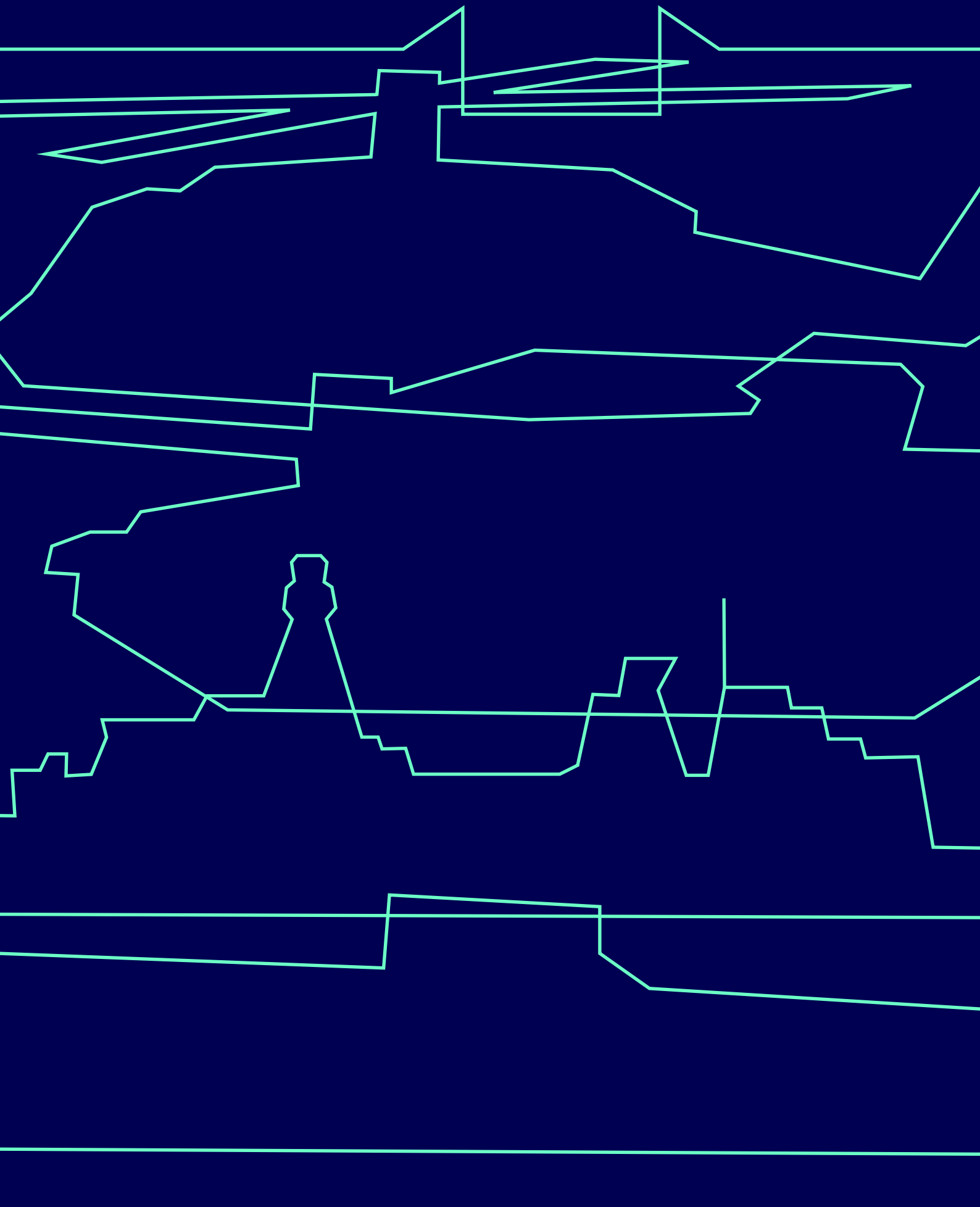
Babcock

Modern Slavery Statement
FY25-26



Babcock's role in Australia's defence ecosystem carries a responsibility that goes beyond contracts and capability delivery. It demands trust from the Australian Government, our partners, and the communities who rely on us to operate with integrity. Modern slavery risk management is a core part of that responsibility. It is a requirement of being a trusted partner in national security.

This Statement sets out how we identify and address modern slavery risks across our operations and supply chains. We apply disciplined due diligence at onboarding and throughout supplier engagement, strengthen remediation pathways where risks are identified, and track progress through clear KPIs reported to the Executive Committee. Our approach is practical, measurable and designed to support suppliers while protecting vulnerable workers and maintaining the confidence of our customers and shareholders.

We expect our people, partners and suppliers to meet these standards and to escalate concerns promptly. This Statement reflects that commitment and the accountability we hold as a trusted partner.

Leah Grantham

Leah Grantham
Acting Chief Executive Officer Australasia

SEPTEMBER 2026



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Introduction

This statement relates to Babcock Australia Holdings Pty Ltd (Babcock), covering all fully owned operating companies and business units and joint ventures within Australia for the Babcock financial year ending 31 March 2026. It excludes New Zealand entities.

At Babcock, we are committed to conducting all our business activities with the highest standards of integrity, whether engaging with customers, suppliers, employees, or the communities in which we operate. We are steadfast in our support for the elimination of Modern Slavery in all forms and expect all our operations worldwide to uphold human rights, embrace diversity and treat everyone with dignity and respect.

Babcock's aim is to create an inclusive organisation where everyone's skills and contributions are welcomed and valued. This approach is enshrined in our Code of Conduct, detailed in our Guiding Principles, embedded in our attitude towards health and safety and governed by our Environment, Social and Governance (ESG) program.

This document explains the steps Babcock is undertaking to prevent, detect and respond to Modern Slavery within our business and supply chains. It has been approved by the Australasian Executive Committee and is developed in accordance with the *Modern Slavery Act 2018 (Cth).*

Babcock International Group, of which Babcock is a subsidiary, also complies with section 54(1) of the *UK Modern Slavery Act 2015.* The statement can be found here.











Business overview

Babcock International Group

Babcock is a FTSE 100 international defence and aviation company, operating in the UK, Australasia, Canada, France and South Africa with exports to additional markets.

We deliver complex support and product solutions to enhance our customers' defence capabilities and critical assets. We are driven by our purpose: to create a safe and secure world, together.

At Babcock, we play a critical role in international defence. Operating globally, we set our sights across generations, approaching everything with a broad perspective. Forging close and committed partnerships with our defence and civil customers to deliver vital engineering that creates their big picture. Piece by piece.

Our engineering and technology capability has been built up through decades, reinforced by intimate understanding of assets and their owners and we're committed to building national engineering skills for our industry. Offering deeply pragmatic and integrated solutions to our customers in collaboration and with end-to-end vision, Babcock delivers lifetime engineering.

Babcock Australia

Babcock employs over 1,200 talented people across Australia, each playing a critical role in helping our customers to cost effectively improve the capability, reliability and availability of their most critical assets.

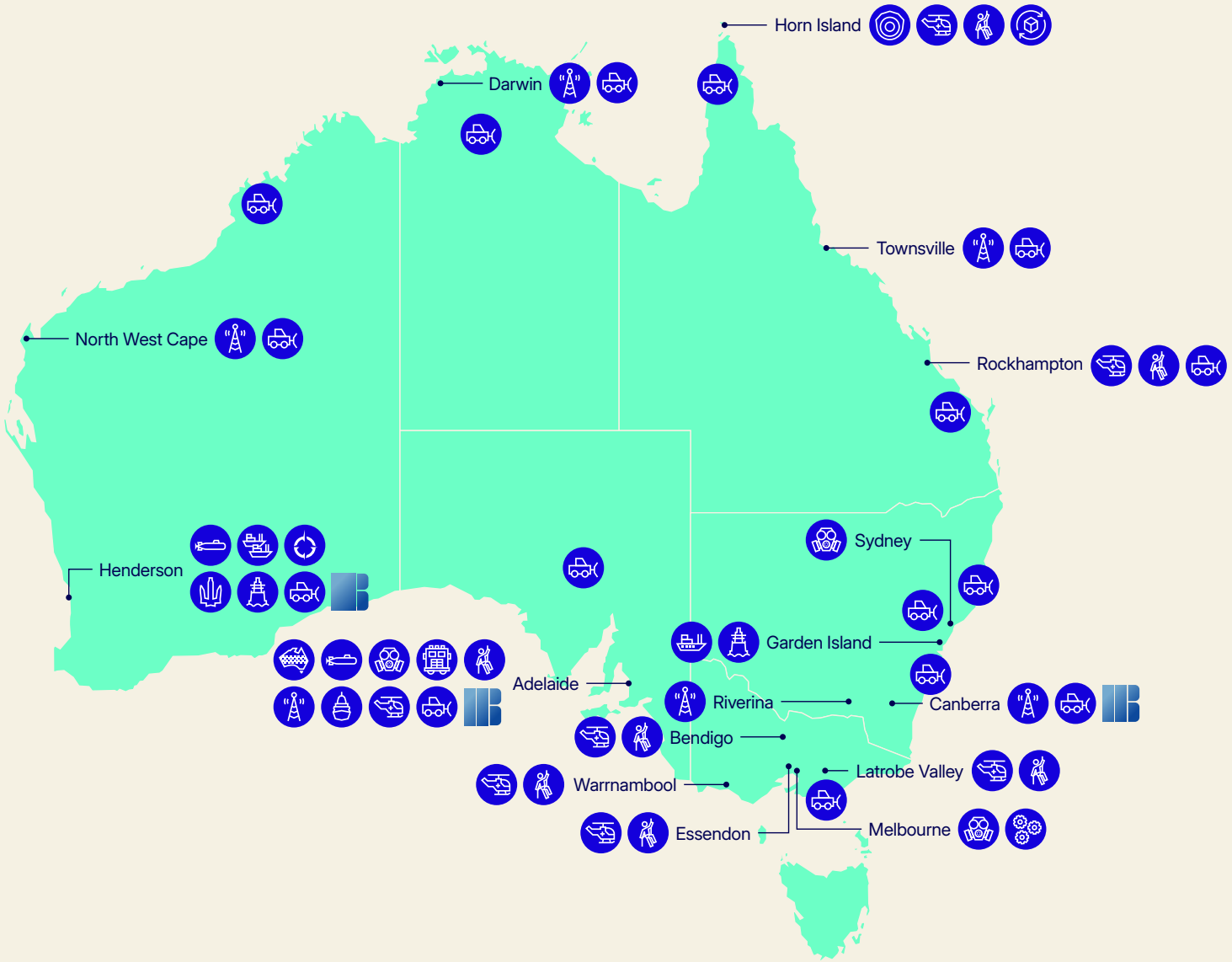
Backed by decades of experience across the globe, in Australia we are a premier maritime sustainment company, a leader in high frequency communications systems, and one of the largest helicopter emergency medical services providers.

H&B Defence

H&B Defence Pty Ltd is an Australian-incorporated joint venture between HII (USA) and Babcock (UK), established in November 2023.

Its primary business activities are focused within the defence sector, supporting the acceleration of critical sovereign capability development for the AUKUS nuclear-powered submarine program. This is predominantly delivered through specialised consulting services.

Babcock



Operations

- Airborne Law Enforcement
- Airborne Surveillance
- Amphibious Combat & Support Capability Lifecycle Management
- Collins Class Submarine Sustainment
- Counter-Chemical, Biological, Radiological, Nuclear and Explosive (C-CBRNE) Support Sites undisclosed
- Engineering & Technology
- Fleet and Asset Management
- Helicopter Emergency Medical Services
- Helicopter Search & Rescue
- High Frequency Communications
- Hunter Class Air Weapons Handling System
- Logistic Support
- Maritime Fleet Sustainment Services
- Marine Industrial Design
- Regional Maintenance Provider West
- Warship Asset Management Agreement
- ADF Ground Support Equipment
- H&B Defence Locations

Organisation

All Australian sectors are part of Babcock Australia Holdings Pty Ltd.

Babcock Pty Ltd comprises of corporate functions and the Mission and Support Systems programs within our defence business. Naval Ship Management represents our Marine sector, providing asset management, maintenance, and sustainment services to the defence maritime industry. Babcock Mission Critical Services Australasia Pty Ltd comprises the Aviation business and sector.

Supply chain teams operate under a hub and spoke model, where each sector has a Procurement and Supply Chain (P&SC) team led by P&SC Managers, who report to the Head of Supply Chain. Their primary focus is to ensure the function meets contractual requirements and complies with corporate governance standards.

There is also a Corporate Procurement function that supports the business in relation to procurement and supply chain governance and implementation of functional standards. All roles have a link into Babcock's wider P&SC leadership within the UK, providing governance and strategic direction for Babcock's businesses globally.

Babcock Australia Holdings Pty Ltd
ABN 99 602 953 739
Level 9, 70 Franklin Street, Adelaide SA 5000

Babcock Pty Ltd
ABN 32 050 019 817
Level 9, 70 Franklin Street
Adelaide SA 5000

Defence Land / Marine

Naval Ship Management (Australia) Pty Ltd
ABN 56 158 512 157
Level 9, 70 Franklin Street
Adelaide SA 5000

Naval ship management
(Full acquisition made in 2022)

Babcock Mission Critical Services Australasia Pty Ltd
ABN 50 011 075 460
Level 9, 70 Franklin Street
Adelaide SA 5000

Aviation

H&B Defence
ABN 64 673 118 164
Level 11, 70 Franklin Street
Adelaide SA 5000

Joint venture



Key focus areas outlined by Babcock International Group globally:

Our People

- Inclusion and diversity
- Dignity and respect
- Human rights
- Modern slavery

Our Business

- Anti-bribery and corruption
- Gifts and hospitality
- Conflicts of interest
- Anti-trust and competition

Our World

- Health and safety
- Environment
- Community engagement

Our Assets

- Intellectual property
- Confidential information

Babcock's Modern Slavery Risk Management Framework is owned by the Australasia Executive Committee and implemented by the Corporate Procurement function Australasia, with the support of all sector P&SC teams.

Directors, from each entity that Babcock Australasia holds or controls, are involved in the development of this statement as a regular part of the Executive Committee meetings.

These consultations involve discussions of the reporting requirements contained in the *Modern Slavery Act 2018 (Cth)* and gap analysis reviews focusing on areas of improvement across the supply chain.

Recommendations are identified and will be implemented as Babcock strives for continuous improvement.

Babcock

Governance framework

As an international business, Babcock International Group recognises responsibility for upholding and protecting the human rights of employees and other people we deal with throughout the supply chain.

We have embedded a culture of respect for human rights throughout our business which is demonstrated by our commitment to ethical conduct in everything we do.

The Babcock Code of Business Conduct (Code) substantiates our commitment and compliance with this policy and is mandatory for all employees, business advisers and business partners. We expect the same commitment from our suppliers and for them to flow down that commitment through their supply chain, Babcock's tier 2 and 3 suppliers. In addition to communicating Babcock's principles, it mandates full compliance with all laws and regulations. It also addresses the proper handling of intellectual property, commercially sensitive data, health, safety and environmental concerns as well as human rights.

The Code reflects the standards we hold ourselves to and enables a consistent approach to our customers in delivering to the highest ethical standards. Babcock's emphasis on Environment, Social and Governance (ESG) commitment and net zero objectives are also a key driver in how we appropriately manage our suppliers.

Compliance with the Code is also a requirement for all suppliers and is included in our supplier due diligence procedure, refer to page 11 for details.

Babcock Australia is partnered with a few third-party risk assessment providers to further improve the validation of a supplier's overall risk profile and governance processes. These platforms ensure a supplier's risk profile is comprehensively assessed prior to onboarding. Setting ongoing supplier alerts also enables us to continuously monitor that our supply chain is meeting standards required. This continuous improvement initiative helps to verify whether the supplier is complying with the *Modern Slavery Act 2018 (Cth)*.

Babcock has additionally partnered with JOSCAR, a defence collaborative supplier onboarding tool. JOSCAR further enhances the level of due diligence completed in accordance with industry standards. Babcock has worked with JOSCAR and other defence organisations to implement a standard due diligence questionnaire to assess any supply chain and Modern Slavery risks prior to supplier engagement.

In 2026, the Babcock Australasia Corporate Procurement team established a Modern Slavery Strategy that defines the framework for identifying, assessing, and mitigating modern slavery risks across the supply chain. In alignment with government guidance, suppliers have been assessed against a defined set of risk factors to prioritise those requiring enhanced due diligence and more detailed risk analysis. Targeted risk analysis activities, including a two-staged questionnaire, will be undertaken throughout the remainder of 2026.



Our supply chain

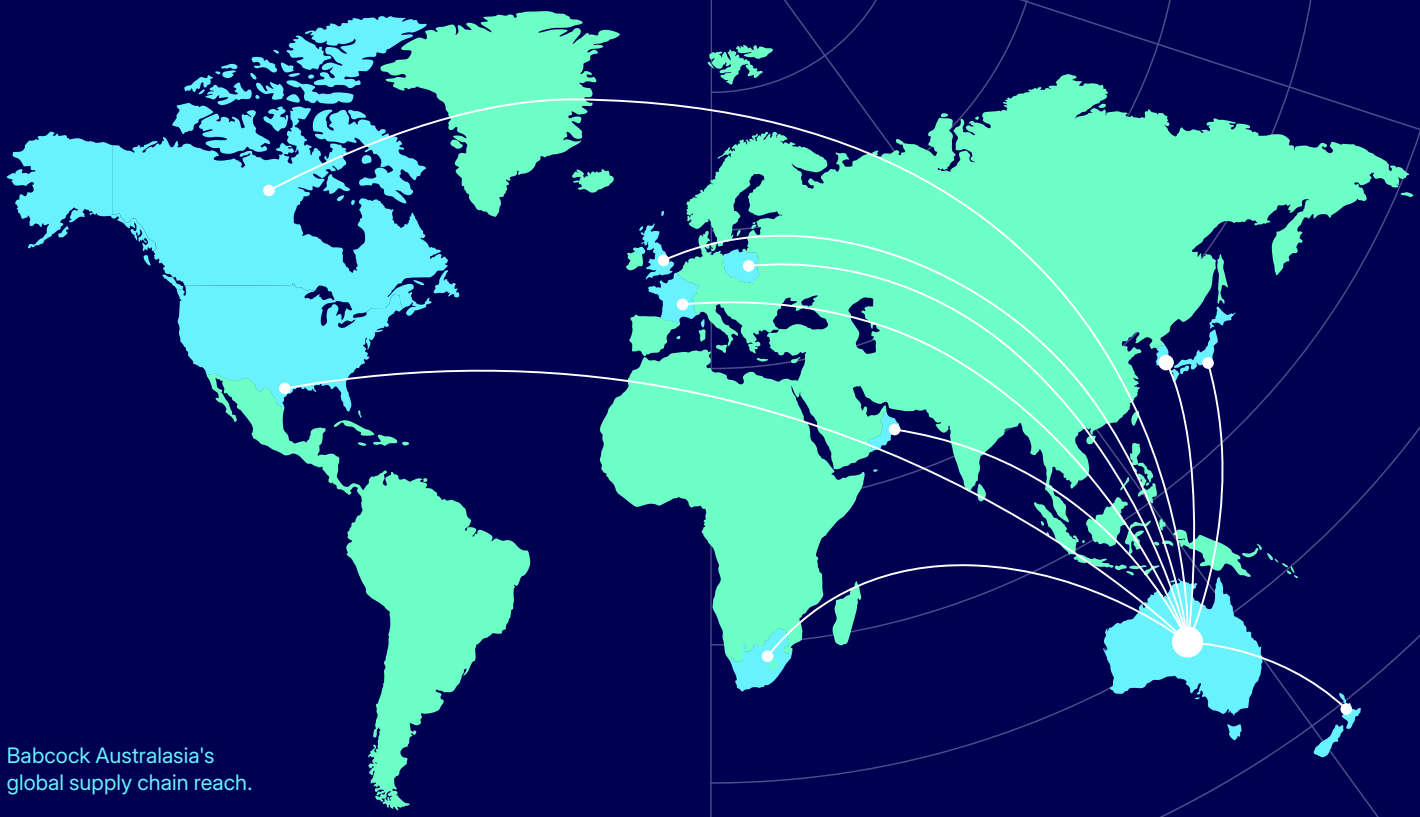
Babcock's external expenditure via Original Equipment Manufacturers (OEMs) and Service Providers accounts for approximately 50% of turnover. Our approach and ability to manage these third-party relationships affect our ability to deliver performance and margin. The P&SC function develops and delivers optimal supply chain solutions, enabling return value to customers, shareholders and communities. We procure a wide range of goods and services; reliable and high performing suppliers are essential throughout the supply chain.

Babcock has over 10,000 suppliers globally and has developed approximately 300 strategic relationships. These suppliers range from OEMs to Small to Medium-sized Enterprises (SMEs) to Subcontractors.

Babcock builds appropriate engagement models with partners and preferred suppliers to drive quality and innovation throughout the supplier base.

Under Tier 1 mapping, Babcock Australasia sources from approximately 1,300 active suppliers, most of which (77%) is procured from Australian businesses. Any imported goods or services are primarily from Western Europe, Southern Europe and North America.

Babcock Australasia predominantly focuses on the management and sustainment of assets owned by our various customers, with some level of assembly work in our Marine sector. As a result, our registered suppliers are a mix of OEMs and services industry Subcontractors (electrical and mechanical repairs, warehousing etc.). Our largest program is JP9101 - operating and enhancing Australia's Defence High Frequency Communications System. While product assembly and construction are completed onshore for this program, materials are sourced both internationally and domestically to meet supply chain requirements.



Babcock Australasia's global supply chain reach.

Babcock

Assessing Modern Slavery risks

Modern slavery questionnaire

Our modern slavery risk assessment considers both internal and external environments. The questionnaire is reviewed on an annual basis for continuous improvement and has been implemented into Babcock's standard onboarding process. This ensures the supplier can be reviewed before initial engagement and risks can be identified proactively.
The modern slavery questionnaire includes:

1. **Background questions** – captures basic details about the supplier (name, address, reporting person).
2. **Workforce questions** – provides an overview of employees' profile (e.g., number of female workers, number of migrant workers, the existence of trade unions, employee turnover, etc.).
3. **Policy and practice questions** – provides an overview of policies and practices to identify and manage forced labour issues, including the existence of a worker grievance mechanism.
4. **Third party labour practice questions** – addresses the requirement of cascading reviewing modern slavery risks within the lower tiers of the company's supply chain.
5. **Supply chain questions** – covers the identification and management of modern slavery risks within the company's supply chain. Addresses supply chain mapping to attain visibility of Tier 2 suppliers.

Suppliers are reviewed in accordance with Modern Slavery risk indicators, as detailed in the *Modern Slavery Act 2018 (Cth)*. The risk factors are grouped into five types of risks and indicators:

1. **Sector and industry risks** – certain sectors and industries may have high Modern Slavery risks because of their characteristics, products and processes.
2. **Product and services risks** – certain products and services may have high Modern Slavery risks because of the way they are produced, provided or used.
3. **Geographic risks** – some countries may have higher risks of Modern Slavery, including poor governance, weak rule of law, conflict, migration flows and socio-economic factors like poverty.
4. **Entity risks** – some entities may have Modern Slavery risks because they have poor governance structures, a record of treating workers poorly or a track record of human rights violations.
5. **Indicators of Modern Slavery** – a combination of these signs may indicate a person is in a situation of Modern Slavery and further investigation and assessment is required. Some groups may be at higher risk of being impacted by Modern Slavery, such as women and migrant workers.

Internal assessment – Babcock operations

An internal assessment has been conducted by Babcock's Human Resources (HR) department based on the previous 12 months' data. The assessment addresses any issues or concerns raised, none of which have been identified. Internally, all employees have access to our Grievance Procedure and externally there is a whistleblowing mechanism available to all parties. This is described in page 12.

External assessment – Babcock supply chain

Our approach to managing Modern Slavery risks includes screening the supply chain for high-risk countries of origin, the category of products or services provided by suppliers, and the nature of the supplier's labour force.

Identified suppliers are asked to submit responses against the questionnaire. Based on the responses, the P&SC department conduct a risk assessment and determine whether further actions are required. Through a deep dive analysis completed in 2025, a limited number of medium-risk suppliers were identified. The risk indicator questions were presented to Babcock Procurement Managers who addressed these findings with the suppliers directly, ensuring suppliers are meeting required standards.

This deep dive analysis enabled Babcock to continue to educate and work with high-risk suppliers to help achieve Modern Slavery initiatives. Our annual survey reported no issues or incidents attributed to Modern Slavery.

On new Requests for Tender (RFT), the questionnaire is included in the RFT pack issued to suppliers where potential modern slavery risks are identified based on country of origin, the product/service or the nature of the supplier's workforce.





Managing Modern Slavery risks

Supplier due diligence procedure

Our Modern Slavery risk assessment is conducted via our due diligence pack for new and existing suppliers. This pack assists with supply chain awareness and facilitates measurement of supplier mitigation activities relating to Modern Slavery.

We use appropriate processes to qualify, on-board and periodically revalidate suppliers to ensure compliance with commercial, regulatory and legal requirements.

We explain the qualification process to our suppliers in our P&SC functional principles and sector-specific policies. The level of detail gathered from the supplier is appropriate to the risk assessment of supply.

Supplier due diligence starts when a Request for Information (RFI) is issued to the supplier and finalised no later than when orders are released. Babcock mandates all suppliers to respond to a due diligence questionnaire covering the following areas:

- Anti-bribery and corruption
- Health and safety
- Cyber security
- Business stability
- Compliance with regulations and legislation.

Modern Slavery is captured under the last item. The Modern Slavery questionnaire described in page 10, is included in the due diligence pack issued to suppliers to ensure any Modern Slavery risks are identified initially, prior to contractual engagement.

Babcock will continue to develop an action plan for supporting contractors and suppliers based on information gained from questionnaires and due diligence checks. We provide immediate feedback to the suppliers if any Modern Slavery concerns are identified and ensure relevant actions are implemented by the supplier to rectify them.

Grievance mechanism

A Grievance Procedure is available for employees in Babcock's intranet. The procedure provides guidance on what can be classified as a workplace grievance, how grievances can be raised, decisions appealed, and how the company may address these concerns and resolve conflict. The procedure adopts an escalation model that starts from the employee raising an issue directly with the involved people, through to consulting with managers or the HR department and up to the extent of resorting to external sources that are provided within the document. Counselling and support are available for employees who need it.

Whistleblowing

Babcock provides a whistleblowing facility for our employees and suppliers to raise any concerns or issues regarding the Babcock Code of Business Conduct, including whether:

- Bribery or corruption has taken place or is likely to take place;
- There may be fraud or other irregularities going on in the way transactions, goods or services are being paid for, recorded or invoiced (or in the failure to properly record or invoice them);
- The health or safety of any individual is being, or is likely to be, endangered by the way activities are being carried out;
- Any other criminal offence – including Modern Slavery – has taken place, or is likely to take place;
- There has been, or is likely to be, a failure to comply with legal obligations, including Modern Slavery;
- There has been, or is likely to be, a miscarriage of justice; or
- The environment has been or is likely to be damaged.

Babcock employees and suppliers are encouraged to bring such matters to the attention of line management.

If an employee or a supplier feels this is an inappropriate route, they may use the confidential whistleblowing telephone service or report via the online portal listed.

If an incident is raised this will be investigated by risk management, procurement and third party support may also be utilised.

Training and awareness

We continue to raise awareness of Modern Slavery throughout our business and especially within our procurement and supply chain function. Our procurement professionals understand what the key identifiers are and how to proactively address and manage risks.

Babcock has an online training module via our online training portal, Success Factors. This module uses the *Modern Slavery Act 2018 (Cth)* as the framework for its training and is rolled out as mandatory for all P&SC and people leaders as an annual course. This year, Babcock has continued to use its Modern Slavery awareness module for P&SC employees throughout the company who are involved in supplier engagement, supplier sourcing, supplier selection, supplier onboarding/due diligence or supplier performance management. Encouragement has also been given to P&SC members who are Chartered Institute of Procurement and Supply (CIPS) members to undertake the CIPS Ethics training.

Amongst other related issues, this module highlights high-risk sectors where additional care may be needed when on-boarding suppliers. It also brings to attention Babcock's mandated due diligence processes, the indicators of forced labour, as well as information about the whistleblowing helpline.

We have an extensive selection of modules and resources on our intranet page, allowing anyone within the company to complete them. This training also contains a selection of links that explain current legislation, Babcock policy and internal escalation points. Babcock has a robust supplier due diligence procedure that ensures all new supplier relationships follow the work flow described in the procedure, and appropriate due diligence on the supplier is conducted before any orders can be placed.

Modern Slavery considerations are incorporated into the due diligence process to capture any risks and ensure all suppliers are in acceptance of the Supplier Code of Business Conduct.

Telephone: 1800 230 731 (access code: 22226#)	**Online:** intouchfeedback.com/babcock (access code: 22226#)





Measuring effectiveness

Babcock has undertaken supply chain and internal risk assessments to identify potential Modern Slavery risks within its operations and supply chain. No instances of Modern Slavery have been identified through these processes during the reporting period. The organisation continues to monitor and review the effectiveness of its due diligence framework, with any identified risks formally documented, assessed, and addressed in consultation with relevant suppliers. Where applicable, mitigation actions are implemented and tracked to completion.

To strengthen its control environment, Babcock has embedded Modern Slavery risk considerations into procurement processes, including the incorporation of reporting and disclosure requirements within RFIs and RFTs. Ongoing awareness activities are delivered to employees and suppliers to support the identification and management of Modern Slavery risks.

Babcock maintains formal grievance and whistleblowing mechanisms that are accessible to employees and external stakeholders, including suppliers. No reports relating to Modern Slavery have been received during the reporting period. These mechanisms will continue to be promoted as part of the organisation's commitment to transparency, accountability, and continuous improvement.

Statement approval

Babcock's Modern Slavery Statement has been approved in line with the requirements of the*Modern Slavery Act 2018 Cth* . The Babcock Australia Holdings Limited Executive Committee, as the principal governing body, approved this statement on 23 September 2026.

As authorised signatory, the Chief Executive Officer has signed this statement on behalf of Babcock Australia Holdings Limited and each reporting entity. This approval confirms that the information presented in the Modern Slavery Strategy and the Statement reflects the organisation's governance, due diligence processes and commitments to identifying, assessing and addressing modern slavery risks across our operations and supply chains.

Babcock applies structured internal review and assurance processes to support the accuracy and completeness of this statement and to strengthen our approach to modern slavery risk management and reporting.