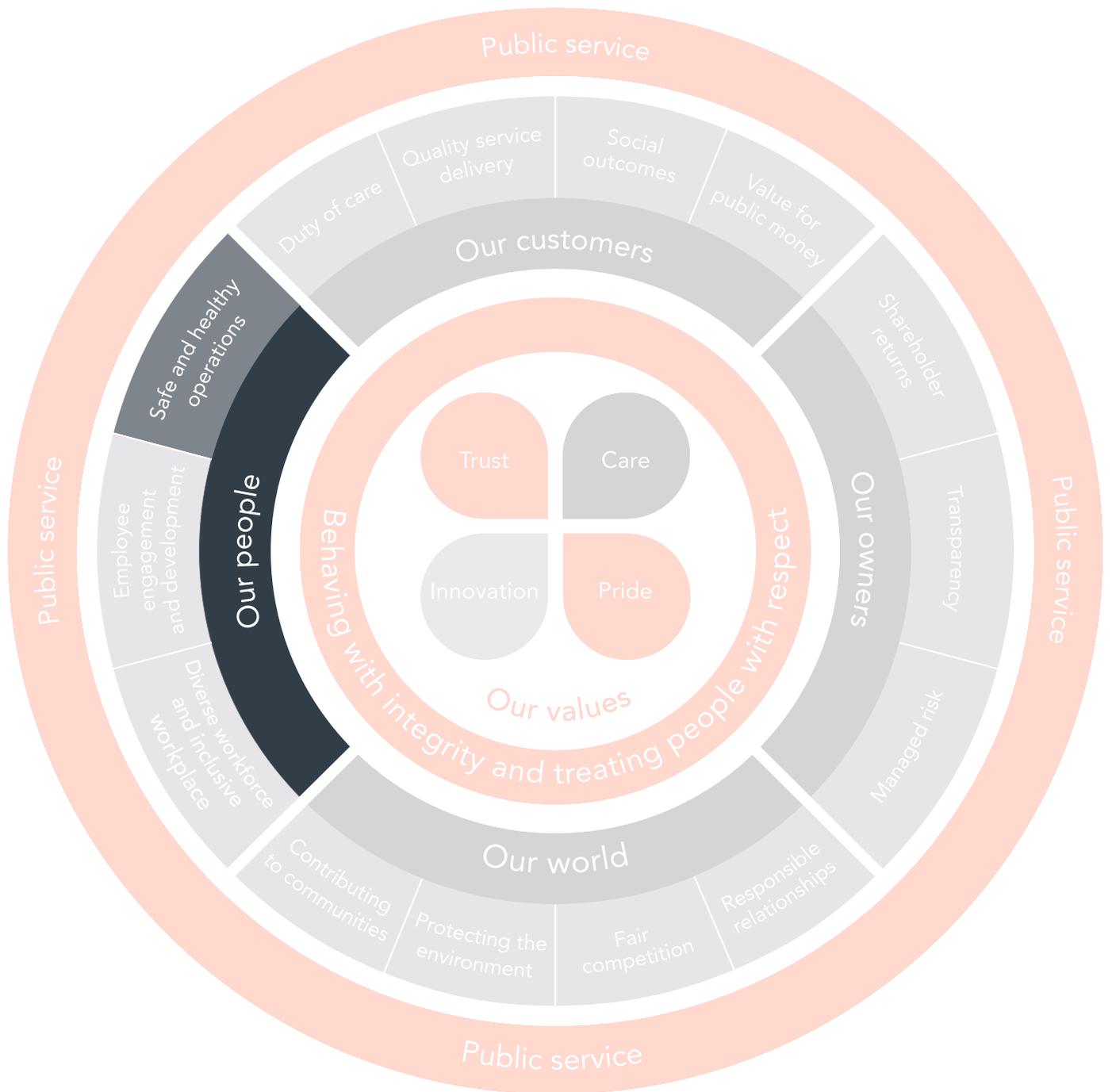


Serco corporate
responsibility report 2018
Safe and healthy operations



Safe and healthy operations

What safe and healthy operations means to us

Our vision is zero harm. Wherever we work, we are committed to the promotion of wellbeing and the prevention of injury and ill health.

Our commitment

Our commitment is defined within our Health, Safety and Environment (HSE) strategy, HSE Policy Statement, supporting standards and related operating procedures. We recognise that our commitment to a vision of zero harm is a challenging, long-term aspiration that will take continuous concerted effort if it is ever to be achieved given our operational risks. Our HSE strategy is designed to help clarify our next steps on our journey.

In summary, we strive to:

- identify, assess and actively manage the health and safety hazards, impacts and risks arising from our operations, investigating incidents and monitoring performance and systems;
- actively encourage input from employees and others to build sustainable solutions, helping us make decisions based on a deep understanding of work conditions and constraints;
- promote a 'just' health and safety culture based on active and caring leadership and mutual trust, innovation and pride; and
- regularly review, learn and identify opportunities for continual improvement at all levels of governance.

Key components in our governance

- The Serco plc Board has ultimate responsibility for HSE, assisted by our Corporate Responsibility Committee (CRC), which provides formal review and oversight of HSE strategy and performance against agreed objectives and targets.
- The CRC, Executive Committee and Divisional Executive Management Teams (EMTs) review quarterly operational and strategic HSE performance reports. HSE data is also included in
 - monthly Business Performance Reviews by Divisional Chief Executive Officers (CEOs) and Business Unit Managing Directors; and
 - Divisional Performance Reviews by the Group CEO, Group Chief Financial Officer and Divisional CEOs.
- Our Group Business Compliance and Ethics Lead is responsible for developing and maintaining associated policy and governance and chairs the HSE Oversight Group (including Divisional HSE Leads), which meets regularly to discuss strategic and operational HSE performance and share best practice.
- Divisional EMTs are responsible for appropriate Divisional adherence to policy and standards and managing associated risks, while Divisional HSE Leads are responsible for implementing policy and governance across the Division. In addition, we have c.150 operational HSE leads across the business, advising on HSE issues whilst ensuring company policy and management systems are properly applied and aligned to business requirements.
- Our annual compliance assurance and internal audit programmes cover health and safety, whilst regulatory audit and external certifications provide independent review and assurance.

Our progress and performance in 2018

We have:

- refreshed our Group Health, Safety and Environment strategy in response to evolving risks and opportunities and the continuous improvement of our health and safety governance, oversight and risk assessment capability. The new strategy reinforces our existing principles and priorities

whilst introducing a more prominent focus on employee wellbeing and increased emphasis on shared ownership, 'just' culture and preventive awareness;

- developed a 'just' health and safety culture framework for adoption across the business and incorporated this in our online incident management tool to support the review of incident and accident investigations and actions taken;
- rolled the Health and Safety Laboratory (HSL) Safety Climate culture assessment tool out across all Divisions. Our results were favourable overall, and above 'all industry' benchmark average in all areas. Opportunities to improve our health and safety culture and use of the tool have been identified and are being formulated into future plans;
- enhanced our safety management system by introducing functionality to facilitate identification and management of operational safety hazards and improve line of sight for new or changing risks;
- completed a formal review of our online incident management tool against market leaders, as part of a wider review of our Governance, Risk and Compliance tool set, identifying opportunities for improvement that we will act on as of 2019 (see 'Our next steps' below); and
- celebrated our annual Zero Harm Week in October, raising safety and wellbeing awareness across our Divisions. Areas of focus included mental health, reducing violence and road safety.

Key performance indicators	2017	2018
Viewpoint Safety Index	75%	77 (avg score)
Lost Time Incident Frequency Rate (per 1m hours worked)	4.18	4.93
Major Incident Frequency Rate (per 1m hours worked)	0.33	0.41
Physical Assault Frequency Rate (per 1m hours worked)	8.96	13.12
Serious Physical Assault Frequency Rate (per 1m hours worked)	0.89	1.37

For additional data and performance commentary, including changes to our engagement scoring and our Viewpoint indices, see: **Corporate Responsibility KPIs** (page 69)

Our next steps

We will:

- act on the findings from the culture assessment tool;
- finalise and deploy our 'just' health and safety culture framework;
- build on current work to improve near miss reporting and safety observations, focusing on those that present the greatest potential impact;
- drive employee wellbeing forward as a strategic priority, building on everything we already have in place;
- launch new cross-Divisional oversight groups to drive and coordinate our continued focus on improvement in the following safety-critical areas: Rail, Marine and Physical Assaults;
- simplify our safety management documentation for the benefit of user engagement and application;
- complete our systems review to better align the management of safety, compliance, environment, risk and insurance and better inform risk management by providing an holistic view of data and performance;
- continue driving continuous safety improvement in the Divisions, working to maintain current overall performance relating to physical assaults and improve on our 2018 Major Reportable Incident Frequency Rate and Lost Time Incident Frequency Rate by 7% and 5% respectively;
- we will explore potential longer-term future performance trend indicators.



Our CR in action

To find out more about how we are striving to deliver our vision of zero harm, go to www.serco.com/safeandhealthy