



2011

Corporate
Responsibility
Report
Summary

Introducing Serco

- > We employ more than 100,000 people
- > We operate in over 30 countries
- > We have over 50 years' service experience
- > Our revenue for 2011 was £4.6 billion

Serco delivers essential services that matter to millions of people around the world.

Our work for national and local governments involves us in the most important areas of services to the public, including providing safe transport, delivering efficient and reliable IT and business process outsourcing (BPO), finding sustainable jobs for the long-term unemployed, helping patients recover more quickly, improving and protecting the local environment, rehabilitating offenders, protecting borders and supporting the armed forces. Our private sector customers are industry-leading organisations in a wide variety of markets. We support them through effective facilities management, technology and BPO services.

Many of our customers want us to improve their productivity and service quality. Others need us to support their rapid growth. Government customers face crucial issues such as economic development, congestion, security and climate change, as well as ever-increasing demands for quality and efficiency from the citizens they serve. They value the collaborative, flexible and imaginative way we work.

Our service ethos means that our customers come back to us again and again. These long-term relationships help us to meet their changing needs and to do what we do best... bring service to life.

Our Governing Principles

We foster an entrepreneurial culture

We are passionate about building innovative and successful Serco businesses. We succeed by encouraging and generating new ideas. We trust our people to deliver. We embrace change and, by taking measured risks, encourage creative thinking.

We enable our people to excel

Our success comes from our commitment and energy to go the extra mile. We are responsible to each other and can expect support when we need it most. We expect our people to achieve more by recognising and harnessing the power of individuals. We value people for their knowledge, ideas and potential to contribute.

We deliver our promises

We do what we say we will do to meet expectations. We promise only what we can deliver. If we make mistakes, we put them right. We are clear about what we need to achieve and we expect to make a fair profit.

We build trust and respect

We build respect by operating in a safe, socially responsible, consistent and honest manner. We never compromise on safety and we always operate in an ethical and responsible manner. We listen. In doing so, we treat others as we would wish to be treated ourselves, and challenge when we see something is wrong. We integrate with our communities.

This document provides a summary of Serco's 2011 Corporate Responsibility Report. To read the full report visit: www.serco.com/cr2011

"Serco is a diverse global organisation. Our Corporate Responsibility model is built upon: our people; our communities; health & safety; and the environment. We also care about the marketplace and the way we do business with our suppliers and partners"

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Christopher Hyman explains why corporate responsibility is good for our people and our business

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Tell us what you think about this report, plus where to go online for more

People

Fundamental to our success: we are committed to supporting and developing our workforce. We are inclusive and fair, encourage our people to excel, and aim to attract and retain the very best.

Health & safety

Serco's expertise includes safety-critical areas such as aviation, nuclear, marine and transportation. In protecting our staff and the wider community, we will not compromise on our commitment to zero harm.

Community

Our work serves many diverse communities – of which we are also part. We encourage local community engagement to develop strong relationships, building trust and understanding.

Environment

We always operate in a safe and socially responsible way, and seek to reduce any negative impact we have on the environment. Our carbon management plans show ongoing reductions in harmful emissions.

Marketplace

Operating across many countries, jurisdictions and cultures, Serco must be flexible. However, our core values are central to how we operate and govern how we work with our partners, suppliers and clients.

Corporate Responsibility: our unswerving commitment

Christopher Hyman, Serco's Chief Executive, explains why doing the right thing by our people, our customers, the environment and the communities we serve will always be at the heart of our business

The economic environment has never been tougher; these are unprecedented and challenging times for businesses and people around the world. Now more than ever, organisations need to be good corporate citizens. Building trust with all stakeholders is critical. Working in an ethical and responsible manner must be a priority for all companies to ensure a positive impact on the environment, customers, employees, stakeholders and all other members of the public.

Corporate responsibility (CR) is – and always has been – integral to Serco. This is why our Governing Principles are so important – they are the values that define the way we do business (see page 2).

They are shared across the organisation, wherever we are in the world, and provide a vital identity for our diverse and growing company. In 2011, we welcomed 40,000 more people to Serco. Acquiring Intelenet made us the biggest domestic business process outsourcing (BPO) company in India, bringing employment and opportunity to many. Two other BPO businesses (The Listening Company in the UK and Excelior in Australia) also became part of the Serco family, which now includes more than 100,000 people. As an organisation of this scale, it is essential that we maintain our localised approach to operational delivery. By empowering our people to make the right decisions and by enabling them to make the best possible impact on their communities, we can all be responsible citizens.

Transforming our values into action

By sharing our values across our organisation, our business continues to deliver tangible results. I am very proud of the awards we won last year, including, in the UK, 24 Royal Society for the Prevention of Accidents awards for occupational health and safety management, and six Swords of Honours from the British Safety Council (out of just 54 awarded). The National Safety Council of Australia listed Southern Queensland Correctional Centre as a finalist in the annual Excellence Awards (in the sustainability category). And in the United States, we received a Commendation of Excellence award from the Department of State for exceeding small business subcontracting goals during 2010 – one of only three contractors to be recognised in this way.

Our values drive and define the passion and commitment of our people to excel and make a real difference. This is where our people truly demonstrate Serco's unswerving commitment to corporate responsibility.

Encouraging excellence

The inspiring stories featured in this report testify to the enduring strength of the ethos that defines Serco and our continuing commitment to those we serve. Our CR model gives us the flexibility we need to adapt to shifting business dynamics, new regions and changing customer needs without compromising our values.

Around the world, we are building valuable partnerships with small- and medium-sized businesses and with the voluntary sector. At Ashfield Young Offenders Institution in the UK, we're working with a small to medium-sized enterprise called ECO Specialists to upgrade in-room lighting with LED technology. This has a host of environmental benefits, including reducing utility consumption and carbon emissions. ECO Specialists



"Corporate responsibility is and always has been integral to Serco. This is why our Governing Principles are so important – they are the values that define us"

is partnering with Prison Industries, a unit within the National Offender Management Service's Skills and Services Group, to ensure that the lights are assembled in one of our prisons, providing prisoners with work. Meanwhile, at the Southern Queensland Correctional Centre, we're partnering with Assistance Dogs Australia. Our prisoners and staff are training dogs to assist people with physical disabilities. This helps rehabilitate prisoners as they discover new skills and take pride in what they can achieve (see page 17).

In Manchester, our leisure team worked with Diabetes UK to help identify those at risk of developing the condition, offering diet and exercise advice and a free six-week gym membership. We're also working with the Neighbourhood

Policing units, Manchester City Council's Leisure Services and the Youth Offending Service to help combat anti-social behaviour. Our solution has included providing evening gym sessions for young people and encouraging interaction with youth workers through physical activity.

One of our Governing Principles is to enable people to excel. We believe in encouraging young people to take their first steps onto the career ladder, and in 2011, we promised 1,000 work placements for young people and 500 apprenticeships across Serco in the UK (read apprentice Sally Hughes' story on page 18). We are also looking at ways of supporting disadvantaged young people aged between 16 and 24 by providing them with access to experiences, skills and opportunities that will help them find employment. Projects have begun at some of the hospitals we work at, including Norfolk & Norwich University Hospital, with the intention of a wider roll-out in 2012 (see page 16).

Looking forward

We want to continue to build an organisation of which we are all proud. Whatever challenges this year brings, we remain focused on the fundamentals of responsible business practice, including operating world-class health, safety and environmental systems; sharing best practice; cultivating sustainable community relationships; and fostering a culture that respects the talents and ambitions of people inside and outside our business.

None of this would be possible without Serco's people, who bring passion, experience and commitment to their work on a daily basis. I continue to be extremely proud of all that we achieve together.

05:00

ALASKA

Our air traffic control network guides pilots on behalf of the Federal Aviation Administration. Serco's Alaska control tower is one of more than 60 spanning North America, from which our experts provide critical information that keeps millions of passengers safe.

09:00

TORONTO

Serco operates all of the Government of Ontario's Driver Examination Services, where an average of 3,000 tests take place each day. These include written, vision and road tests, offered in both English and French. Happily, Ontario has the safest roads in North America.

06:00

SAN FRANCISCO

San Franciscans find their nearest parking spaces through our unique data service, which keeps real-time track of empty spots and sends the information out via text message or a smartphone app. Cue great savings in petrol and frustration.

10:00

GOOSE BAY

Our contract at this remote, snowbound military base can make recruiting a challenge. We have countered this by investing in local development – offering training and apprenticeships, with special sponsorships aimed at helping those of Innu, Inuit and Metis descent into employment with us.

08:00

HOUSTON

Fort Sam is one of many military sites where we fulfil the remit of the US Army's Career and Alumni Program, delivering support, advice and outreach to soldiers and their families. Our community coordinators work across the US, South Korea, Italy and Germany.

Global delivery

Our services are delivered across the globe and the world's time zones. At any point of the day or night, our essential work continues, as these highlights show

**14:00
MANCHESTER**

People flock to the many leisure centres that we manage in the city – including the Manchester Aquatics Centre, built for the 2002 Commonwealth Games. Serco offers localised cut-price admission to various leisure centres to enable access by more members of the community.

**19:00
MUMBAI**

The Serco family gained 40,000 new members when we bought BPO company Intelenet last year. We value all our staff and offer them opportunities for career progression. People starting night shifts are also offered dedicated pick-up and drop-off services.

**17:00
BAGHDAD**

In 2011, the US military handed vast tracts of airspace back to the Iraqi civilian authorities, with substantial assistance from Serco. We also introduced internationally recognised air traffic control procedures to increase the capacity of aircraft flying through the airspace.

**20:00
HONG KONG**

Core to Hong Kong's commitment to sustainability is its very first EcoPark – an estate dedicated entirely to recycling, which Serco manages. We, as Park Manager, assist tenants to recover resources – from computers to car batteries – and return them to use. On site, waste cooking oil becomes biodiesel.

**15:00
GENEVA**

At CERN, home to the Large Hadron Collider, our people provide vital IT and desktop support, which helps scientists carry out their research. The influence of particle physics on health is huge: this is where MRI scanners were developed.

**18:00
DUBAI**

The Metro fills with commuters going home on the country's only urban train network. Emirates have taken it to their hearts – in its first year of operation, the Metro carried 45 million passengers. This has helped hugely in Dubai's drive to reduce car journeys and CO₂ emissions.

**23:00
MELBOURNE**

The parks and public gardens of this city are tended by Serco – along with 160 hectares of Australian native parklands. With a critical need for water conservation in this climate, we developed an innovative irrigation system which has cut the waste of drinkable water by up to 70%.

**22:00
TASMANIA**

Pontville Immigration Detention Centre (IDC) has created maximum engagement with the community through local asylum seeker supporters, churches and community groups. This has resulted in volunteers facilitating classes, concerts and exhibitions within the IDC.

Living our values

Integrity is fundamental to Serco's ethos and business model. Commitment to our corporate responsibilities lies at the heart of our success

Achieving our vision to be the world's greatest service company depends on earning the trust of all our stakeholders: customers, employees, partners, suppliers and the communities in which we work around the world.

Fulfilling our corporate responsibilities informs everything we do, and is integral to the way we deliver excellence. It is woven into the fabric of our company and we are driven by our values and the company-wide ethos and passion that they engender.

Serving a diversity of needs

Establishing effective corporate responsibility (CR) strategies requires a flexible approach aligned with our business requirements.

As Serco expands and diversifies, our policies evolve to meet uniquely challenging requirements. Our business is multifaceted, ranging from delivering specialist educational software to maintaining nuclear safety.

Consider the breadth of our global activity. We manage transport services in the UK, the Middle East, North America and Australia.

In the UK, we maintain the most accurate clock in the world, provide community-based health services and help the unemployed to find work. We manage prisons and immigration centres in Australia and the UK. We also manage air traffic control in the UK, the Middle East and North America. How do we devise a CR strategy that applies across all these diverse sectors?

Core values

Three fundamental principles underpin Serco's response to this challenge. First, we commit to a transparent statement of intent for each aspect of CR, from our relationships with suppliers to our impact on the environment. Second, we are committed to the accurate reporting of our efforts. Third, we foster an entrepreneurial culture, empowering our people to apply our principles to their work on a daily basis. It is often at a local level that decisions should be made and acted upon.

We insist on excellence and aspire to the highest ethical standards. We respect the rights and dignity of individuals and

"Becoming the world's greatest service company depends upon earning stakeholder trust. Fulfilling our corporate responsibilities informs everything we do and is integral to the way we deliver excellence"

communities, and we consider the social and environmental factors important to our customers and to the people living and working wherever we operate. The values, as defined in our Governing Principles (see page 2), inform every decision we make. This is what lies at the heart of our approach to corporate responsibility.

Fair practice and integrity

We aim to ensure that we always make responsible decisions. Serco's Ethics Committee ensures Serco's position to markets, opportunities and activities are properly considered. As this is not always clear-

Making a positive impact

For us, corporate responsibility (CR) has always been about living our Governing Principles (see page 2) that define how we operate as an organisation and how we behave as individuals. It is about ensuring that we sustain safe operations. It involves making a positive impact on our people and communities, the wider environment

and society in general. It means fostering the trust and respect of our customers and stakeholders. This is best reflected in our continuing commitment to invest 1% of pre-tax profits back into wider society. In 2011, this amounted to £2,532,175 in donations to community projects and charities, as well as the donation of assets and time.

Our model is built upon four pillars: our people; our communities; health and safety; and the environment. Our approach to CR also takes into account the external marketplace, which shapes the way we do business with our suppliers and partners.

Serco is a devolved and diverse global organisation that operates in multiple markets across more than 30 countries.

While our Group CR model provides overall guidance, our individual business units have



cut, the Committee maintains a watch list of countries where any business proposal must be scrutinised closely before it is approved. The Committee also monitors our compliance with applicable anti-corruption legislation.

As a member of the Institute of Business Ethics in the UK, Serco is actively engaged with considerations of fair practice, responsibility and integrity. And in the United States, we are one of just 85 members of the Defense Industry Initiative on Business Ethics and Conduct.

Measuring the impact of our activities is one of our most important tools for ensuring implementation of positive change. Demonstrating good business behaviour

enhances our reputation and sustains the trust of our people, our customers and the community. This is nevertheless a challenge, given the sheer range and diversity of our work.

The environment is a good example: Serco's carbon footprint is low for a company of our size because of the nature of our business, which often involves providing services on other organisations' premises over which we have limited control.

However, in those areas where we have responsibility, we identify the best indicators of our impact, whether positive or negative. We then put controls in place to capture this

information. In the UK, for instance, we were included in the government's Carbon Reduction Commitment league table, published at the end of 2011. From a cohort of 2,103 businesses, just 380 achieved a score greater than 50%. Serco achieved a score of 74% and we were ranked at number 196.

Setting standards

We always report as fully as possible on emissions, our community investments and days lost through accidents (see page 12).

But we aspire to do more than can ever be recorded in metrics. With our contracts in emerging economies, for example, we set standards for staff accommodation and welfare – as seen at the Dubai Metro – that go well beyond that which local legislation, custom and practice dictate.

Community engagement

Serco embraces the responsibility of being a 'good corporate citizen' that contributes to the social and economic wellbeing of each community in which it works. This is no afterthought, but is embedded in the Serco Management System (SMS), which shapes the way we run our business (see below).

Serco's work inevitably creates large-scale social impact, and we encourage all our employees to serve their communities. At a local level, Serco's philosophy of individual empowerment encourages positive stewardship by our people, as you will find in the many examples included in this report.

the flexibility to implement regional and local strategies that meet the needs of their stakeholders most effectively. Examples of this approach can be found throughout this report summary (see page 10 and pages 14–21) and online at www.serco.com/cr2011.

At the same time, responsibility for shaping our CR strategy goes to the very top of our organisation. The Health, Safety and Environment Oversight Group reports through the Group Risk Management

Committee to the plc Board. The Human Resources Directors Forum ensures the best governance of our people, while community activities are overseen by the Community Investment Forum, which reports through the Executive Committee to the plc board.

We relaunched the Serco Management System globally in 2011, to ensure it was aligned to our current business and strategy. The system provides accountability and effective controls, and our Governing

Principles are contained within it.

Our Code of Conduct helps to embed the management system into our working culture by providing an overview of the type of behaviour we expect from our staff as they put the principles, policies and standards defined by our system into action. Last year, we launched a training programme to give management and staff guidance on the ethical issues associated with our Code of Conduct and the UK Bribery Act.

Regional reviews

Find out what corporate responsibility issues we're focusing on around the globe

"At Intelenet we run a 'buddy system', which helps new employees settle into the organisation, as well as an on-site confidential counselling service. Women travelling at night are offered free transport to and from their shifts. We also offer healthy food at subsidised prices, fully equipped gyms and exercise workshops"

UK & EUROPE

The theme of employability has long been a focus for Serco and, given the current difficult economic climate, this has become an even greater priority. Our schemes help three target groups: our own people, disadvantaged people in our communities, and young people preparing for the world of work (see page 16).

ASIA PACIFIC

In this region, we believe that safeguarding the planet for current and future generations is simply the right thing to do. And sound environmental sense also makes sound business sense. Activities include breeding fish for needy families, recycling waste and water-saving initiatives.

CENTRAL ASIA

Our acquisition of business process outsourcing company, Intelenet, saw us welcome 40,000 people into the Serco family. Looking after our people is fundamental to us and Intelenet has a proud legacy of supporting employees and local communities. Its people-first approach is evident in its extensive training and mentoring programmes, and its determination to select its new leaders from within.

MIDDLE EAST

Our focus is on recruiting local people and equipping them with the skills, know-how and opportunities to lead Serco forward in the region. We also support the thousands of expatriate workers in our employment with comfortable accommodation and access to shared internet connections to enable interaction with family (see page 18).

AMERICAS

In the Americas, we provide mission-critical support to every branch of the US armed forces, and supporting these military communities is a fundamental part of our corporate responsibility approach. Our contractual work includes delivering a range of services to soldiers and their families, including outreach, training, mentoring and finding work opportunities for the partners of those who serve. As a result, we became involved with the Military Child Education Coalition, helping the children of military families through the educational, emotional and geographical upheavals that service life can bring.

"Our horticultural teams that look after Melbourne's parks and gardens devised an innovative irrigation system that reduced water waste by 70%, while the iconic Great Southern Rail, operated by Serco, saved a total of 676,000 litres of water in 2011"

"The 'Get into Hospital Services' project, established with The Prince's Trust and run at Norfolk and Norwich University Hospital, has seen about 65% of participants go on to find jobs"

"The Knowledge Transfer Programme enables Serco managers and directors to support the long-term aim of helping UAE nationals to operate and maintain the Dubai Metro in the future"

"For 2012, our plan is to strengthen the Military Child Education Coalition partnership by providing Serco volunteers to support military families during difficult times"

2012 Objectives

We have set ourselves ambitious goals and targets for the year ahead

People

- > To make it easier to manage people by implementing a single HR programme and common core processes
- > To develop leaders who are fit for the future by embedding the talent review and succession planning process across a wider proportion of our management population
- > To motivate and engage employees to bring service to life by linking engagement to performance

Health & Safety

- > To achieve a 40% reduction in staff reportable incident rate by 2013 against 2008 benchmark
- > To achieve an 18% reduction in lost time per incidents against 2008 baseline
- > To establish a baseline of near-miss events against which future performance can be tracked

Community

- > To continue to invest 1% of pre-tax profits back into the wider society
- > To continue to promote the theme of employability
- > To continue to develop our relationships with third sector partners
- > To promote employee volunteering
- > To promote payroll giving

Environment

- > To achieve an 18% reduction in CO₂ tonnes/£m revenue against 2008 benchmark
- > To retain the Carbon Trust Standard

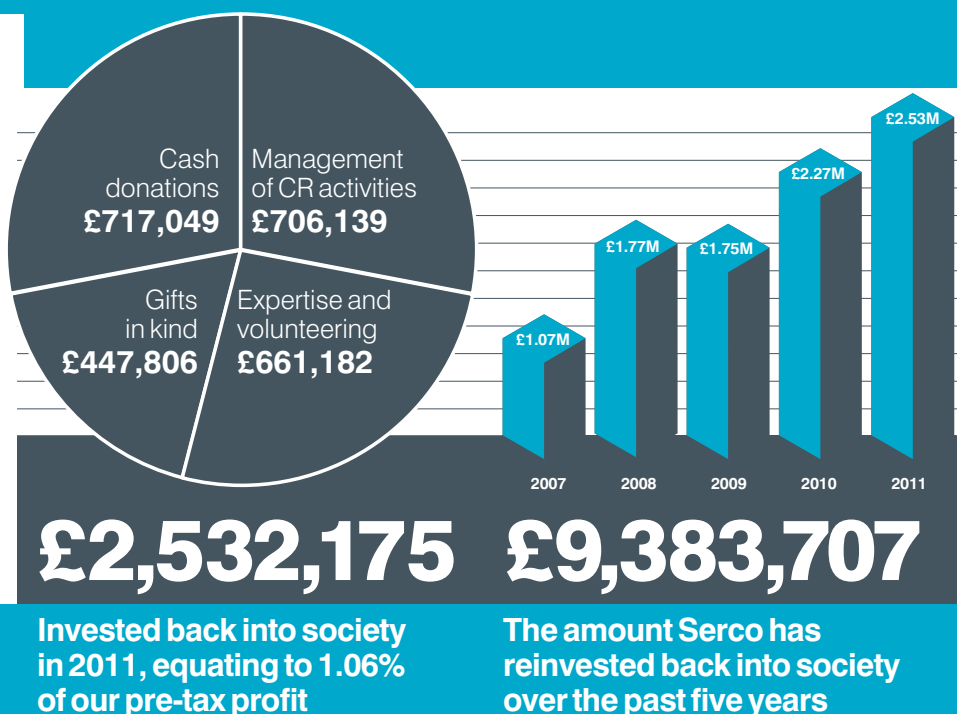
Health & Safety

Serco's expertise includes safety-critical areas such as aviation, nuclear, marine and transportation. In protecting our staff and the wider community, we will not compromise on our commitment to zero harm.



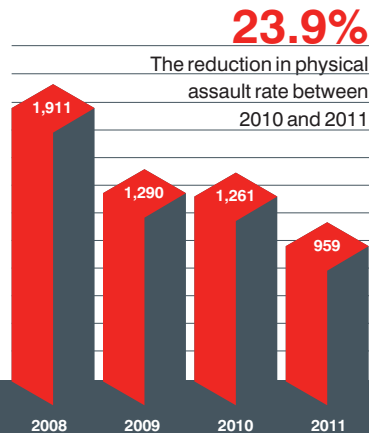
Community

Our work serves many diverse communities – of which we are also part. We encourage local community engagement to develop strong relationships, building trust and understanding.

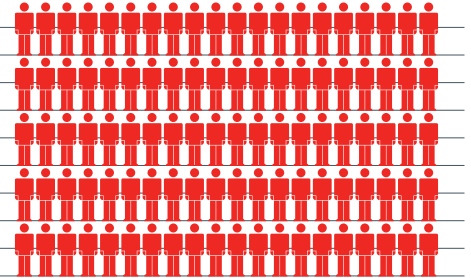


People

Fundamental to our success: we are committed to supporting and developing our workforce. We are inclusive and fair, encourage our people to excel, and aim to attract and retain the very best.



We employ more than 100,000 people in over 30 countries



49.8%

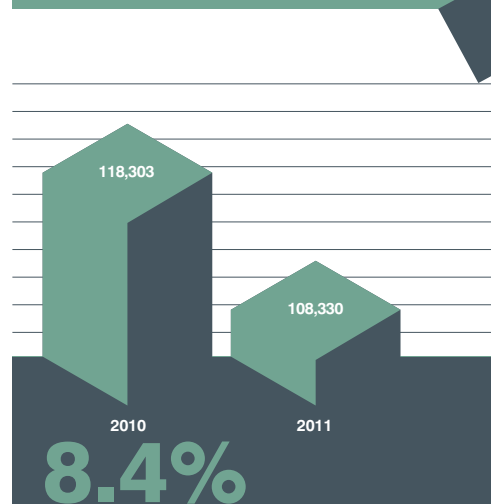
1,649

Reduction in physical assault rate over the past four years
(number of physical assaults per 100,000 employees)

Serco employs 1,649 apprentices across the UK business. Sectors include aeronautical engineering, custodial care, horticulture, electro-mechanical and engineering maintenance, to name but a few.

Environment

We always operate in a safe and socially responsible way, and seek to reduce any negative impact we have on the environment. Our carbon management plans show ongoing reductions in harmful emissions.



88%

Our UK Carbon Disclosure Score rose from 78% in 2010 to 88% in 2011

In the UK, we achieved an 8.43% reduction in total CO₂ output from 2010 to 2011 (tonnes CO₂e)

We have achieved band A (the highest) in the Carbon Disclosure Leadership Index. Only seven organisations, including us, achieved this.

Serco in action

This selection of case studies demonstrates our corporate responsibility approach in action. Whether the task is developing local skills, underwater training for the Navy or helping to increase offshore wind energy, Serco people are dedicated to making a difference

Community

Developing local skills

> Employment, training and apprenticeships offered to Goose Bay's remote local community

> Serco works with those of Innu, Inuit and Metis descent, providing the skills and experience to fill positions

With a population of just 8,000, our support services contract for Goose Bay Canadian Forces Base is a major employer, with more than 320 people working for us. We also provide income to many more in the local community through subcontracting and other opportunities. Recruiting skilled workers to this isolated community presents significant challenges, particularly for technical or professional positions. This is why we are providing training and apprenticeships to develop skills locally.

Over the past year, we have also worked closely with the Labrador Aboriginal Training Partnership (LATP), which provides sponsorship and funding for members of local indigenous groups to gain valuable education and experience in their chosen fields.

Among our air traffic control, telecommunications and security divisions, Serco has provided 14 work placements for members of this community, who have been given many hours of job-specific training

to help them complete their apprenticeships.

Within Serco's Emergency Services department at Goose Bay, two LATP-sponsored employees have been taken on permanently – one as a fully qualified firefighter and the other as a firefighter and paramedic.

A further four firefighting recruits from a local Innu community have been provided with valuable training and support by our team, as they establish their own local fire department.

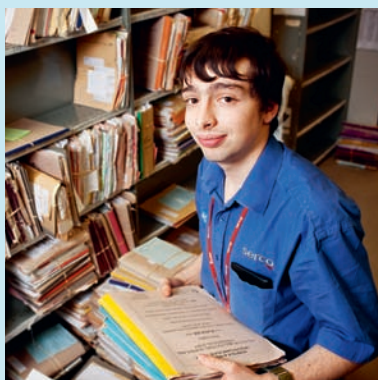
In addition to the LATP program, Serco has hired three local millwright apprentices and two heavy-equipment technician apprentices to build up its future employee pool. Another local resident was selected to undertake Precision Arrival Radar (PAR) training with the Canadian military, and is now a fully qualified PAR air traffic controller.

Serco is committed to providing employment opportunities for the remote community in Goose Bay, particularly its aboriginal people.

"Recruiting skilled workers to this isolated community presents significant challenges, particularly for technical or professional positions. This is why we are providing training and apprenticeships, in order to develop skills locally"



MAIN PICTURE:
Snow clearance at
Goose Bay Canadian
Forces Base
INSET: Martin Dyson,
Fireman, and Shane
Colbourne, Vehicle
Maintenance Mechanic



"Since Get Into Hospital Services launched, giving young people work experience opportunities, 65% of participants have gone on to find jobs, with many staying at Norfolk and Norwich University Hospital"

Others have subsequently moved on to other employment but the experience at NNUH was the beginning of their future working life, says Chris Paul, Serco's Corporate Social Responsibility Manager at the hospital. "It's not just about work experience. These people leave with experience to put on their CV, along with health and safety, food hygiene, customer care, and literacy and numeracy qualifications gained while with us. They've got a package which they can use to say 'This is me' to future employers."

At the end of 2011, NNUH invited retired external business partners on site to help the young people create their CVs and, importantly, offer professional insight and encouragement.

Martin Wakenell (pictured top left) started at NNUH as part of The Prince's Trust programme and is now a ward catering host. "I joined NNUH after completing my Prince's Trust scheme around two years ago. I am now employed and have just recently completed my Level 2 NVQ in Occupational Health & Safety and Hospital Facilities Services. It seems a long time since I was unemployed and had nothing to look forward to," he said.

Meanwhile, **Project Search** offers a year's work experience to young people with learning difficulties or disabilities. "They do different rotations within the Serco facilities contract and within the wider NHS Trust. It's about finding their abilities," explains Chris.

Project Search began at NNUH four years ago, after a senior nurse told managers of a trailblazing programme at Cincinnati Children's Hospital in the US.

It has since been rolled out to other Serco contracts, including Wishaw General Hospital, Leicester Royal Infirmary and Derriford Hospital.

MAIN PICTURE:
A group of young people who have gained employment following their time on the respective Get Into Hospital Services or Project Search programmes

Community

Helping young people to get started

> Norfolk and Norwich University Hospital (NNUH) is one of our contracts that offers work experience to young people often excluded from the workforce

> At NNUH, Serco is responsible for facilities management, which includes catering, portering, security, cleaning and waste management

At Norfolk and Norwich University Hospital (NNUH) two schemes are underway to help young unemployed and disabled people in the local community experience the world of work.

Get Into Hospital Services is part of The Prince's Trust work-experience programme that launched at NNUH about three years ago. Under the scheme, people not in education, employment or training (NEETs) over the age of 16 were offered a month's work experience to develop skills that would help them find future

employment. Last autumn, the placement period doubled to eight weeks as part of the work experience programme that Serco now champions in partnership with Jobcentre Plus.

Since it launched, about 65% of participants have gone on to find jobs, with many staying on at NNUH; more than 20 young people have gained work across the hospital. The most recent person to gain full-time employment through the scheme is Daniel Betts (pictured bottom right), who works in medical records.

Community

Puppies helping prisoners

> Southern Queensland Correctional Centre is a medium and high-security prison run by Serco near Brisbane, Australia
> Puppy training supports rehabilitation of prisoners and helps people with disabilities

Prisoners serving life sentences and puppies might seem an unlikely mix, but at one of our high-security prisons in Australia, it has proved to be a winning combination.

Pups in Prison began as a partnership between Borallon Correctional Centre and



Assistance Dogs Australia, a non-profit organisation that trains golden retrievers and labradors to assist people with physical difficulties. Staff and prisoners then moved to the new facility, Southern Queensland Correctional Centre. The project won a Pulse Award (Serco's annual recognition of outstanding employee contribution) in 2011.

The idea for the scheme came from Project Leader Juanita Zuna, who had seen it in action elsewhere. There have been significant positive changes in relationships between staff and offenders since the scheme was launched, and it has also helped to improve relations with the local community.

Under the programme, puppies are matched with prisoners at the Correctional Centre. Over the course of 13 months, the prisoners teach the dogs more than 40 individual commands and tasks, such as emptying washing

machines, retrieving post and opening doors and drawers, all of which will help the dogs support their future owners. The prisoners' responsibilities include 24-hour care, keeping a diary of their puppy's progress and weekly training sessions.

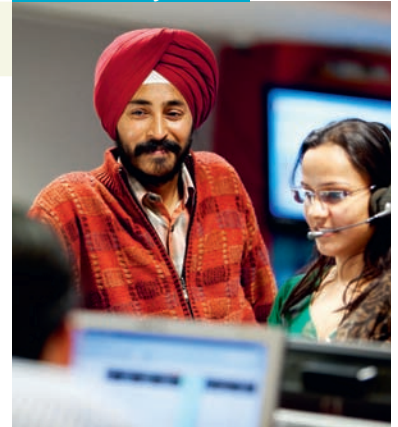
Scott McNairn, the prison's Director, says: "The Pups in Prison programme has enabled staff and offenders to fully engage and support people in the community who suffer from a disability or physical impairment. It has been one of the most powerful programmes I have ever witnessed."

But the greatest impact has been on the prisoner dog carers. As Kris, a carer for one puppy, said, "This programme gives people like me a way to begin to redeem themselves. It gives us a sense of pride." Scott adds: "The programme has given offenders the chance to learn valuable life and vocational skills to use in finding employment when they are released from custody. It has helped enhance reading and writing skills, self-esteem and self-confidence, and it has encouraged prisoners to take personal responsibility."

After the success of the first cohort, the programme has continued with the second group of dogs currently training with offenders. This group will complete their training at the end of 2013.

"The Pups in Prison programme has enabled staff and offenders to support people in the community who suffer from a disability. It has been one of the most powerful programmes I have ever witnessed"

Community



Investing in smaller cities

> Intelenet, the international BPO business acquired by Serco in May 2011, has taken a strategic decision to invest in smaller cities in India, helping to boost local economies
> This is creating jobs and means people can find work closer to home

With the acquisition of Intelenet in May 2011, Serco is now the biggest domestic business process outsourcing (BPO) employer in India, and by far the largest supplier of BPO services to companies based in the country.

Intelenet's domestic BPO business offers services in 15 Indian languages. Over the past five years, the company has focused on investing in Tier II cities – those with a million or fewer inhabitants. Currently, 18 of the company's offices, which employ more than 9,000 people, are in Tier II cities such as Puducherry, Mohali, Aurangabad and Dehradun. The infrastructure, transportation systems and connectivity in these Tier II regions has boomed in recent times.

"By expanding into these cities, we have created job opportunities," says Bhupender Singh, CEO of Intelenet's domestic BPO division. "We tap the local talent pool by offering decent salary packages. People living in these cities don't need to move to larger cities in search of job opportunities and a better quality of life."

"Intelenet is committed to a balanced development of our economy and we have aggressively located our operations outside the big metropolitan cities. Today, about 50% of our Indian market is delivered from these locations," Bhupender adds.

People

Sharing knowledge

- > The Knowledge Transfer Programme enables Serco managers and directors to support the careers of UAE nationals
- > Sheetal Nair, Serco's Learning and Development Manager in the Middle East, explains how it works in practice

In the United Arab Emirates (UAE), 80% of all jobs are currently filled by foreign workers. The government is seeking to redress this balance and employ its own citizens, in particular assisting more Emiratis to attain managerial and professional positions. The aim is to ensure the stable development of the region, provide productive and meaningful employment for the local workforce, and create a competitive economy focused on the prosperity of UAE citizens.

To this end, Serco is working in partnership with Dubai's Roads and Transport Authority (RTA) on a Knowledge Transfer programme, which enables Serco managers and directors to support the careers of UAE nationals in the rail industry. The new programme is about sharing expertise that will improve local competencies in operating and maintaining the Dubai Metro in the future.

What's involved?

Knowledge Transfer, which launched in late 2010, is comprised of three core elements: masterclasses, job shadowing and mentoring. Over two years, 29 unique masterclasses led by Serco rail experts will cover areas such as operational management, technical information and metro management, with the objective of sharing knowledge relating to the running

and maintainance of the Dubai Metro. Twelve recent Emirati graduate engineers from the RTA have been selected for job shadowing, the programme's second element. And five senior RTA managers are being mentored by Serco directors from the Dubai Metro, who offer extensive railway operation experience.

What do participants learn?

This is an important initiative that underlines Serco's commitment to enabling people to excel. During the masterclasses, RTA employees have the opportunity to discuss, observe and understand all aspects of running a railway and extract as much best-practice learning as possible from the session. The topics covered range widely across all subjects, from operations to information technology and management.

Job shadowing provides RTA graduates with a unique opportunity to observe senior staff roles and to gain insight into why things work the way they do. Job shadowing is also an ideal platform for Serco employees and RTA graduates to learn from each other.

The mentoring programme helps senior RTA managers see the bigger picture and observe the leadership and management styles of their Serco colleagues.



People



The potential of apprenticeships

- > Apprenticeships are available in more than 11 diverse sectors within Serco
- > Apprentices are supported through their studies and into employment

In mid 2011, Serco announced that it was supporting the UK government's drive to reduce youth unemployment across the country by creating 1,000 two- to eight-week work experience placement opportunities and 500 apprenticeships for young people across the UK business.

The scale and breadth of our own apprentice schemes has grown rapidly, with courses available in areas as varied as avionics, aeronautical engineering, building services, marine engineering, horticulture, satellite communications, business administration, rail engineering, catering, leisure services and custodial care.

One successful applicant, Sally Hughes, completed an apprenticeship at Royal Naval Air Station (RNAS) Yeovilton in 2008 and was then sponsored by Serco to study an engineering, physics and geophysics foundation degree at the University of Southampton. In 2010, Sally returned to Yeovilton to work for the apprenticeship scheme, where she recently took up a job teaching both engineering and underwater safety (see above and right).

Some of our businesses also run their own bespoke in-house training schemes: The Listening Company runs the Listening Academy to develop workers' business and communication skills. Employees can also enter the government's national apprentice scheme and gain an NVQ in Customer Service (Level 2).



"The apprenticeship, university sponsorship and time working at Serco have been a huge opportunity for me and I'm now starting to see where I can take my career next"

MAIN PICTURE:
As well as teaching at the engineering school, Sally Hughes instructs helicopter pilots in the underwater escape training unit (or 'dunker') at RNAS Yeovilton in the UK

Environment

Increasing offshore wind energy

> Serco overcomes planning obstacle against new wind farms
> New radar technology installed into the UK Air Defence System

Generating enough energy to power 220,000 homes (around 1.1TWh) will soon be possible at an offshore wind farm in the UK, thanks to a project involving Serco. As part of the drive towards a low-carbon economy, Britain is committed to a huge increase in its number of wind farms. While these are an emission-free way of generating electricity, the blades of wind turbines can interfere with air defence traffic control radar, potentially compromising the security of our borders.

That was the problem faced by a wind farm proposed off the coast of East Anglia – the RAF objected on air security grounds. Simon Bailey, Director of Project Solutions at Serco Energy, came up with an innovative business solution that enabled this environmental project to go ahead. Simon brokered an arrangement that led the wind farm developers – the Crown Estate, on whose submerged land the turbines will be built – and the Department of Energy and Climate Change to fund a new Lockheed Martin Air Defence Radar TPS 77 system for the Ministry of Defence, which Serco as prime contractor installed in late 2011.

When completed in 2012, the Sheringham Shoal Offshore Wind Farm, located 23km off the north Norfolk coast, will be the fourth-largest offshore wind farm in the UK.

Consisting of 88 wind turbines, it will reduce CO₂ emissions by 500,000 tonnes annually.

"The Serco solution will potentially lead to the removal of planning restrictions for up to 5GW of offshore wind power along the east coast of the UK," explains Simon.



Health & Safety



- > Clothing with in-built safety features protects our people working on the streets
- > Staff across 14 refuse, recycling and street-cleaning contracts wear the uniforms

To be highly visible and hard-wearing were the two main design criteria for the new uniforms created for Serco's 2,000 staff working in refuse, recycling and street cleaning across 14 contracts.

We are the only major waste management company to have in-built PPE (personal protective equipment) requirements within all elements of our corporate uniforms. This means that every layer of clothing now has 50-wash high-visibility tape attached, so staff are always wearing the correct standard of protective clothing.

Workers have been positive about the safety features. Ian Field, Street Cleansing Operative at our mid-Sussex contract,

says: "We saw a great improvement in the workwear provided when Serco took over the contract. Having high-visibility elements throughout the workwear guards against, say, overcoats inadvertently obscuring high-visibility garments underneath. Our 'fast road' street-cleaning crew are also supplied with lightweight high-visibility orange trousers, giving them optimum protection when working alongside fast-moving traffic."

All UK staff across Serco environmental contracts now wear the uniform, which has been carefully developed to enhance safety, underlining Serco's commitment to its employees.

Swords of Honour

- > Six Serco contracts won the British Safety Council's Sword of Honour
- > This prestigious award recognises excellence in health and safety

Six of Serco's secure service businesses were awarded the prestigious Sword of Honour by the British Safety Council (BSC) in 2011, after reaching an exemplary standard in health and safety management. To apply for the Sword, organisations must have achieved a five-star rating at the BSC's annual health and safety audit. Only 54 were awarded in total, among them HMP & YOI Doncaster, HMP Lowdham Grange, Colnbrook Immigration Removal Centre (IRC) and

Yarl's Wood IRC, along with our two Electronic Monitoring contracts.

"The award helps reinforce to staff that here's a business that's taken the effort to go the extra mile for them," says Tim McCandliss, Assurance Manager, Electronic Monitoring Scotland. However, following the award, the good work won't stop. "We're always improving, so we can sleep soundly at night, knowing we have good processes to keep our people as safe as possible."

Marketplace

Stakeholder community

- > Ethos encourages debate and interaction among Serco stakeholders
- > It is available in print and online

Serco publishes a journal, Ethos, twice a year in the UK to keep stakeholders up to date with our activities. Readers include our customers, politicians, local government, civil servants, the voluntary sector, think tanks, interest groups, academics and journalists. Named Best Public Sector/Government Title at the Association of Publishing Agencies' Awards in 2011, the judges said: "Ethos simply stood out above all the others."

Launched in 2007, Ethos demonstrates Serco's ongoing commitment to high-quality public services, encourages debate, and showcases different models of service delivery. Contributors have included Nicholas Timmins of the Financial Times; Dr Irwin Stelzer, Director of Economic Policy Studies at the Hudson Institute; and Stephen Bubb, Chief Executive of ACEVO.

In October 2009, a companion website – ethosjournal.com – was launched to enable reaction to topical events and to encourage interaction. Research by YouGov in 2010 found that 41% of respondents have discussed something they read in Ethos. An online survey in 2011 found that 87% rate the content on ethosjournal.com as good, very good or excellent, and that almost 90% would recommend the site.



Winning ways

UK & EUROPE

- > In the annual Corporate Responsibility Index devised by Business in the Community (BITC), the UK's leading benchmark of corporate responsibility, Serco has been awarded a Gold Rating for the sixth year running.
- > Serco won the Innovation in Outsourcing award 2011 from the National Outsourcing Association, for its delivery and operation of Barclays Cycle Hire.
- > Serco was awarded the Carbon Trust Standard certification in recognition of managing and reducing carbon emissions year-on-year over a three-year period.
- > Serco received a total of 24 Royal Society for the Prevention of Accidents (RoSPA) awards for occupational health and safety management performance, plus six Swords of Honours from the British Safety Council (of just 54 awarded).
- > The South Yorkshire High Sheriff's community award went to HMP Doncaster's Family First programme, in recognition of innovative work with offenders and their families.
- > The British Institute of Facilities Management gave Serco the Excellence in a Major Project Award for its work at Forth Valley Royal Hospital in Larbert, Scotland.
- > Investors in People Awards: Serco's UK Prisoner Escort and Custody Service (PECS) was granted Champion Status.
- > Ethos won 'Best Public Sector/ Government Title' from the Association of Publishing Agencies.

ASIA PACIFIC

Major awards in 2011 for Serco at Borallon Correctional Centre (which has since transferred and is now called Southern Queensland Correctional Centre):

- > The Australian Business Award: Environmental Sustainability Winner.
- > Oration National Annual Infrastructure Awards: finalists for the Government Partnership Excellence Award and Operator & Service Provider Excellence Award.
- > For being a Pups in Prison Coordinator, and for Closing the Gap for Indigenous Australians.
- > Queensland Government Ministers Award: Highly Commended in the Smart Category for our Pathway to Potential offender education strategy.
- > National Safety Awards of Excellence: Highly Commended for the Environmentally Sustainable Work Practices Award.
- > Premier's Awards for Excellence in Public Service Delivery: winners in the Smart Category for our Pathway to Potential offender education strategy.

CENTRAL ASIA

- > At the Asian Leadership Awards in 2011, Serco's Intelenet was named 'Dream Company to Work For' across all sectors, while Radhika Balasubramanian (COO, Domestic BPO Operations), won the Woman at Work Leadership award.
- > Intelenet was also named 'Best in Large Organisations' at the 2011 Great Places to Work awards, while CEO Susir Kumar became 'Best CEO with HR Orientation' in Asia's Best Employer Brand Awards 2011.

MIDDLE EAST

- > Dubai Metro's approach to supporting local employability and offering internships earned it the Work Experience Award 2011 from the Dubai Higher Colleges of Technology.
- > The Institute of Applied Technology also awarded Dubai Metro with certificates of appreciation in recognition of the meaningful work experience the railway provided to Emiratists.

Internal recognition

> Outstanding work by our people is recognised through our annual Pulse Awards, which celebrate innovation, inspirational leadership, outstanding commitment and those who make an exceptional impact. In 2011, we were delighted to recognise the achievements of 48 individuals and teams. We will be donating around £14,400 to charities chosen by our winners.

PICTURE (this page):
Christopher Hyman presents a Pulse Award to Shelley McDowell on behalf of Serco's team at the US Marine Corps Psychological Health Outreach Program

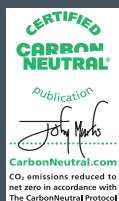
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our teams in
action. Watch short
films of Forth Valley
Royal Hospital, HMP
& YOI Doncaster and
our work experience
programme online at:
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