

Modern Slavery and Human Trafficking

Statement

July 2023



Modern Slavery, forced labour and human trafficking is a global issue, affecting society across different industry sectors, and territories and 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 territories in which QinetiQ operates.

We do not tolerate modern slavery in our operations or our supply chain. We regularly review our practices to ensure that we are continually strengthening our processes and guidance, as well as addressing new and emerging human-rights orientated legislation.

Responsible business practice underpins how we operate as QinetiQ Group and we have a strong commitment to work with our industry partners and our supply chains to play our part in 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 2023, **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 93% 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 70% of our employees),
- In the US we have the Group’s US Global Products division, which comprises QinetiQ Inc. (C5ISR), Foster Miller Inc. (Technology Solutions).
- In Australia we have, QinetiQ Pty Ltd (Australia),
- 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,
- Naimuri Ltd (UK) and
- the Inzpire Group Ltd (UK).

During FY23, QinetiQ Group plc sold QinetiQ Space NV (Belgium) and acquired Avantus Federal LLC (USA) and Air Affairs Pty (Australia). As part of their integration into the Group, we will be working with these new organisations to get them aligned with the action plan during FY24.



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

QinetiQ is a science and engineering company operating in the defence and security markets. Our customers are predominantly government organisations. We are an information, knowledge and technology based business with (our total workforce is over 8,000) and a wide array of unique facilities.

We report through two divisions:

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

Listed and Head Office in the UK



Number of employees:

>8,000



Number of countries we operate in:

6



Number of suppliers:

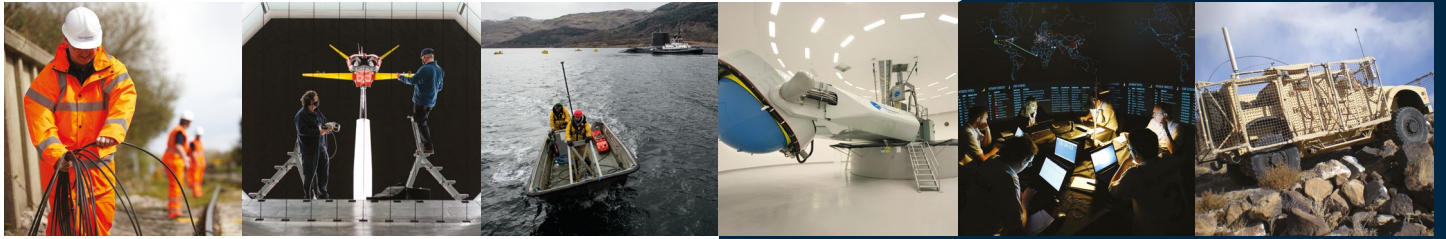
8,200



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

91%

	UK	US	AUS
Percentage of the workforce located in our three home countries	70%	19%	10%



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. The exception is QinetiQ Target Systems (which produces targets), and our US Global Products division (which principally produces robots and sensor products).

Our product and service supply chains are relatively short and often draw primarily on domestic suppliers, although in some cases these extend globally. 8% of revenue is generated from our product sales.

Total number of suppliers by geographical regions

North America

2,170

South America

7



The Group revenue for FY23 was

£1,580.7m

with approximately 93% of revenue from our home countries UK, US and Australia.

Europe

4,542

Asia-Pacific

53

Africa

6

Australasia

77

Our suppliers can be divided broadly into two categories;

- 1 Those that we use to support our operations (e.g. Infrastructure, Facilities Management Services, 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, or high-end consultancy and research services.



Our Policies and Controls

The QinetiQ **Group Code of Conduct** was updated in FY23 following a formal review and feedback exercise by the Institute of Business Ethics (IBE). It 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 standards. 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, with a predominantly 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 and we have specific requirements to address the risk of modern slavery and human trafficking in our procurement policy and processes.

Our **Group Supplier Code of Conduct** (updated in FY23) defines the minimum standards that our suppliers are required to adhere to when they deliver products or services to QinetiQ (which may also involve their own suppliers).



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 human rights-oriented laws and policies, including the Uyghur Forced Labor Prevention Act (USA), Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada), that apply in or are issued in places where we operate.



We have approximately

8,200

active suppliers and most of our spend (approximately 91%) is within our home countries (UK, USA and Australia).

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 FY23, we have had no issues raised about modern slavery via these routes.

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 risk 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, product, 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 risk or issue. Higher risk categories of concern to QinetiQ include: construction, robotics, technology, freight, waste management and batteries.

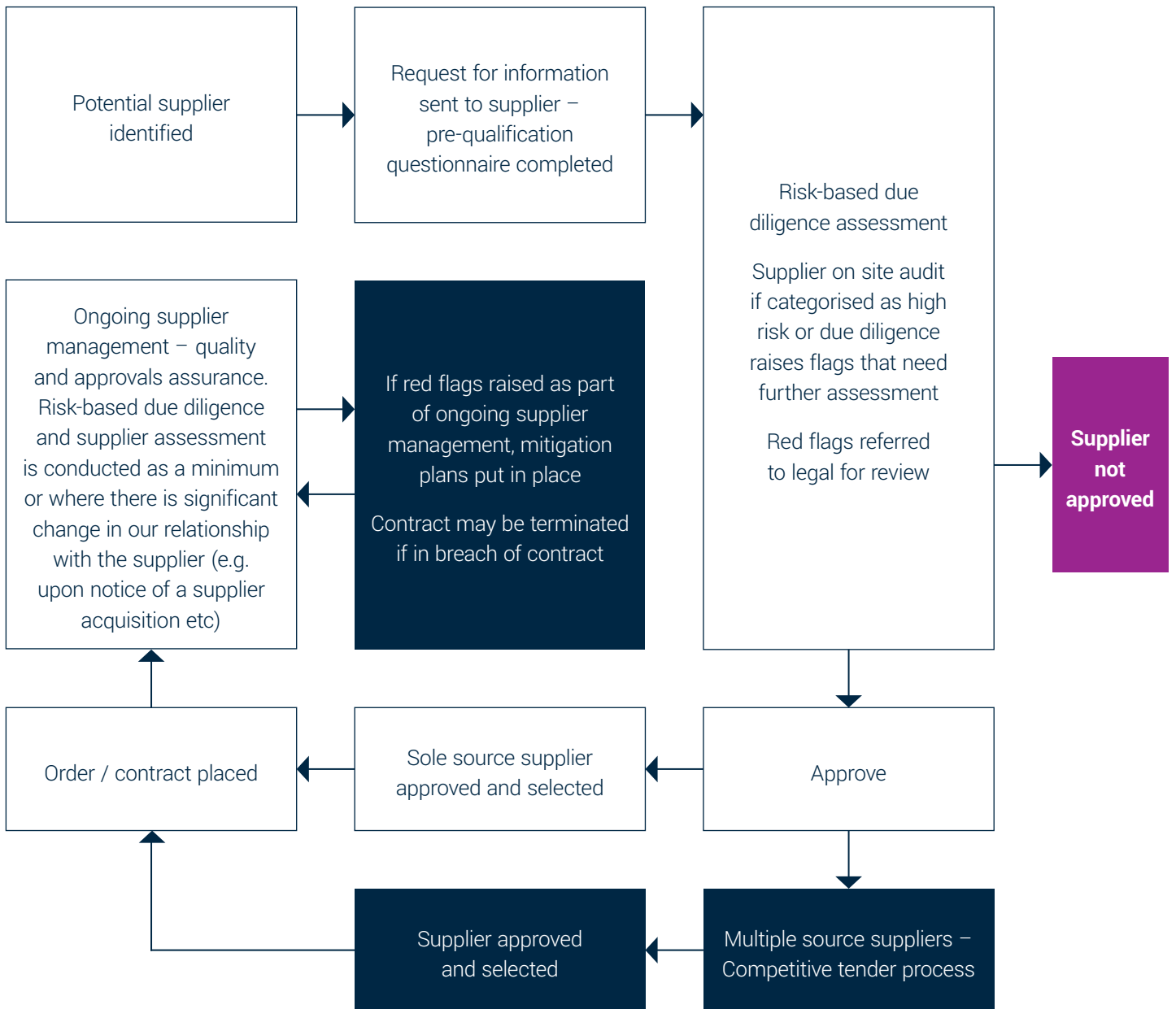


For example, currently

0.4%

of our Tier 1 suppliers are located in high risk countries which represents 0.09% of our global spend.

Supplier Assurance & On-boarding



Training and Raising Awareness

QinetiQ recognises that the knowledge, responsibility and conduct of our people play an important role in mitigating the risk 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 FY23 we developed and delivered an updated in depth virtual-classroom based training course (previously it was e-learning). This was briefed to all global employees with roles in Supply Chain and Procurement, Quality, Legal and Governance.

We have also included a modern slavery scenario in our annual business ethics training, which is a mandatory requirement for all employees and undertaken by our Board, to ensure our employees are aware of the issue and understand their role in helping to prevent modern slavery and human trafficking.



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

Case Study

QinetiQ has a **Sustainable Procurement Guide**, published on our website and promoted with our suppliers.

Sustainable Procurement is the consideration of how a procurement decision can improve Environmental Social Governance (ESG) aspects and how through the procurement process, we can act to create value and reduce or remove the negative impacts on society and our planet.

By working collaboratively in sustainable partnership with our supply chains, we can advance innovation and working practices that will address issues such as human rights. The Guide is intended to assist and inspire the QinetiQ Group supply chain, our internal colleagues and our customers, highlighting the sustainability values we hold and what we expect from our suppliers, as an extension of QinetiQ. In a landscape that is rapidly changing, it provides an essential communication tool for engagement with stakeholders and to facilitate conversation on this important issue, including modern slavery and forced labour.



Stakeholder Engagement

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



QinetiQ 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).

As part of our QinetiQ Collaborate series of events, during FY23 we ran a QinetiQ Collaborate on Modern Slavery. This virtual event was an open invitation to our supply chain and industry. See case study below 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 & 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 “**Modern Slavery**” virtual event was hosted in January 2023, following the UN’s International Day for the Abolition of Slavery in December.

It is part of a series of Collaborate Events that aims to ensure good practices are shared throughout our supply chain and wider external stakeholders, by providing a thought leadership platform for learning through panels of subject matter experts across the defence and security industry. This event brought together several of our supply chain peers and trade body partners for a panel discussion on Modern Slavery in our Supply Chains, covering topics such as what the global legal and regulatory landscape looks like around modern slavery, forced labour and human rights, enablers for delivering modern slavery due diligence in the supply chain, effective key performance indicators and what best practice looks like.

The feedback from the event, showed this to be one of our more successful Collaborates and how important this subject is to our wider stakeholders.

Key Performance Indicators		FY23
1	% of key role employees completed online training	88%
2	% of suppliers who have signed up to the Supplier Code of Conduct	77%
3	% of suppliers who have fully completed JOSCAR assessments	81%
4	% of suppliers in high risk countries completed annual sanctions checks	100%
5	The number of briefings provided to the Board on Modern Slavery	3/3 (100%)

Assessment of and the effectiveness of our approach

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

Modern slavery is covered in our Group procedure that applies to all Group entities. In addition we have a self-certification governance process for those entities that do not use the Group QinetiQ Operating Framework (namely QinetiQ Inc, Naimuri Ltd, QinetiQ Training and Simulation Limited and Inzpire Ltd). All the other QinetiQ entities are governed by the Operating Framework.

All Group entities and subsidiaries are required to make an annual statement of compliance. During FY23 there were no issues identified through this process.



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



In FY23 we:

- Successfully delivered year 3 of a 3-year Modern Slavery action plan to develop our approach to supply chain management, training and capacity building, due diligence and risk assessment and stakeholder engagement.
- Undertook a peer review of statements through the techUK Trade Association Responsible Business Conduct Group
- Implemented recommendations from the UK Government risk based Modern Slavery Assessment Tool (MSAT) on supplier awareness training and assessment of our Procurement processes
- Updated and delivered new in depth virtual-classroom based training to all key employees within the Group
- Designed supplier awareness briefing sessions and have set delivery dates for FY24
- Commenced investigations into rolling out Real Living Wage to tier 1 contractors who regularly work on our UK sites
- Updated our Supplier Code of Conduct and published March 2023
- Engaged with key Tier 1 suppliers to raise awareness of Modern Slavery and to share best practice.
- Worked collaboratively with the JOSCAR ESG Working Group to update to the latest version of supplier pre-qualification questions, including on Human Rights, Forced Labour, Modern Slavery and Real Living Wage
- Continued to:
 - Raise awareness (via communications and intranet web resource) for our people. We sought feedback on the effectiveness of the communications and created some complementary resources.
 - 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

Next Steps

During FY24 we plan to:

- Deliver online supplier awareness briefings
- Monitor the roll out of Real Living Wage to tier 1 contractors regularly working on our UK sites
- Revise and update Terms and Conditions of Purchase to incorporate provisions for Real Living Wage
- Update the Sustainable Procurement Guide
- Review and embed the recently enacted Canadian legislation – Fighting Against Forced Labour and Child Labour in Supply Chains act
- Work with the new Group members Avantus and Air Affairs to embed Group Modern Slavery policies, procedures and practices
- Investigate potential governance approaches for assessing suppliers at Tier 2
- Review, update and roll out a new 3-year Modern Slavery Action plan (FY24-FY26) to continue to evolve our approach to supply chain management, training and capacity building, due diligence, risk assessment and stakeholder engagement.
- Continue to:
 - Provide training for those in key roles.
 - Work with our Group entities and subsidiaries to align our policies and procedures
 - Engage with Tier 1 suppliers
 - Implement recommendations from the UK Government risk based Modern Slavery Assessment Tool (MSAT)
 - Screen all new suppliers, and those in high risk countries.
 - Through our trade and professional bodies to share and learn from best practice.
 - Monitor the development of new regulations or guidance relating to prevention of modern slavery and human trafficking in the territories where we operate, to ensure that our policies and processes remain current and compliant

Governance

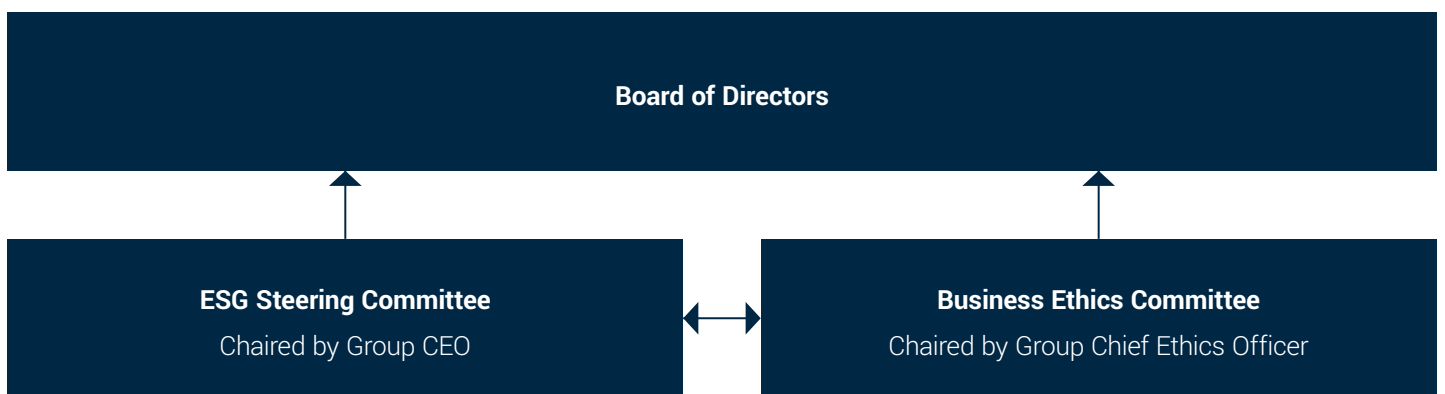
Strong governance underpins responsible business practice and our Board receives regular briefings on business ethics and modern slavery.

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, (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 the CEO, Steve Wadey and our Board have final approval.

Governance Review Boards



The Board of directors of QinetiQ Group plc approved this statement at its Board meeting, dated 20 July 2023.

Signed:

Steve Wadey
Chief Executive Officer, QinetiQ Group plc

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