

The human face of impact

Serco's impact report 2023 

Contents

ESG Statement

- 4 The aim of this report
- 5 From intent to action: a year of impact

People

- 9 This is not an environment where people are comfortable showing vulnerability
- 11 Dominique is a true champion of the neurodivergent community
- 14 Everyday HEROs

Place

- 17 People tend to get bored when they have to do something mundane. Robots don't
- 19 Full-scale renovation of a remarkable UAE-based school
- 20 Over £43 million in social value delivered - and counting
- 22 The cumulative effect of supply chain assessments for a business like ours is enormous
- 24 You expect something like this to just sit on someone's desk. Now this project has gone viral - and global

Planet

- 28 Carbon reductions from Mansfield to the Middle East
- 31 Looking after every last drop

Conclusion

- 35 The real story is about people
- 36 Additional resources

ESG Statement

As a solution partner to governments globally, we deliver on a range of Environmental, Social and Governance (ESG) commitments.

Our purpose is to **'impact a better future'**. That's why we are committed to measuring what matters - the positive impact we make to People, Place and Planet.

We have recognised our corporate responsibilities for many years. However, as we have evolved our strategy and core purpose, we have refreshed our approach to ESG - introducing a new way to measure the positive impacts we make. We will also continue to focus on strong governance and transparency, which is fundamental to managing risk and running our business in a responsible way.

Measuring our impact on People, Place and Planet ensures we live our purpose and stand by our values.

All our impact measures are aligned to relevant United Nations Sustainable Development Goals (UN SDGs). More details on how our impact agenda contributes to the UN SDGs can be found [impact hub reference].



The aim of this report

ESG reporting is about comprehensively and transparently capturing the impact a business makes, for better or for worse.

As always, our ESG targets and performance is summarised in our latest annual report – which you can access here – and covered in detail in our impact hub on www.serco.com.

However, this kind of reporting, though essential, doesn't always capture a true sense of our impact. Because ultimately, impact in ESG isn't just about targets and numbers. It's about real people doing positive things for other people.

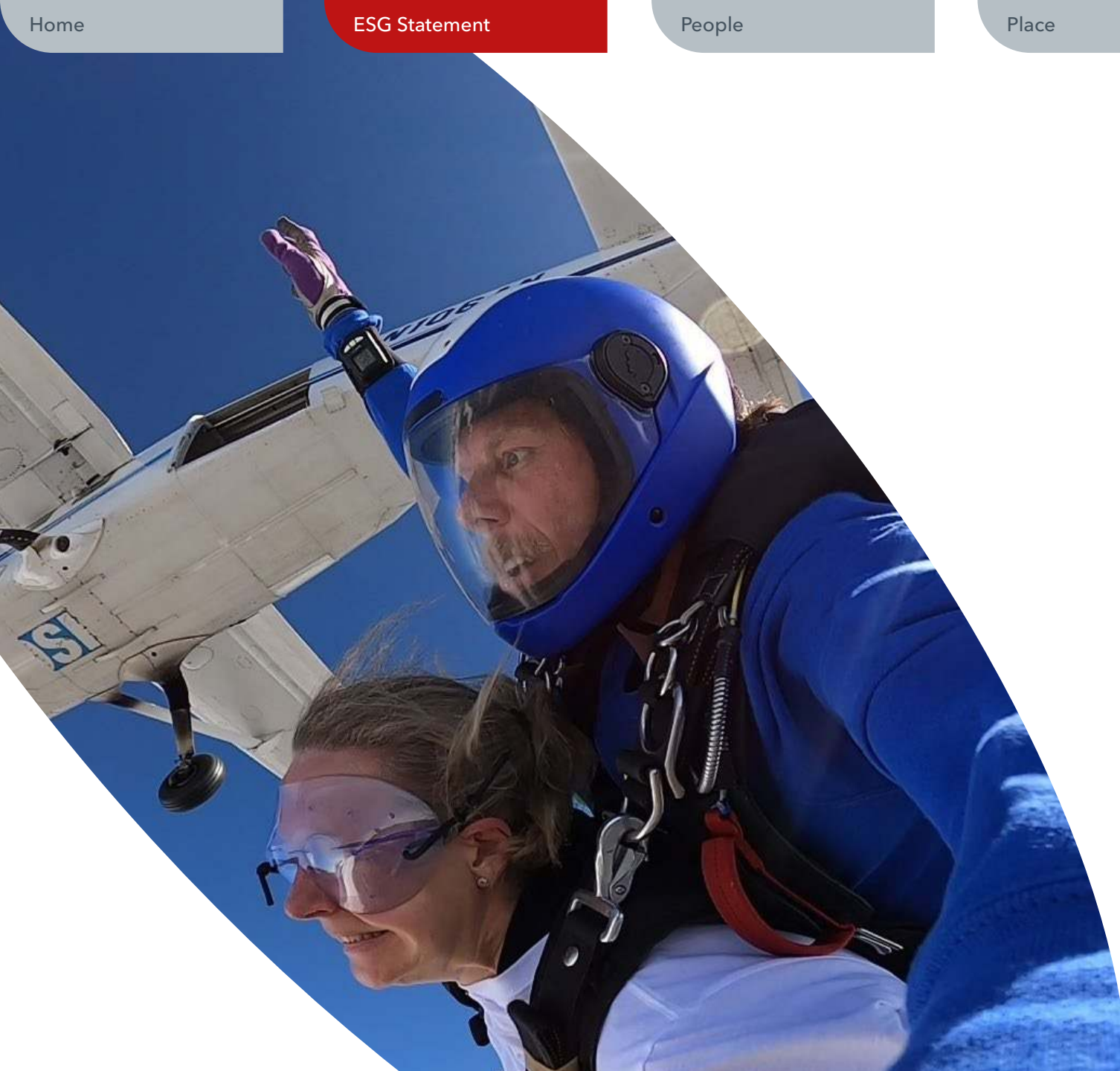
So, the aim of this report is to capture that impact by sharing real stories across our business – stories that have emerged because of the sheer will and endeavour of passionate individuals.

This report is a chance to share the human face of the impact we make across the world.



Serco is remarkably organic for a business of its size, and there really is a possibility for anyone to make an impact here.

Mark Irwin,
Group Chief Executive



From intent to action: A year of impact

On the surface, the ESG landscape hasn't changed dramatically in 2023.

Organisations are still setting ambitious targets. There is a continued focus on transparency. Inclusion and empowerment are priorities in every corner of the world.

In every report and every ESG story, the content seems familiar. But scratch beneath the surface, and there are clear signs of evolution.

If 2022 was the year where organisations began talking about transparency and responsibility rather than sustainability, 2023 has been the year where transparency took shape.

Across every sector, organisations are recognising that a transparent business means a transparent supply chain.

Distrust of big organisations in the public and private sectors is on the rise – only 34% of consumers trust brands they purchase from¹. Consumers, employees, regulators and investors demand integrity from businesses, and now play an active role in assessing the claims businesses make.

It's become very clear that action and impact are the main means of building trust and integrity.

¹ Harvard Business Review



Making an impact

The demand for responsible and ethical conduct from businesses is overwhelmingly apparent.

Globally, products making ESG-related claims sell more than those that don't². Similarly, companies that explicitly mention human rights in their supplier code of conduct outperform those who omit them³.

However, the veracity of claims has never mattered more. Transparency has therefore never been more important as exaggeration can lead to loss of customer trust.

ESG today is about action, integrity - and impact.



Sweating the small stuff

Another shift in the evolution of ESG can be seen in the increasing focus on detail. This is a theme that goes hand-in-hand with taking action and establishing transparency.

Across the world there's a growing appetite for real change across every aspect of ESG, and that's reflected in how different issues are being discussed.

Mental health and wellbeing at work, for example, is a subject often raised in broad terms at organisations. Now, systems are increasingly in place to measure and report on mental health trends within organisations and the impact of initiatives to solve problems.

You can also see change in the prominence of discussions around more specific mental health challenges. Efforts to help neurodivergent individuals to flourish have hugely expanded across many organisations, and the positive impacts of this are already being seen.

As public scrutiny of organisations grows, organisations are increasingly scrutinising themselves. And as the public become better informed about ESG, organisations need to be better at respecting their understanding.

Much of what we are seeing in terms of global ESG trends reflects this shift, as ESG becomes more detail-oriented and more measurable. In fact, over the last year, ESG measurement has demonstrably improved, with a growth in disclosure frameworks as well as standardised ratings providers for entire industries to use⁴.

Disclosure frameworks don't make sustainability headlines. But in reality, they're exactly the kind of tool needed for organisations to make ESG meaningful.

² <https://nielseniq.com/wp-content/uploads/sites/4/2023/02/Consumers-care-about-sustainability%E2%80%94and-back-it-up-with-their-wallets-FINAL.pdf>

³ <https://www.ft.com/content/687c2a10-403b-4a93-85c0-3ede41af5d09>

⁴ <https://www.mckinsey.com/capabilities/sustainability/our-insights/does-esg-really-matter-and-why>





People-driven stories

It isn't surprising, therefore, that global trends in ESG are mirrored in what's happening across the world within Serco.

As a business that operates in diverse sectors across a broad international footprint, everything we do makes an impact. We are a FTSE 250 company, managing over 500 contracts and employing more than 50,000 people across our operations. From prisons in Australia and transport networks in the UK, to healthcare in the US and air traffic control in UAE, our services stretch far and wide.

This scale gives us a birds-eye view over how the world of ESG is changing and the impact we can have as an organisation. So here, we've handpicked just a few stories across the business that demonstrate that change. These stories are divided across our three key areas of **People**, **Place** and **Planet**.

From placing mental health and wellbeing support in the most challenging working environments and dealing with the localised realities of a changing climate, to the complexities of building transparent supply chains, these stories examine what meaningful ESG looks like at the frontline.

And perhaps most of all, these stories reflect the fact that for all the good intentions and optimistic target-setting going on around the world, ESG is fundamentally about real people making a real impact.

People

We measure impact through equitable, meaningful and safe employment.

Here, we share **People** stories that reflect how the passion and endeavour of brilliant Serco people can have a far-reaching impact on the safety and wellbeing of colleagues and communities alike.

This is not an environment where people are comfortable showing vulnerability

When we think of prisons, we tend to think more immediately of the experience of an inmate before that of a prison officer.

But make no mistake: this is a challenging environment to work in, as Sarah Lewis explains.

Now the Justice and Immigration (J&I) Wellbeing Lead at Serco, Sarah spent 10 years working in Thameside prison, initially as a prison officer and later as a line manager.

Some studies have found that more than 50% of prison officers are suffering from some form of PTSD⁵.

Sarah adds that recruitment and retention was a constant challenge, and that the staff to prisoner ratio was often challenging too. And while Sarah witnessed wellbeing and mental health services being introduced for inmates, these were lacking for officers. Many years later, Serco's first J&I Wellbeing Lead, Sarah is changing that.



It can be loud and aggressive. It's typically an 11-to-12-hour shift. So every shift is intense.

Sarah Lewis
Justice and Immigration (J&I)
Wellbeing Lead at Serco

⁵ PTSD UK, "PTSD in prison employees" (<https://www.ptsduk.org/ptsd-in-prison-employees/>)



Making a difference across J&I

Of course, J&I isn't just about prisons. J&I encompasses a range of services, each with its own unique challenges for those who work there.

Immigration Removal Centres present diverse challenges as employees frequently encounter traumatic situations and complex issues – not to mention language barriers.

Asylum Accommodation and Support Contracts are increasingly a hot topic in the public eye, and employees often find themselves managing relationships between asylum seekers and the local community.

Those who work in the Prisoner Escort Services face their own complex challenges, including the fact that they hear all details from court cases, which in many situations can be deeply distressing.

It's for all these reasons and more, what Sarah is doing matters. This isn't just another business offering an evolution of its counselling services. This is mental health support where it's needed most.

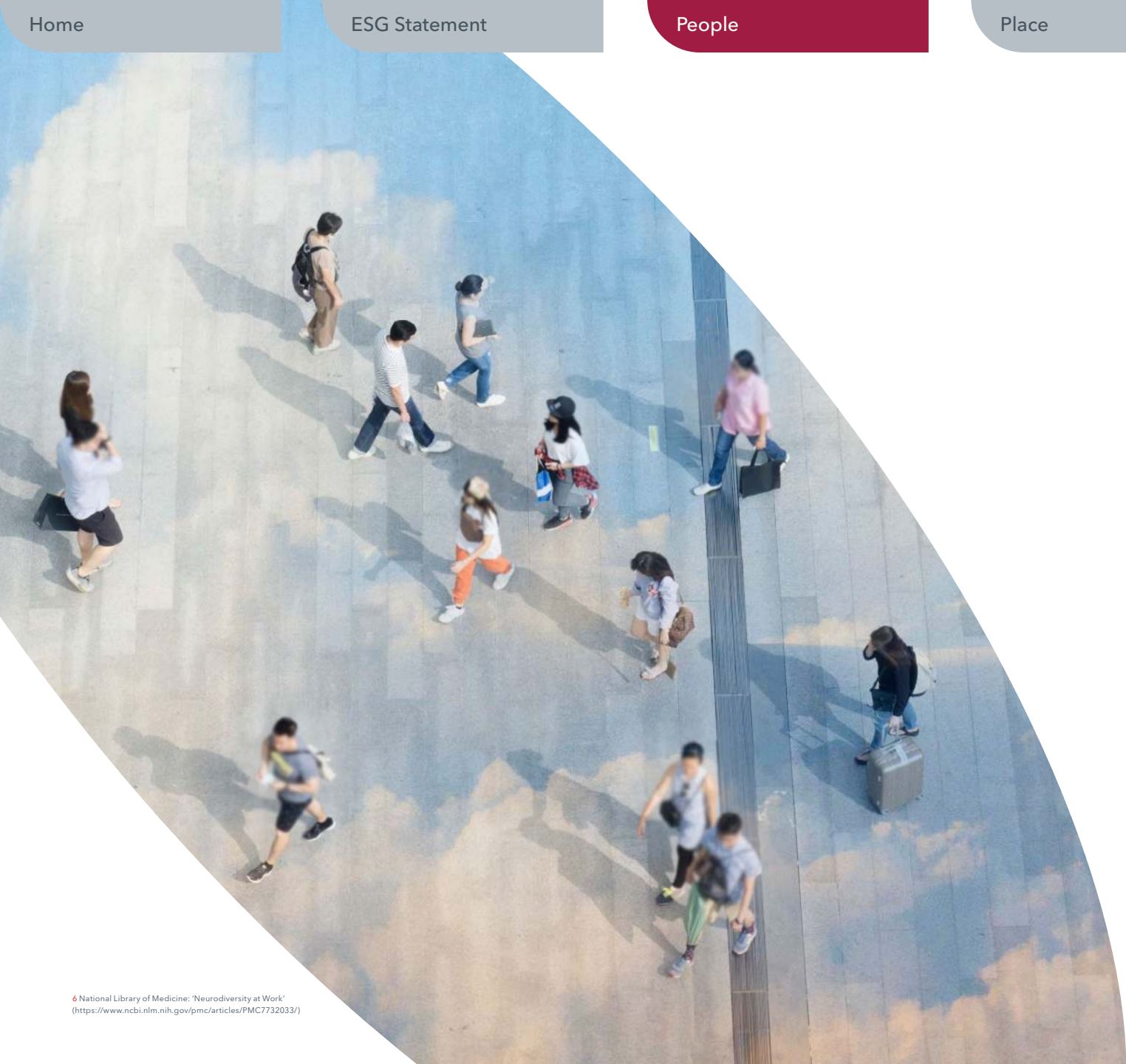
"Wellbeing is now on the agenda"

The initiatives Sarah has introduced already vary. Whilst Serco endeavours really hard to minimise incidents which lead to potential harm, physical injury does occur in J&I, so physiotherapy services have been introduced along with health kiosks. Sarah recognises the vital link between better, healthy food options and improved wellbeing.

There's also been the notable introduction of 'Shout', a charity partnership with Shout 85258 – a free, confidential 24/7 text support service – that gives employees immediate support when they face mental health crises.

Perhaps most fundamentally though, in Sarah's short time in the role she's been able to build a presence across J&I sites and to make mental health and wellbeing services visible. As she puts it herself, "wellbeing is now on the agenda".

That's a big achievement in a corner of the working world where mental health has perhaps too often been overlooked.



Dominique is a true champion of the neurodivergent community

Neurodivergence is on the rise, but it's far more pertinent to say that awareness of neurodivergence is on the rise.

It's now estimated that 15-20% of the world's population is neurodiverse⁶.

That explains why neurodiversity is now an established part of the ESG conversation.

However, it's an incredibly complex subject that is widely misunderstood. While it's entirely positive that the conversation has begun, uninformed discussions can do more harm than good. As Judy Singer, the sociologist who coined the term neurodivergence back in 1997, put it: "Neurodiversity refers to the virtually infinite neuro-cognitive variability within Earth's human population".

In other words, neurodivergence by definition can't be framed, understood or managed in a simple, catch-all manner.

The only way to begin meaningful journeys into better neurodivergence understanding is for neurodivergent individuals to take the lead and share their stories.

In the best cases, this will also happen organically - through the sheer determination and bravery of an individual.

And at Serco, that's exactly what's happened.

⁶ National Library of Medicine: "Neurodiversity at Work"
(<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7732033/>)

Breaking down stigmas

Dominique Cytryn is a Benefits Analyst working within the Human Resources department of Serco, North America.

But alongside her day job, she has taken on extra duties through the sheer force of her personality.

It began with Dominique sharing her own journey as an employee at Serco with autism. She shared with colleagues across the business the challenges she'd faced and overcome with all the precise detail necessary to understand the complexities.

Dominique quickly established a following in Serco. Notably, this was both from those with diagnosed non-visible disabilities as well as people who suspected they were neurodivergent.

She has since become a key part of Serco's Employee Resource Group (ERG) – an initiative aimed at promoting education, inclusion and knowledge sharing across the business.

In that capacity, Dominique took it upon herself to conduct the ERG's first training session of 2023 – on neurodivergence. It attracted more than 100 participants from across the company.

Fascinatingly, at a section towards the end of her presentation, Dominique discussed how it was possible to create an environment in which employees felt safe enough to share their neurodivergence.

And suddenly, while explaining what that might look like, a participant unmuted themselves.

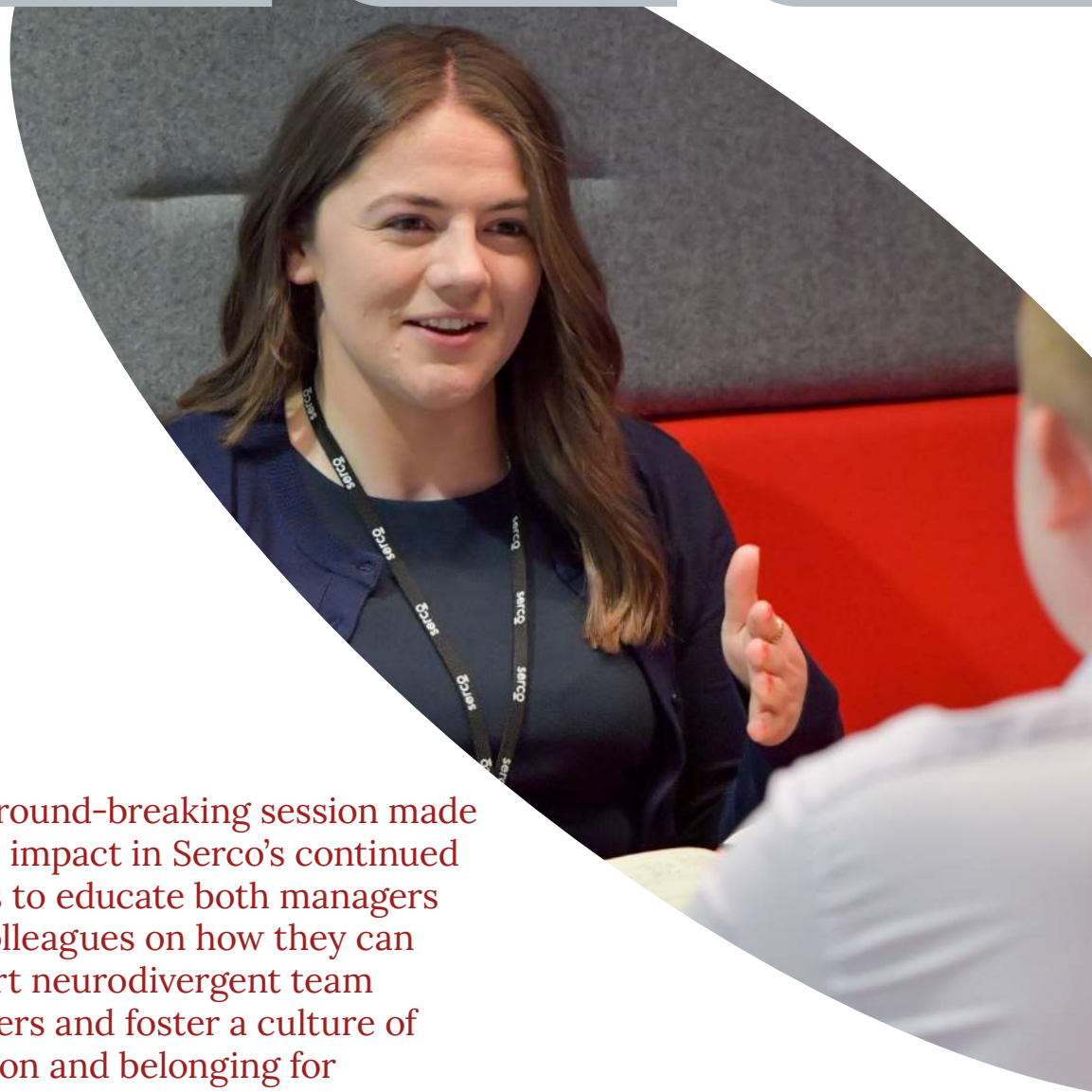
They told Dominique their own story of neurodivergence – a story they hadn't shared at work ever before.

Dominique responded with great understanding and empathy – the kind of empathy only possible through shared experience. And thereafter, countless others on the call shared their own stories.



This ground-breaking session made a huge impact in Serco's continued efforts to educate both managers and colleagues on how they can support neurodivergent team members and foster a culture of inclusion and belonging for everyone at Serco.

Michael Marston
Vice President of ESG at Serco





Small steps towards bigger ambitions.

According to some studies, teams with neurodivergent professionals in some roles are 30% more productive than teams without them⁷.

Each neurodivergent person is unique, but all kinds of beneficial abilities are regularly cited, from attention to detail and pattern recognition to visual memories and creative thinking. It's also now abundantly clear that many of the best innovators and business leaders are neurodivergent.

What's also apparent is the damage workplaces can self-inflict by not supporting, empowering and championing neurodivergent individuals. It can harm an organisation's ability to retain and attract the best people, and more fundamentally, could be a major barrier to progress – especially considering that around 20% of any given team is neurodivergent.

But such a complex subject demands a nuanced, people-focused approach. You simply can't begin to understand neurodivergence without finding someone neurodivergent to lead the way. Any other approach will feel inauthentic in comparison.

Every business needs to find their own Dominique Cytryn.

⁷ Deloitte, "Creating a better work environment for all by embracing neurodiversity"
(<https://www2.deloitte.com/us/en/insights/topics/talent/neurodiversity-in-the-workplace.html>)

Everyday HEROs

Among the dizzying number of services carried out in the name of public safety around the world by Serco, one often stands out – in part because of its acronym HERO.

In the US, Serco's Highway Emergency Response Operators (HEROs) are frequently at the frontline of some of the most high-risk and highly publicised road accidents.

Deployed to protect the public as well as other emergency responders, HEROs have become a critical part of emergency response to major incidents.

Few incidents in 2023 were more major than the I-55 pile-up in October 2023.



Fighting through the 'super fog'

On October 23, 2023, on Interstate 55 near New Orleans, that rare combination emerged when nearby marsh fires mixed with a heavy morning fog. The tragic consequence was an extraordinary crash involving 168 vehicles.

Serco's Glen Ruppert, a Motorist Assistance Patrol (MAP) Operator from New Orleans, was officially the first at the scene – and it would be difficult to overstate how challenging the situation was.

As he slowly drove past a few clusters of wrecked vehicles, Glen soon came to a complete stop where the road was entirely covered with partially or entirely destroyed vehicles.

Thereafter, Glen had to set out on foot to try to find the front of the incident – which remarkably, was a further half a mile away. The super fog remained, so Glen could barely see anything in front of him.

However, because of his commitment and training, Glen was constantly relaying every detail he witnessed – details that would prove vital to securing the incident as quickly as possible and ensuring the safety and survival of the injured public.

Eventually, Glen made it to the front where he saw several vehicles engulfed in flames. Glen began rapidly escorting people away from danger, assisting the injured, and directing various emergency services to the scene.

It's fair to say it puts a new spin on the term 'multi-tasking'. His bravery, and the bravery of his various colleagues as they arrived throughout the long day and night that followed, was astonishing. The site was eventually secured, and Serco played an essential role in the safety of all involved.

So-called 'super fogs' are a rare but extremely dangerous phenomenon that typically occur when water vapour mixes with smoke.

But protecting the public, and ensuring the incident didn't become even worse, wasn't just about bravery and instinct. Glen and his colleagues are testament to the brilliant planning and preparation that goes on behind the scenes.

All Serco HEROs, for example, now wear body-mounted strobe lights, called 'guardian angels', that warn motorists of their location in low light situations whilst also illuminating their work area.

For incidents like I-55, this kind of innovation is critical.

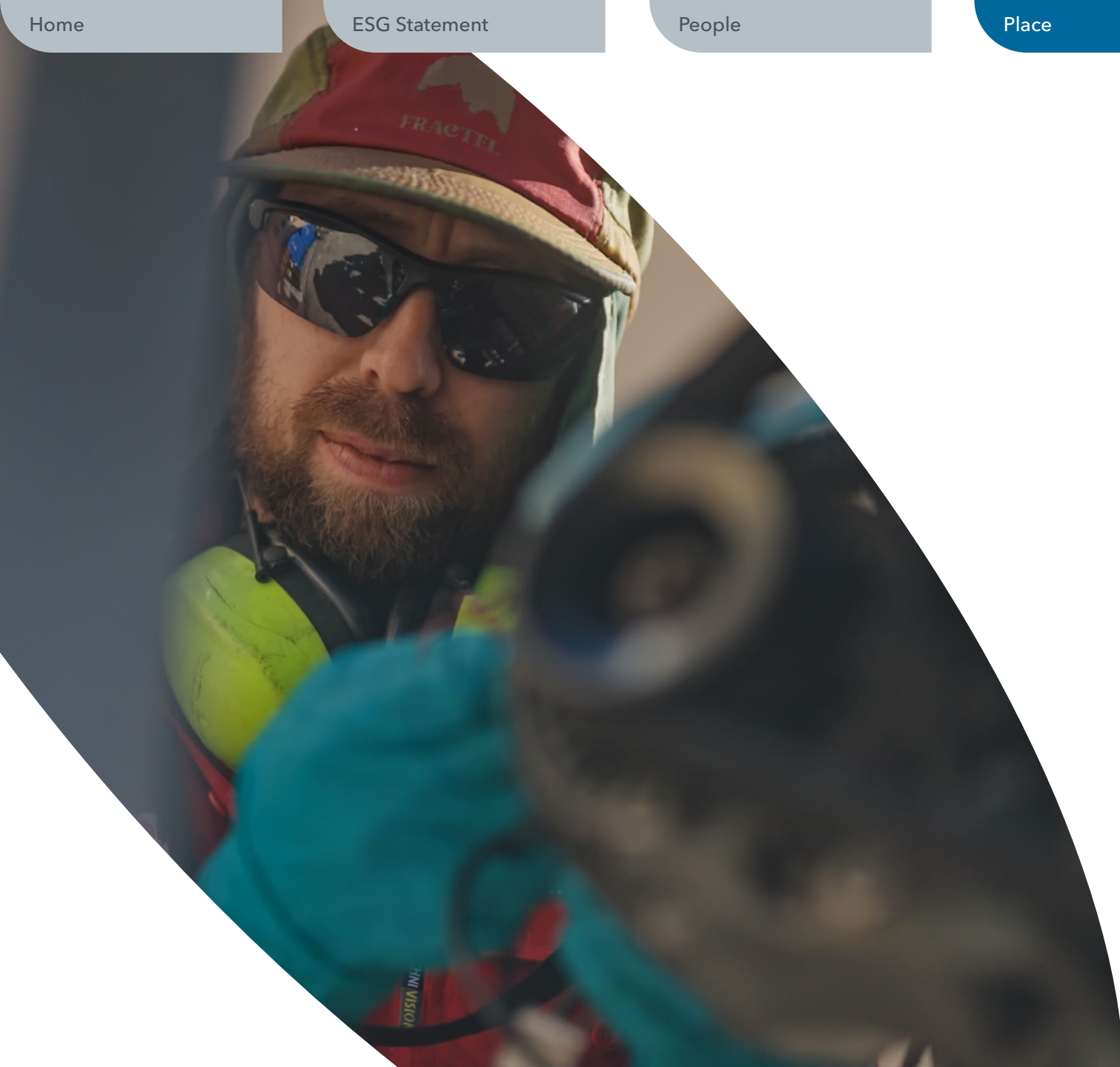
Also critical are the telematics and three-point cameras added to many Serco vehicles, which become a lifeline in scenarios like this, where there is potentially no visibility at all.

That combination of careful planning, meaningful innovation and individual brilliance really does make an impact where it matters most.

Place

We measure impact through the quality of the public services we deliver and the community investment that we make.

Here, we share **Place** stories that reflect our commitment to serving communities, supporting local people and businesses – all of which strengthens and contributes to the social and economic wellbeing of those communities in which we work.



People tend to get bored when they have to do something mundane. Robots don't

Engineers think differently.

The average person tries to avoid problems. Engineers, meanwhile, are drawn to them. Solving problems is often what gets them out of bed in the morning. And their innate ability to approach problems in a very rational, systematic way makes them uniquely good at solving them.

One such problem was presented to Troy Barnhart, Senior Systems Engineer at Serco.

It's a problem most of us would feel bewildered by. Troy, on the other hand, got straight to work.



People tend to get bored when they have to do something mundane,” he said. “And when they get bored, they make mistakes. Robots don't. They're great at doing things over, repetitive and consistent

Troy Barnhart
Senior Systems Engineer at Serco

Small steps towards solving a bigger problem

Puget Sound is a region on the Pacific Northwest coast in the US state of Washington. It is also a beautiful, biodiverse and ecologically vital area. And like so many areas inhabited by humans, it faces severe challenges related to pollution and habitat loss.

One small part of this particular ecological problem can be found in the Port of Illahee, one of many parts of Puget Sound that is attempting to deal with the issue of tire pollution.

According to the WA State Department of Ecology, there are an estimated 500,000 tyres scattered throughout Puget Sound waterways⁸.

These tyres were dumped in the 1970s and 1980s to create artificial reefs and breakwaters. However, over time, the tyres have begun to degrade, releasing harmful chemicals into the water. These chemicals are toxic both for aquatic and human life.

And the problem begins not even with removing the tyres, but finding them – at scale, and safely.

The process of locating these tyres has always relied on divers slowly scouring the sea floor.

Troy decided that an Unmanned Surface Vehicle (USV) could do a much better job, and more safely.

Better still, he'd already built the vehicle, back in 2019. It was called Archer, and was previously used in search and rescue missions. And so, on 25 October 2023, Archer automatically sailed a small section of Puget Sound, equipped with a towed sonar system. Troy was close behind, ready to take control should it sail near animals or people.

The data collected will now help to form a new removal plan. And Archer will sail the same routes after removal, to establish how much impact it makes and how quickly the seabed can restore itself.

It's an innovation that will revitalize restoration efforts, and it's already exciting locals. USVs are still at an early stage in their development, so the sky really is the limit for how much impact an idea like this could have.

No matter the size of problems we face, the solution so often begins with one, great problem solver.



We've got so much marine activity that goes on here. And this is a prime example of how you can use these autonomous vehicles to go out and search areas and find environmental issues that need to be corrected.

Gary Anderson
Port of Bremerton Commissioner

⁸ Washington State Department of Ecology
(<https://ecology.wa.gov/waste-toxics/solid-waste-litter/waste-tires>)

Full-scale renovation of a remarkable UAE-based school

For businesses like Serco, volunteering plays an important role in making an impact.

The nature of the work also takes Serco to all kinds of remarkable places around the world.

And in 2023, one volunteering project really stood out: a full-scale renovation of the Al-Mutaredh Tolerance School in UAE.

This school does vital work in helping disadvantaged families gain access to quality education. But it was in dire need of a refresh.

142 volunteers impacting 733 students

The programme of work carried out by colleagues at the UAE-based Serco/ Mubadala joint venture, Khadamat Facilities Management, was comprehensive to say the least.

Replacing air conditioning units and drain covers, repairing doors, painting classrooms, re-fitting bathrooms, installing curtains and safety signage, delivering donated furniture... the list was endless.

To add further complexity, the work had to be executed while students were away for summer vacation.

And so, despite many months of planning and approvals, the work was carried out with remarkable speed.

Of vital importance was the number of volunteers involved. Across just 5 open days for volunteering, an incredible 142 volunteers worked together to successfully complete the renovation.

The sheer volume of work gives a sense of the scale.

54 air conditioning units and 587 lamps replaced.
50 bathroom doors and 20 computers repaired.
135 curtains and 74 safety signs installed.
36 classrooms completely re-painted.

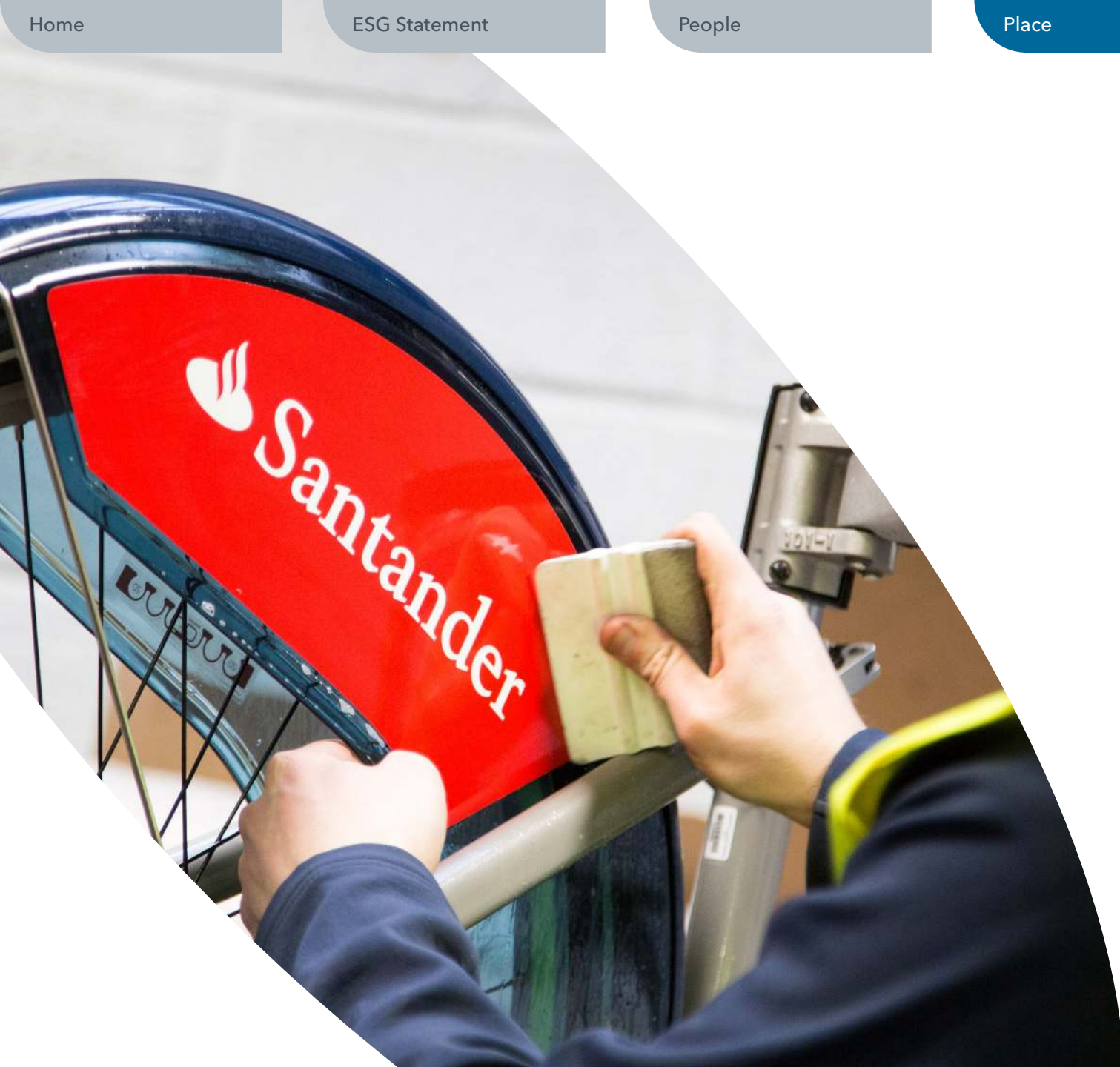
This is just a small selection of what was achieved across a short period of time, to ensure 733 students returned to what would have felt like a brand new school.

Volunteering is so ubiquitous within corporate ESG that its value and meaning can easily be lost or misunderstood.

But more than 140 people, taking time out of their daily lives to refurbish a school for disadvantaged children in a village in the UAE isn't just corporate ESG.

It's the sort of work that brings people and communities closer together.





Over £43 million in social value delivered – and counting

Social value, in the context of organisations like Serco, refers to the impact contracts make on the people, businesses and environment in the areas in which they operate.

For all the good intention, the impact of social value has traditionally been limited because of an inability to actually measure it.

But as the ESG agenda moves forward both at Serco and in the wider world, that's changing.

The Social Value Portal

The Social Value Portal (SVP) is a customisable tool that allows businesses to calculate, quantify and communicate the social and environmental impact their projects have.

It's one of the world's leading tools for this very unique purpose, and this year Serco began using it within some of its UK contracts and bids.

The SVP uses well-established methods endorsed by local governments, and data sources that include the UK office for National Statistics and the Treasury Greenbook.

Vitality, the SVP works at a contract level. Each contract has a summary dashboard which shows committed social value and action delivered against commitments as a financial (£) figure, and as a %.

It also works across many different areas of impact, from carbon reduction and car miles saved to local employment and apprenticeships figures.

In short, when a contract includes the SVP tool, specific data can demonstrate how much social value has been delivered across different measurables, and with real clarity.

To date, 19 contracts are using the portal and have delivered over £43m in proxy value. We plan to scale this across more contracts in the UK.

Why it matters

An enormous amount of work goes into doing good.

But if that good work can't be meaningfully measured and therefore reported, it remains invisible to the majority.

If it's invisible, its value and impact can't be shared and advocated. And if this good work can't be communicated, it's impossible for it to inspire further support and investment.

Measurement and reporting might seem like the smallest, driest part of the ESG puzzle. But in reality, it's fundamental.

If people are the stories within ESG, then initiatives like the Social Value Portal are the storytellers.



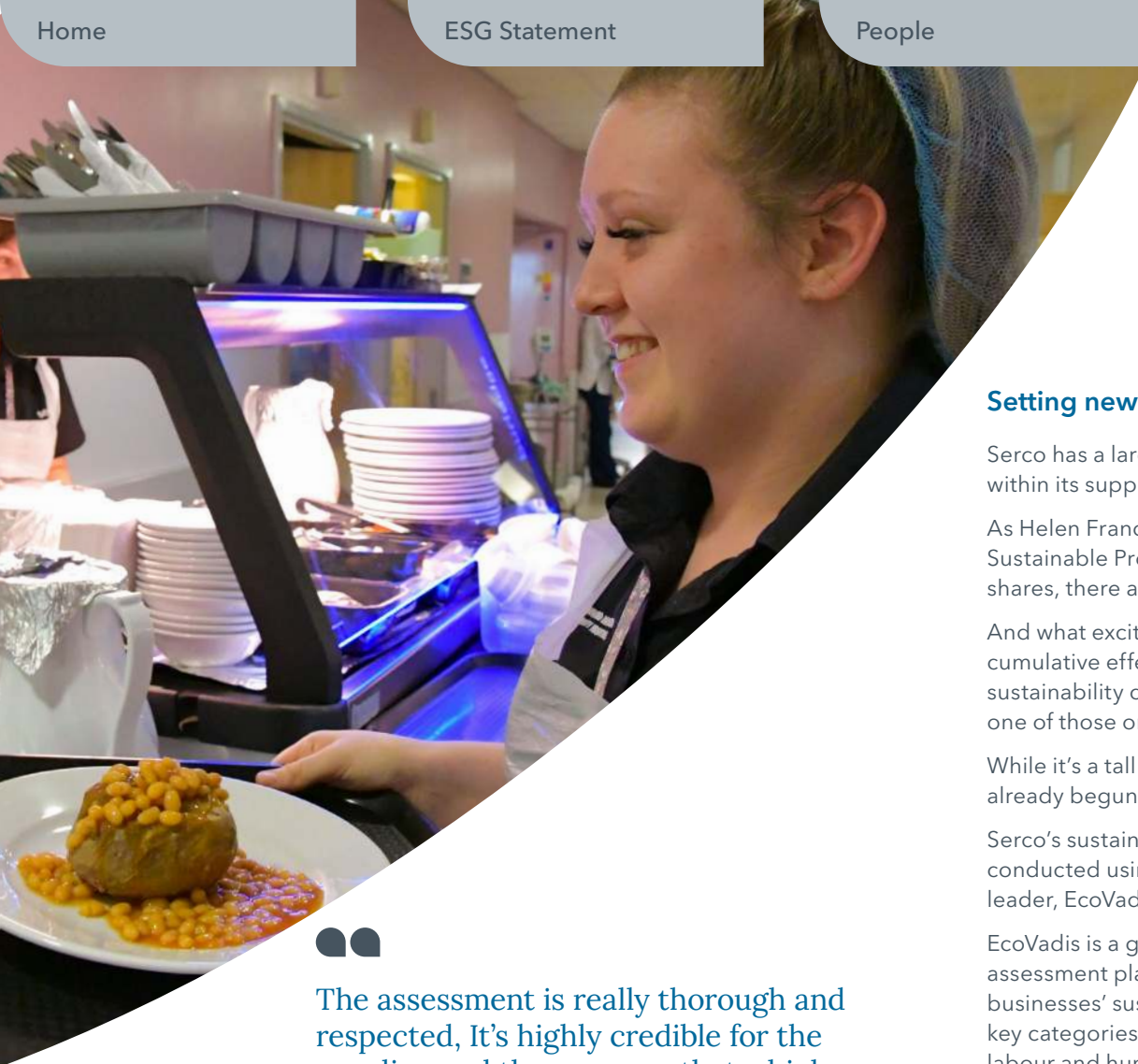
The cumulative effect of supply chain assessments for a business like ours is enormous

One of the fundamental challenges within ESG practices across the world is that all too often, the most meaningful initiatives don't always grab attention.

That helps to explain the stubborn prevalence of practices and ideas in every industry that offer style over substance.

But the tide is turning – and there is no better example than the emergence of more sophisticated supply chain assessments.





The assessment is really thorough and respected, It's highly credible for the supplier, and they can see that a high score not only strengthens their relationship with us but improves their chances of winning business elsewhere"

Helen Francis
Sustainable Procurement Specialist

Setting new industry standards

Serco has a large number of suppliers within its supply chain.

As Helen Francis, Serco's first Sustainable Procurement Specialist shares, there are around 16,000.

And what excites her is the cumulative effect of assessing the sustainability credentials of every one of those organisations.

While it's a tall order, the process has already begun.

Serco's sustainability assessments are conducted using the global market leader, EcoVadis.

EcoVadis is a globally renowned assessment platform that rates businesses' sustainability based on four key categories: environmental impact, labour and human rights, ethics, and sustainable procurement.

To date, just over 170 suppliers have been rated. But because Serco has started with the largest suppliers (both in terms of spend and potential environmental footprint), these suppliers already make up over 27% of total supplier spend.

The powerful ripple effect of these assessments are already apparent. 71% of rated suppliers have improved their score between their first and most recent assessment. The assessment, in effect, has been a catalyst for change.

Furthermore, 46% of suppliers have created sustainability assessments for their own supply chains, recognising the direct impact such assessments could have on their score and performance.

These early indicators of influence are precisely what excites Helen and demonstrate the infinite potential of this system.

Better still, there are already signs that the assessments are influencing bids and new business.

To date, the sustainability assessment has been used within 19 bids and is now a significant part of the bidding process.

In this sense, sustainability assessments at Serco and beyond are doing precisely what has been missing in the past from ESG processes: making sustainable practices not simply ethical – but profitable.



You expect something like this to just sit on someone's desk. Now this project has gone viral – and global

Children with incarcerated fathers is a big, complex, global problem.

Accurate estimates of how many children around the world have a father in prison are scarce, but it's estimated that there are several million. We also know that 93% of the global prison population is male⁹.

There is no easy answer to a problem as big as this. And yet, it has been the trigger for one of the more remarkable Serco stories in recent history.

For the children, one of the enduring challenges is how to ensure they feel loved and not forgotten. For their fathers, it's how to have a voice that can be heard and understood.

⁹ UN Office on Drugs and Crime analysis, 2022 ([https://www.penalreform.org/global-prison-trends-2022/prison-populations/#:~:text=Men%20make%20up%20most%20of,Drugs%20and%20Crime%20\(UNODC\).](https://www.penalreform.org/global-prison-trends-2022/prison-populations/#:~:text=Men%20make%20up%20most%20of,Drugs%20and%20Crime%20(UNODC).))

Shining a light on incarcerated fathers

Clarence Correctional Centre in New South Wales is Australia's largest prison with a capacity of 1700.

It's operated by Serco and comes with all the day-to-day challenges you would expect from a prison this big.

And within this environment, the Serco team, in partnership with SHINE for Kids and Green Fox Studio, decided to publish a book written by fathers in custody at the centre.

'The Sun Still Shines' is a beautifully written and moving book, that takes on the challenge of explaining the prison experience by drawing parallels between the daily lives of incarcerated fathers and their children. Dads learn, work and exercise in prison – just like their kids do at home.

It's also been carefully and meticulously put together. Serco even engaged a child psychologist to ensure that language hits exactly the right notes for children.

Reading the book, you feel like you're digesting a story that you've never read before – but one that desperately needed to be told.





“This project has gone viral and global, and had a genuine impact beyond our expectations. Everyone wants a copy

Gary Anderson
Port of Bremerton Commissioner

Families with incarcerated fathers are in touch trying to purchase it

As is the case with any great story, its popularity has rapidly spread far and wide.

“This project has gone viral and global, and had a genuine impact beyond our expectations. Everyone wants a copy”, says Bree Hiatt, Communication & Community Engagement Manager for Serco Asia Pacific. She goes on to share its enormous impact, having only been published in Spring 2023.

It’s been distributed to over 800 libraries across Australia. Bree is regularly approached by families trying to purchase it.

A larger print run has begun. And now, a First Nations version is being planned.

Meaningfully innovative projects like this don’t come about easily. It normally takes the courage and endeavour of individuals like Bree, as well as the scale and influence of a business like Serco.

“This wouldn’t have happened without Serco’s size and influence. It also wouldn’t have been noticed”, says Bree. “But what’s more important is that Serco let us be innovative in the ESG space. There are no bad ideas, and we get to make a real impact. I’ve never been knocked back on anything”.

The Sun Still Shines can be read online here: [\[The Sun Still Shines\]](#).

Planet

We measure impact through reducing carbon emissions in line with the Science Based Targets initiative.

Here are **Planet** stories that reflect the work we are doing to address environmental and climate emergencies, and to support the net zero ambitions of our clients and wider society.

Carbon reductions from Mansfield to the Middle East

Environmental sustainability can seem like a bottomless pit of complex, nuanced issues.

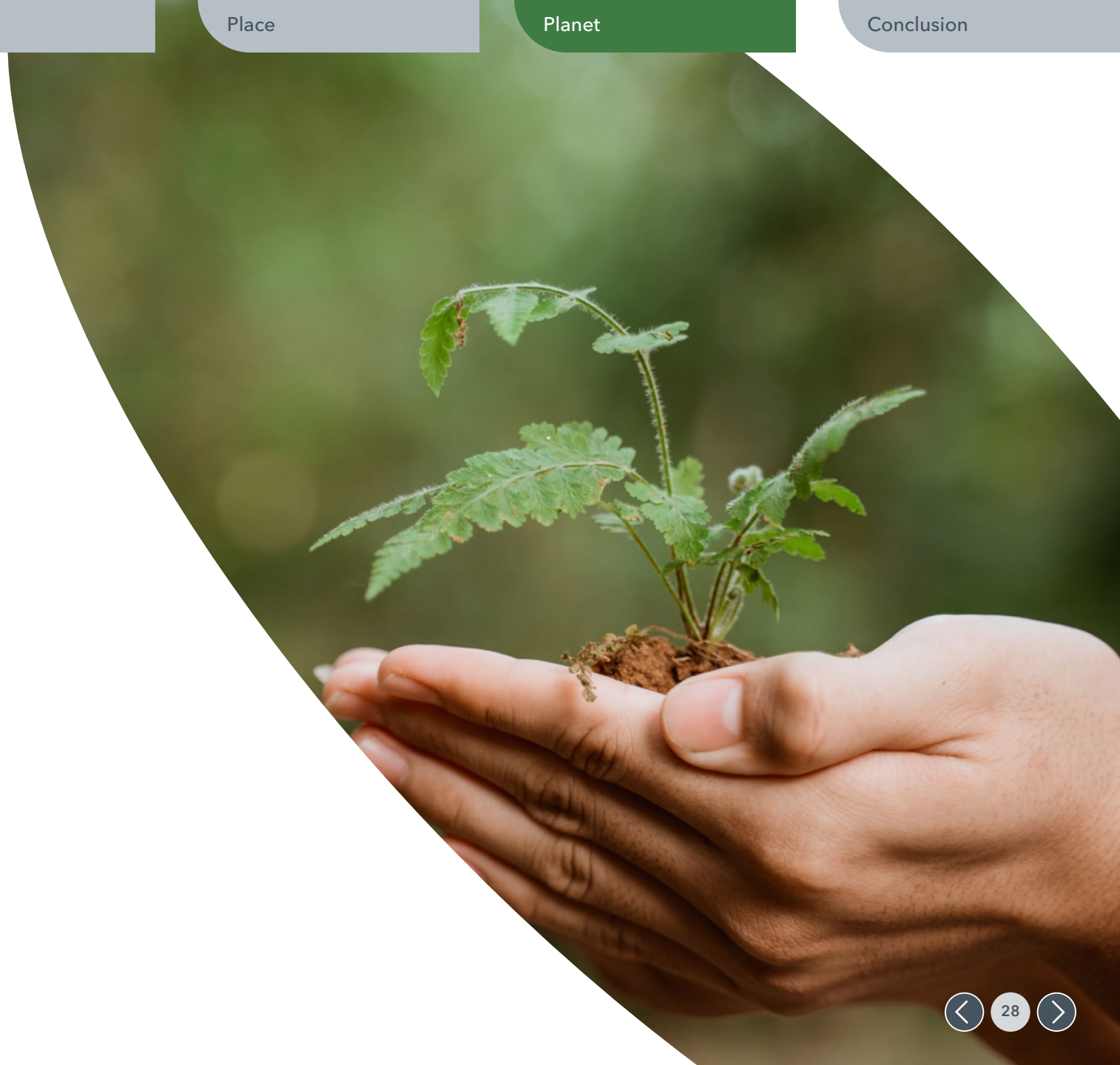
Everything matters, but at the same time it can be overwhelming, as individuals or businesses, to know precisely where to focus.

However, many environmental sustainability experts, when pushed on which one issue will have the biggest impact on the future of the planet, more often than not will offer the same answer: carbon. After all, CO₂ accounts for approximately two thirds of current greenhouse gas emissions¹⁰.

For that reason, among many others, Serco continues to review opportunities across our value chain, recognising the importance of engagement and collaboration.

It's work that matters – and here are a couple of examples of what we're doing as a business to affect change.

¹⁰ United Nations Environment Programme Emissions Gap Report 2023 <https://www.unep.org/resources/emissions-gap-report-2023>





Cutting carbon and costs

It's thought that real estate causes around 40% of global carbon emissions¹¹. That makes energy efficiency in buildings, if not a silver bullet for carbon, then at least an excellent place to start.

For the Rebecca Adlington Leisure Centre in Mansfield, UK, carbon reduction is a major focus.

The leisure centre, managed by Mansfield District Council and supported by Serco Leisure/More Leisure Community Trust Limited since May 2022, was eager to reduce its footprint.

And the key to this was the installation of an innovative ground source heat pump.

Operational since February 2023, this system sends cold water through underground pipes, and comes out the other end having been warmed and compressed naturally in the earth. This new energy is then used to heat the building and pool.

It's hoped the pump will save an enormous 417,825 kg of carbon dioxide a year, but the savings don't stop there.

The heat pump will also reduce the reliance on biomass deliveries for its boilers, especially prevalent during winters. One lorry load alone costs approximately £4500 per delivery.

This perhaps is an especially important point. When a carbon reduction goes hand in hand with a cost reduction, innovation becomes a no-brainer.



By keeping these costs down around our centres as much as possible, it allows us as an operator to continue offering value for money options, which help keep this community active and well.

Jack Garner
Contract Manager for
More Community Leisure Trust

¹¹ World Economic Forum, "How do you decarbonize real estate?" (<https://www.weforum.org/agenda/2022/11/how-we-can-decarbonize-the-real-estate-sector/>)

Carbon reduction across the world

Serco divisions across the globe have also taken very important steps recently to speed up their transition to renewable energy sources and reduce their carbon footprint and engage with value chain partners whilst also supporting nature recovery projects which capture carbon.

Highlights include:

Increased use of renewable energy globally. Following in the footsteps of the UK all electricity used in Serco leased facilities in the Middle East is now 100% renewable along with 25% in the United States, enabling our membership of the US Green Power Partnership. Energy broker supply chain partners will support an increase to 100% across North America and Asia Pacific in the coming years.

In the Middle East Serco joined the United Arab Emirates Alliance for Climate Action (UACA) and supported a trial of a carbon measurement tool.

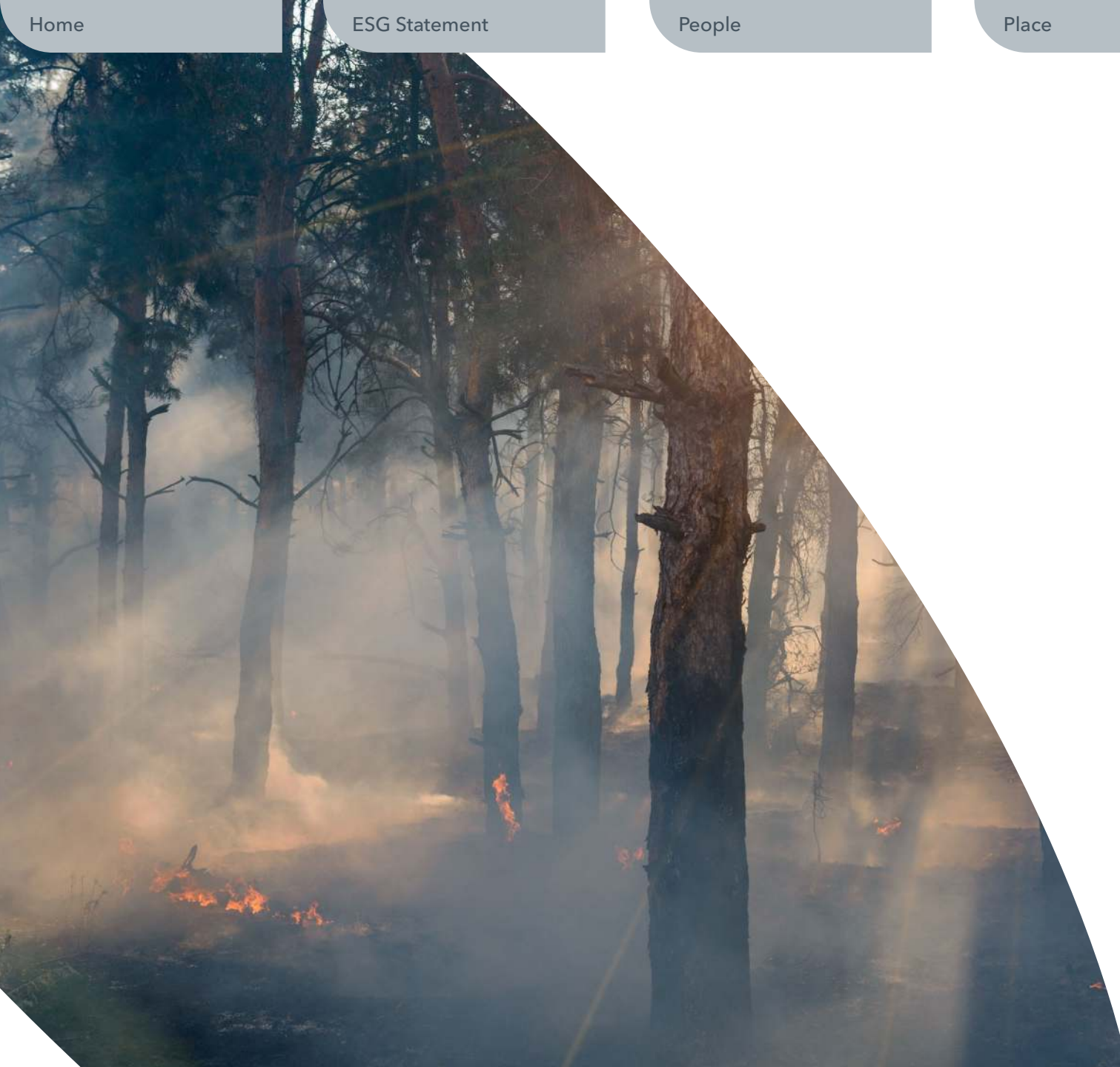
Serco continues to address fleet emissions, including work with environmental services clients in the UK to increase new generation low carbon fuel use ts and more generally transition to more hybrid and electric vehicles where possible across other fleets and company cars

In 2023 Serco Middle East partnered with Emirates Marine Environmental Group to support mangrove tree forests in the UAE, whilst Serco Europe's ongoing partnership with WeForest is growing 12k plus trees in Zambia.

These are just two examples of how Serco invests in schemes with environmental charity partners to both store carbon whilst also supporting nature recovery and biodiversity, addressing both climate and nature emergencies.

Clearly, meeting the global needs for carbon reduction is about both innovation and collaboration, linking nature positive approaches.





Looking after every last drop

Extreme weather events are on the rise, globally.

The summer of 2023 was the hottest since records began. Data from the Copernicus Climate Change Service, which is supported by Serco Europe, showed that August 2023 was about 1.5C warmer than the average between 1850 and 1900¹². All kinds of other stats and insights paint a similar picture.

But when it comes to understanding the effects of these changes and what can be done to limit them, it helps to focus on specific locations and stories.

Serco's water management team in Melbourne works with the City of Melbourne and University of Melbourne to monitor, assess and manage water throughout the city, delivering vital climate change adaption services.

Their experiences and innovations offer a small and intriguing insight into what the future might look like for cities managing the consequences of extreme weather all around the world.

¹² Copernicus Climate Change Service analysis (<https://climate.copernicus.eu>)

Less water for more people

The Australian climate is renowned for periods of drought – and Melbourne, despite its location on the Victorian coast, hasn't been spared.

Melbourne is experiencing longer, drier periods annually. According to Melbourne Water, the long-term average inflow of water before 1997 was 615 gallons a year. Between 1997 and 2020, it was 427 gallons a year – a significant decrease¹³.

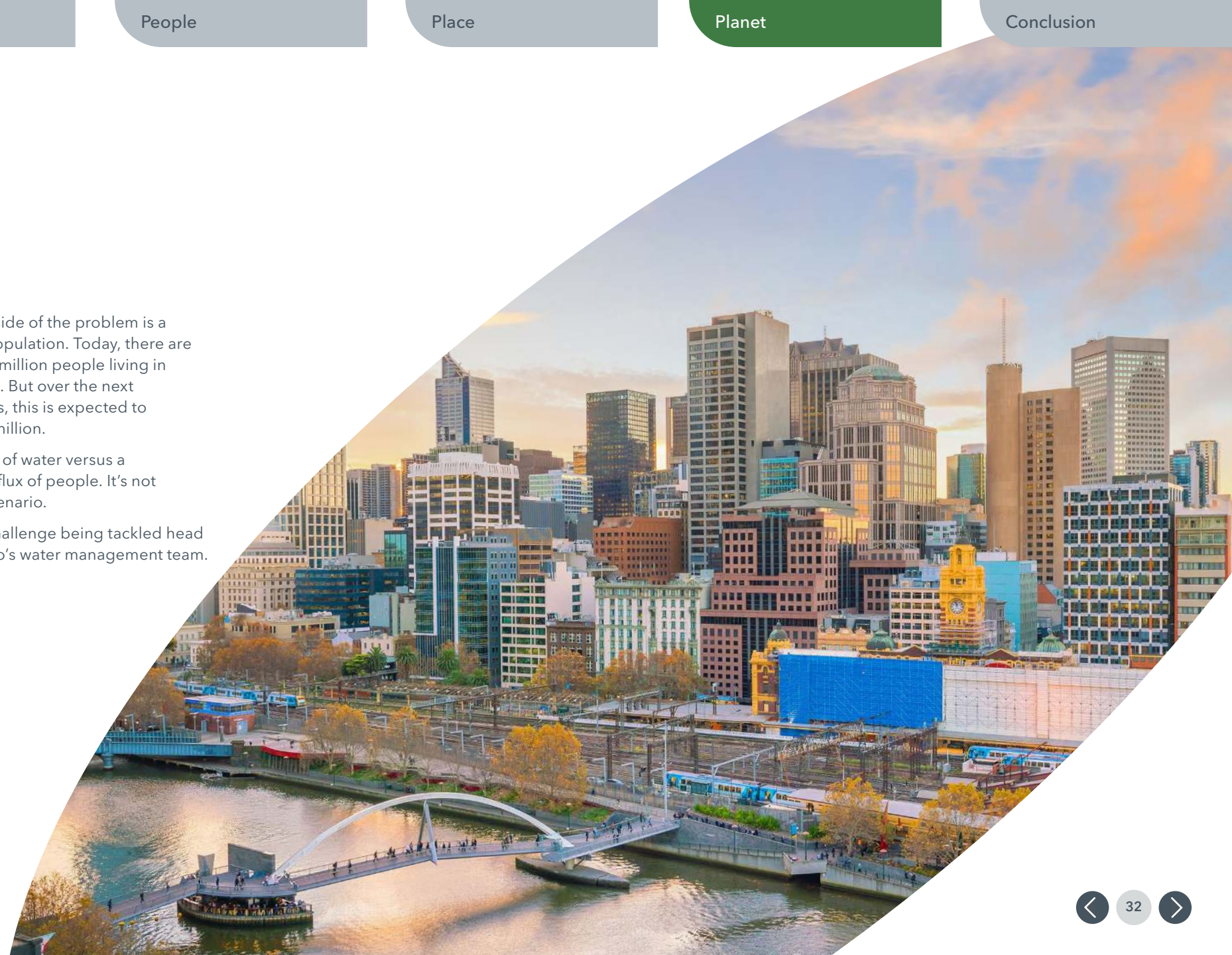
Bushfires are on the rise, too. For a number of reasons, these dramatic events place further pressure on water maintenance.

The other side of the problem is a growing population. Today, there are just over 5 million people living in Melbourne. But over the next 40-50 years, this is expected to grow to 8 million.

Less inflow of water versus a growing influx of people. It's not an ideal scenario.

But it's a challenge being tackled head on by Serco's water management team.

¹³ Melbourne Water: 'Our Water Supply Challenges' (<https://www.melbournewater.com.au/water-and-environment/climate-change/our-water-supply-challenges>)





Irrigation innovation

Serco's water management remit in Melbourne is extensive.

It operates and maintains stormwater harvesting and irrigation systems, plumbing infrastructure, water features, pump seats and sports field lighting across open spaces in Melbourne's central business district.

A vital part of Serco's successes in efficient water management is the way it uses data to constantly react to changes in weather patterns.

Serco analyses information about weather and raw data generated from soil moisture probes to determine irrigation schedules and the amount of water to release from the harvesting system for the irrigation of parks and gardens.

Using the City of Melbourne's irrigation prediction system, Serco tracks soil moisture levels and analyses the health of the plants through the Normalized Difference Vegetation Index (a metric for quantifying the health and density

of vegetation using sensor data) and through satellite technology which helps early detection of poor soil moisture.

Serco's water specialists adjust the irrigation events to suit the conditions, determined from data analysis and further confirmed visually. These checks are conducted daily, adding the human touch to the huge amount of data analysis.

Every year, more than 125 million litres of water are diverted from stormwater overflow, treated, and utilised for irrigation.

This touches on just one aspect of how the water team are finding creative solutions to problems.

They work closely with seasoned experts, like the internationally renowned and former University of Melbourne lecturer, Geoff Connellan, to develop new ideas.

Academic collaboration also led to the installation of 2,000 wet wells to keep trees hydrated efficiently. Designers from the University of Melbourne helped create a system that disperses enough water into the ground without high evaporation.

This has been essential after years of drought, and the system is now considered best practice globally for the irrigation of elm trees.

These are small victories in what can easily feel like a vast, never-ending battle against the elements. But with every new idea and innovation, cities like Melbourne – and countless others watching on – can begin to make a real impact on the issues facing its growing populations.

Conclusion

People making an impact.



The real story is about people.

Serco is, undeniably, a big, complicated company with contracts and commitments of every shape and size across the world.

The ESG work we do therefore can easily be lost within the sheer size and scale of the business. The numbers and targets are always there, but they fail to tell the real story.

Whether trying to publish a book authored by incarcerated fathers or driving the assessment of the sustainability standards of our entire supply chain, these very different people are united by the same innate characteristic: passion.

Without it, every initiative would remain in someone's inbox. Passion is the catalyst for every great ESG initiative, big or small, within Serco and any other business. It's vital that these stories are spotted, shared and celebrated in order to inspire more.

ESG is about good people doing good things. And at Serco, we're fortunate to have a lot of good people doing a lot of good things.

The following sources provide additional information on our or impact:

Our Impact section, Serco Annual Report and Accounts 2023, details our approach and provides a small selection of activities and impacts.

[\[Click Here\]](#)

Our Impact Hub provides details on our performance and plans across all areas of people, place, planet and governance.

[\[Click Here\]](#)

2023 Data Book provides a full suite of ESG data points over a five-year period with notes and commentary.

[\[Click Here\]](#)

ESG Resources provides various ESG reports and resources along with public third-party reports on Serco operations, and our responses to frequently asked questions.

[\[Click Here\]](#)





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