

QINETIQ



Modern Slavery and Human Trafficking

Statement
July 2024



Modern Slavery, forced labour and human trafficking is a global issue affecting society across different industry sectors, and countries. It can represent some of the gravest crimes of human rights abuse in our society.

We fully support and abide by the principles of the UK Act and the Modern Slavery laws of other geographical markets in which QinetiQ operates, as well as addressing new and emerging human-rights legislation.

We do not tolerate Modern Slavery in our operations or our supply chain. We continue to review and develop our practices to ensure that we are strengthening our processes and guidance and have made further progress this year.

Responsible business practice underpins how we operate and we have a strong commitment to work with our industry partners and supply chains to play our part in raising awareness and supporting the eradication of Modern Slavery.

Steve Wadey

Group Chief Executive Officer

This is the Modern Slavery and human trafficking Statement for QinetiQ Group Plc, issued under section 54 of the Modern Slavery Act 2015 (the Act) in the UK and in accordance with the Modern Slavery laws of other locations in which QinetiQ operates. It constitutes our statement for the financial year ending 31 March 2024, **setting out the measures QinetiQ Group plc takes to prevent slavery and human trafficking in our business and supply chains.**

Our Business and Supply Chains

QinetiQ Group plc is the parent company of a number of wholly-owned subsidiaries, with the UK, US and Australia, our three home countries, representing 94% of our revenue.

- QinetiQ Ltd, based in the UK is the largest part of the Group and is where our Head Office is located (with approximately 69% of our employees),
- Our US Sector sits within our Global Solutions division, which comprises QinetiQ Inc. (C5ISR), Foster Miller Inc. (Technology Solutions) and Avantus Federal LLC.
- In Australia we have, QinetiQ Pty Ltd and Air Affairs (Australia) Pty. Ltd
- QinetiQ Target Systems Ltd (a UK entity with facilities in UK and Canada),
- QinetiQ Group Canada Inc,
- QinetiQ Sweden AB,
- QinetiQ GmbH (Germany)
- QinetiQ Training and Simulation Limited (UK)
- Naimuri Ltd (UK)
- the Inzpire Group Ltd (UK)

QinetiQ is a science, engineering and professional services company operating in the defence and security markets. Our customers are predominantly government organisations. We are an information, knowledge and technology based business with a wide array of unique facilities.

We report through two segments:

- Europe, the Middle East and Australasia (EMEA) Services, providing advice and services, particularly test and evaluation; and
- Global Solutions, delivering products and solutions supported by research and development.



Number of employees:

8,588



Number of countries we operate in:

6



Number of suppliers:

9,124



Percentage spend with suppliers in our three home countries (UK/US/AUS):

92%

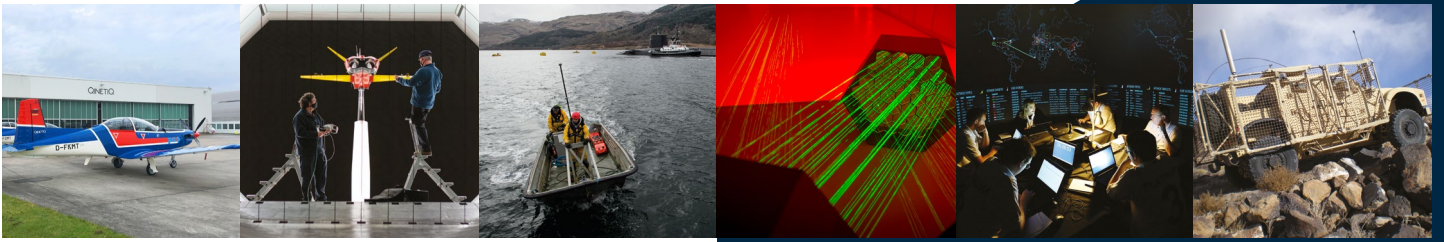
	UK	US	AUS
UK US AUS Percentage of the workforce located in our three home countries	69%	19%	10%



The Group revenue for FY24 was

£1,912.1m

With approximately **94%** of revenue coming from our home countries (UK/US/AUS)



Our capabilities are grouped into six areas;

- Experimentation and technology
- Test and Evaluation
- Cyber and Information Advantage
- Training and Mission Rehearsal
- Engineering Services and Support
- Robotics and Autonomous Systems

We do not undertake mass production or significant manufacturing. Approximately 5% of revenue is generated from our product sales, which are primarily targets and robotics.

Our product and service supply chains are relatively short and often draw primarily on domestic suppliers, although in some cases these extend globally.

Total number of suppliers by geographical regions

North America

2,755

South America

5

Europe

5,196

Asia-Pacific

128

Africa

5

Australasia

1,077



The Group spend with suppliers for FY24 was

£1,113.7m

Our suppliers can be divided broadly into two categories;

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

The goods and services that we procure in the delivery of our business are largely high-end technology, commercial off-the shelf products, and high-end consultancy and research services.



Our Policies and Controls

The QinetiQ Group **Code of Conduct** describes our values and standards, and how we work with our people, our customers and partners, local communities and the public.

As well as complying with all applicable laws and regulations, we are committed to meeting the highest level of ethical conduct. Our Code of Conduct includes guidance on Modern Slavery.

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

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

Human rights issues are embedded in our international business risk management processes and our Ethical Trading Policy. We have specific requirements to address the risk of Modern Slavery and human trafficking in our procurement policy and processes.



We are committed to responsible business conduct and believe that slavery is not acceptable within our business or our supply chain.

Our Group **Supplier Code of Conduct** defines the minimum standards that our suppliers (and their suppliers) are required to adhere to when they deliver products or services to QinetiQ.



Our policies and codes provide guidance to our employees, suppliers and partners to support the prevention of Modern Slavery and human trafficking from taking place in our business or in our supply chains.

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

In keeping with U.S. government policy – which, by law, applies to U.S. government contractors and their employees, subcontractors, subcontractor employees, and agents – during or in connection with the performance of any of our business activities, we prohibit any person associated with QinetiQ from using forced labor or procuring commercial sex acts. We are committed to practices that deter and prevent these forms of trafficking and slavery.

We take care to put timely mechanisms in place to comply with emerging international human rights-oriented laws and policies that apply in or are issued in places where we operate.

Speak Up

We are committed to a culture where people are confident to speak up and raise concerns. We have an ethics email advice service, a network of Ethics Champions and an independent confidential reporting line for employees and third parties to report any concerns.

We communicate this to our employees via our Code of Conduct, our business ethics training, and wider awareness communications to third parties via our code of conduct and supplier Code of Conduct.

The QinetiQ Board oversees confidential reporting. During FY24, we have had no issues raised about Modern Slavery via these routes.

Anyone can call free from a landline

 **Australia**

1800 986 239

 **Sweden**

020 10 93 34

 **Canada**

(844) 932 1013

 **UK**

0800 069 8738

 **France**

0805 08 09 86

 **USA**

1-888-400-4511

 **Germany**

0800 1890364

Our Due Diligence and Risk Management

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



In the UK, we are a leading participant of the Joint Supply Chain Accreditation Register (JOSCAR) which in collaboration with other UK defence and security primes, helps us mitigate Modern Slavery risks within our supply chains during pre-qualification and annual reassessment.

As part of our wider human rights and governance compliance activity, all suppliers are screened for sanctions and previous prosecutions, and our subcontract terms and conditions explicitly require our suppliers to be legally compliant with Modern Slavery and human trafficking legislation.

We undertake risk reviews of our suppliers based on country, products, services and sector risk. For the elements of our supply chain we consider to have a potentially higher risk of Modern Slavery and human trafficking occurring or potential cause for concern, we undertake appropriate action to understand, qualify and address the risks or issues.

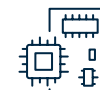
Higher risk categories of concern to QinetiQ include:



IT:
£95.7m



Facilities
Management:
£14.1m



Electronics:
£47.6m



Batteries:
£2.1m



Manufacturing
£95.5m



Textile
and Clothing:
£1.9m



Robotics:
£128.2k



Transport
and Distribution:
£3.5m



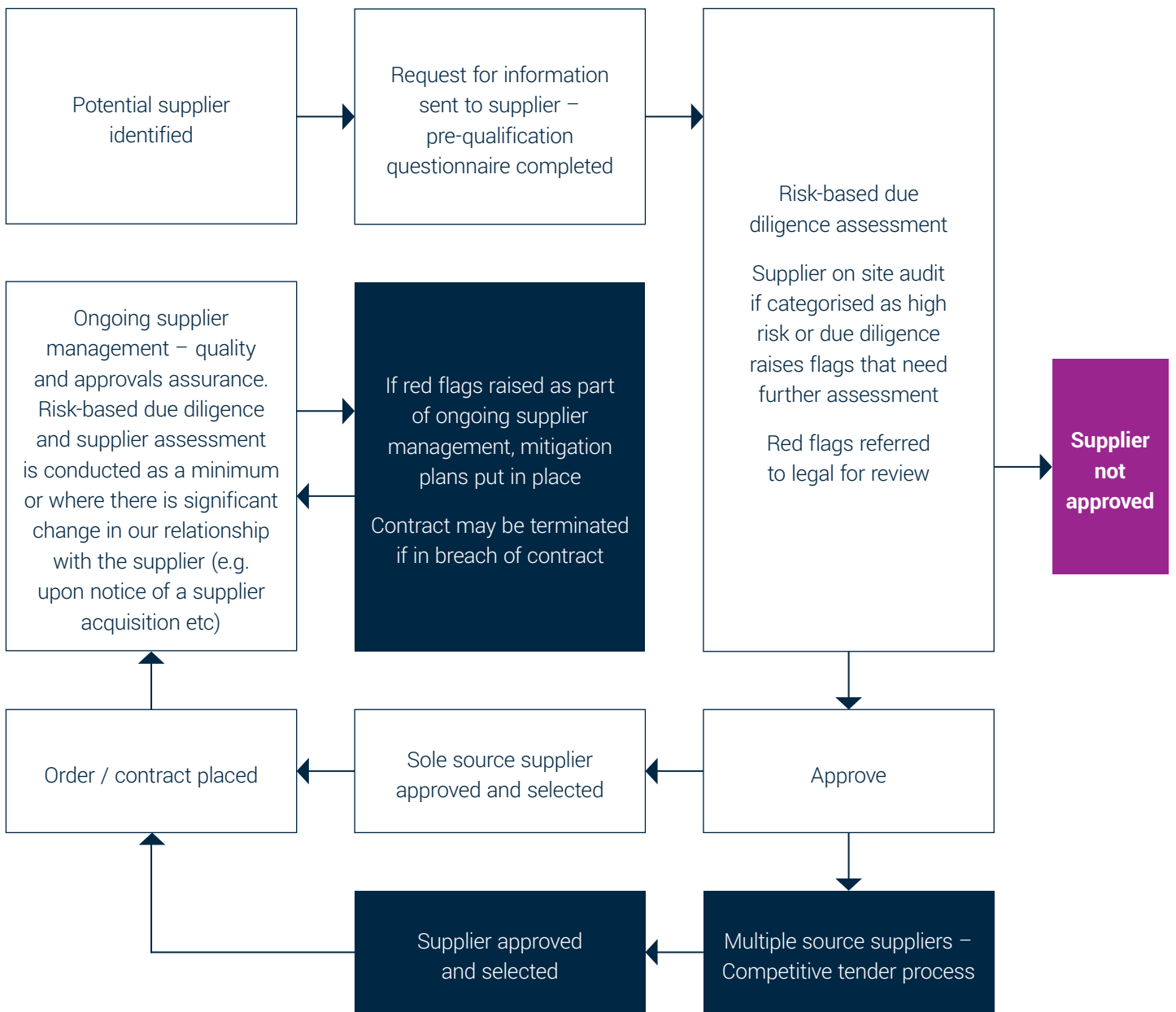
Construction:
£47.6m



Waste
Management:
£1.3m

For example, currently **0.3%** of our Tier 1 suppliers are located in high risk countries which represents **0.03%** of our global spend.

Supplier Assurance & On-boarding





Training and raising and awareness

QinetiQ recognises that the knowledge, responsibility and conduct of our people play an important role in mitigating the risks of slavery and human trafficking within our organisation and supply chains. To help our employees identify and address Modern Slavery, human trafficking and forced labour risk in our business, during FY24 (for a second year) we delivered an updated in depth virtual-classroom based training course.

Every year we include a Modern Slavery scenario in our annual business ethics training, which is a mandatory requirement for all employees and undertaken by our Board. This approach helps ensure all our employees are aware of the issues and understand their role in helping to prevent Modern Slavery and human trafficking. We also deliver specific training for our Supply Chain functions, and awareness raising sessions for our supply chains (see next page for details).



We have in place a 'Global Modern Slavery Resource Hub' on our intranet to give our employees and those in key roles access to the latest information and resources.

Case Study

Accreditation to Real Living Wage

At QinetiQ, we have been adopting the real **Living Wage** guidance for our employees in the UK since 2014. Building on this commitment, last year we put in place a minimum salary threshold which is updated each year. This ensures all of our employees are paid the real Living Wage, including sufficient funds to put into their pension without falling beneath the National Minimum Wage.

Having seen the positive impact that the real Living Wage has had on our people and recognising that it is the right thing to do, last year we started the process of accreditation with the Living Wage Foundation. As well as direct employees, accreditation also has an impact on those in our supply chain. Under the real Living Wage scheme, there is a requirement that any third party contractors to QinetiQ, who work regularly – for two or more hours a week, for eight or more consecutive weeks in a year – are paid the real Living Wage. This requirement solely applies to contractors who provide a service and does not apply to those who supply products.

Across the QinetiQ Group in the UK, we identified just over 200 suppliers that fell within this criteria, of which we identified seven that we needed to support in order to ensure the real Living Wage. To support this activity, any new contracts we make with our suppliers, which involve sub-contractors who meet the threshold, need to include a requirement for those contractors to be paid the real Living Wage. For such cases, we have worked with Legal to create a clause which can be added into these specific contracts.

In March 2024, QinetiQ officially became a real Living Wage employer. Accreditation demonstrates our commitment as a responsible employer; voluntarily taking a stand to ensure that our people, as well as anyone employed in our supply chain, are able to earn a wage which is enough to live on. We're proud to be joining over 14,000 UK companies who are leading the way in ensuring employees are paid a wage that meets their everyday needs.

Stakeholder Engagement

We recognise that learning from and collaborating with others will strengthen our approach to tackling Modern Slavery. We actively participate in our trade bodies Aerospace Defence Security (ADS) Business Ethics Network and techUK Responsible Business Conduct Group where we are able to share best practices on ethical and human rights issues and work in collaboration with our suppliers, peers and customers.

QinetiQ co-chairs key sector sustainability groups, which cover Modern Slavery and forced labour, including the ADS Sustainability Working Group and the UK MOD Industry Sustainable Procurement Working Group.

As part of our strategic customer engagement, we continue to review findings and recommendations from the UK Government Modern Slavery Assessment Tool (MSAT).



In FY24, with our year on year improvements, our MSAT score stands at 82%.

As part of our “QinetiQ Collaborate” series of events, during FY24 we ran a QinetiQ Collaborate on Modern Slavery. This virtual event was an open invitation to our supply chain and industry. See case study for more information.

Within our company, addressing Modern Slavery requires collaboration across functions and sectors, with key roles from Environmental Social Governance (ESG), Supply Chain and Procurement, Legal and Governance, Operations, Growth, and our People function involved. We engage across our Group to ensure that our Group entities and subsidiaries are involved in our programme, including contributing to the writing of this statement.



Case Study

The QinetiQ Collaborate **Supply Chain Modern Slavery Awareness Briefings** were virtual events hosted in July 2023.

The Collaborate series aims to ensure that good practices are shared throughout our supply chain and wider external stakeholders by providing a thought leadership platform for learning across the defence and security industry.

In FY24 QinetiQ hosted two events to deliver supplier awareness briefings (one of which was recorded and is published) that mirror our internal training covering:

- awareness of Modern Slavery and forced labour
- legislative updates
- customer drivers
- QinetiQ’s update
- Signposting e.g. to the UK GOV Gangmasters & Labour Abuse Authority Video “Modern Slavery – Do the Right Thing”

Feedback from both events showed this to be well received and one of our more successful Collaborates and showed how important this subject is to our wider stakeholders. We are looking to do the same again next year.

Key Performance Indicators

FY24

1	% of key role employees completed online training	83%
2	% of suppliers who have acknowledged and accepted the Supplier Code of Conduct*	96%
3	% of suppliers who have fully completed JOSCAR assessments*	75%
4	% of suppliers in high risk countries where we have completed annual sanctions checks	100%
5	The number of updates provided to the Board on Modern Slavery	3

*only applies to QinetiQ UK supply chains.

Assessment of and the effectiveness of our approach

Modern Slavery is a complex and evolving issue. We regularly review progress, learn from best practices and deliver improvements so that we continue to improve our approach.

Modern Slavery is covered in our Group Supply Chain and Procurement Procedure on our Group Business Management System which applies to all Group entities. In addition, we operate a self-certification governance process for ensuring compliance. All Group entities and subsidiaries are required to make an annual statement of compliance. During FY24 there were no issues identified through this process.



Our approach is to ensure we have an effective policy and process. We engage with our supply chain and raise awareness of the issue of Modern Slavery with our people via training and communications

In FY24 we:

- Reviewed and updated our Group Modern Slavery Action Plan to ensure that it continues to be relevant and effective.
- Achieved Real Living Employer accreditation from the Living Wage Foundation for QinetiQ in the UK (QinetiQ UK Limited, Inzpire Limited, QinetiQ Target Systems Limited, Naimuri Limited and QinetiQ Training and Simulation Limited). (This includes identifying contractors that fall within the Living Wage definition and criteria operating on our sites).
- Prepared a clause for the UK Terms and Conditions to incorporate provision for Real Living Wage.
- Commenced investigations into rolling out Real Living Wage to tier 1 contractors who regularly work on our Medicine Hat site in Canada.
- Implemented further recommendations from the UK Government Modern Slavery Assessment Tool (MSAT) and PPN 02/23 Tackling Modern Slavery in Government Supply Chains regarding assessment of high risk categories.
- Updated and delivered virtual-classroom based training to a greater number of employees across the Group including Supply Chain, Legal, People, Quality and Sustainability functions.
- Delivered two supplier awareness briefing sessions on Modern Slavery, providing one as a recording available on the Collaborate site.
- Participated in a techUK and International Chamber of Commerce workshop to deliver a presentation on practical steps and lessons learned for SMEs (Small Medium Enterprises) who have recently met the thresholds and are required to comply for the first time to publish a Modern Slavery statement.
- Worked collaboratively with the JOSCAR ESG Working Group to refine and update to the latest version of the supplier pre-qualification questionnaire, including questions on Human Rights, Forced Labour, Modern Slavery and Real Living Wage.
- Worked with our Australia and US Sectors to integrate the two new organisations (Air Affairs (Australia) and Avantus (US)) to get them aligned to the Group Modern Slavery Action Plan.
- Commenced investigations into potential governance approaches for assessing suppliers at Tier 2.
- We assessed the impact of the newly published Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act (1 January 2024) to determine whether we are within scope. Against the three criteria required for reporting, we only exceeded the threshold of one, so do not currently have to report.

– Continued to:

- Work closely with our Group entities and subsidiaries to align our policies and procedures.
- Screen new suppliers and provide additional scrutiny on high-risk suppliers.
- Raise awareness (via communications and intranet web resources) for our people e.g. the Sustainable Procurement Knowledge Base.

Next Steps

During FY25 and beyond we plan to:

- Deliver online supplier awareness briefings.
- Monitor the roll out of the Real Living Wage to tier 1 contractors regularly working on our site in Canada.
- Commence investigations into rolling out Real Living Wage to relevant tier 1 contractors who regularly work on our US sites.
- Update the Group Supplier Code of Conduct.
- Update the Group Sustainable Procurement Guide
- To continue to monitor the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act, to assess if we exceed two of the three criteria bringing us within scope.
- Incorporate the US Combatting Trafficking in Persons Policy and its prohibition of procuring commercial sex acts into our wider Group training material on Modern Slavery.
- Continue investigations into potential governance approaches for assessing suppliers at Tier 2.
- Continue to:
 - Review and update our Group Modern Slavery Action Plan to implement recommendations:
 - Evolve our approach to supply chain management, training and capability building, due diligence, risk management and stakeholder engagement.
 - Ensure that our policies and procedures remain current and compliant.
 - Provide training for those in key roles.
 - Screen all new suppliers, and annually assess those in high risk countries or supplying high risk categories.
 - Engage with tier 1 suppliers.
 - Learn and share best practice through our trade and professional bodies.
 - Monitor the development of new regulations or guidance relating to prevention of Modern Slavery, forced labour and human trafficking in the territories where we operate.

Governance

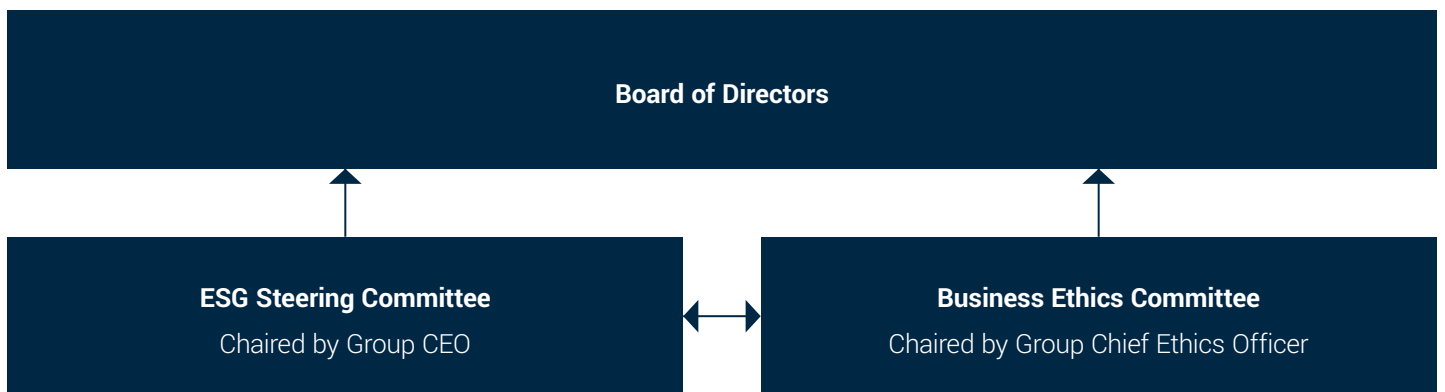
Strong governance underpins responsible business practice and our Board receives regular briefings on business ethics and Modern Slavery.

Our Business Ethics Committee, chaired by our Chief Ethics Officer, Group Company Secretary & General Counsel, has oversight of our human rights approach, including Modern Slavery.

The Modern Slavery programme is delivered via collaboration across key functional roles (e.g. Supply Chain and Procurement, Legal & Governance, ESG teams and our People function).

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

Governance Review Boards



The Board of directors of QinetiQ Group plc approved this statement at its Board meeting, dated 18 July 2024.

Signed:

Steve Wadey
Chief Executive Officer, QinetiQ Group plc

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