



## Babcock sustainable procurement policy

At Babcock we focus on creating a safe and secure world, together with our customers, suppliers, communities and investors. Aligned with the UN Sustainable Development Goals, we work collaboratively to minimise the impact of our operations on the environment, mitigate climate change, ensure the safety of our people and make a positive impact on the communities in which we operate.

Our sustainability plan underpins our purpose:

1. To reduce to zero the net carbon emissions in our estate, assets and operations by 2040, focussing on clean energy, minimising waste and increasing recycling.
2. To provide an active corporate citizenship programme and sustainable procurement initiatives which will support our communities and suppliers.
3. To provide a safe and inclusive workplace where every employee feels valued and where we champion a diverse workforce representative of society.
4. To deliver robust free cash flows and create sustainable value.

Our supply chain is key to successfully delivering our sustainability plan. We will consider the plans of our suppliers in our sourcing decisions and actively monitor and manage sustainability performance in the supply chain. When selecting suppliers and subcontractors we seek evidence of their ability to meet our requirements against 12 priorities for sustainable procurement as follows:



**Environmental management** – understand and reduce negative environmental impacts including damage to land, air, water and biodiversity. As a minimum, suppliers are required to identify significant environmental impacts and have documented control measures.

**Energy and carbon** – reduce operational energy use by giving preference to energy efficient products and services. Work with suppliers to quantify and reduce the embodied carbon of key products/materials.

**Resource efficiency and waste minimisation** – conserve precious resources by using materials efficiently. Give preference to products that can be re-used, recycled and transition to recycled and renewable materials where possible.

**Responsible materials** - identify and utilise safer materials in products and processes where practical. Identify and secure supply chains for rare earth, conflict minerals and metals. Source products and materials ethically through credible standards where available.



**Developing skills and talent** – recruit in the local community providing work experience and opportunities for apprentices, graduates, the armed forces and those returning to the workplace.

**Wellbeing** - invest in the wellbeing of the workforce including both physical and mental health.

**Community engagement** – actively and positively engage with the local community and work to avoid disruption to local people. Suppliers are expected to work with us to engage our community when working on Babcock sites.

**Workforce diversity** - promote a diverse and inclusive workforce, reducing barriers to entry for under-represented groups.



**Fair treatment** – demonstrate fair, transparent and equitable sourcing practices, pay on time to agreed terms and pay the workforce proper living wages.

**Ethical sourcing** – ensure respect for human rights and adopt a pro-active approach to identifying and addressing any hidden labour exploitation in wider supply chains. Strive to achieve transparency for higher risk supply chains.

**Supply chain development and innovation** – engage new business, invest in development to harness innovation and reduce barriers for new entrants.

**Supplier diversity** – provide opportunities for small businesses and value diversity in the ownership and leadership of our suppliers.



The implementation of this policy is the collective responsibility of all suppliers and subcontractors working with their counterparts at Babcock, in accordance with all applicable laws and regulations. Further details can be found in our [Sustainable Procurement Supplier Guidance](#) and [Supplier Code of Conduct](#).

David Lockwood, Chief Executive Officer  
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