

QINETIQ

QinetiQ Group plc

Modern Slavery and Human Trafficking Statement

July 2019

This statement is issued on behalf of QinetiQ Group plc pursuant to section 54 of the Modern Slavery Act 2015 (the Act). It constitutes our modern slavery and human trafficking statement for the financial year ending 31 March 2019, setting out the measures QinetiQ Group plc takes to prevent slavery and human trafficking in our business and supply chain. Modern Slavery is widespread, effecting all sectors and territories. Slavery is not acceptable within our business and our supply chain, and so we are committed to responsible business conduct and fully support the principles of the Act.

Our structure

QinetiQ Group plc is the parent company of a number of wholly-owned subsidiaries: QinetiQ Ltd, based in the UK is by far the largest part of the Group and is where our Head Office is located (with approximately 75% of our employees). Our other subsidiaries are smaller (approx. 400 people or less) – including - QinetiQ Pty Ltd (Australia), Foster Miller Inc (QinetiQ North America), QinetiQ Inc (USA), OptaSense (UK, Canada and US), Bolden James Ltd (UK), QinetiQ Space NV (Belgium), Commerce Decisions (UK and Australia), QinetiQ Target Systems (UK) and QinetiQ Target Services (Canada), QinetiQ Group Canada Inc, QinetiQ Sweden AB and QinetiQ Solutions (Malaysia) In FY19 we acquired a business in Germany (GmbH) and in the UK (Inzpire). Of these subsidiaries only three have revenue of greater than £36M – QinetiQ Ltd, QinetiQ Australia and QinetiQ North America.

Our business

QinetiQ is a science and engineering company operating primarily in the defence, security and critical infrastructure markets. We are an information, knowledge and technology based business with more than 3,000 scientists and engineers (our total workforce is 6,000) and a wide array of unique facilities. We report through two divisions:

- EMEA Services, providing advice and services, particularly test and evaluation; and
- Global Products, delivering products and solutions supported by research and development.

Our customers are predominantly government organisations in our home markets of the UK, US and Australia. Our core business is Test and Evaluation and so does not involve mass production or significant manufacturing. The exception is QinetiQ Target Systems (which produces targets) and QinetiQ North America (which principally produces robots). The Group revenue for FY19 was £911.2M.

Our supply chains

The goods and services that we procure in the delivery of our business are largely high-end technology or Commercial off-the-shelf (COTS) products, or high-end consultancy and research services. Our suppliers can be divided broadly into two categories, those that we use to support our operations (eg infrastructure, Facilities Management Services, IT) and those that support the delivery of services and products to our customers (eg engineering and research). We have approximately 5000 suppliers and most of our spend (approximately 90%) is within our home territories (UK, US and Australia). QinetiQ has limited dependency on Tier 1 suppliers which would typically present a higher risk of modern slavery in the supply chain, for example those using an unskilled workforce to manufacture low tech products and services at high volume. However, as our business grows, we will continue to monitor the overall risk profile of our supply chain.

Our policies addressing slavery and human trafficking

We are committed to responsible and ethical business practice and expect similar standards from our business partners and suppliers. We respect international principles of human rights including, but not limited to, those expressed in the UN Declaration of Human Rights, United Nations Guiding Principles, and the UK Government Modern Slavery Act 2015. Through our policy and process we seek to anticipate, prevent and mitigate potential negative human rights impacts.

The QinetiQ [Group Code of Conduct](#) describes our values and standards and how

we work with our people, our customers and partners, communities and the public. We are committed to complying with all applicable laws and regulations and 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 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 and we have ensured that our resourcing strategy includes consideration of modern slavery, and we have trained our people in key HR roles to be alert to the risk of 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 trading policy, and we have specific requirements to address the risk of modern slavery and human trafficking in our procurement policy and processes. Our Supplier Code of Conduct, 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.

We are committed to a culture where people are confident to speak up and we communicate this to employees via our Code of Conduct, our business ethics training and wider awareness communications. We have an ethics email advice service and an independent confidential reporting line for employees and third parties to report any concerns, including in relation to modern slavery; details of this are covered in our Code of Conduct. In FY19 we introduced a network of Ethics Champions, who are there to talk with employees who would like advice or to raise a concern. During FY19, we have had no issues raised about modern slavery via these routes.

Our due diligence, risk management and supply chain management

We undertake modern slavery risk assessment, and particularly in our supply chain. We have in place a pre-qualification process for new suppliers, and our sub-contract terms and conditions explicitly require our suppliers to be legally compliant with modern slavery and human trafficking legislation.

Suppliers to the QinetiQ Group are screened for adverse media and previous prosecutions in relation to human rights abuse. We are an active participant of the Joint Supply Chain Accreditation Register (JOSCAR) which requires our UK suppliers to provide confirmation of their approach to modern slavery. Ongoing monitoring ensures that an alert is raised should a previously screened company be associated with any form of prosecution of which human rights is a part. This may then be assessed and escalated appropriately through documented processes. Our supplier screening is ongoing and is part of a wider human rights and governance compliance activity.

We undertake a risk review of Tier 1 suppliers, based on country 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, we undertake appropriate due diligence to understand the risk further. Currently less than 10% of our suppliers are located in high risk countries. We are increasing our engagement with key Tier 1 suppliers to understand how they manage risk further down the supply chain.

Training and capacity building

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 risk in our business we have provided

modern slavery training and briefings for employees with roles in Procurement, Human Resources and Governance. We have also included modern slavery in our annual business ethics training, which is a requirement for all employees and our Board, to ensure all employees are aware of the issue and understand their role.

Stakeholder Engagement

We engage across our Group to ensure that our subsidiaries are involved in our programme. We recently expanded our Modern Slavery Working Group to include the Director of International Operations to support this process.

We participate in our trade body (ADS) ethics forum, where we are able to share best practice on ethical and human rights issues.

In FY19 we ran an awareness session on modern slavery with some of our supply chain as part of our supplier collaboration programme, which was well received and look to doing more of in the future.

Assessment of and the effectiveness of our approach

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

Next Steps

During FY20 we plan to:

- Review and update policy in light of any changes in international law and best practice to ensure that we meet the Group and local legal requirements.
- Continue to engage with key Tier 1 suppliers to increase visibility of modern slavery risk further down the supply chain.
- Engage with our SME (small to medium enterprises) community to provide support via awareness, training and advice.
- Continue to raise awareness (via communications and new intranet web resource) and training for our people; with modern slavery included in our annual business ethics training as well as more detail training for key roles; we will be looking at how we can better understand the effectiveness of the training we provide;
- Continue to screen new suppliers and provide additional scrutiny on high-risk suppliers.

Responsibility

Strong governance underpins responsible business practice and the QinetiQ Group Risk & CSR Committee (comprising our Board) meets regularly and receives briefings on business ethics and modern slavery. This is supported by our Modern Slavery Working Group, which has representation from Procurement, Legal, Governance, Human Resources and Corporate Responsibility teams. 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 Board of directors of QinetiQ Group plc approved this statement at its Board meeting, dated 21 May 2019.

Signed:



Chief Executive Officer, QinetiQ Group plc

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