

# Modern Slavery & Human Trafficking Statement 2022



## Global Sourcing

### Introduction

Modern slavery and human trafficking is a global issue for which Leidos Supply Ltd. (LSL) has a zero tolerance approach, both internally and externally throughout our supply chain. We aim to be alert to the risks, however small, by working closely with our colleagues and suppliers, and continually improving our knowledge and processes.

LSL is voluntarily publishing this statement in line with the UK Modern Slavery Act 2015 and UK Government guidance on transparency. **This statement has been approved by the Board of Directors.**

During 2021 we continued to improve our processes and procedures in order to improve our ability to address and mitigate modern slavery and human trafficking risks in our supply chains while providing greater transparency of those supply chains.

## Organisation, business and supply chains

- ▶ LSL works in a Bristol based office with its Parent Company Leidos Europe Ltd (LEL), and Subcontractor TVS Supply Chain Solutions, procuring goods and services for the UK MOD under the LCS(T) Contract;
- ▶ Employing approx. 50 members of staff;
- ▶ Procuring from over 800 suppliers;
- ▶ Sourcing over 80,000 products under the LCS(T) Contract, and;
- ▶ Managing 5 commodity areas, Clothing; Food; Medical; Oils, Lubes, and Gases (OLG); and General Supplies (GS).



**c.800 Suppliers**

- Clothing has been identified as LSL's highest risk area due to the risk level of the textile industry, and the country risk for many textile products and components, many of which come from the Middle and Far East.

### Policies



- ▶ LSL is part of the Leidos group of companies. Leidos is a FORTUNE 500 company that is listed on the New York Stock Exchange (NYSE:LDOS). At a corporate level, Leidos has policies addressing Modern Slavery and Human Trafficking and LSL's policies align with these;
- ▶ We clearly identify our stance and the importance of modern slavery in all our Terms and Conditions with commodity suppliers;
- ▶ Internal policies ensure all employees are eligible to work in the UK.

## Due diligence, risk assessment and management

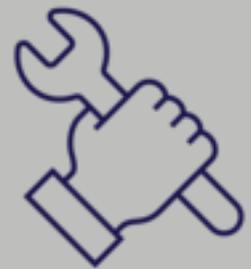


**200+ Customers**

- ▶ As risks are identified we conduct supplier audits as part of contractual governance;
- ▶ Modern slavery risks are assessed at all stages of tenders and throughout the life of the contract;
- ▶ An internally developed risk matrix is used to assist employee knowledge and understanding, desktop research, and further audit activity through identified risk;
- ▶ We conduct third party due diligence focused on modern slavery and corruption, and;
- ▶ We have a dedicated question set included in all of our tenders to gather information on our bidders' internal and external practices and work to mitigate modern slavery. When this is not enough, we develop directed questions specific to the individual tender or contract.

## Company training

- ▶ Employees undertake mandatory training to ensure understanding of the Leidos Business Standards of Ethics and Conduct, and Leidos Code of Conduct, as well as internal annual training focused on ethics and modern slavery in the supply chain
- ▶ We are a Chartered Institute of Procurement (CIPS) accredited organisation subscribing to the professional standards of the CIPS Code of Conduct and earning the CIPS Corporate Ethics kite mark and recognition through completion of the CIPS "Ethical Procurement and Supply" course. The current award expires 6<sup>th</sup> July 2022. The award is valid for one year and we will actively complete the steps required to retain our accreditation.
- ▶ The Trade Compliance Officer (our dedicated subject matter expert) conducts awareness updates for Commercial staff throughout the year.



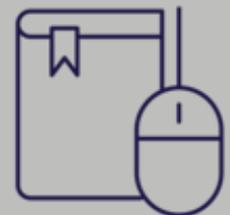
**80,000+ Products**

At LSL we strive to improve our understanding and our processes to raise awareness of modern slavery. We aim to act ethically and with integrity in all of our business relationships, and our goal is to implement and enforce systems and controls, that will improve over time, to ensure slavery and human trafficking is not taking place anywhere either in our business or our supply chain.

## Internally

As well as standard checks on our employees to ensure that they are eligible to work in the UK, we have placed a greater focus on our staff who are engaging with our global supply chain. Regular interaction with the Trade Compliance Officer ensures that our staff are kept up to date with relevant processes and procedures.

Our Modern Slavery Working Group discusses, creates, reviews and updates processes and procedures to ensure they are being used effectively and in line with our goals.



## Externally



Within our contracts, supplier obligations are set within our T&C's - explaining what is expected from them and their sub-tier suppliers. We provide a company hotline for reporting modern slavery concerns, as well as providing details for a third party that we work with to report through via telephone or email.

If high-risk supply chains are identified we investigate through conversing with the supplier and if the risk requires it we will conduct supplier audits, remotely and on site. These audits include assessment of their policies for modern slavery and human trafficking. We run Denied Party Screening checks on all our first and second tier suppliers to ensure they are not involved in bribery and corruption, which facilitates abhorrent acts such as forced labour.

## 2021 – 2022 continuous improvement

- ▶ The Modern Slavery Risk Matrix tool received an overhaul to better align with the work we are doing when implementing and monitoring contracts. This document will be continually updated to ensure peak efficiency;
- ▶ An enhanced focus has been placed on modern slavery risk at every stage of our Contract Approval Board (CAB) which is approved by a board made up of the LSL, Leidos Europe Ltd., TVS Supply Chain Solutions, and Kuehne & Nagel (our logistics partner) senior leadership members
- ▶ A dedicated set of questions has been added to all of our tenders to gather information about our bidders' actions and policies which is used as part of our risk assessment
- ▶ Staff are provided annual training and regular updates about internal improvements and external occurrences.



## Future aspirations

We always endeavour to improve on current processes in order to make our supply chain safer and more ethical. Our plans for 2022 include;

- ▶ To improve our risk assessments during the tender stage of our contracts;
- ▶ Conduct increased numbers of supplier audits;
- ▶ To ensure Modern Slavery remains at the forefront of our procurement activity, ensuring we are always working ethically, and;
- ▶ Improve our understanding of our supply chain, and continue to work with suppliers on mitigations to help prevent modern slavery.



Signed: Jaynie Davies, Director Leidos Supply Limited

J. M. Davies