

BAE Systems Human Rights Statement 2025

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At BAE Systems we serve, supply and protect those who serve and protect us, in a corporate culture that is performance driven and values led.

We supply defence equipment, electronics and services, as well as cyber, intelligence and security solutions for our customers so they can maintain a competitive edge across the air, maritime, land, space and cyber domains.

We employ a skilled workforce of 107,400 people in more than 40 countries, and work closely with local partners to support economic development by transferring knowledge, skills and technology.

Our approach to human rights

We are committed to respecting human rights wherever we operate, in the activities that fall under the full, direct control of the Group.

Our employees, our suppliers and business partners, are all expected to adopt high standards.

We are committed to conducting business responsibly and maintaining and improving systems and processes to minimise the risk of slavery and human trafficking in our business or supply chain.

Our human rights statement outlines our approach to responsible business behaviour in the activities that fall under the full, direct control of the Group, including in relation to anti-corruption, the environment, as well as our workplace, supply chain, local communities and products.

Our approach to human rights constitutes:

- maintaining high standards and acting in a socially responsible manner complying with applicable laws;
- respecting and supporting the communities in which our businesses are located;
- maintaining and improving global policies and processes which relate to human rights wherever we operate, in respect of activities under the full direct control of the Group;
- respecting the labour rights and workplace rights of our employees in accordance with national laws; and
- appointing and working with suppliers and business partners who are expected to adopt similarly high standards of business conduct, consistent with our own, in accordance with applicable national laws.

Our [Code of Conduct](#) and other global policies and processes mandated under the Operational Framework, together with our supporting principles and guidance, support our commitment to human rights and are regularly reviewed.

Our approach to identifying and assessing human rights risks is embedded within our approach to risk management (see page 55 of our [2024 Annual Report](#)).

Human rights considerations

The following human rights considerations have been identified as part of stakeholder engagement and are being addressed by ongoing programmes across our business.

Human rights in the workplace

We value the diversity of the people we employ and the contributions they make. We have a long-standing commitment to equal opportunity and the intolerance of discrimination and harassment. We are committed to maintaining workplaces that are free from discrimination and harassment on the basis of any protected characteristic, and where everyone is able to succeed based on merit.

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We do not tolerate harassment, including verbal, non-verbal, physical or online. Abusive, offensive, humiliating or intimidating behaviour is never acceptable.

We maintain processes to ensure that all employees have a contract of employment or offer letter (depending on the jurisdiction of employment) in a language they understand clearly indicating their rights and responsibilities with regard to wages, working hours, benefits and other working and employment conditions. Our processes are designed to ensure we do not retain any form of employee identification (passports or work permits) and we do not destroy or deny access to such documentation, as a condition of employment, in each case unless required by applicable law.

Due to the nature of the industry we work in and the customers we support, all potential employees and contingent workers are required to go through a pre-employment vetting process. Subject to local laws in each jurisdiction, individuals are required to be verified for identity, employment and academic history, nationality and right to work status and criminal record checks.

Risks may potentially arise from the engagement of third-party contracted labour performing work on our behalf. Where we work with third party recruitment service providers, they are subject to our supplier due diligence process and acknowledge our [Supplier Principles](#), outlined below. Suppliers must not charge employees fees, recruitment costs or deposits, directly or indirectly, as a precondition of work and they must handle identification documents in accordance with applicable personal information protection requirements.

Our employees have the right to resign at any time and leave employment after meeting any conditions of contract and notice period.

We compensate employees competitively relative to the industry and local labour market, reflecting their individual responsibilities and contribution to business performance. We operate in compliance with applicable pay and benefits, work hours, holiday, overtime and benefit laws.

We have a range of policies in place to support employees in achieving balance between their work commitments and personal priorities including Maternity, Paternity, Adoption and Shared Parental Leave policies, agile and flexible working practices and career breaks.

We prohibit the use of all forms of modern slavery and human trafficking, forced, bonded or indentured labour.

We maintain processes designed to comply with child labour laws and to ensure that we will not employ anyone under the age of 15 or, where the mandatory school leaving age is higher, we will not employ anyone under that age in that country. We prohibit the hiring of individuals that are under 18 years of age for positions in which hazardous work is required. We are committed to the development of young people by providing development and apprenticeship programmes.

Where it is legal to do so, we respect employees' right to join or form a labour union without fear of reprisal, intimidation or harassment. Where employees are members of and represented by a legally recognised union, we are committed to establishing a constructive dialogue with those representatives.

Our people work in often challenging environments and on some of the most complex engineering projects. These have associated health and safety risks which we work hard to fully identify and mitigate. These can include specific hazards and common hazards across all sites such as slips, trips and falls.

The safety, health and wellbeing of our employees is an enduring priority. We operate a number of industrial sites and our manufacturing activities present a range of risks. These include work in confined spaces, machinery operation, working at height, and slips, trips and falls among others.

We monitor and aim to eliminate, mitigate and manage workplace safety risks. Our approach to identifying and assessing safety risks is embedded within our approach to risk management.

We are focused on continually improving standards and this aim is embedded in our Safety Policy. We have a number of programmes focused on improving the safety of our employees and we ensure those employees exposed to identified or known hazards have the appropriate protective equipment. We continually monitor our operations to ensure our safety efforts are aligned to the working environment.

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Our [Code of Conduct](#) and training actively encourages all employees to speak up if they have a concern or talk to someone if they need guidance. We recommend employees talk to a colleague, their manager, HR or a Legal contact. We also actively promote our [Ethics Officers and Helpline](#) across our business.

Employees also have the opportunity to raise problems and concerns about their work, working environment, or working relationships. For example, in the UK this can be done via our Grievance Process.

We keep employees informed and engaged in our priorities and progress through a variety of channels including our employee app, intranet, email, podcasts, newsletters, leadership blogs and briefings and through our line managers who help connect everyone's daily work to our overarching mission. Employees are encouraged to share their views through our channels and surveys.

Human rights and anti-corruption

We do not tolerate bribery and corruption in any form.

Our anti-corruption programme guides and supports our employees in making responsible decisions. It also helps employees understand what is expected of them and creates an environment in which employees feel they can ask questions and raise issues and concerns.

Our anti-corruption programme is embedded in the Company's governance framework. Our approach to governance outlines a set of operational standards that apply no matter where we operate. Our programme is embedded through our key global policies and processes including thorough due diligence programmes.

Human rights and environment

Our goal is to carry out a long-term strategy to reduce the impact of our activities, supply chain and products on the climate by using our world-class engineering capabilities and cutting-edge technologies. We continue to achieve our near-term greenhouse gas emissions reduction target across our operations (Scope 1 and 2) by 2030.

Human rights in our supply chain

To clarify what we expect from our business partners, suppliers and their supply chains, we have developed [Supplier Principles – Guidance for Responsible Business](#). The Principles define the behaviour we expect from our suppliers and what they can expect from us. They also specify compliance with all relevant laws and set out our expectations with regards to respect for labour rights, including protection against modern slavery and human trafficking.

Our procurement teams are responsible for communicating the Principles to our suppliers and incorporating the Principles into supplier due diligence and on-going management, including conducting risk assessments. For example, due diligence may be carried out during the supplier evaluation stage against non-financial risks, including human rights, working hours, harassment and unlawful discrimination, anti-whistleblowing, slavery, human trafficking and child labour.

Once a supplier has been approved and a contract has been executed, we monitor the supply chain function to actively manage and monitor that supplier. This includes managing any significant changes in our relationship with the supplier. A global Supply Chain Central Risk Intelligence hub has been established to collect and share new risk intelligence associated with suppliers, as well as category, cyber-security, political and ethical information that may affect our business. Periodic global supply chain disruption meetings are held with senior procurement leaders to ensure risk data is appropriately shared. Proactively managing suppliers and sharing appropriate data allows procurement to develop risk-mitigating strategies, helping to reduce the risk of supply chain disruptions.

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Risk-based due diligence is undertaken in respect of all third parties with which the Company engages, whether supplier, adviser, potential joint venture partner, acquisition target or other third party.

Human rights in our local communities

Our safety and environment policies and processes help limit the impact of our operations on local communities around our sites in which our businesses are located.

It is important to us and our employees that we have a strong and positive presence in our communities and that we help those in the community who can best benefit from the help that we can offer; we like to work on issues which affect our industry, with examples including: supporting young people to consider studying science, technology, engineering and maths (STEM) subjects as well as supporting past and present armed forces personnel. We also work to support the communities where our businesses are located.

We collaborate with organisations that can demonstrate a positive impact and encourage our employees to volunteer in support of their work. These include not-for profit organisations and education providers.

Human rights and our products

Our products protect national security and keep critical information and infrastructure secure.

Our work is critical to supporting human rights around the globe, providing governments with the ability to protect their people. We understand that some of our stakeholders have views and perceptions of defence companies and human rights, particularly in the area of exports and how our products are used. We engage with organisations who have a focus on business or defence or security issues to understand factors that can impact our business and how we operate.

We operate in many jurisdictions, in a sector in which our business operations, including export of our products, is very highly regulated.

The majority of our customers are governments or other large defence prime contractors selling to such governments. In the UK, defence equipment is purchased by the UK Ministry of Defence; in other countries we may sell directly to branches of the armed forces of that particular country. Our non-military products and services - such as electronics, cyber protection services, and maintenance and support contracts – are sold to both businesses and governments.

The defence industry is subject to strict regulatory controls. We also maintain internal controls that help us determine what we sell and to whom we sell. Our Product Trading Policy and Responsible Trading Principles help us make informed decisions about the business opportunities we pursue.

Export of controlled goods must be authorised by governments before a sale can proceed. Failure to comply with all relevant laws and regulations could result in serious penalties for BAE Systems and the individuals concerned, and could harm national security and foreign policy interests. Our system for compliance with export controls is designed to ensure compliance, as well as detect and provide timely responses to actual or suspected violations, including prompt investigations and appropriate remedial actions.

Our products operate in hostile environments and given their scale and complexity, have to be robust and designed for maximum utility. We therefore work to enhance the lifetime of products, maximise the recycling potential and identify environmentally sound means of disposal. We look for

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opportunities to maximise the potential for reuse and remanufacture of our products and associated manufacturing processes.

Our Product Safety Management Systems aim to reduce the risk of unintentional harm to people, property and the environment. We continually work to improve safety standards, by raising awareness of our employees' roles in identifying, managing and reducing safety risks.

Governance and policies relating to human rights

- [UK Modern Slavery Act Response 2025](#)
- [California Transparency in Supply Chains Act](#)
- [Australian Modern Slavery Act Response](#)

The Board considers a broad range of subjects that make up human rights – safety, ethics, responsible business conduct, diversity, equity and inclusion, stakeholder and employee engagement and its supply chain within its Environmental, Social and Governance (ESG) Committee. The purpose of the ESG committee is to assist the Board in promoting the long-term success of the Company with regard to ESG matters. This includes the oversight of the Company's approach to the application of human rights.

Our Chief Executive has primary responsibility for delivery of the business strategy. He is supported by the Group ESG, Culture & Business Transformation Director who advises on sustainability strategy and direction and liaises with the business teams in relation to the delivery of the strategy.

Our commitment and approach to human rights is considered across global policies and processes in our Operational Framework and in our Code of Conduct and is regularly reviewed. Our Code is translated into Arabic, Czech, Latin American Spanish, Slovak, Swedish and UK/US English and is considered across the business via conversation-based training.

All employees are required to adhere to our Code of Conduct and group policies in addition to any specific requirements outlined in local policies.

Our global and local policies and processes for our operations cover:

- Supporting the rights of freedom of association and the effective recognition of the right to collective bargaining, where legal;
- Aiming to eliminate all forms of forced and compulsory labour and effective abolition of child labour;
- Aiming to eliminate discrimination in respect of employment and occupation;
- Supporting a precautionary approach to environmental challenges;
- Undertaking initiatives to promote greater environmental responsibility; and
- Working against corruption in all forms, including extortion and bribery.

For non-controlled Joint Ventures, BAE Systems employees appointed to the board, or comparable governing body, exert the influence they have to encourage the adoption of governance that is substantially equivalent to our own including, policies and processes, the [Code of Conduct](#), employee training and the [Ethics Helpline](#).

Exposure to human rights risk and mitigation

Our approach to identifying and assessing human rights risk is embedded within our approach to risk management.

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The ESG Committee monitors the Company's performance in managing the Company's significant non-financial risks, including (but not limited to) those arising that fall under the scope of human rights. The Committee reports its findings to the Board on a regular basis.

In the UK and Australia, we have modern slavery working groups to progress actions to review and strengthen how modern slavery and human trafficking risk is identified, assessed and managed across our business.

We continue to assess modern slavery risks within our tier 1 supply chain based on where our suppliers are located (geographical risk) and the goods and services provided (products and services risk). This annual assessment focuses on risks in our directly contracted suppliers.

Suppliers who might be deemed as higher risk are identified through analysis of internal data sets and using external regulatory guidance, for example, the U.S. Department of Labor's 2022 List of Goods Produced by Child or Forced Labour which is produced in accordance with the Trafficking Victims Protection Reauthorization Act (TVPPRA).

During 2024, in the UK, we continued to conduct twice yearly risk assessment activities against our active supply base locations and product categories. Where suppliers were identified as potentially higher risk for the purposes of modern slavery, the relevant areas of business were advised and requested to provide a statement against actual risk and, where relevant, undertaken mitigation activities.

Our assessment of goods and services, that may be higher risk for the purpose of modern slavery, was based on the US Department of Labor's 2022 List of Goods Produced by Child Labor or Forced Labor and the general supplier categories in our procurement system.

Our [Supplier Principles – Guidance for Responsible Business](#) communicate the human rights principles we expect of our suppliers. We engage suppliers on our Supplier Principles during the supplier evaluation stage and undertake assurance activity as part of ongoing supplier management assessments.

Engagement and training on human rights

We provide guidance and training for our employees on areas that fall within the scope of human rights, including but not limited to, health and safety, diversity, environment, ethics and export controls.

During 2024, we continued to communicate and raise awareness of our Supplier Principles. Over and above the expected operational supplier engagements, we utilised a number of mechanisms to maintain visibility, raise awareness and share practices related to both our Supplier Principles and modern slavery.

We also continued to engage our UK supply chain function on modern slavery, raising awareness of the importance of conducting business responsibly and maintaining and improving systems and processes that reduce the risk of slavery and human trafficking. Within this awareness, we highlighted resources available and promoted our Ethics Helpline as a way to seek advice and report concerns. To support our procurement employees in identifying and managing modern slavery risks, we identified individuals across our procurement teams to receive our mandated modern slavery awareness training. This included individuals selected that procure goods and/or services from a category that could potentially be recognised as higher exposure for the purpose of modern slavery.

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During 2024, over 700 individuals received modern slavery awareness training. Overall, with our awareness refresher training scheduled every two years, we have maintained awareness of over 1300 employees representing more than 80% of our targeted population. During 2025, we will continue to build on the deployment of awareness to ensure that relevant employees are made, and remain, aware of modern slavery. This will be delivered through both initial (e.g. for new starters) and refresher training for existing employees.

Remedies and grievance mechanisms

Our [Code of Conduct](#) and Ethics training actively encourages employees globally to speak up if they have a concern or talk to someone if they need guidance. We recommend employees talk to a colleague, their manager, HR or a Legal contact.

We maintain a network of over 288 Ethics Officers and we have a 24-hour independent Ethics Helpline that can be accessed by phone, email or an external website so that employees can ask for support or report a concern, including concerns in respect of human rights issues. We encourage employees to speak up without retribution and anonymously if preferred.

All issues raised, whether for guidance or to report a concern, are assigned to Ethics Officers and logged in a case management tool. If a concern raised or issue reported requires further investigation, the Ethics Officer will interface with the relevant function or department to independently investigate and follow processes outlined in our Investigations Governance process.

Escalation procedures are in place to flag significant cases and if required, to report cases to the Chief Executive and the Board and to external authorities and regulators. All enquiries requiring investigation are reviewed and reported to Ethics Committees.

We support all employees who report apparent misconduct honestly and in good faith and we do not tolerate any retaliation. Any manager or employee found to have retaliated against someone who has raised a concern in good faith will face disciplinary action, which could include dismissal. Non-retaliation is explained in our [Code of Conduct](#).

Employees also have the opportunity to raise problems and concerns about their work, working environment, or working relationships. For example, in the UK this can be done via our Grievance Process.

Our [Ethics Helpline](#) is also available for third parties, including suppliers, to raise concerns or discuss issues. Third parties, including suppliers, can report a concern anonymously. Details of how to contact the [Ethics Helpline](#) are included within our [Supplier Principles](#) and on our website. If a call regarding human rights or modern slavery was received by our [Ethics Helpline](#), the call would be escalated for review and allocated to a senior company representative for investigation in accordance with the Modern Slavery Reporting Procedure.

Our [Ethics Helpline](#) includes human trafficking and slavery escalation procedures.

Transparency

We publish our annual responses, including work streams and progress achieved during the year, to the UK and Australian Modern Slavery Acts, and a statement in response to the California Transparency in Supply Chains Act on our website.