Corporate Responsibility

Frequently Asked Questions
We want to be as transparent as possible about our actions, policies, challenges and practices. We welcome questions from our stakeholders and aim to respond to key concerns through this website and the reports and policies hosted here.

Responsible Business

Ethical conduct
Q: Where can I find your ethical policies?

A: We provide a summary of our policies on the website, please follow this link to view summaries relating to:

- Advisers
- Community investment
- Conflicts of interest
- Facilitation Payments
- Gifts and Hospitality
- Lobbying, Political Donations and other Political Activity
- Offset
- Product Trading
- Product Safety
- Pursuit of Export Opportunities

Q: Where can I go for guidance on ethical issues?

A: Our Code of Conduct includes practical guidance and examples to help employees deal with important ethical issues. More detailed information on specific issues can be found in the accompanying policies (see above) and our confidential Ethics Helpline is available 24/7 to provide further guidance to individuals. To contact the Ethics Helpline, you can email ethics.inchelpline@baesystems.com or use www.baesystems.ethicspoint.com in the US or email ethics.helpline@baesystems.com or use www.expolink.co.uk/ethics-report in the UK or other countries. Or call the free number for your country listed here.

Q: How can I report an ethical concern?

A: Any suspected violations of BAE Systems' Code of Conduct or other ethical concerns can be reported via our confidential Ethics Helpline. To contact the Ethics Helpline, you can email ethics.inchelpline@baesystems.com or use www.baesystems.ethicspoint.com in the US or email ethics.helpline@baesystems.com or use www.expolink.co.uk/ethics-report in the UK or other countries. Or call the free number for your country listed here.

Q: Can third parties report an ethical concern?

A: Ethical concerns can be reported by third parties via our confidential Ethics Helpline. To contact the Ethics Helpline, you can email ethics.inchelpline@baesystems.com or use www.baesystems.ethicspoint.com in the US or email ethics.helpline@baesystems.com or use www.expolink.co.uk/ethics-report in the UK or other countries. Of call the free number for your country listed here.

Q: How many employees do you dismiss for unethical conduct annually?

A: We publish the total number of employees dismissed for unethical conduct annually in our [Annual Report](#) and our [CR Summary](#).

Q: How do you ensure that external advisers do not behave unethically in the work they do on your behalf?

A: Our Advisers Policy governs the appointment and management of all third parties engaged to guide, influence, promote, assist and support our sales and marketing efforts or strategy development on the political context of our business and some aspects of security. A summary of the policy can be viewed [here](#). Find out more about how we use and manage advisers in our [factsheet](#) on advisers.

Q: How do you ensure your employees make responsible decisions about which business opportunities to pursue?

A: The defence industry is subject to strict regulatory controls. We also have our own internal controls that govern what we sell and who we sell to. Central to these are our Responsible Trading Principles and training on our Code of Conduct, which help us make informed decisions about the business opportunities we pursue based on our values. See [Policy summaries.](#)

Employees
Q: How does BAE Systems support the development of its employees?

A: We want every employee to fulfil their potential while contributing to the success of the Company. We do this through our career frameworks, comprehensive development programmes and the breadth of our operations around the world that enable employees to make the most of their talents. Our focus is on continuous professional development that supports personal and professional growth.

Q: How does BAE Systems attract and retain talented employees?

A: Engaging and developing our workforce for current and future business is key to successfully delivering our strategy and customer commitments. We are continuously looking to attract, recruit, develop and reward people of the highest calibre.

Human rights
Q: Do you have a human rights policy?

A: BAE Systems is committed to respecting human rights wherever we operate. How we act on this commitment is outlined in our global policies and processes, including our:

- Code of Conduct
- Product Trading Policy
- Pursuit of Export Opportunities Policy
- Responsible Trading Principles
- Supplier Management Process.

Lobbying and offset
Q: Are you open about your lobbying activity?

A: We engage with governments and policymakers to influence public policy on issues related to our business and to promote BAE Systems' solutions for national defence and security requirements. Anyone interacting with governments on behalf of BAE Systems – from within or outside the company - must comply with our Lobbying, Political Donations and other Political Activity Policy and behave in accordance with our Code of Conduct. Our emphasis is on openness and transparency in all dealings with governments. Find out more in our factsheet on lobbying and political activity.

Q: How do you select and manage offset arrangements?

A: Offset arrangements are often an important element of the evaluation process for defence contracts with export customers. These are designed to generate employment, build capability or create economic value in the customer's country. All our offset arrangements are governed by our Offset Policy and Code of Conduct. Find out more in our factsheet on offset arrangements.

Diversity
Q: What actions are you taking to promote diversity in the workplace?

A: Our change programme, including training to prevent unconscious bias, is making BAE Systems a more inclusive place to work. We target recruitment opportunities with organisations that support diverse professionals, highlight BAE Systems role models with similar backgrounds to target candidates, and provide opportunities to help diverse employees advance to more senior roles. See Diversity and inclusion.

Environment
Q: What are you doing to reduce your greenhouse gas emissions?

A: We are improving energy efficiency and decarbonising our energy supply to reduce greenhouse gas emissions. The majority of our greenhouse gas emissions come from the energy we use in manufacturing so the focus is on making our manufacturing more efficient and generating electricity from lower-emission sources such as on-site solar installations. See Reducing emissions.

Q: What actions are you taking to ensure your suppliers reduce their impact on the environment?

A: We engage with major suppliers to encourage them to reduce environmental impacts through our supplier management processes at all stages of the project lifecycle from planning through to completion. As a founding member of the Aerospace Defence Security's 21st Century Supply Chain (SC21) programme, we promote sustainability throughout the supply chain and encourage implementation of best practices. See Working with suppliers.

Q: What data do you report on environmental impacts, and how frequently?

A: We report on our greenhouse gas emissions annually in our integrated Annual Report and our CR Summary. This can also be viewed in the Carbon reporting section of our website.

Q: Are sustainability factors part of your core criteria for developing new products and services?

A: As part of our Lifecycle Management Framework, we train our engineers to incorporate environmental considerations right from the start when they design a product, develop a process or choose a part.

Q: What steps is BAE Systems taking to reduce the impact of its products across their life cycle?

A: Our Lifecycle Management Framework helps us identify and manage environmental impacts at every stage of the product lifecycle. We also work with customers to maintain and use products more efficiently and keep them going for as long as possible before eventually recycling or disposing of them responsibly at the end of their useful lives. See Product stewardship.

Q: Why don't you have a global greenhouse gas emissions reduction target?

A: The nature of our business, with largescale projects and peaks and troughs on orders, makes it challenging to set a global greenhouse gas reduction target. Instead, we set targets at site level that contribute to an overall reduction.

Safety

Q: Do you promote safe working practices for your employees?

A: Safety of our employees, and anybody who works on, or visits, our sites, is a key priority. We continue to embed a 'safety first' approach by providing training and tools that help employees to understand the importance of a safe workplace, and encouraging employees to take responsibility for their own safety and the safety of those around them. Senior leadership plays a key role in maintaining the focus on safety and leading through example.

Q: What metrics are used by BAE Systems to report your safety performance?

A: The metric used to measure workplace injuries is the Recordable Accident Rate which, along with the number of major injuries, is used to determine an element of executive bonus.

Q: How does BAE Systems ensure the safety of its products?

A: The Company sets out four principles that describe its approach to the safety of products: accountability; level of safety; conforming products; and learning and sharing information. They apply throughout the life of the product and throughout the supply chain. Certain responsibilities for the safety of our products can continue well beyond the contractual life of most projects. The level of safety required for each product is achieved through the application of robust processes and the thoughtful and responsible attitudes and behaviours of many individuals who are alert to the safety implication of their actions whilst working within a product safety management system. Where local legal or regulatory standards apply which differ from those set out in our Product Safety Policy, our businesses shall apply such local standards.

Non-financial risk management
Q: What processes does BAE Systems have in place with regard to managing non-financial risk?

A: We have a Risk Management Policy in place that all employees must adhere to which is supported by Risk Management Policy Guidance. We set out clear requirements for the management and reporting of non-financial risk to support the delivery of the Company's objectives and to meet the requirements of good corporate governance.

Responsible Products

Controversial products
Q: Do you make or sell cluster munitions or anti-personnel mines?

A: We do not manufacture or sell cluster munitions or anti-personnel mines banned under the terms of the Convention on Cluster Munitions (Oslo Convention) or the Ottawa Convention. We have not done so for a considerable period of time.

Q: Do you make or sell white phosphorous?

A: BAE Systems does not manufacture white phosphorous. However, we do supply certain smoke bombs to the UK Ministry of Defence that contain white phosphorous.

Nuclear
Q: How do you manage risks associated with managing nuclear materials?

A: The submarines we manufacture are powered by a nuclear reactor. When dealing with nuclear materials, the risks to the people using our products, the general public and the environment is extremely low. We have a range of programmes in place to make sure employees are trained appropriately and have the most up-to-date knowledge of relevant procedures to handle nuclear materials safely. Our operations are regularly inspected by independent third parties including external regulatory authorities. See Managing Nuclear Materials

Q: How do you dispose of hazardous or nuclear waste?

A: While our operations generate both hazardous and non-hazardous waste, most of the waste we produce is non-hazardous.

We focus on recycling and re-using high value material and ensure that all other wastes are disposed of according to local and national guidelines. We work with our waste contractors to identify waste reduction options where possible. We also have a number of initiatives with third part suppliers to prioritise recycling or re-use of electronic and communications equipment.

Very small amounts of low level radioactive waste are generated during testing of the nuclear reactor that powers the Astute class submarine manufactured at our site in Barrow, UK. This waste is handled by the on-site waste treatment facility, which is subject to extensive regulations as part of our licence to manage nuclear materials. See Managing Nuclear Materials.

Unmanned aerial vehicles
Q: Do you make or sell unmanned aerial vehicles or 'drones'?

A: BAE Systems is engaged in the development of UAVs to address future customer requirements. Demonstration programmes such as Taranis are maturing technologies for the next generation of unmanned combat air systems. Such systems offer the means for armed forces to complete critical missions without putting military personnel at risk. The air vehicles we are developing are designed to be able to comply with applicable rules of engagement and legal and regulatory requirements.

Community investment
Q: How much did BAE Systems invest into community projects last year?

A: We report our total investment into international charities and not-for profit organisations in our Annual Report and CR Summary.

Q: How can organisations apply for funding?

A: We focus on issues connected to our business, such as the armed forces and their families and science, technology, engineering and mathematics education. Our community investment benefits charities and our business by helping us build good relationships with local communities and by contributing to employee development and job satisfaction. We do not provide funds to any individual or non-charitable organisation engaged in fundraising activity. For more information please visit our Community Investment contact page.

Reporting
Q: Where does BAE Systems report on corporate responsibility performance?

A: Information on our performance in key areas of corporate responsibility is integrated throughout our Annual Report and reported in more detail in our CR Summary.

Q: Does BAE Systems commission independent assurance of its reporting on corporate responsibility topics?

A: We obtain independent assurance of key corporate responsibility data from Deloitte LLP.

Q: How do you prioritise the ethical, environmental and social issues that are most important to your business and your stakeholders?

A: We conducted a formal materiality process to understand the relative importance of specific corporate responsibility issues to our various stakeholders and how this fits in with different aspects of our business. We used the results of this process to inform our prioritisation of issues within our strategy and reporting.