

CORPORATE RESPONSIBILITY POLICY

BAE Systems will conduct its business responsibly, with integrity and with respect for the interests of all those impacted by our operations. Our corporate responsibility strategy focuses on the issues that impact our reputation and ability to operate in a sustainable manner, supporting our aim to make this a great place to work. All are important to the long-term success of our business. Our CR efforts are focused on the following areas:

SAFETY is at the core of everything we do and a pre-requisite for all our operations and activities. Protecting our people, and others who might be impacted by our undertakings, in terms of personal, process or product safety is of paramount importance to us in securing the long-term sustainability of our business.

ENVIRONMENTAL SUSTAINABILITY managing the environmental impact of our operations and products helps us manage costs, comply with regulatory requirements and improve our credentials as a sustainable business that can be trusted.

ETHICAL BUSINESS CONDUCT ensuring full compliance with the law and high ethical standards are how we do business and are critical to our reputation.

DIVERSITY AND INCLUSION ensuring an inclusive environment where all individuals are respected helps us recruit and retain the best talent, encourages innovation and gives us a broader scope to bringing different solutions to our customers.

COMMUNITY INVOLVEMENT AND EDUCATION being an active part of the communities in which we live and operate.

WE WILL ENSURE THAT THESE POLICY REQUIREMENTS ARE DELIVERED THROUGH OUR LOCAL BUSINESS MANAGEMENT SYSTEMS

SAFETY

PERSONAL SAFETY

We will ensure that all our activities and undertakings:

- Implement and maintain appropriate management systems;
- Are committed to a process of continual improvement and the development of world-class standards for the management of safety, health and well-being;
- Provide safe plant and equipment and a safe workplace with a good physical and psychosocial work environment;
- Ensure a safe means of access and egress from all workplaces;
- Foster a positive safety culture where employees take responsibility for the safety of themselves and others, including customers who use our products and services;
- Make appropriate arrangements for the safe use, handling, storage, transport and disposal of all articles and substances;
- Continue to provide a competent complement of leadership, management and employees with the appropriate level of education, skills and training to ensure the on-going safety of the operation.

PROCESS SAFETY

Where we operate establishments and facilities that could give rise to major accident hazards, as defined by the Seveso Directives and relevant national legislation, we will:

- Undertake activities in such a manner as to prevent accidents, where possible, and ensure that any consequences for people and the environment are limited;

- Ensure that risks from major accident consequences are reduced to a low level;
- Implement management systems and processes to achieve high standards of process safety;
- Monitor and regularly review effectiveness of our policy and procedures to ensure they remain relevant and effective;
- Provide adequate resources to ensure the effective implementation of this policy;
- Ensure we maintain a competent and effective engineering and support capability;
- Operate in accordance with our documented policy and procedures within an integrated framework for safety, health, environmental and quality management.

PRODUCT SAFETY

We will ensure our products:

- Do what they are designed for without unacceptable harm to stakeholders;
- Achieve a balance between the benefits and risks associated with their use;
- Are legal and supplied to a level of safety agreed with the customer;
- Meet the ethical standards of the business;
- Are built in line with our Product Safety Principles;
- Satisfy our Product Safety Policy and business process commitments;
- Are delivered through the behaviours and attitudes of competent people;
- Are supported by global learning and sharing.

We will ensure that we:

- Are accountable and responsible for our products in all aspects through life.

DIVERSITY AND INCLUSION

We will:

- Actively empower our employees to leverage their talents and experience to provide our customers with the most innovative solutions;
- Embrace the various skills, experiences, perspectives and thoughts, as well as personal characteristics, of all employees;
- Engage with our employees so they feel respected, valued and included in the organisation's mission;
- Create an inclusive environment where the recruitment, employment and development of people is based on qualifications, skills and competency to do the job and judgements are not made on personal bias or prejudice;
- Listen to others and value their input even when their views differ from our own.

COMMUNITY INVOLVEMENT AND EDUCATION

We will:

- Demonstrate our commitment to the community by focusing on actions to provide support to our customers and education;
- Provide support, that is financial as well as human, through volunteering activities for organisations that sustain our primary focus areas;
- Align with organisations that nurture education initiatives that are at the foundation of our business and the cornerstone of our workforce;
- Support programmes that promote science, technology, engineering and mathematics;
- Align with charities in our local communities that complement our total performance culture and will encourage volunteer support to local needs.

ETHICAL BUSINESS CONDUCT

CODE OF CONDUCT

- Our global Code of Conduct is a clear statement of what we stand for and how we do business. It sets out the standards of business conduct we expect all our employees to live up to in everything they do, wherever they operate.

RESPONSIBLE TRADING

BAE Systems has four Responsible Trading Principles that, together with the Code of Conduct, underpin all of our business activity.

These are:

- We understand and support our customers' national security and other requirements;
- We carefully assess our products and services to ensure that neither BAE Systems nor our customers are exposed to significant reputational risk;
- We work to BAE Systems' values of Trusted, Innovative and Bold in all that we do;
- We are as open as practicable about the nature of our business.

TRAINING AND AWARENESS

- We depend on our employees to comply with our global Code of Conduct, implement our policies on business conduct and live up to our Values of Trusted, Innovative and Bold.

- Embedding a culture of responsible business conduct takes time and must be continually reinforced as policies, expectations and people change. To strengthen their understanding and keep business conduct at the forefront of peoples' minds, employees complete regular refresher training on the Code of Conduct and ethical standards.

SUPPLIERS

We expect our suppliers to comply with local legislation and meet the same or equivalent standards as BAE Systems on issues such as:

- Ethical conduct;
- Health and safety;
- Product safety;
- The environment;
- Civil liberties;
- Human rights.

We also expect our suppliers to apply these standards in their own supply chains.

ENVIRONMENTAL SUSTAINABILITY

OPERATING ENVIRONMENT

We will ensure that our activities:

- Conform with the requirements for an appropriate environmental management system;
- Drive environmental efficiencies, especially in the management of energy, waste, water and travel;
- Develop a road map for the improvement of environmental performance;
- Consider the impacts through-life from supply to manufacture and end use;
- Conduct self-assessments which determine current position and future targets;
- Monitor on-going efficiency targets for key aspects, including energy, waste, water and travel.

PRODUCT ENVIRONMENTAL

We will ensure that our products:

- Fully consider the through-life environmental impacts of their use;
- Work to reduce the environmental impact during research and development;
- Minimise all forms of waste during manufacturing and across the supply chain;
- Reduce impacts during use, upgrade or disposal.

We will ensure that we:

- Work with suppliers to improve resource and energy efficiency;
- Work to reduce the environmental footprint of the product;
- Work with customers to improve their understanding of the environmental impacts of products.

SUPPLY BASE

We will:

- Communicate our standards and expectations for environmental sustainability to all our suppliers;
- Encourage our suppliers to adopt appropriate Environmental Management standards;
- Work with our key suppliers to encourage improvements which reduce the impact of their operations on the environment;
- Recognise and reward our key suppliers where they are successful in implementing environmental management improvement plans.