







## Progress against UN Sustainable Development Goals







The UN SDGs provide a common language for our employees, our customers, our investors and regulators. By aligning the Company strategy and material issues to the SDGs, we can transparently disclose our contribution, assess annual progress that has been made towards the 2030 targets and unlock opportunities that benefit people, the planet and the economy.

Our aim is to make a positive impact on the communities in which we operate and make a better and more sustainable future for all.

Our sustainability agenda has a number of programmes which support and make a valuable contribution to the following SDGs and we have listed a few examples of the activities taking place across the business. SDG 13 Climate Action has been added this year as it is a key focus.

Sustainability at Babcock	SDGs	Some examples which demonstrate our progress and impact during FY21
Affordable and Green Energy	Our intention is to ensure access to and use of affordable, reliable, sustainable and modern energy for Babcock.	 <ul style="list-style-type: none"> <li>Rosyth naval base is developing plans to install a solar farm and energy storage system at the site with a view to incorporating other energy solutions.</li> </ul>
Clean Water and Sanitation	Our intention is to sustainably manage our water consumption to ensure it remains available and safe to all at our sites.	 <ul style="list-style-type: none"> <li>Cavendish Nuclear focuses on water-saving devices and technologies, such as sensor taps and eco flush toilets, on all sites when performing refurbishments.</li> </ul>
Responsible Consumption and Production	Our intention is to sustainably manage our consumption of our planet's finite resources and ensure sustainable production patterns.	 <ul style="list-style-type: none"> <li>In August 2020, Devonport joined forces with WH Knight &amp; Sons, to ensure that 3,000 pairs of decommissioned overalls could be reused instead of being sent to landfill.</li> <li>Twenty-three ISO 14001 accredited environmental management systems.</li> </ul>
Climate Action	Our intention is to work collaboratively with our customers and suppliers to take immediate action to combat climate change and its catastrophic impacts by decarbonising our business and our value chain.	 <ul style="list-style-type: none"> <li>Carbon strategy and TCFD reporting, see pages 67 and 70 respectively.</li> <li>Since our datacentre move in June 2020 we have saved 1,500 MWh of electricity, which is equivalent to the average annual electricity consumption of 400 UK homes and has resulted in a reduction of 350 tonnes of CO<sub>2</sub>e.</li> <li>Babcock, alongside three partners, has secured funding to undertake an R&amp;D project seeking to understand the performance of hydrogen fuel cells and batteries as a possible zero emission power and propulsion technology.</li> </ul>
Life Below Water	Our intention is to protect the ocean, seas and marine resources for sustainable development.	 <ul style="list-style-type: none"> <li>Delivery of aerial firefighting services reduces damage from fires and run-off into water bodies.</li> </ul>
Life on Land	Our intention is to protect and conserve the biosphere around the communities in which we operate.	 <ul style="list-style-type: none"> <li>Use of UAVs to detect fires and assist direction of firefighting actions.</li> <li>Land Defence partnered with the Marine Conservation Society to undertake volunteer beach cleans. Plans were arranged for another volunteer clean project in March 2020, but this was cancelled due to COVID-19.</li> <li>Piloted food waste collections at Dalton Avenue site, Rivergate and Babcock Technology Centre, which will be rolled out across further sites. One wormery and one beehive in place at Chatham base in October 2020.</li> </ul>

Environmental

	Sustainability at Babcock	SDGs	Some examples which demonstrate our progress and impact during FY21
Social	Good Health and Wellbeing	Our intention is to promote good health and wellbeing through policy and our corporate culture.	 <ul style="list-style-type: none"> <li>We have a Group-wide approach to corporate health and wellbeing and increased communications to staff during COVID-19, see social section on page 71.</li> </ul>
	Quality Education	Our intention is to ensure inclusive and equitable quality work-related education and promote lifelong learning opportunities for our employees and support education in the wider community in which we operate.	 <ul style="list-style-type: none"> <li>Through the COVID-19 Recovery Commission we are working to reverse the impact that the pandemic has had on the UK's levelling-up agenda.</li> <li>Across the Group, we have employed over 250 graduates and over 300 apprentices.</li> <li>We continue to support STEM activities, see page 75</li> </ul>
	Gender Equality	Our intention is achieve gender equality and empower all females through our partnerships and networks.	 <ul style="list-style-type: none"> <li>Through our partnership with Women in Science and Engineering and our active involvement in Women in Defence and Women in Nuclear, we are working to address the gender imbalance across the sectors in which we operate. Examples include Aviation's Fly High women's network, Women in Defence 2020 Awards, supporting the '1 of the Million' campaign by Women in Science and Engineering (WISE) and supporting International Women in Engineering Day 2020.</li> <li>During the year, the Executive Committee has reviewed the Group's gender pay report. In the 2020/21 Gender Pay report (reflecting data relating to April 2020), our mean gender pay gap was 12.5% and our median gender pay gap was 12.3%, representing a further year-on-year narrowing of the gap, as has consistently been the case since reporting commenced in 2017.</li> </ul>
	Decent Work and Economic Growth	Our intention is to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work.	 <ul style="list-style-type: none"> <li>We have exceeded our 5% Club commitment to employ 5% of the workforce on an Early Careers programme – in 2021 we employed 7.26%.</li> <li>We publicise our apprenticeship opportunities through the Government's Redundancy Support Service for Apprentices.</li> <li>We pay all staff (excluding apprentices) in line with the Living Wage Foundation's living wage.</li> </ul>
	Reduced Inequalities	Our intention is to reduce inequalities throughout our business and value chain.	 <ul style="list-style-type: none"> <li>In 2017, Babcock established a five-year partnership with Vine Trust for employees to volunteer on 14-day home-building expeditions. To date, 65 Babcock employees from across the UK and Canada have volunteered on home-building projects in Tanzania.</li> <li>In 2021 we signed the UK social mobility pledge which means we are committed to reducing inequalities and will review our recruitment practices and how we support progression once in employment.</li> </ul>
	Governance	Responsible Consumption and Production	Our intention is to ensure sustainable consumption and production patterns by aligning our processes to international standards and through corporate policy.
Peace, Justice and Strong Institutions		Our intention is to ensure we and our value chain are effective, accountable and inclusive institutions.	 <ul style="list-style-type: none"> <li>Group Procurement developed four additional modules to raise awareness of elements specific to the function. As of mid-December 2020, 438 users had registered, with 307 actually marked as having completed and passed them all.</li> <li>Prompt payment, see Governance section.</li> <li>We recognise the value of SMEs and encourage them to engage with us.</li> </ul>