

Modern Slavery & Human Trafficking Statement 2021



Global Sourcing

Introduction

Modern slavery and human trafficking is a growing global issue for which Leidos Supply Ltd. (LSL) has a zero tolerance approach to internally, externally, and with our supply chain. As such, we aim to be alert to the risks, however small, by working closely with our colleagues and suppliers.

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

During 2020, we reassessed 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 Solutions, procuring goods and services for the UK MOD under the LCS(T) Contract
- ▶ We employ approx. 50 staff members
- ▶ We procure from over 800 suppliers
- ▶ We source over 80,000 products for the LCST Contract
- ▶ We have 5 commodity areas: Clothing, Food, Medical, Oils Lubes and Gasses, and General Supplies
 - Clothing has been identified as our highest risk area, driven by the textile industry and country of origin for many of the goods.



c.800 Suppliers

Policies



- ▶ LSL is part of the Leidos group of companies. Leidos is a FORTUNE 500 company, 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.



200+ Customers

Due diligence, risk assessment and management

- ▶ We conduct supplier audits as part of contractual governance risks are identified
- ▶ Modern slavery risks are assessed at all stages of tenders and at contract award
- ▶ We use a risk matrix to assist desktop research and further audit identified through risk
- ▶ We conduct third party due diligence focused on modern slavery and corruption
- ▶ Our T&Cs provide reporting instructions and an anonymous reporting hotline.

Company training

- ▶ Employees undertake mandatory training to ensure understanding of the Leidos Inc. Business Standards of Ethics and Conduct, and Leidos Code of Conduct, as well as internal annual training courses 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 was made on 21st August 2020. The Trade and Regulatory Compliance Officer conducts awareness updates for Commercial staff throughout the year.
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80,000+ Products

At LSL, we strive to improve our understanding and our processes in order 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 and Regulatory Compliance Officer ensures that our staff are kept up to date with relevant processes and procedures.

The 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 conduct supplier audits which include assessment of their policies for modern slavery and human trafficking. We also run reports through a third party organisation in order to provide in depth assessments of suppliers focusing on modern slavery and corruption.



2020 – 2021 Continuous improvement

- ▶ We have incorporated modern slavery into a specific role in order to have a dedicated member of staff constantly monitoring our policies and risks
- ▶ We have created and introduced a Modern Slavery 'risk matrix' which is used in the creation and assessment of all tenders and contracts
- ▶ 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, LEL, TVS and Kuehne & Nagel (our logistics partner) Senior leadership members
- ▶ Our newly established Modern Slavery Working Group includes members from across the business who are able to help shape any new processes and amendments to make sure that LSL is providing effective and meaningful support regarding Modern Slavery and human trafficking
- ▶ An additional annual mandatory training, focusing on combatting modern slavery and human trafficking, was added and completed by all staff.



Future aspirations



We always endeavour to improve on current processes in order to make our supply chain safer and more ethical. Our plans for 2021 include;

- ▶ To increase 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.

Signed: Jaynie Davies, Director Leidos Supply Limited