95	96	97	90	94	4	4.4	² Where anonymous cases provide insufficient information, we are unable to investigate.
Corrective action taken	%	56	63	53	42	54	12	28.6	
Disciplinary action taken against one or more individuals involved in a case	%	15	24	16	9	18	9	100.0	
Dismissal of one or more individuals involved in a case	%	9	6	6	5	11	6	120.0	
Closed within three months	%	70	48	64	89	75	-14	-15.7	
Our people									
Employee engagement and development:									
Employee engagement	14-17: % 18: Avg. score	51	53	54	56	67	-		See note 1 above.
People manager engagement	14-17: % 18: Avg. score	58	59	62	65	70	-		See note 1 above.
Leadership engagement	14-17: % 18: Avg. score	51	55	72	71	69	-		See note 1 above.
Viewpoint Index: Learning & Development	14-17: % 18: Avg. score	44	46	48	49	60	-		See note 1 above.
Diverse workforce and inclusive workplace:									
Viewpoint Index: Diversity & Inclusion	14-17: % 18: Avg. score	75	67	69	70	74	-		³ Diverse workforce and age profile figures are representative only of employees for whom relevant data is available. See note 1 above.
Number of women: Serco Group plc Board	Number (%)	3 (30.0)	3 (30.0)	2 (22.2)	3 (30.0)	3 (33.3)	0	-	⁴ From 2018, this data will be the same as that submitted to the annual Hampton-Alexander Review, UK. For 2018 the data was submitted on 30th June.
Number of men Serco Group plc Board	Number (%)	7 (70.0)	7 (70.0)	7 (77.8)	7 (70.0)	6 (66.7)	-1	-14.3	See note 4 above.

Corporate responsibility key performance indicators

		2014	2015	2016	2017	2018	2017 v 2018	Var %	Comments
Number of women: Executive Committee and Direct Reports	Number (%)	12 (16.2)	13 (16.7)	12 (17.1)	15 (21.7)	28 (31.8)	13	86.7	See note 4 above.
Number of men: Executive Committee and Direct Reports	Number (%)	62 (83.8)	65 (83.3)	58 (82.9)	54 (78.3)	60 (68.2)	6	11.1	See note 4 above.
Number of women: all other employee levels	Number (%)	23,157 (44.4)	21,165 (42.6)	18,798 (41.9)	18,129 (41.6)	18,960 (42.4)	831	4.6	
Number of men: all other employee levels	Number (%)	29,028 (55.6)	28,531 (57.4)	26,054 (58.1)	25,435 (58.4)	25,757 (57.6)	322	1.3	
Number of employees with disclosed disabilities	Number (%)	228 (0.7)	468 (1.3)	516 (1.2)	425 (1.0)	343 (0.8)	-82	-19.3	
Age profile:									See note 3 above.
16-24	%	10.2	9.5	9.1	8.7	8.5	-0.2	-2.3	
25-40	%	35.2	35.9	35.7	38.8	38.7	-0.1	-0.3	
41-54	%	29.8	29.2	29.2	31.4	29.8	-1.6	-5.1	
55-64	%	14.6	14.9	15.6	17.9	17.6	-0.3	-1.7	
65+	%	2.4	2.3	2.6	3.1	3.1	0	-	
Undisclosed	%	7.8	8.2	7.8	0.1	2.3	-2.2	-2,200.0	⁵ Reduction in 2017 reflects improvements in data availability resulting from new D&I strategy and focus on developing clear and robust data.
Staff turnover	%	31.0	32.8	33.8	30.6	27.0	3.6	11.8	
Proportion of days lost to sickness	%	3.3	3.2	3.2	3.1	12.3	-9.2	-296.8	⁶ Increase in 2018 reflects introduction of new absence management system and subsequent planned improvement in absence capture.
Safe and healthy operations:									
Viewpoint Index: Safety	14-17: % 18: Avg. score	70	71	73	75	77	-		See note 1 above
Lost Time Incident Frequency Rate	Per 1m hours worked	4.81	5.79	4.98	4.18	4.93	-0.75	-17.9	⁷ 2017 numbers corrected following additional data due to reclassifications or delayed reporting. ⁸ Our lost time incident frequency rate in 2018, whilst an increase against 2017, reflects the five-year average baseline. One contributing factor is the increase reported in assaults. When these are removed the LTIFR is brought down to 4.2. The main cause for non-assault incidents remains slips and trips and manual handling.
Lost Time Incident Severity Rate	%	17.53	19.10	22.96	23.68	26.14	-2.46	-10.3	⁹ We have changed the way we report lost days. Lost days will now be reported so that days lost are allocated in the year they occur rather than the year the incident occurred in. Figures presented reflect this change. Adjustments have been made to 2016 and 2017 data to enable comparison of current performance.
Major Incident Frequency Rate	Per 1m hours worked	0.33	0.34	0.27	0.33	0.41	-0.08	-24.2	See note 7 above.
Physical Assault Frequency Rate	Per 1m hours worked	7.04	7.19	6.92	8.96	13.12	-4.16	-46.4	See note 7 above. ¹⁰ 94% of assaults in 2018 relate to Justice and Immigration which has seen a 39% increase against 2017. This remains an area of significant management attention. We continue to deliver a programme of co-ordinated, mutually-supporting initiatives to manage this risk.

Corporate responsibility key performance indicators

		2014	2015	2016	2017	2018	2017 v 2018	Var %	Comments
Serious Physical Assault Frequency Rate	Per 1m hours worked	0.38	0.49	0.93	0.89	1.37	-0.48	-53.9	¹¹ Clarification was sought from the UK Ministry of Justice regarding the inclusion of spitting and potting under serious assaults. They confirmed that these are not currently included in published statistics for Serious Assault. These have therefore been removed from the figures and the 2017 figure adjusted to reflect this change.
Prosecutions	Number	0	1	0	0	0	0	-	¹² 2015 data relates to an incident in 2011.
Fines paid	£'000	50	200	0	116	0	-116	-	¹³ 2017 data relates to Dubai Metro: February 2017 (500,000AED) public hazard relating to escalator maintenance by a sub-contractor – fine paid by sub-contractor and revised work instructions implemented; August 2017 (100,000AED) unsafe lifting operations relating to glass movement in station – revised work instructions implemented.
Our world									
Protecting the environment									
¹⁴ Our reporting year for greenhouse gas emissions is one quarter behind our financial year, namely 1 October 2017 to 30 September 2018. We quantify and report to ISO 14064-1 2012, using an operational control approach to defining our organisational boundary. The classification of reporting boundaries is set out in detail in our Basis of Reporting document, available on our website, www.serco.com. We report all material emission sources for which we consider ourselves responsible and have set our materiality threshold at 5%. Additional granularity and wider scope of environmental reporting for 2018. Includes energy consumption (kWh) for Scope 1 and 2 emissions in preparation for forthcoming Streamlined Energy and Carbon Reporting requirements coming into force from April 2019. Units reported: MWh = megawatt hours of energy; tCO2e = Tonnes Carbon Dioxide Equivalent; FTE = Full Time Employee.									
Carbon dioxide equivalent (Scope 1+2)	tCO2e	343,717	298,986	291,883	253,655	259,814	6,159	2.4	
Scope 1 - Combustion of fuels and operation of facilities	tCO2e	173,441	162,197	182,819	174,289	176,254	1,965	1.1	
Gas	tCO2e	41,246	26,215	28,188	25,680	26,381	701	2.7	¹⁵ Breakdown of Scope 1 consumption adjusted from % to tCO2e
Petrol	tCO2e	1,374	600	3,860	2,862	4,067	1,205	42.1	¹⁶ Increased reporting in Middle East – estimations required due to change of fuel card process.
Diesel	tCO2e	23,716	28,393	27,931	23,965	24,633	668	2.8	
Fuel oil	tCO2e	22,685	-	-	-	-	-	-	¹⁷ Fuel oils previously reported combined now reported separately: (i) Burning oil / Kerosene; (ii) LPG / Propane; (iii) Gas oil. Break down not available for 2014.
Burning oil / Kerosene	tCO2e	-	2,106	680	463	384	-80	-17.2	
LPG / Propane	tCO2e	-	477	2,137	2,198	1,672	-526	-23.9	
Gas oil	tCO2e	-	1,496	2,089	3,199	2,973	-225	-7.0	
Specialist marine fuel	tCO2e	84,003	102,493	117,656	115,652	115,883	231	0.2	
Fugitive emissions	tCO2e	417	417	278	270	263	-7	-2.6	
Scope 2 - Grid electricity purchased for own use (location-based)	tCO2e	170,276	136,789	109,064	79,366	83,560	4,194	5.3	¹⁸ Additional 9,512 tCO2e due to inclusion of Middle East domestic accommodation in scope as per advice received from Carbon Credentials. Reductions from closure of Bolton and JD Williams offices (circa 1,000 tCO2e). Reductions due to UK conversion factor (UK grid 19% less carbon intensive vs 2017). Conversion factors for Middle East and Australia slightly increased. Location-based electricity emissions are calculated using the electricity grid average emission factors.

Corporate responsibility key performance indicators

		2014	2015	2016	2017	2018	2017 v 2018	Var %	Comments
Scope 2 - Grid electricity purchased for own use (market-based)	tCO2e	-	-	-	70,629	80,832	10,203	14.4	¹⁹ Expanded scope of measurement in 2017. Market-based electricity emissions are calculated using the conversion factors specifically from our suppliers generating assets where available.
Headcount intensity (Scope 1+2)	tCO2e/FTE	6.32	5.16	5.98	5.56	5.53	-0.03	-0.5	
Kilowatt-hours (Scope 1+2)	MWh	-	-	-	1,024,994	1,059,347	34,353	3.4	
Scope 3 – Business travel	tCO2e	-	-	-	26,891	24,094	-2,797	-10.4	²⁰ Expanded scope of measurement in 2017. Business travel emissions for 2017 restated as previously reported was UK & Europe only (7,621 tCO2e). 2017 restated via extrapolations by FTE to reflect global dataset and contrast against 2018 global dataset. 2018 data is a total Group dataset.
Air travel	tCO2e	-	-	-	21,940	20,009	-1,931	-8.8	
Rail travel	tCO2e	-	-	-	467	298	-169	-36.1	
Hotel stays	tCO2e	-	-	-	2,436	1,943	-494	-20.3	
Private car / hire	tCO2e	-	-	-	2,048	1,844	-204	-10.0	
Headcount intensity (Scope 3)	tCO2e/FTE				0.59	0.45	-0.14	-24.1	
Scope 3 - Electricity transmission and distribution loss	tCO2e				6,567	5,810	-757	-11.5	
Scope 3 - Basic screening using Quantis Scope 3 evaluator	tCO2e				1,208,078	1,258,528	50,449	4.2	²¹ For many companies, more than 80% of their GHG impacts occur outside of their own operations. Quantifying and reporting these Scope 3 'value chain' emissions can be time/resource intensive, yet it is a growing stakeholder expectation and globally recognised as good practice. The Quantis Scope 3 evaluator tool was developed by World Resource Institute / World Business Council for Sustainable Development's GHG Protocol. It is designed as a first step screening process to encourage the measurement and reporting of value chain GHG emissions.
Scope 3 - % of overall Scope 1, 2 and 3 using Quantis evaluator	%				82.7	82.9	0.2	0.2	See note 21 above.
Carbon Disclosure Project	Score	97%	99%	B	B	C	-	-	²² New scoring mechanism introduced in 2015. We have continued to manage our carbon emissions in line with the legacy CDP criteria for a score of B (see our CDP scores for 2016-17). However, changes made by the CDP in 2018, including the introduction of new or intensified criteria in certain areas, have reset the baseline for all participants. We accept that, against the new criteria, our CDP score is C, and recognise that our existing plans are appropriate for driving improvement. Further information can be found on the CDP website, www.cdp.net/en
Prosecutions	Number	0	0	0	0	0	0	-	
Fines paid	£'000	0	0	0	0	0	0	-	
Enforcement notices	Number	0	0	0	0	0	0	-	
Fair competition:									
Upheld cases of anti-competitive behaviour	Number	0	0	0	0	0	0	-	

Corporate responsibility key performance indicators

		2014	2015	2016	2017	2018	2017 v 2018	Var %	Comments
Responsible relationships:									
Third-party due diligence screening									
									²³ 2018 numbers reflect business as usual addition of third parties following completion of initial due diligence review of all third parties completed in 2016 and 2017.
Third parties validated	Number	-	-	-	28,066	7,867	-20,199	-71.9	
Third parties pending review	Number	-	-	-	1,143	191	952	83.2	
Third parties disqualified	Number	-	-	-	3	1	2	66.6	²⁴ Additional organisations disqualified because they are no longer used by Serco or there is a gap of 2+ years in the relationship: 6,634 in 2017; 173 in 2018.

Notes:

The performance analysis is based on data reported as at 20th February 2019, unless otherwise stated. Additional data may arise after this date. Where this occurs, numbers will be corrected in the following year report.

All data is for the total Group unless otherwise stated. All data excludes joint ventures and historical BPO data to enable like-for-like comparison. Our private sector offshore BPO business was sold in December 2015.

Current workforce KPI levels are in line with benchmark targets for the geographies and markets in which we operate. However, we continue to try to improve them. Annual targets are managed at local and regional levels.