

Modern Slavery Transparency Statement 2018

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 2018.

At Babcock we are committed to conducting our dealings, whether with customers, suppliers, employees or the communities in which they are based, with the utmost integrity and as such we are committed to supporting the elimination of acts of modern slavery. 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 approach is enshrined in our Babcock Code of Conduct and also embedded in our attitude to health and safety.

We outline below our actions in line with the Modern Slavery Act 2015.

1. Structure, business and supply chains

Our business is principally involved in the delivery of highly technical and complex engineering services to pre-dominantly governmental or blue chip customers, about 90% of whom are located in the UK, Europe, North America, Australia or New Zealand. Over 50% of our cost base is via 3rd party suppliers and our customers rely on our ability to provide a robust and effective supply chain.

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 in our operations across the world. We welcome the opportunity we have to contribute positively to global efforts to ensure that human rights are understood and observed. We believe that a culture of respect for and promotion of human rights is embedded throughout our business and can be demonstrated by our commitment to ethical conduct in everything we do. We expect the same commitment from our suppliers and for them to flow down that commitment through the Supply Chain.

We have a Supplier Code of Conduct which mirrors our internal Code of Business Conduct and Policies to promote our values through our supply chain. The Babcock Supplier Code of Conduct describes the Company's expectations of all those suppliers doing business with Babcock. In addition to communicating Babcock's values, it mandates full compliance with all laws and regulations. It also addresses the proper handling of intellectual property and other sensitive data, health, safety and environmental concerns as well as Human Rights.

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 has been refined to assist with supply chain awareness and facilitate measurement of supplier mitigation activities relating to modern slavery. This toolset continues to be reviewed on an annual basis.

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. However, this assessment is kept under continuous review to confirm if circumstances change requiring the institution of additional actions. We work in collaboration with other industry leaders to create a process that optimises

risk management whilst encouraging the use of SMEs. Potential suppliers must demonstrate their capability 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 for us or our customers and will not accept any behaviour contrary to our codes.

5. Effective action taken to address modern slavery

No instances of modern slavery have been identified during the year.

6. Training and awareness

We have embedded our 'being babcock' principles for how we behave and our Code of Conduct is displayed at all our sites together with information about a confidential whistleblowing line that can be used for reporting breaches of the Code of Conduct. In addition, we continue to raise awareness of Modern Slavery within our procurement and supply chain function. We recently created a dedicated internal webpage to explain the current legislation, Babcock policy and internal escalation routes.

This statement 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.



Archie Bethel
Chief Executive Officer
May 2018

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

Babcock Aerospace Limited
Babcock Airports Limited
Babcock Communications Limited
Babcock Critical Services Limited
Babcock DSG Ltd
Babcock Flagship Limited
Babcock Integrated Technology Limited
Babcock Land Limited
Babcock Marine (Clyde) Limited
Babcock Marine (Rosyth) Limited
Babcock Mission Critical Services Offshore Limited
Babcock Mission Critical Services Onshore Limited
Babcock Networks Limited
Babcock Rail Limited
Babcock Support Services Limited
Babcock Training Limited
Babcock Vehicle Engineering Limited
Cavendish Nuclear Limited
Devonport Royal Dockyard Limited
Holdfast Training Services Limited
Rosyth Royal Dockyard Limited