



## Modern Slavery Transparency Statement 2024

This statement relates to Babcock International Group PLC, covering all business regions, operating companies and business units throughout the world, including wholly owned and partly owned subsidiaries. The statement relates to the financial year ending 31 March 2024.

At Babcock we are committed to conducting our dealings, whether with customers, suppliers, employees or the communities in which we are based, with the utmost integrity and as such we are steadfast in our support for the elimination of modern slavery in all its forms. All our businesses, wherever they are located and wherever they have dealings in the world, are required to respect people and to value their diversity.

Our aim is to create an inclusive organisation where everyone's skills and contributions are welcomed and valued. This is very much at the core of our Purpose and Principles, an approach that is enshrined in our Babcock Code of Conduct.

Modern slavery falls within the governance pillar of our ESG programme, more information about which can be found in our Annual Report and on our website ([www.babcockinternational.com](http://www.babcockinternational.com)).

We continue to believe that due to the nature of our business our exposure to the risk of human rights abuses and modern slavery is low within our own business and supply chain. As we grow our business, we will always have in mind our Purpose and Principles to assure ourselves that our expansion remains in line with our values.

This document explains the steps Babcock is undertaking to prevent, detect and respond to modern slavery within our business and supply chains. It has been approved by the Board of Babcock International Group PLC and is made in accordance with Section 54(1) of the Modern Slavery Act 2015.

**David Lockwood**  
**Chief Executive Officer**  
**Babcock International Group PLC and group companies**

**10 July 2024**

Relevant companies for the purposes of section 54(2) of the Modern Slavery Act 2015:

Babcock Aerospace Limited	Babcock Rail Limited
Babcock Communications Limited	Babcock Support Services Limited
Babcock Critical Services Limited	Babcock Training Limited
Babcock Integrated Technology Limited	Babcock Vehicle Engineering Limited
Babcock Land Defence Limited	Cavendish Nuclear Limited
Babcock Marine Training Limited	Devonport Royal Dockyard Limited
Babcock Mission Critical Services Onshore Limited	Rosyth Royal Dockyard Limited

## 1. Structure, business, and supply chain

Babcock is an international defence, aerospace and security company, providing support and product solutions to enhance our customers' defence capabilities and critical assets.

We deliver support on complex programmes in our focus countries of the UK, Australasia, Canada, France, and South Africa, with exports to additional markets. We provide through-life technical and engineering support for our customers' assets, delivering improvements in performance availability and programme cost. We deliver these critical services to defence and civil customers, including engineering support to naval, land, air and nuclear operations, frontline support, specialist training and asset management.

We design and manufacture a range of defence and specialist equipment from naval ships and weapons handling systems to liquid gas handling systems. We also provide integrated, technology-enabled solutions to our defence customers in areas such as secure communications, electronic warfare and air defence.

External expenditure via third-party suppliers, including Original Equipment Manufacturers (OEMs), accounts for a significant part of our turnover and our approach and ability to manage these relationships affects our ability to deliver performance and margin. Our procurement and supply chain function develops and delivers supply chain solutions, which enable us to return value to our customers, shareholders, and communities. We buy a wide range of goods and services from around 12,000 suppliers based across over 40 countries. These range from OEMs to Small and Mid-size Enterprises (SMEs).

## 2. Slavery and human trafficking policies

As an international business, we recognise our responsibility for upholding and protecting the human rights of our employees and other individuals with whom we deal throughout our supply chain and in our operations across the world.

We believe that we have embedded a culture of respect for human rights throughout our business which is demonstrated by our commitment to ethical conduct in everything we do. Additionally, our **Babcock Code of Conduct** which summarises our commitment and compliance with this policy is mandatory for all employees, business advisers and business partners. We expect the same commitment from our suppliers and for them to flow down that commitment through the Supply Chain.

A full revision of the Group-wide Babcock Supplier Code of Conduct was published in 2024. This serves as a foundation, providing a transparent framework for our suppliers to align with Babcock's core values, adhere to our policies, and meet all relevant legal requirements. It also addresses the proper handling of intellectual property and other sensitive data, health, safety, and environmental concerns as well as Human Rights including Modern Slavery. By ensuring that our supply chain operates with integrity and transparency, we can explicitly define the standards and expectations that our suppliers must adhere to when conducting business with us. Our Supplier Code of Conduct reflects our commitment to human rights and responsible practices, including:

- Ensuring work is performed on a voluntary basis and without restriction of movement
- Treating workers equally and without discrimination
- Ensuring workers are of an appropriate age
- Respecting freedom of association and collective bargaining
- Providing reasonable working hours
- Paying workers fair wages
- Protecting workers' health and safety in the workplace
- Providing access to fair procedures and remedies

Our commitment to human rights extends throughout our supplier network and their extended supply chains. We prioritise transparency and responsibility, aiming to uncover and address issues collaboratively. This Group-wide Supplier Code of Conduct provides clarity about our expectations of methods used to deliver environmental and social responsibility. The code reflects the same standards that

we hold ourselves to and enables a consistent approach to our customers in delivering to the highest ethical standards.

Both the Babcock Code of Conduct and the Babcock Supplier Code of Conduct can be found on our website.

### **3. Due diligence procedures**

We continue to deploy our modern slavery risk assessment via our due diligence toolsets for new and existing suppliers. This due diligence toolset assists with supply chain awareness and facilitates measurement of supplier mitigation activities relating to modern slavery. We review this toolset on an annual basis.

Our businesses use appropriate processes to qualify, on-board and periodically revalidate suppliers to ensure compliance with commercial, regulatory, and legal requirements.

We explain the qualification process to our suppliers in our Procurement & Supply Chain functional principles and sector specific policies. The level of detail gathered from the supplier is appropriate to the type of supply.

### **4. Identifying, assessing, and managing risk**

We continue to believe that our exposure to the risks of modern slavery is low within our own business and supply chain.

This assessment is under continuous review so that we can determine if circumstances change that require us to take additional actions. Our strategic Risk Resilience tool enables real-time monitoring through AI and machine learning technology. It enables us to map our supply chain ecosystem, monitor activities, and proactively identify hidden risks in our sub-tier supply chain, tracking and generating alerts for indicators such as unethical labour practices including Modern Slavery. Additionally, approximately 1,000 suppliers are monitored for their ESG scores inclusive of individual attribute scores for forced and child labour as well as human rights to identify any exposures in our supply chain.

We continue to work in collaboration with other industry leaders to create a process that optimises risk management whilst encouraging the use of SMEs. Babcock requires all potential suppliers to demonstrate their capacity to meet our contractual requirements. We also look for a clear demonstration of commitment to corporate social responsibility. We expect high standards of conduct from our suppliers in what they will do either for us or for our customers. We will not accept any behaviour contrary to our codes.

Under our **Babcock Supplier Code of Conduct**, our suppliers must either subscribe to our Code or confirm they have equivalent standards and procedures in their own businesses.

### **5. Effective action taken to address modern slavery**

Our commitment to supplier relationships involves regular audits and assessments to ensure compliance with our policies, standards, and industry regulations. We prioritise critical factors such as environmental and labour laws, as well as quality management systems, to enhance supply chain success and foster enduring partnerships. Additionally, we monitor key risk categories within our supply chain, identifying and mitigating potential risks to safeguard our business integrity and benefit the broader community.

As part of our Procurement and Supply Chain centre-led procurement operating model, we have implemented a unified risk register across our key sectors: Marine, Nuclear, Land, and Aviation. This register enhances visibility and tracks supplier risks related to child labour, unethical labour practices, restrictions, environmental impact and social criteria.

## 6. Training and awareness

We continue to raise awareness of Modern Slavery within our procurement and supply chain function. As procurement professionals, we understand what modern slavery is, what the key identifiers are and how proactively to address and manage this risk.

We have a clear Purpose and Principles and Code of Conduct which are available on the intranet and the website.

We also display information about a confidential and independent whistleblowing line that can be used for reporting breaches of the codes of conduct at all our sites and host the Whistleblowing policy on the home page of our group intranet site which includes contact numbers for the lines relevant for all countries and alternative methods for raising concerns internally.

Our Modern Slavery Awareness modules remain available to our UK based and international colleagues within all functions of Babcock.

Amongst other related issues, these modules highlight high-risk sectors where additional care may be needed when on-boarding suppliers. They also highlight the due diligence processes we mandate the use of and the indicators of forced Labour as well as information about our independent whistleblowing hotline.

## 6. FY24 Key Performance Indicators

During the year we received no calls to our Whistleblower line regarding human rights and modern slavery (out of a total of 100 reports received) and we have not identified any instance of modern slavery across our supply chain. During FY25 we will assess further performance measures to evaluate progress going forward.

Number of calls to our Whistleblower line regarding human rights and modern slavery	0
Instances of modern slavery identified across our supply chain	0