



Gender Pay Gap Report

2025

Foreword

Addressing our gender pay gap is an important part of our broader commitment to creating a workplace where everyone has the opportunity to develop and succeed.

Our median Gender Pay Gap for 2025 stands at 6.2%, which remains significantly lower than the UK national average of 12.8%. This reflects the strength of our position and the impact of our ongoing work to support representation, progression, and equitable opportunities for all colleagues.

Our gender pay gap continues to reflect differences in the distribution of women and men across different roles and levels within the organisation, rather than differences in pay for comparable work. Women represented 19.1% of our workforce in 2025, broadly consistent with the previous year. As in much of the engineering and defence sector, improving gender representation, particularly within technical and senior level roles, remains a long-standing challenge and one that requires sustained focus.

Babcock's ambition is to reach 30% women in our workforce by 2030; and this ambition is embedded within the Group's Key Performance Indicators and reinforces leadership accountability for improving gender balance across the organisation. Alongside efforts to attract more women into our sectors, we continue to focus on recruitment process, retention, progression and creating an environment where colleagues feel supported to build long and rewarding careers.

Over the past year we have taken further steps to strengthen the employee experience. Building on the introduction of Neonatal Leave in 2025, we've introduced Premature Baby Leave for UK colleagues, providing additional paid time away from work for parents whose baby arrives early. We also became the first defence company to sign the Employer with Heart Charter in partnership with The Smallest Things charity, demonstrating our commitment to supporting colleagues and their families during challenging life moments. Our inclusion work is brought together through *Belong@Babcock*, our global framework that supports Colleague Led Networks, promotes inclusive behaviours and helps ensure colleagues feel valued and able to contribute fully.

Creating safe and respectful workplaces remain a priority. During the year we introduced enhanced sexual harassment training and guidance in line with legislative requirements, supporting managers and colleagues to address inappropriate behaviour and strengthen the awareness across the organisation.

Our Gender Balance Network has also expanded its work through the launch of White Ribbon Champions and Ambassadors, helping to provoke safer workplaces, safer travel and support for colleagues experiencing domestic abuse.

We also continue to collaborate across the sector to champion greater inclusion in engineering and defence. This year we saw our highest number of Women in Defence Award nominations, with more than 70 nominees and three finalists from across the organisation. We recognised 50 women from across the business - from apprentices to senior leaders - by inviting them to attend the historic Ceremony of the Keys at the Tower of London, where two of our apprentices crafted the ceremonial key used during the event.



Supporting women to develop and progress in their careers remain central to our approach. Through the STEM returners programme, we supported more than 40 individuals returning to engineering careers after a break, offering structured opportunity to re-enter the workforce. Our global development programme, *Illuminate*, alongside our mentoring initiatives, supported 94 women across the organisation with leadership development and mentoring from senior leaders. Building on this success, our Mentor Match initiative is now being expanded across the wider business.

These actions form part of our ongoing commitment to improving representation and strengthening an inclusive culture across the organisation. While progress is being made, we know there is more to do and we remain focused on continuing to broaden access to opportunities and supporting the development of diverse talent across our workforce.

I remain committed to ensuring we continue to build an environment where everyone can thrive and realise their potential.

Louise Atkinson
Chief People Officer



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Our Gender Pay Gap

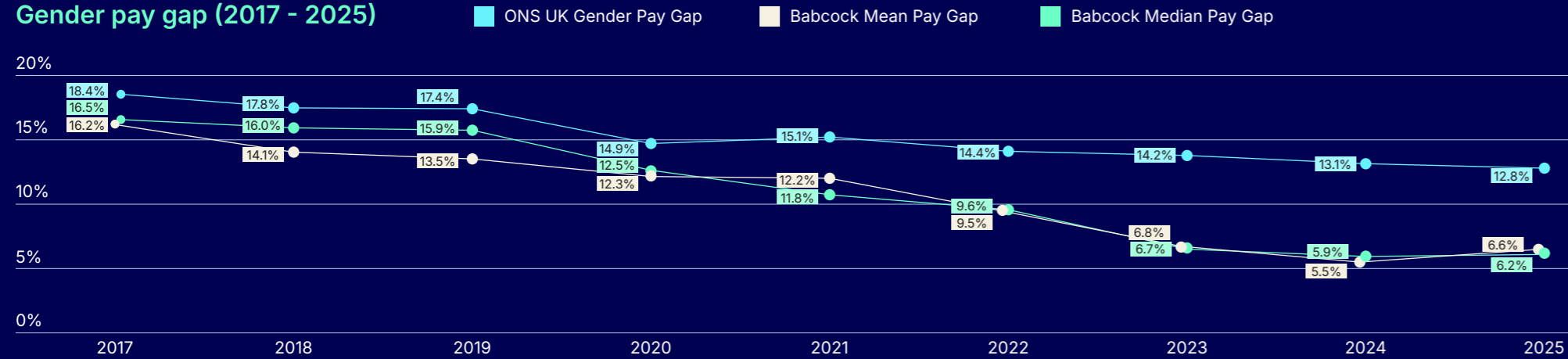
Babcock operates across 16 legal entities employing employees within the UK. The following charts display the overall gender pay gap data for the Group. A detailed breakdown for each Babcock entity with 250 or more employees can be found in the table on page 6 of this report.

Our median gender pay gap for 2025 has increased from 5.9% to 6.2%.

This increase in our median gender pay gap in 2025 reflects changes in workforce composition during the year. While we continue to strengthen our pipeline, this had not fully translated into pay distribution at more senior levels.

We remain committed to further reducing the gap and embedding sustainable improvements across all levels of the business.

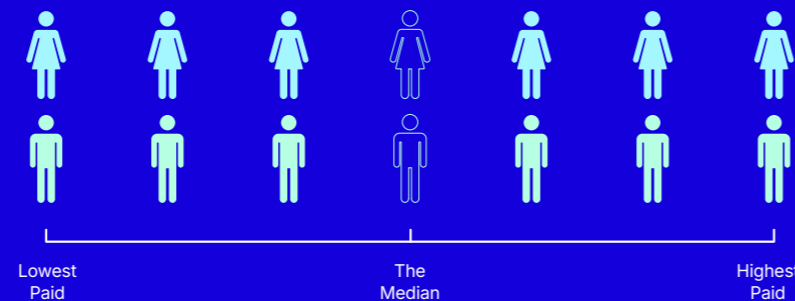
Gender pay gap (2017 - 2025)



Median Pay Gap

The median pay gap represents the difference in pay between the middle-earning man and middle-earning woman in our workforce.

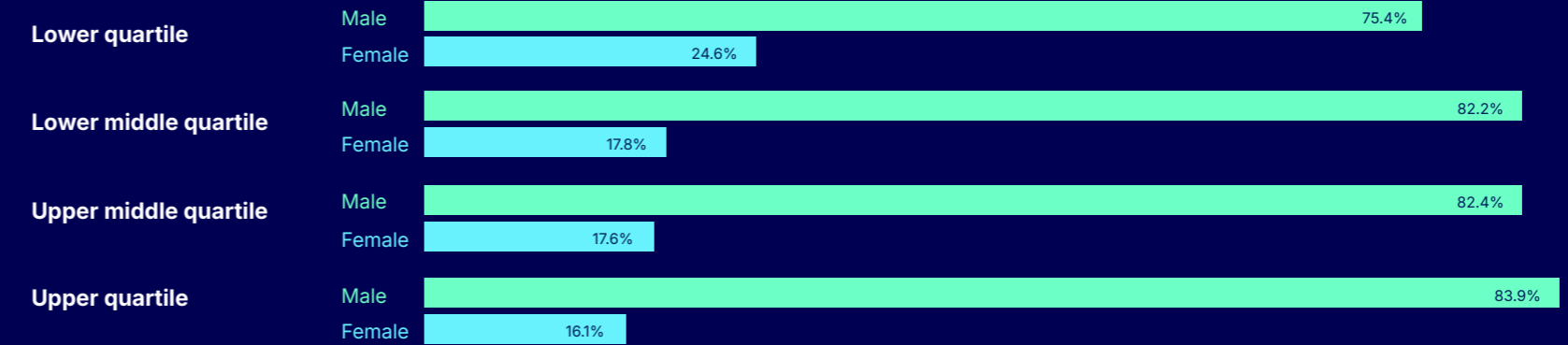
If all male and female employees were lined up from the highest to lowest earners, the median pay gap would compare the hourly rate of pay of the person in the middle of each line. The difference is expressed as a percentage of male employees' earnings.



Representation by quartile

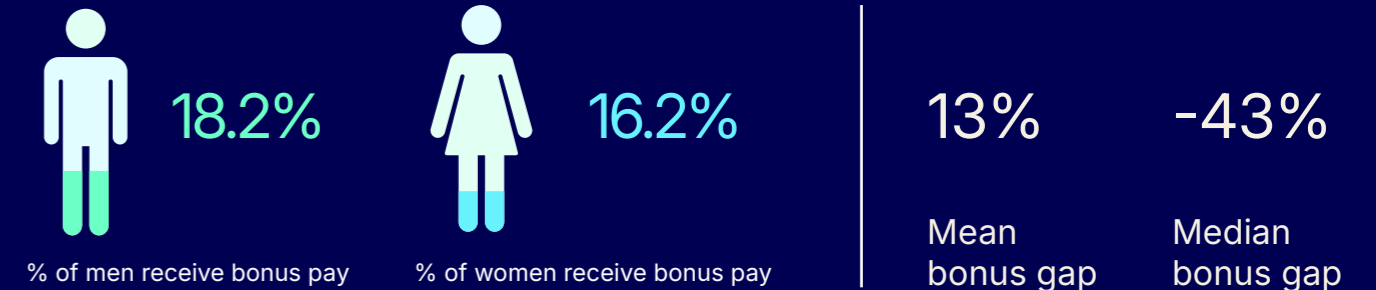
The chart below shows the percentage of men and women across four equal sized groups of employees based on their hourly rate of pay.

Representation in each pay quartile



Employees receiving a bonus

The following infographic presents the proportion of men and women who received a bonus in the 12 months leading up to 5 April 2025, reported as 18.2% (males) and 16.2% (females) respectively.



Both the mean and median bonus gaps are calculated in the same way as the pay gap.

Mean Pay Gap

The mean pay gap represents the difference between the average hourly rate of pay that men receive compared to that of women in the business.

To calculate it, the hourly rates of pay for men and women are added up separately and divided by the total number of men and women in the workforce, respectively. The difference is expressed as a percentage of male employees' earnings.



Gender Identity and Reporting

As an inclusive employer, we support all colleagues, no matter their sexual orientation or gender identity. However, under current Gender Pay Gap Regulations, we are required to classify all employees as either male or female for reporting purposes. This in no way impacts our commitment to fostering an inclusive and supportive workplace for everyone. Pride in Babcock is our employee network that represents the LGBTQ+ community and supports the business to be a welcoming workplace where everyone can be themselves.

Gender Pay Gap by legal entities

Legal Entities	Pay Gap		Bonus Pay Gap		Bonus Receivers		Lower Quartile		Lower Middle Quartile		Upper Middle Quartile		Upper Quartile	
	Mean	Median	Mean	Median	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Babcock Aerospace Ltd	10.2%	14.1%	-135.6%	0.0%	5.9%	5.8%	67.1%	32.9%	83.1%	16.9%	90.5%	9.5%	89.4%	10.6%
Babcock Corporate Services Limited	18.6%	18.8%	73.7%	0.0%	34.4%	29.5%	46.0%	54.0%	60.10%	39.9%	65.3%	34.7%	68.4%	31.6%
Babcock Integrated Technology Limited	7.7%	9.0%	3.4%	-233.3%	26.8%	21.7%	70.9%	29.1%	78.6%	21.4%	80.1%	19.9%	84.1%	15.9%
Babcock Land Defence Limited	-4.7%	2.3%	7.1%	1.0%	11.3%	14.8%	70.9%	29.1%	83.5%	16.5%	84.1%	15.9%	73.5%	26.5%
Babcock Rail Limited	14.0%	15.7%	-123.5%	-221.9%	47.6%	14.3%	79.7%	20.3%	88.4%	11.6%	91.8%	8.2%	92.5%	7.5%
Babcock Training Limited	4.3%	5.9%	-891.0%	-1157.6%	4.8%	3.8%	61.8%	38.2%	76.1%	23.9%	79.1%	20.9%	77.1%	22.9%
Babcock Vehicle Engineering Ltd	1.1%	19.7%	-95.0%	-300.0%	73.7%	20.0%	86.2%	13.8%	100.0%	0.0%	100.0%	0.0%	90.6%	9.4%
Cavendish Nuclear Limited	22.5%	28.2%	-34.1%	-67.1%	36.2%	15.9%	70.1%	29.9%	75.6%	24.4%	85.4%	14.6%	93.8%	6.2%
Devonport Royal Dockyard Limited	7.6%	4.8%	10.2%	-24.1%	13.4%	14.4%	78.6%	21.4%	80.6%	19.4%	84.1%	15.9%	86.0%	14.0%
Rosyth Royal Dockyard Limited	-4.6%	-11.4%	41.0%	-58.2%	11.6%	14.5%	90.0%	10.0%	93.3%	6.7%	83.7%	16.3%	84.4%	15.6%
"Group (includes data from the 10 reportable entities + 6 non reportable entities)	6.6%	6.2%	13.0%	-43.0%	18.2%	16.2%	75.4%	24.6%	82.2%	17.8%	82.4%	17.6%	83.9%	16.1%

Building a Babcock for the future



Our progress and path ahead

We continue to make positive cultural progress, reflected in rising engagement scores across our Global People Survey. Women consistently report engagement levels at or above our company average, however we recognise there is still more to do to ensure this experience is consistent across all parts of our organisation.

Our vision is clear

Creating a respectful, inclusive and fair workplace for everyone - and is in service of our People Strategy and our Babcock Priorities.

As a business now ranked in the FTSE100, sustainable growth is central to our strategy. Our people are core to this success. By building an increasingly diverse workforce, grounded in a culture of belonging and aligned to our vision, we will continue to strengthen our performance.


Looking Ahead


In the year ahead, we will build on the progress made, continuing to strengthen our approach to inclusion and diversity across the business.


We will focus on the areas that matter most to our colleagues; improving consistency of experience, strengthening accountability and using insight to guide our actions. By continuing to build a culture of belonging, we will support our people to grow, contribute and perform at their best.

Our Focus Areas

We remain committed to improving gender balance, with targeted action in four areas:

Attraction:
 We are increasing our focus on attracting more women into engineering, technical and emerging talent roles through targeted outreach, partnerships and STEM engagement. These actions are designed to broaden access to opportunities and strengthen the diversity of our future talent pipeline.

Recruitment:
 We continue to embed inclusive recruitment practices, including structured assessment processes and diverse interview panels, to support fair and consistent hiring decisions and ensure we are selecting from the widest possible pool of talent.

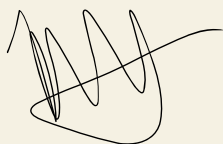
Retention:
 We are committed to creating an environment where women can build long and rewarding careers. This includes strengthening inclusive policies and support, alongside broader efforts to enhance the employee experience and ensure colleagues feel supported at key moments that matter.

Progression:
 We are supporting women to develop and progress through targeted development and mentoring initiatives, including programmes such as Illuminate and mentoring opportunities. These initiatives are designed to strengthen capability, support career progression and increase representation in senior roles over time.

"I can confirm that the data provided has been collated in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017"



Louise Atkinson
Chief People Officer



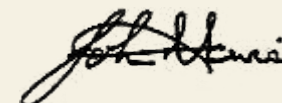
David Lockwood
Chief Executive Officer



David Mellors
Chief Financial Officer



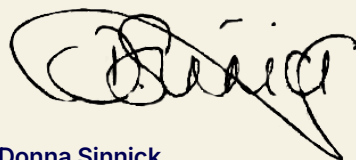
Harry Holt DSO OBE
Chief Executive, Nuclear
and Deputy CEO



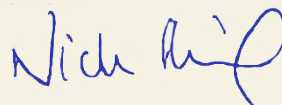
John Howie MBE
Chief Corporate Affairs Officer



Neal Misell
Chief Executive,
Mission Systems



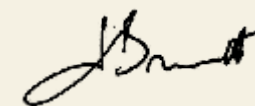
Donna Sinnick
Chief Delivery Officer



Sir Nick Hine KCB
Chief Executive, Marine



Tom Newman
Chief Executive, Land



Jack Borrett
Group Company Secretary
and General Counsel