

babcockTM



Gender Pay Gap Report 2023

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“*As Chief Technologist at Babcock Australasia, I have a voice in setting the strategic direction of business growth. I feel that my experience and contributions are valued at a high level. This drives passion for my work and motivates me to strive for excellent outcomes.*

Babcock’s work life balance policies allow me flexibility in working hours, so that I can do the necessary interstate and overseas travel and have flexibility to ensure I am at my best mentally and physically.

I have seen my colleagues balance and progress exciting careers whilst also growing their families and meeting family commitments. This has given me the assurance that I too can follow my career aspirations and grow a family as I choose, which is very important to me.

Karen Trezise
Chief Technologist



Foreword

At Babcock Australasia, we are continually striving to ensure our company is fair, equal and inclusive and that includes improving gender balance in our workforce.

There are well-documented, worldwide challenges to encouraging more women into STEM-related fields, including the Defence industry and engineering. Babcock is focused on improving the gender balance in our workforce and leadership teams.

We seek to continue to break down barriers that may exist for gender diversity in non-traditional roles and strive for our workforce to be representative of the communities in which we operate.

Women are crucial to Babcock’s aim of “Creating a safe and secure world, together”, and we are committed to closing the gender pay gap, growing our talent pipeline, developing processes to attract women, and enabling employees to flourish and shape their own future at Babcock.



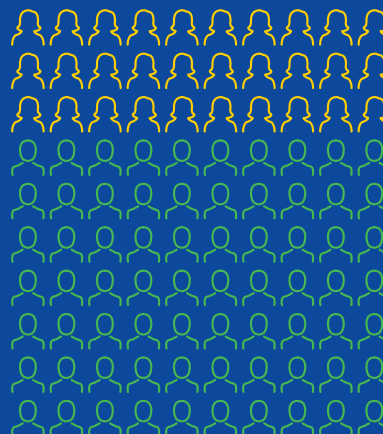
Andrew Cridland
CEO
Babcock Australasia



Sue Whitford
Executive Director, People & Safety
Babcock Australasia

Across the Babcock International Group, we are committed to ensure women make up at least:

Female 30% Male 70%



- › 30% of our senior leadership team by 2025
- › 30% of our broader employee population by 2030

Overview

This is the first gender pay gap report for Babcock in Australia.

As a company, we welcome the introduction of gender pay gap reporting because we are passionate about building a business that is fair, equal, and inclusive.

The aim of this report is to openly share our gender pay gap and how we are addressing it. We want to demonstrate that we are determined to provide a fair, equitable and inclusive environment for all of our employees, regardless of gender or identity.

We recognise that there is work to done, but we are guided by our Purpose: to create a safe and secure world, together - and a clear set of Principles that are central to everything we do, where differences are valued, and everyone can thrive and give their best to fulfil their potential.

As a defence and critical services organisation, we operate in a sector that continues to be male dominated and greater representation for women is a challenge and our focus.

Gender pay gap and equal pay

It is critical to note that the gender pay gap is not the same as equal pay.

The gender pay gap is the difference between average men and women pay across the organisation and across all roles. The gender pay gap is not to be confused with men and women being paid the same pay for the same, or comparable role - that is equal pay which has been a legal requirement in Australia since 1969.

Our Principles



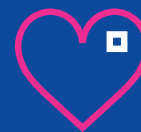
be curious

We believe in positively challenging the status quo and asking, 'how might we?'



think: outcomes

We believe in measuring success by the results we deliver and the positive impact we make.



be kind

We believe in being kind to ourselves, kind to each other and kind to the planet.



collaborate

We believe that Babcock is greater than the sum of its parts.



be courageous

We believe in being brave, ambitious and determined.



own & deliver

We believe everybody has a part to play in Babcock's and our customers' success.

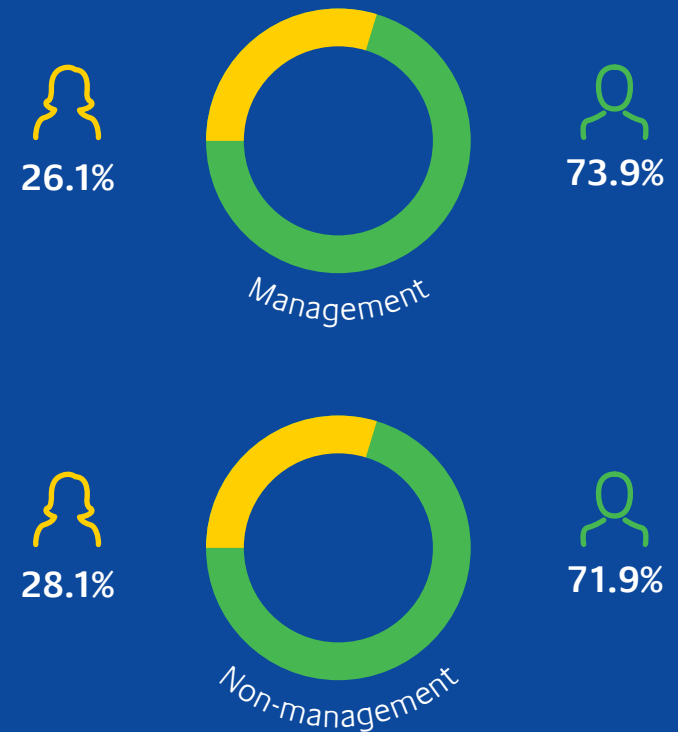
2022-23 Data

Our gender split is in line with the average in the Australian defence industry sector, with women making up 28% of our workforce. This is a significant improvement from 2022, when representation in our workforce was 22%.

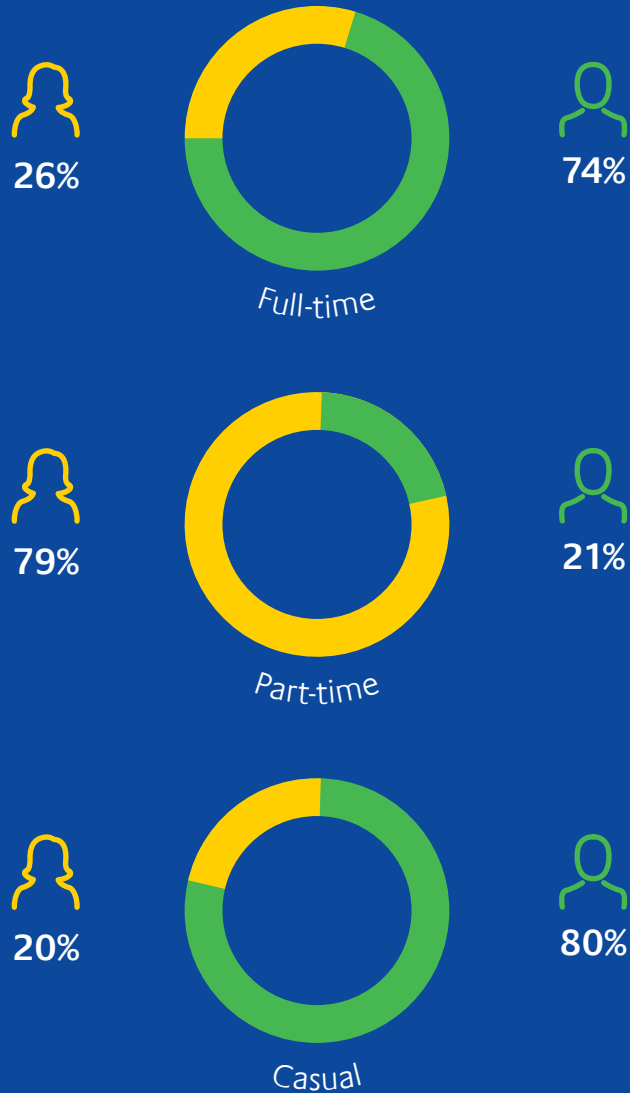
During a strong period of growth over the last year, we increased the number of women employed from 167 to 259, a large increase of 92, compared with a net increase of 106 men employed.

Workforce composition

Women in the defence and aviation industry are often under represented in leadership roles and over represented in lower-level roles which contributes to the gender pay gap.



Workforce composition by employment status



Our People

Senior leadership

Women make up 14% of Key Management Personnel (KMP), which is our Executive Committee (ExCo). The percentage fell from the last reporting period from 17% to 14%. This was due to an expanded ExCo.

Our Senior Leadership Group is made up of nine women and thirty men, which represents a 23% participation.

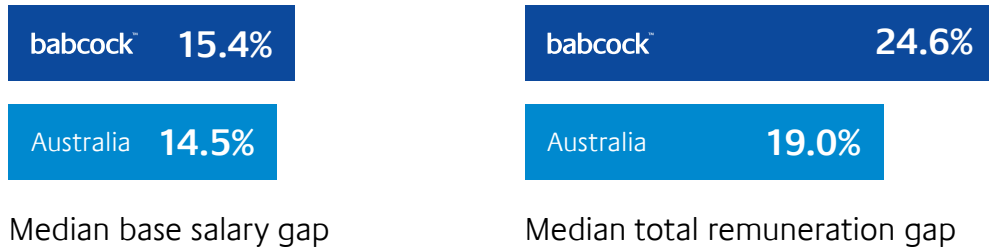
Other managers

In the last reporting year, our percentage of women who are managers has increased slightly from 25% to 26%. In addition, Babcock has internally promoted seventeen women into manager roles.

Target percentage of workforce

At Babcock, we are striving to accelerate our progress by continually reviewing our approach to diversity and inclusion to improve the gender balance within our workforce, leadership and supply chain.

2022-23 Data explained



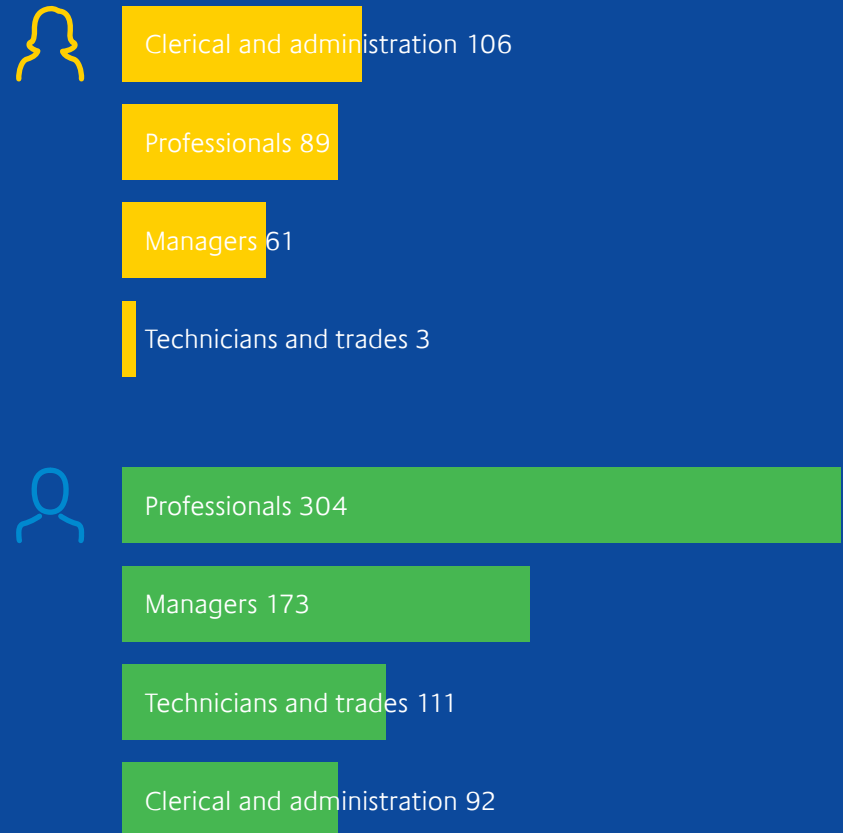
Babcock’s median base salary gender pay gap is 15.4%. The main driver of this is the composition of our workforce. For example, a total of 40% of women employed work in clerical and administrative roles, compared to 13% of men. Clerical and administrative roles remunerate at lower market salary levels than professional roles, and this is reflected in the base salary gender pay gap.

A significant segment (59%) of our women are employed in managerial or professional roles, compared to 86% of men employed.

Babcock’s median total remuneration gender pay gap of 24.6%, has been calculated by WGEA using the total of all remuneration which includes overtime, on-call, shift and other miscellaneous allowances.

The roles that attract these allowances are in the Technician and Trades categories as well as roles within our Aviation and Critical Services teams. The remainder of our employees are paid a salary that allows for built-in overtime. 97% of our technical roles are held by male employees. This significantly contributes to the total remuneration gap in favour of males.

Below are the top four categories of roles for each gender in Babcock



What are we doing to improve our gender equality?

WGEA have outlined six gender equality indicators designed to address the gender gap by employers. This is how Babcock is addressing these indicators:

Workforce composition

The participation rates of women, men and non-binary employees in the workforce is captured, and tracked according to employment status, leadership level, and rates for resignation, promotion, and appointments by gender.

Visibility of diversity metrics is provided to the Australasian ExCo on a quarterly basis and will be reported to our workforce annually through similar reports as this one.

Babcock is a Work180 endorsed employer, recognised as a company committed to raising standards for women in the workplace so they can thrive.

Our current Engineered to Grow recruitment campaign is designed to attract a diverse range of candidates, including profiling women engineers to appeal to a wide audience as well as encouraging women to choose Science, Technology, Maths and Engineering (STEM) careers.

Gender composition of the governing bodies

Babcock International Group Board (based in the United Kingdom) consists of nine members. Of those three are women, including the Chair of the Board. Whilst not Australian-based, this percentage is consistent with the current proportion of women board members in Australia. Babcock does not have an Australian-based Board, however the regional ExCo consists of one woman and seven men.

Equal remuneration between women, male, and non-binary employees

Babcock's Remuneration and Benefits Policy mandates that all employees involved in the decisions relating to remuneration and reward must be mindful of unconscious bias, diversity, gender equity and a commitment to pay equity. This includes a commitment to conduct a gender payroll analysis every year with targets set to reduce like-for-like, by-level and organisation-wide gender pay gaps each year until gender pay equity is reached.

Work Life Integration Policy

Babcock has a wide range of policies and procedures that employees can access, including our Work Life Integration Policy. All employees can request flexible working patterns which can include, flexible start and finish times, compressed hours, part-time work, job sharing and gradual increase or decrease in work hours.

Agile and flexible working

We support agile working practices to balance the needs of our employees, the business, and our customer commitments. By increasing flexibility and autonomy for our workforce and increasing employee engagement, we are supporting employee personal wellbeing. We offer various types of paid/unpaid leave for our employees which are over and above the Australian statutory leave requirements.

Consultation with employees on issues concerning gender equality in the workplace

Babcock has several initiatives in place to support our employees gain information and provide feedback on issues concerning gender equality. We have established a gender balance networking committee for the region, focusing on improving gender equality. An established network of Babcock Ambassadors support engaging and consulting with the business on workplace issues and we facilitate the Global People Survey – a comprehensive annual survey of all staff providing data which is analysed according to gender. This data identifies various issues impacting employees and guides business improvement.

We are committed to gender pay gap transparency and will communicate our results and continued actions to employees annually.

Sexual harassment, harassment on the grounds of sex or discrimination

Babcock will deliver training to all front-line leaders by June 2024 which outlines how to manage workplace behaviour to ensure our leaders understand the appropriate steps for grievance handling, reporting, investigation, and the steps to take should they experience or witness this behaviour. All staff and leaders are also required to complete the bullying and harassment training annually.



I joined Babcock as HR Operations Manager and soon after, my role expanded to include overseeing HR systems and processes. What I love about the People & Safety team is that ever since day one, my ideas are valued. The leadership team are always welcoming ideas for improvement and celebrate change in such a positive way’.

‘The flexibility in work that Babcock offers means I can juggle late-night meetings with UK or New Zealand colleagues without it impacting on my work or family life. The promotion of a compressed working week demonstrates Babcock’s commitment to helping employees create a work-life balance, job satisfaction and productivity.

Michelle DePasquale
HR Systems and Operations Manager

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Supporting women in Science, technology, engineering, and mathematics (STEM)

Babcock supports several programs to encourage women to develop their careers in STEM subjects.

As an example, we have an ongoing partnership with the University of Adelaide through 'The Women in STEM Careers program' (WiSC). Through this program we help provide the entrepreneurial tools and skills that will allow women to thrive and succeed in their field of choice.



“*In my role as Chief Engineer at Babcock Australasia I have experienced first-hand an inclusive culture where everyone is valued and actively encouraged to progress their careers. We have a fantastic early career programme in place allowing us to proactively develop staff creating a talent pipeline ready for future opportunities, as we continue to grow as an organisation.*

Kirsty Bateman
Chief Engineer, Mission & Support Systems



“*The support I have received from the team during my career at Babcock has enabled me to grow and develop the necessary skills to step up into the leadership role I am now in as Head of Supply Chain for Australasia. I couldn't have achieved it without the guidance, encouragement and trust the Senior Leadership has placed in me over the last 4 years that I have been with the organisation.*

Sarah Tartakowski
Head of Supply Chain

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