

**AWE**  
**ESG Report**

2020/21





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# About AWE

For 70 years, AWE has supported the UK Government’s nuclear defence strategy and Continuous At Sea Deterrence. On behalf of the Ministry of Defence, we manufacture, maintain and develop the UK’s nuclear warheads, and apply our unique expertise to support nuclear threat reduction. We provide guidance to UK military and police counter-terrorism teams, as well as emergency response in the event of nuclear or radiological incidents.



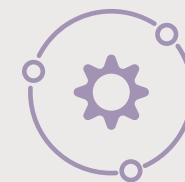
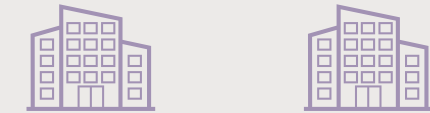
## AWE in numbers



**6,600**  
workers employed  
in 2020



**4**  
sites



**£625m**  
worth of goods and services  
procured from 1,400 suppliers,  
supporting around 6,000 jobs  
across our UK supply chain



**Over 400**  
employees  
on graduate and  
apprenticeship schemes

**46% of**  
employees  
in science and  
engineering roles



AWE was named in the  
Sunday Times 25 Best  
Big Companies  
to work for in 2021







## A message from Alison Atkinson, CEO

**“We would be nothing without our people and I am immensely proud of the efforts that everyone has made to achieve our mission in a difficult and disrupted year.”**

Since publishing our first Responsible Business report in 2020, much has changed; for AWE and the world we live in. The impact of climate change has become almost universally acknowledged with acceptance by many that the window of opportunity to keep temperature increases within manageable levels is closing fast. Meanwhile, everything we do takes place against a backdrop of COVID-19.

While continuing to do our part on these global challenges and consistently delivering our mission, AWE has seen change too: on 1 July 2021 AWE became a Non-Departmental Public Body (NDPB) of the Ministry of Defence.

To better reflect these changes, we have begun working to an Environmental, Social, and Governance (ESG) model. The approach overall will help us to align more closely with global standards, improve transparency, and enable us to direct action where it's most needed to become Net Zero by 2050.

Our Government – and every UK Government elected since 1949 – has a policy to maintain the UK's independent nuclear deterrent, to deter the most extreme threats to our national security, our freedoms and our way of life. AWE will continue to design, manufacture, maintain and assure the UK's warheads, and provide nuclear expertise to support arms control, counter-terror and nuclear emergencies as long as the UK requires it. We are proud of our work and the role AWE plays in enabling the Government to deliver its policy and help keep the citizens of the UK safe.

Since our 2020 report, and with the UK hosting the COP26 Climate Change Conference, we have, alongside Government policy, established carbon reduction targets of reaching Net Zero by 2050. The nature of manufacturing means, that like others in our sector, we have to find more innovative ways to reduce our carbon footprint. It is a challenge we are doing our utmost to engage with and is regularly reviewed as a business goal.

The safety of the public and our employees remains our top priority. While meeting the constantly improving needs of our regulators is challenging, we're committed to ensuring that our

safety data (such as accidents) is world class. As part of this, we have enhanced our governance in this critical area and appointed a new Executive Director for Environment, Safety and Health this year.

We would be nothing without our people and I am immensely proud of the efforts that everyone has made to achieve our mission in a difficult and disrupted year. I was both delighted and unsurprised when AWE was named one of the UK's 25 best big companies to work for in 2021 because I know the passion and dedication that our people bring to their jobs every day. We must always aim for better though. Workplace diversity and creating an inclusive culture are inherent to a successful business, and we require greater focus to bridge the gap between rhetoric and reality, fostering the innovative culture we need.

Our commitment to our local community is enduring. While it has been hard to reach out to them as we would have liked due to the pandemic, we continued to help a wide range of community causes through Science, Technology, Engineering, and Mathematics (STEM) online events in schools in Berkshire and Hampshire.

We know that it is only by explaining our work, how our values drive us, and above all, demonstrating our iron-clad commitments to safety, security and the environment, that we can establish and sustain our public support. I believe this report shows that we can take a pride in our achievements so far, while acknowledging that we must strive to do so much more given what we do is so important to the nation.

# Our reporting journey

The issues covered in this ESG Report are informed by the materiality assessment conducted in 2019. This process gathered insights and intelligence from internal and external stakeholders on the activities that allow us to deliver our mission in a responsible and sustainable way.

The key issues identified through the materiality consultation process included in this report cover core ESG topics including protecting the environment, safety and security, employee engagement and wellbeing, suppliers and communities, safeguarding the future of STEM and the governance processes by which we make all this happen.

We will continue to evolve our reporting practice in line with corporate best practice. It is our aspiration to align future ESG reports with international reporting frameworks such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). We follow closely the development of reporting standards and the requirements for ESG reporting, including the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

As the debate about the harmonisation of reporting standards and frameworks evolves, we will continue to adapt and develop the way in which we engage with stakeholders through our ESG reporting process.





# Environmental

We reached our target of an **18% reduction for scope 1 and 2** (our direct and indirect) **emissions** this year, in line with our 2030 target to almost halve them.





# Environmental

## Why is this important to us?

Reducing the impact of climate change is the preeminent challenge of our time. We all have a responsibility to do our part – as individuals, as organisations and nations. It is only through taking collective action that we will reduce greenhouse gas emissions, protect the environment and avoid potentially devastating consequences for our planet. At AWE, we recognise both our responsibility as part of this and the challenges it creates for us as a business.

As a major science, engineering and manufacturing centre which develops, builds and tests some of the most complex products in the world, we use a significant amount of energy. Some of the materials we work with are difficult to dispose of. These are necessary parts of what we do in order to deliver our part of the UK's Continuous at Sea Deterrent, and are vital to protect the UK against the most extreme threats to our national security and way of life.

In delivering our mission, we always seek to mitigate the environmental impact of our work. We have made significant progress in recent years and recognise there is a great deal more to be done. This section of the report on the environment shows our journey so far and how we hope to develop in the coming years and decades.



### Ambitions

Align to the Ministry of Defence's Climate Change and Sustainability Strategic Approach, including contributing to Net Zero by 2050.

Our 2030 vision is to almost halve our carbon emissions from site heating and electricity in line with science-based targets as an important intermediate step to our 2050 goal.

Identify further opportunities for carbon savings across our operations through a series of energy efficiency assessments.

### Progress

→ We are developing realistic roadmaps to enable us to reach these targets.

→ We reached our target of an 18% reduction for these scope 1 and 2 emissions in 2020/21.

→ This year we implemented improvements including LED lighting upgrades, lighting controls and chiller replacements which will result in annual savings of approximately 2,500 tCO<sub>2</sub>e.

**In delivering our mission, we always seek to mitigate the environmental impact of our work. We have made significant progress in recent years and recognise there is a great deal more to be done.**

# Tackling climate change

## Progress towards Net Zero

As an NDPB, we are working on developing initiatives which align to the Ministry of Defence's Climate Change and Sustainability Strategic Approach, including contributing to Net Zero by 2050. Like many businesses, we are aware that achieving this goal will be challenging but we are committed to setting ambitious targets and creating a rigorous roadmap to support our journey.

We have developed science-based targets to ensure our carbon reductions are in line with the goals of the 2015 Paris Agreement, and we commit to take action to help tackle climate change and create a sustainable future for generations to come.

## Delivering against our targets

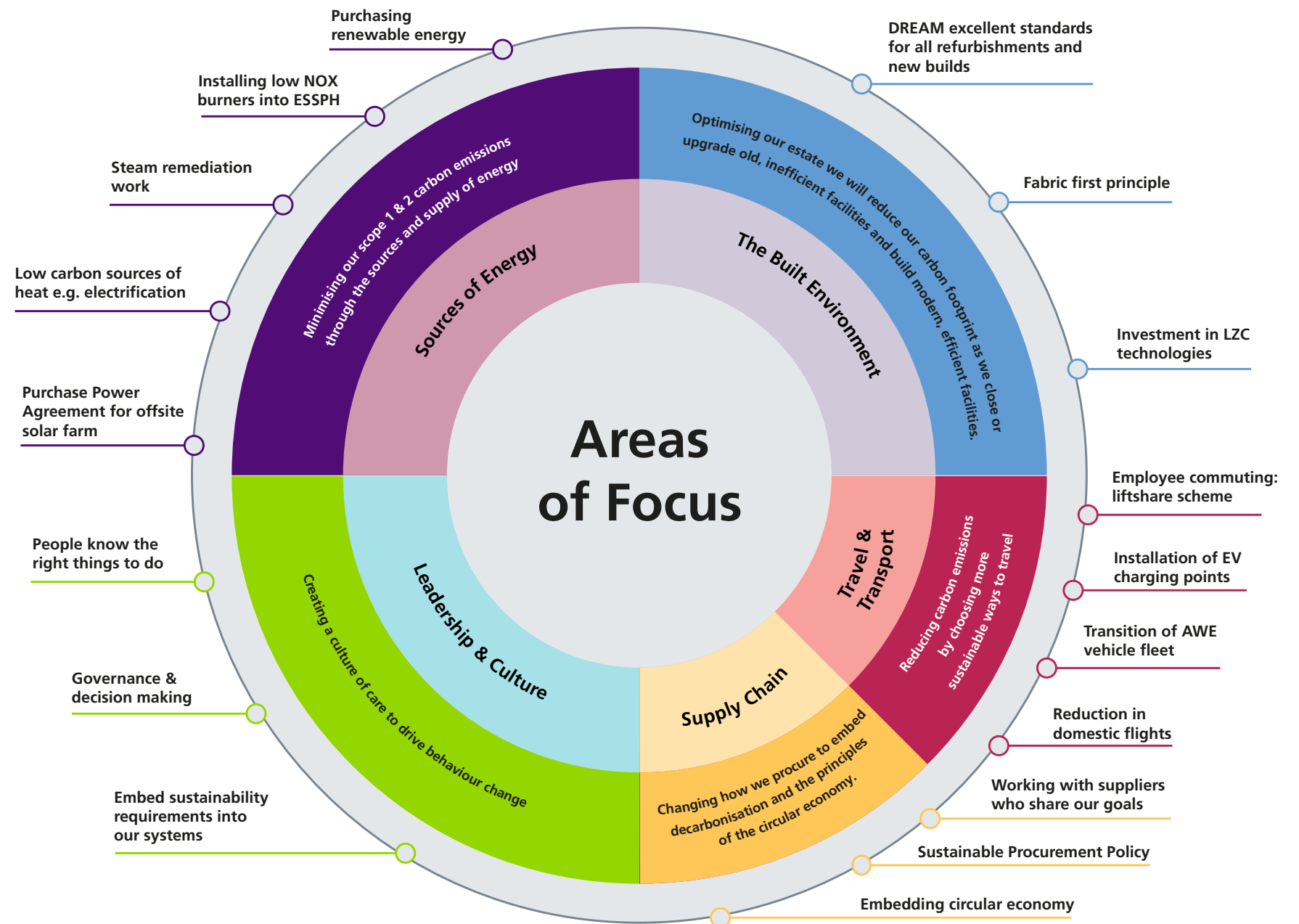
In 2020/21, we have reduced our Scope 1 and 2 emissions by 18% compared to the FY18 baseline, in line with our 2030 target.

This reduction is supported partly by the continued decarbonisation of the grid, but this alone is not enough for us to achieve our ambitions. We have developed a comprehensive carbon management strategy which will guide us in reducing our carbon emissions and improving our energy efficiency.

## Scope 1&2 emissions (CO<sub>2</sub>e Tonnes)



AWE set the vision to be carbon neutral in 2019, however since becoming an NDPB and the publication of the Government's Net Zero strategy, we have reviewed these commitments and targets to ensure they remain robust and impactful. We have identified next steps for adjusting our targets, enhancing our Net Zero ambitions and aligning to the Ministry of Defence's Net Zero ambitions.



**We have committed to a 50% reduction in carbon emissions from site heating and electricity by 2030.**



### Decarbonising the estate

A key element of our carbon strategy is energy procurement. All of our purchased electricity is from renewable sources. We are also exploring opportunities for entering into Purchased Power Agreements and investing in on-site renewables.

We have completed energy efficiency assessments across our estate and this year we are implementing measures which will result in annual savings of approximately 2,500 tCO<sub>2</sub>e. This includes LED lighting upgrades, lighting controls and chiller replacements.

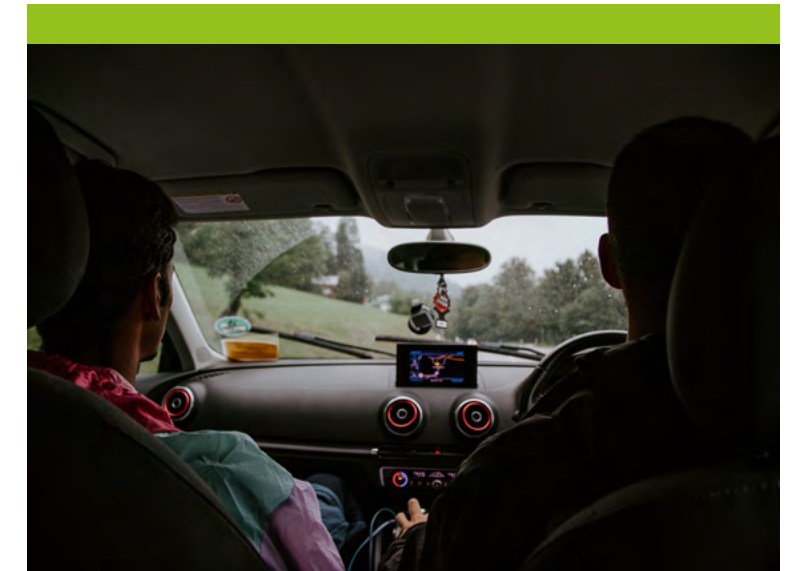
### Domestic flights

The global pandemic has impacted our business domestic flights significantly. Over the past year, we have learnt how to do business more efficiently, reducing the need for face-to-face meetings and reframing what is considered necessary travel. Looking ahead, we aim to achieve our targets in this area and attain a 30% reduction in our business domestic flights when the pandemic is over.

### Opportunities for the future

Our 2030 vision to halve our Scope 1 and 2 emissions in line with our science-based targets, is an important intermediate step to 2050. We are also working to identify and measure our baseline Scope 3 emissions in order to set meaningful targets and contribute to Net Zero ambitions. A key part of this work will see continued collaboration and investment in our supply chain.

In addition, it is essential that we understand the impact that climate change will have on the operations of our business and we are in the early stages of developing our climate change resilience and adaptation plans.



#### Driving efficiencies with Liftshare

Beyond our efforts to reduce emissions from within our business, we want to empower our people to play their part in reducing our Scope 3 emissions, starting with the 6,600 people that travel to and from our sites. While COVID-19 put a temporary pause on car-sharing activities, we are proud that our Liftshare scheme now has over 2,600 members, which equates to around 40% of our employees. Liftshare allows employees to save around 1,235 tonnes of carbon dioxide every year – equivalent to taking 269 cars off the road. This has also benefitted people's pockets, with £697,000 saved on the cost of fuel each year, reducing the miles travelled by our employees by over 6 million.





# Resource use and waste

## Resource consumption and responsible waste management

It is vital that, where resources are finite, they are managed throughout their lifecycle and beyond to make sure we are not using more than we need. This not only includes reduced consumption but recycling and reusing resources where appropriate and ensuring that we dispose of them sustainably.

### Our waste management achievements

Target for non-radioactive and non-explosive waste	2019/20	2020/21
98% diverted from landfill	98%	99%
93% reused and recycled	96%	97%

**We will continue to identify opportunities to embed the principles of the circular economy, to reduce resource consumption, conserve scarce and non-renewable resources and minimise waste generation.**

## Our action plan

In 2020/21, we maintained and implemented the following initiatives to deliver our strategy for resource use and waste:

- **Sharing resources** – we have implemented a platform to enable the sharing of equipment and consumables to reduce purchasing of new items and minimise waste.
- **Reducing hazardous substances** – we are implementing a restricted substances database solution that will enable us to de-risk our hazardous substances use, allowing us to make smarter material and process choices, so that we can set progressive targets to reduce consumption.
- **Supporting sustainable suppliers** – our environment experts at AWE are closely involved in our procurement process to ensure suppliers meet our high standards. We've identified which areas of our supply chain have the greatest carbon impact, allowing us to collaborate with suppliers to better meet our carbon reduction ambitions.
- **Removing single-use plastics** – measures have been put in place to eliminate single-use plastics in our canteen. All cutlery and take away boxes are Vegware and compostable. Condiment sachets have been replaced with refillable dispensers.
- **Reducing paper usage** – more agile working patterns have helped reduce the level of printing. During the pandemic there has been a drop of around 60%, demonstrating what is achievable.
- **Managing waste** – we have made great progress in reaching our waste management targets. We now need to maintain these while working with more complex types of waste. For example, we are proactively engaging with the wider industry to find ways to manage more challenging legacy radioactive waste.

## Opportunities for the future

We will continue to identify opportunities to embed the principles of the circular economy, to reduce resource consumption, conserve scarce and non-renewable resources and minimise waste generation. To achieve this, we will continue to focus on:

- Reducing the consumption of single-use plastics across the business.
- Reducing onsite chemical inventories and the use of environmentally harmful substances.
- The recovery of precious and rare earth metals through a closed loop approach within our supply chain.
- Minimising water usage on site.
- Undertaking a gap analysis of our procurement arrangements against ISO 20400 Sustainable Procurement.



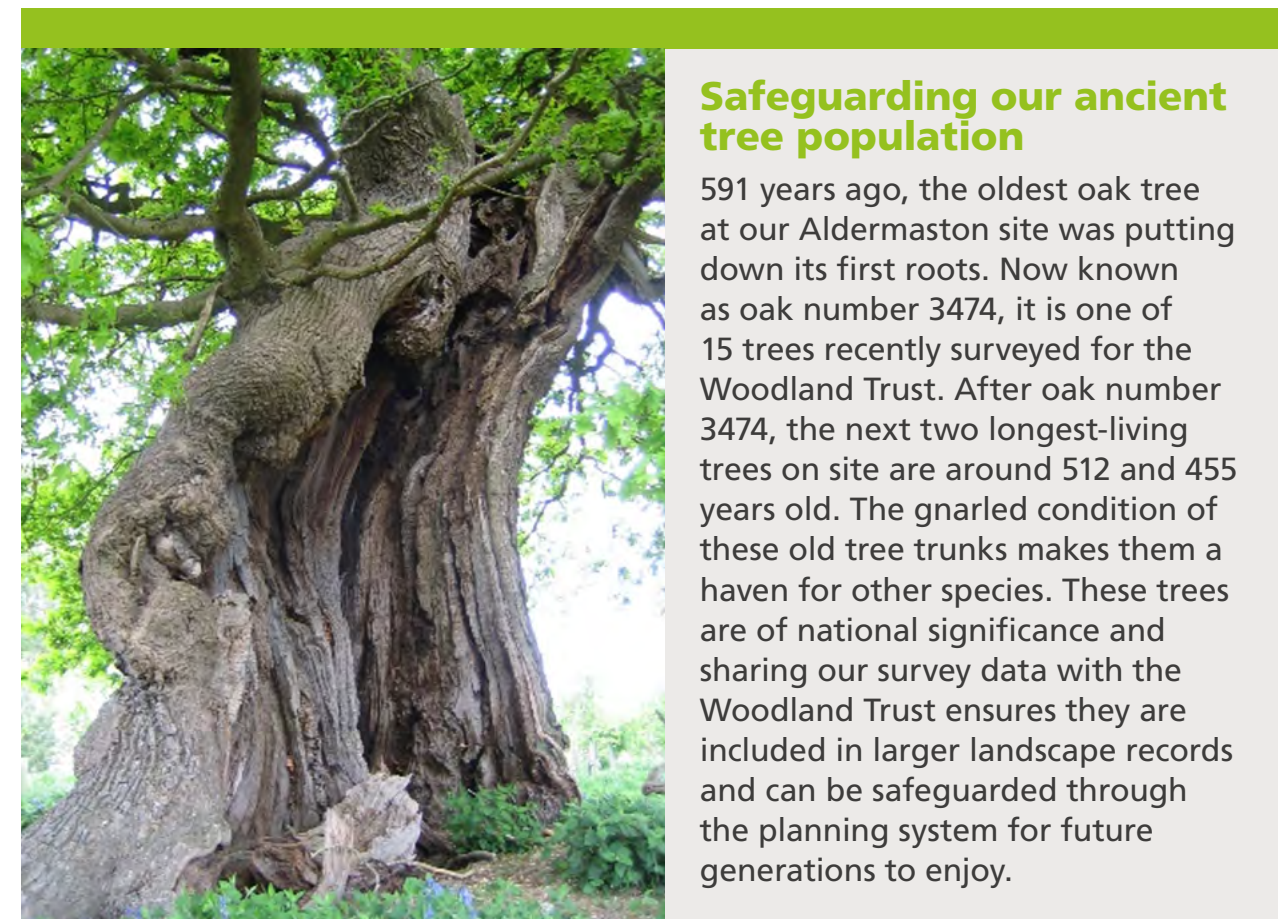


# Nurturing biodiversity

Biodiversity is crucial to the health and wellbeing of people and the planet. A loss of biodiversity poses a real risk to our food and fresh water supplies, air quality, access to medicines, disease control and more.

AWE is home to a number of endangered and declining species, including over 50 species of birds, all three native species of newt and a variety of ancient and veteran trees. Last year, we made a pledge to manage our natural heritage to maximise the benefits for current and future generations.

We are making good progress towards our goal of achieving a 10% Biodiversity Net Gain (BNG) rate across all our projects.



## Safeguarding our ancient tree population

591 years ago, the oldest oak tree at our Aldermaston site was putting down its first roots. Now known as oak number 3474, it is one of 15 trees recently surveyed for the Woodland Trust. After oak number 3474, the next two longest-living trees on site are around 512 and 455 years old. The gnarled condition of these old tree trunks makes them a haven for other species. These trees are of national significance and sharing our survey data with the Woodland Trust ensures they are included in larger landscape records and can be safeguarded through the planning system for future generations to enjoy.

## Best practice processes

Last year we introduced a Biodiversity Net Gain (BNG) scheme, which aims to leave our sites in better condition after development activities than before. We carry out a considerable number of construction projects across our sites so embedding BNG schemes into our processes and procedures will deliver a big impact. A BNG scheme involves avoiding, minimising or compensating biodiversity loss as far as possible, while achieving measurable net gains that contribute towards both local and strategic biodiversity priorities.

### To date we have:

- Translocated orchid rich turf where it would have been damaged by a development.
- Replaced a lost peregrine nesting site with appropriate nesting boxes.
- Introduced no-mow zones enhancing wildflower meadows attracting pollinating species.
- Helped to create wildlife gardens at local schools.

We have created baseline habitat maps of our sites so we can take appropriate action to protect important habitats and species that are present on our estate. We will continue to undertake further surveys to monitor our impact and create specific habitat management plans for areas with higher biodiversity value.

To achieve our aims, we continue to work closely with our neighbours and stakeholders including West Berkshire Council, the Local Nature Partnership and Berkshire, Buckinghamshire and Oxfordshire Wildlife Trust.



**AWE is home to a number of endangered and declining species, including over 50 species of birds, all three native species of newt and a variety of ancient and veteran trees.**



# Social

Awareness of the wellbeing support provided by AWE for our employees reached **88%**, an increase of **28%** from last year.





# Social

## Why is this important to us?

AWE's core mission is to support the defence and security of the UK. To do this effectively, we need to reassure society, both locally and nationally, that we always operate in a safe, ethical and responsible way.

This means winning the confidence of the communities in which we work. We are a key employer in the region; the local communities are home to a large number of our employees and much of our supply chain too. Safety and security is at the forefront of everything we do and the bedrock on which this confidence is built and maintained.

We could not deliver our highly complex programmes without the right people with the right skills. We support an extensive range of educational and training opportunities across the UK to spark interest in the STEM fields as part of our national and local commitment to education. This ranges from school outreach programmes, to giving hundreds of apprentices the opportunity to work, learn and develop in AWE.

The nature of our work means we must have a strong and ethical culture within AWE and throughout our supply chain, with the highest safety standards and right behaviours. On all of these topics, while we have achieved much, we recognise there is always room to do more.

**We support an extensive range of educational and training opportunities across the UK to spark interest in the STEM fields.**

## Ambitions

Maintain strong relations with local communities throughout the pandemic to assure key stakeholders that AWE's management of the business remained safe and effective.

Introduce a new wellbeing strategy to support the physical and mental wellbeing of all colleagues. This has been a key priority, particularly during the challenges of the pandemic.

Maintain world class safety standards by modernising our procedures and ways of working.

Ensuring an effective STEM pipeline is crucial for our future capability. This year we have focused on expanding our pool of STEM Ambassadors to enable us to grow our award-winning STEM Outreach programme.

Achieve our ambitious target of recruiting an equal gender split of new hires by 2030.

Sign the Armed Forces Covenant and join the Employer Recognition Scheme to become a 'Forces Friendly Employer'.

## Progress

→ By moving previously face to face meetings online and providing regular updates we continued to engage with our stakeholders. A survey with Local Liaison Committee members showed that they thought AWE had done an excellent job in maintaining a good flow of information during the period 2020/21. This survey showed 77% of participating LLC members were happy with the structure and content of online meetings and 92% agreed the materials sent before and between meetings were timely and useful.

→ The outcomes of the 2021 employee engagement survey showed a 28% increase in awareness of these support tools and a 23% increase in staff perception that the organisation supports their mental health as individuals.

→ One way we measure this is through RIDDOR reportable injury rates, which enables us to set targets and benchmark against other industries. AWE's injury rate continues to be much lower than many sectors at 0.060 per 100,000 hours worked. Our event rate of 0.074 compares favourably with other sectors, construction being our closest industry benchmark at 0.080.

→ AWE registered STEM Ambassadors increased by over 25% during 2021 and the total now stands at 158. In addition, through our partnerships with educational charities, we supported over 15,000 pupils with the provision of online activities and resources during the pandemic.

→ To hit our glide path to 2030, this year we set our goal at 35% female intake and reached 28%. We are actively seeking ways to improve this year on year to reach our target.

→ Much of the preparation for this has taken place and we anticipate being able to achieve both of these ambitions in 2022.



# Working with our suppliers

We work with our supply chain partners to deliver sustainable and ethical procurement practices. As a result, we have grown a diverse supplier base to support our supply chain resilience and capability.

Embedding best practice sustainability measures is a key part of our supplier relationships. Our Supplier Handbook, forming part of our terms and conditions, outlines our expectations and mandatory requirements not just for environmental sustainability, but also areas such as tackling modern slavery and child labour. We draw on support from both internal and external experts in environment, ethics and people management to bolster our procurement processes.

As part of our transition to an NDPB, we are further embracing the Government's goals and considerations on areas such as social value, sustainability, and transparency into our tenders and subsequent contracts. These policies cover a range of criteria to promote new jobs and skills, encourage economic growth and prosperity, and tackling climate change, ultimately driving the goal of being a responsible, ethical, and sustainable business.

AWE supports well over 10,500 jobs in the UK at our sites in England and Scotland: 6,600 directly employed and about 4,000 on-site contractors. We estimate that there are a further 6,000 jobs sustained through our supply chain outside our sites, including over 1,000 jobs in the North West, and several hundred in Scotland, the South West, East and West Midlands, and Yorkshire and the Humber. Over half our annual spend is spent in the UK supply chain amounting to £625m in 2021, with much of it going to SMEs in the local area around our sites.





# Health and safety

## RIDDOR safety rates

The UK government, through the Health and Safety Executive, sets requirements for the reporting of injuries, diseases, and certain dangerous occurrences. The requirements can be found in the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR). A means of tracking injury performance between employers and industries is to use the injuries or events defined in these regulations normalised to the hours worked. AWE's rate is much lower than many sectors in the UK and with our transparent reporting culture is comparable to many other nuclear operators.

RIDDOR Reportable Injury Rate per 100,000 hours worked	0.060
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RIDDOR Reportable Event Rate* per 100,000 hours worked: 0.074	0.074
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\*i.e., all reportable events; injury + dangerous occurrences. The closest industry benchmark to this is Construction at 0.080.



## Driving improvements

Prompted by our commitment to drive change in performance, we have a significant programme of corporate level improvements to drive health, safety and environmental performance. Adopting a high level strategic approach together with specific workstreams continues to bring us improvements in a number of areas. For example:

- We have rolled out a comprehensive training programme for all staff working at AWE. Our Nuclear Professionalism training ensures a consistent understanding for everyone working on a nuclear licensed site.
- In addition we are rolling out our "culture of care" highlighting the focused behaviours and engagement we promote throughout our operations to advance our performance.
- Our legal licence to operate has also been strengthened by improvements in areas of compliance including our live safety arguments and the manner in which we evolve these arguments when changes to improve safety are required.



# Investing in our people

Our people make our business, and we are stronger when we are continuously learning and reaching our full potential. We strive to cultivate an inclusive and progressive work culture and attract and retain the best talent. We are committed to offering a highly competitive salary and benefits package to reward our highly professional and qualified staff.



## Leading with early careers

We have grown our talent pool through our industry-leading placement, apprentice, and graduate intake schemes. Despite disruption caused by the pandemic, we have continued our graduate programme; 172 graduates joined us in 2020/21.

This year, we have continued to provide professional guidance and skills building development for our graduates remotely. We have also launched our new Evolve programme. Evolve is aligned to our needs for the future, focusing on three core capabilities – Engineering, Science, and Future Leaders. We look for curious-minded people, who love solving problems and can think beyond the norm. The goal is to give graduates a unique and challenging early careers scheme.

## Developing our leaders

At AWE, we support our leaders to be the best they can be, and to ensure they are leading their teams throughout our transformation to an NDPB and in delivering our mission.

In 2020, we launched the Management Essentials Programme, which enrolled over 260 managers. Since its implementation, we have seen an increase of 3% in our My Manager score and increase of 9% on our My Leadership score. These scores cover areas such as managerial support, pastoral care, leadership skills and values.

## Supporting our armed forces community

We are committed to signing the Armed Forces Covenant (AFC) and joining the Employer Recognition Scheme to become a 'Forces Friendly Employer'. The AFC is a pledge that shows we acknowledge and understand that those who serve or have served in the armed forces, and their families, should be treated with fairness and respect in all aspects of society. It focuses on providing members of the armed forces community with the same access to government and commercial services and products as any other citizen. Support is provided in several areas including starting a new career, which is where we can play a key role.

**172 graduates**  
**joined us**  
**in 2020/21**



**Our ambition is to achieve an**  
**Employer Recognition Scheme**  
**Gold Award by 2023.**



## Diversity and inclusion

Striving for an inclusive and diverse workplace continues to be a high priority for us. We know that a workplace where all people can thrive and be themselves is key to high productivity and performance.

### Increasing understanding throughout the organisation and beyond

Recently, we launched a Transitioning in the Workplace guidance document as a visible demonstration of our support for trans, non-binary and intersex employees. The document covers all aspects of transitioning including, but not limited to legislation, records and confidentiality, medical appointments, informing colleagues and line managers, mentor and ally responsibilities.

In 2020, we were proud to have once again been awarded a Bronze Award in the Employers Network for Equality & Inclusion (ENEI) Tide standard for our industry benchmarking, achieving a score of 70% thanks to increased investment in training and development.

### Race equality in the workplace

As part of our commitment to widen access and opportunities for as many people as possible, we signed the Race at Work Charter in 2020 which ensures ethnic minorities are represented at all levels of the organisation. To celebrate this commitment, we hosted an internal panel discussion to explore what we learnt over the year since we first signed. At AWE, we remain committed to making sure we recruit from the widest pool of talent and drive progress.



### Layla's Story

"When I joined AWE, I joined under my dead name – Liam – because I wasn't quite comfortable at the time to come out to everyone. But, after a month or so I was comfortable to be able to talk to my line manager and say I'm not Liam, I'm transgender, I'm Layla – that's who I am. With the support of my line manager, with my friends and colleagues, I was able to come out to parents again for the third time, and it was really this time that they listened and approached me to talk to me about who I was. They weren't sure and didn't understand what it meant at first, so to have those conversations with them was really helpful for myself plus them. The LGBTQ+ community at AWE was a massive support when trying to come out to my parents

again and given it was only a new community at the time and there was only a handful of people involved it was still quite a close knit community - very friendly, willing to offer support and share their own stories of what had happened when they came out and show that I wasn't alone on the journey I'm going through." [To hear from Layla on her story watch the video here.](#)

To ensure progress continues, we have also redeveloped our Hiring Manager Toolkit which includes particular emphasis on the importance of having a transparent, diverse, and inclusive recruitment process. All hiring managers will be required to refer to this toolkit before they advertise and select people for roles.



### Resetting the gender balance

As a leading signatory of the WISE Ten Steps Programme, we have continued to implement the WISE Benchmarking tool to support retention and progression of women in our organisation, achieving a score of 75% in 2020.

We are currently falling short of our female hiring target of 35% with 28% female new starters over the last 12 months. We will continue to work towards our target via multiple initiatives. For example, we will strengthen our proposition to new employees, working closely with ENEI and Working Mums to see how they can help us attract new, more diverse talent. In 2021 we piloted a returners-to-work programme, supporting people who have been out of the engineering and science workforce back into STEM employment.

#### We have been publishing our Gender Pay Gap report since 2017.

Since 2019, we have made progress in our gender pay gap, although the figures worsened very slightly in the past year. As part of our efforts to improve the situation, we are undertaking a range of ongoing, long-term initiatives to address the gender balance.

Our goal is to achieve a 50:50 gender split across new hires and we are actively working towards this with specific initiatives across recruitment, promotion, monitoring of pay and development opportunities, which is all having an impact and we will continue to ensure that everyone regardless of gender, is valued and rewarded for the work they do.

#### Our Gender Pay Gap

Year	Mean Pay difference	Median Pay difference
2020	13%	17.5%
2021	13.1%	17.9%

[You can read the latest report here.](#)





## Wellbeing and engagement

We are committed to maximising the wellbeing support available for our people to thrive, as well as providing immediate support when problems arise, both in and out of the workplace. We set ourselves, and met, a target of recruiting 100 Wellbeing Champions in AWE in 2021.

### Progress against our wellbeing strategy

Our proactive and preventative wellbeing strategy is underpinned by the four pillars of wellbeing: physical, emotional, social and financial.

One year on, our data shows measurable progress for engagement and attitudes for wellbeing. This year's employee survey found that:

- Feeling comfortable to disclose poor mental health increased from 22% to 66%
- Having an awareness of wellbeing support tools increased from 60% to 88%
- Feeling my manager supports my mental health increased from 54% to 82%
- Feeling the organisation supports my mental health increased from 49% to 72%

### Enhancements to our wellbeing provision

We aim to empower employees to take greater responsibility for their own mental health and wellbeing. To do this we've introduced many new initiatives including:

- A popular monthly wellbeing calendar of educational webinars and virtual exercise classes run by specialists.
- Launching a new network of over 75 trained Wellbeing Champions, who play a key role in developing and supporting a culture that contributes to improved mental health and wellbeing, as well as providing peer support to colleagues.
- Launching an online, evidence-based stress risk assessment tool to help managers prevent, assess and manage stress in their teams. Over 500 assessments have taken place in the first four months of the tool going live.

### Trade Unions

We have a strong working relationship with the Unions that represent many AWE employees and an extensive consultation structure to enhance employee engagement.

### Employee engagement approach and achievements

Our Employee Engagement Strategy guides the work of the Internal Communications and Engagement teams, working closely with HR colleagues, the Executive team and business leaders. We continue to review projects and consider new initiatives on an ongoing basis with insights from our annual Best Companies Engagement Survey and best practice.

We're pleased to report that our overall engagement is up, having achieved our highest ever Best Companies Index (BCI) score of 682.4 in the February 2021 survey. We've seen a noticeable improvement in perceptions of leadership following our CEO-led events 'Ask Alison' and 'Stop for'. We also have a higher number of star-rated line managers, showing an improved perception of line management. The number of line managers voted three stars (highest) has nearly doubled since 2019.

As a result, we've been accredited One Star by Best Companies, exceeding our 2021 engagement goal and highlighting very good levels of engagement in our company. We've also been recognised in four separate award lists for employee engagement.



### New Help@hand app unlocks better health access for employees

Last year, we launched a new digital health service app, Help@hand, providing access

to unlimited virtual GP appointments, mental health therapy, physiotherapy, medical second opinions and enhancements to the existing life and wellbeing support offered by our employee assistance programme. Since launch, over 1200 of our people have downloaded and benefitted from this initiative. It has also helped to reduce the number of days taken off work to attend medical appointments (a drop of 18.1% in Q1-2021 compared with the same period in 2020). The app is available for immediate family members, making it easier for working parents to manage and book medical appointments outside of work hours.

Thanks to initiatives such as Help@hand, we were shortlisted for three prestigious Employee Benefits Awards in 2021 and had success in each category, winning the award for Best Healthcare and Wellbeing Benefits, Best Mental Health Strategy, as well as receiving a commendation for our submission in the Best Benefits to Support Employees during the Pandemic (large employer) category.

Meg Hunt, Executive HR Director said, "Many people have worked really hard throughout the pandemic to look after the physical and mental wellbeing of everyone here at AWE through the provision of some modern, innovative services. I'm delighted our combined efforts have been recognised through shortlisting in these important award categories. We will continue to ensure AWE leads the way in ensuring our people have access to the support and guidance they need."



# Working with local communities

Ensuring we have strong relationships with our local communities is so important in everything we do. Building trust, offering support, and sharing our expertise with the next generation is hugely influential to who we are as an organisation.

## Listening to our stakeholders

AWE's Local Liaison Committee (LLC), comprising of local councillors who represent the parishes adjacent to our sites, remains a key communication network with our neighbours. The meetings are also attended by external bodies, including our independent site regulators - the Office for Nuclear Regulation (ONR) and the Environment Agency (EA) - who report on our progress. The LLC has been meeting online during the pandemic for discussions on relevant topics, ensuring it continues as a forum for discussing, informing, and listening to ideas and issues from those living nearby.

Find out more about the committee and read the minutes, Terms of Reference and members Code of Conduct on our dedicated LLC website page.

**Our STEM Ambassador network increased over 25% during 2021 and the total now stands at 158**



**Throughout 2020/21 we reached over 15,000 pupils from primary through to sixth form**

## A virtual approach to STEM

As one of the largest STEM employers in our area, this has continued to be the main focus of our community outreach throughout 2020/21. However, to maintain our work with schools and young learners during the COVID-19 pandemic, we had to get creative.

A new programme of remote schools' outreach activities was developed by our graduates and STEM ambassadors in conjunction with our partner schools and local educational charities. We utilised virtual meeting technology to deliver a range of activities including one-to-one mentoring, curriculum-linked experiments and presentations and careers chats. By adapting our engagement in this way, our graduates were able to create an innovative set of STEM resources to support distance learning for years to come. The resources were all distributed



in time for British Science Week, with presentations focusing on topical content such as green energy and the science behind detergents.

Michelle Smith, CEO Education Business Partnership West Berkshire said, "The speed at which AWE has responded, reacted and adapted what they're doing has been fantastic – the resources were so well received by schools and so appreciated. The work AWE delivers makes such a difference to young people across the region."

Over this period, the number of activities undertaken by the STEM network more than doubled, from 40 in 2020 to 82 in 2021. Our volunteers delivered 771 hours in supporting young people, an impressive increase on the 395 hours in the previous year.





### Celebrating World Environment Day

In June 2020, we challenged local pupils to increase biodiversity by building a bug hotel. The competition, open to eight- to ten-year-olds in North Hampshire and West Berkshire, was organised by our graduates and supported by educational charities, Education Business Partnership (EBP), West Berkshire and Basingstoke Consortium, part of EBP South.

Below: Competition winners Maisie, Year 5, from Sulhamstead and Ufton Nervet Primary School (left) and Sofia, Year 4, from Bishopswood Junior School, Tadley (right)

Maisie and Sofia’s winning entries were selected for encouraging insects to visit through their structure and clever use of materials. Both won den kits for their efforts in making their community more wildlife friendly.

Lucas Green, an AWE engineering graduate involved with the competition said, “All the entries received were completed to such a high standard and showed so much creativity. There was plenty of positive feedback and we hope it provided some innovative learning to students during school closures.”



### STEM Star Awards

Working together with our school’s partner Queen Mary’s College, Basingstoke. Dr Alison Baxter, lead AWE STEM ambassador, created the STEM Star Award scheme for sixth-form students. The prize-winning STEM stars were selected from those who have completed a research and development project that could be on anything STEM related, from biofuels to robotics and beyond. The aim is to inspire students to engage with their personal STEM interests in a way that goes well beyond the curriculum and promotes the development of transferable skills.



**In 2020/21, the business donated £24,699.21 in total, 89% of this was for local causes**

**This year our employees donated £16,368 to 38 different charities**



## Helping local causes

2020/21 has been a difficult year for many, but particularly for charities who have seen their activities and fundraising seriously impacted by COVID-19. Over the past year, we have made a series of donations and found new ways of supporting local charities so they can continue their great work during such turbulent times. Looking to the future, we're excited to be able to increase the amount of volunteering we do so that we can deliver the greatest impact for those around us.



### South-Central Ambulance Charity

A donation to the South-Central Ambulance Charity provided specialist equipment to help Community First Responders (CFR) with swift responses to medical callouts. AWE employee and CFR Jess Keeble explained, "Volunteering as a CFR is a hugely rewarding experience and we help people from all walks of life, often when they are at their most vulnerable."



### Gardening for good

In 2020/21, we have continued our long-term partnership with the charity Thrive which uses gardening to bring about positive changes in the lives of people with a disability, those with ill health, or those who are isolated, disadvantaged or vulnerable. A £5,000 donation helped Thrive continue its invaluable work during the pandemic by providing personal protective equipment (PPE) for staff and clients. Employee donations of £25,020 were also given to Thrive to help support the continuation of gardening sessions.



### New Beginnings

Local charity New Beginnings was chosen by our employees as worthy recipients of a £5,000 donation from the business. A relatively new charity, New Beginnings helps those who are homeless or in need. Grace Gomez, founder and chair of New Beginnings Reading commented, "We have seen a rise in demand, with our food bank providing provisions to nearly 3,000 people. This funding helps us to continue to support the most vulnerable and those experiencing poverty, homelessness and hardship."

### Basingstoke & Newbury Foodbank

With foodbanks up and down the country facing far greater demand, we made a £1,000 donation to the Basingstoke & Newbury Foodbank in our local community. Phil Thomas, Basingstoke Foodbank's Chair of Trustees said, "this amazingly generous donation to the foodbanks in Basingstoke and Tadley from everyone at AWE is a fantastic demonstration of community spirit and will help us continue to supply crisis food to those most in need in Basingstoke and surrounding areas."





# Governance



We have **rolled out** mandated **online ethics training** to **all our employees**.



# Governance

## Why is this important to us?

AWE is held to account through a range of governance structures and by a number of regulators, but we are also held to account by the population of the UK, who have elected a government in favour of maintaining an independent nuclear deterrent since 1949.

Recognising that some of what we do must be kept secret due to national security, people should expect us to operate to the highest standards and for our work to be examined in a fair and rigorous manner.

A strong approach to corporate governance, in combination with comprehensive and transparent reporting where possible, helps give confidence to our stakeholders that we are delivering our mission at value to the taxpayer, while an appropriate level of scrutiny is taking place. We hope AWE's transition in 2021 to becoming an NDPB will develop this confidence further over time.

Good governance also means working proactively with our regulators and with bodies such as the National Audit Office and Infrastructure and Projects Authority, as well as responding to external inquiries like Freedom of Information requests. In addition, we want to continue building a trusting and robust relationship with our customer and within the Ministry of Defence (MOD) more widely.

Our corporate governance helps demonstrate that AWE is a safe and secure custodian of what we are responsible for, while also enabling us to improve as an effective, efficient and sustainable organisation.

## Ambitions

Continue to strengthen AWE's relationship with the Ministry of Defence to drive improvements in the way we work together and increase efficiencies within our programmes.

Improve our regulatory attention status with the Office for Nuclear Regulation (ONR) at both our Aldermaston and Burghfield sites.

Ensure that AWE's workforce adheres to our Code of Ethics, which provides the guiding principles for employee behaviour across our business.

## Progress

→ AWE became an NDPB in 2021, a change which should allow us to work closer with our MOD partners and Government more widely.

→ The ONR has found that there has been improved safety performance at both sites over the past year and are currently reviewing whether Burghfield can be moved to routine regulatory attention.

→ We have rolled out mandated online ethics training to all our employees.





# Governance at AWE

At AWE, we are committed to acting with integrity and upholding the highest standards in everything we do. Our robust governance system is upheld by senior leaders across the business and informs the systems by which we control and operate the business, together with the mechanisms by which we hold ourselves to account.

## New ownership model

On 1 July 2021, we changed our organisational model, moving from a government-owned, contractor-operated model to become an arm's length NDPB wholly owned by the Government, and working in close collaboration with the Defence Nuclear Organisation. This means that the MOD owns our sites, including our assets and liabilities, and that we are responsible for operating these sites safely and securely.

Our new structure means that we now enjoy a closer relationship with the Government, allowing us to work together to keep the country safe.

## Our new Board

A new Board was in place on 1 July following the change to an NDPB, chaired by Sir John Manzoni and accountable to the Minister for Defence Procurement. The Board is responsible for setting the strategy of the business and providing oversight and challenge to the CEO and Executive Committee, to whom it delegates the day-to-day running of AWE's business and operations.

The Executive Committee meets monthly and authorises executive meetings, including the ESG Group. The Group meets quarterly and reviews our impacts on the environment, our employees, and local communities. It directs AWE's ESG programme and ensures that it is consistent with AWE's overall business strategy and goals.

AWE's Remuneration Committee is responsible for setting the policy for the remuneration of the Executive, Directors and other senior staff, determining targets for performance-related pay and determining the total individual remuneration package of each Executive. The AWE Framework agreement has further details.

## Organisational excellence

Our new Board of Directors has maintained responsibility for assuring that safety, security and environmental responsibilities are carried out across our sites, as well as providing the leadership and direction for our culture. We keep our structures under constant review, so that we can continue to ensure effective oversight over how our organisational strategy is being implemented.

Our Board also has oversight over our Code of Ethics, which provides the guiding principles for employee behaviour across our business. Our core values are Pride, Excellence, Innovation and Trust, and we expect these to be upheld both internally and in our engagement with stakeholders. They are fundamental to our mission, and by embedding them throughout our strategy, we aim to empower our staff to make the right decisions at pace.

We have recently restructured AWE to align more closely with the priorities of our primary customer, the MOD, and those of our regulators: a focus on mission delivery, while ensuring that safety and security are at the heart of everything we do. We have evolved our organisational structure to allow us to adopt a more 'product-centric and programme-focused' approach, to better enable delivery of two concurrent warhead programmes, both at different stages of their product lifecycle. These changes will allow us to demarcate and drive work clearly on current and replacement warhead programmes, while also delivering our ambitious capital programme and maintaining world-class levels of safety and security.





## Scrutiny and regulation

We welcome the scrutiny provided by our customer, our regulators and the public and actively engage with the local councils near our sites; both in order to provide information about our work to the public and in relation to specific requests including planning permission. Our programme is regularly reviewed by the Senior Responsible Owner (SRO) and Nuclear Research Advisory Council, who are in turn reviewed by organisations such as the Infrastructure Projects Authority. Further to this, we are audited in public by the National Audit Office and our work has been examined by the Public Accounts Committee. In addition to our legal obligations, we are bound by treaty obligations and regulatory requirements. If we fall short, we are held to account; in such a scenario we identify root causes and address them. We commit to being as open and as transparent as possible within our responsibility to secure classified information and prevent nuclear proliferation.

## Licence compliance

AWE's operations are undertaken under licences issued by the ONR. Our compliance with the 36 Licence Conditions is improving, under targeted improvement plans.

Both our Aldermaston and Burghfield sites are subject to ONR enhanced regulatory attention. This means the ONR has highlighted a number of regulatory interventions that identified shortfalls in safety performance, nuclear site licence compliance or delays in the delivery of key nuclear projects. Prompted by our commitment to drive change in performance, we have developed a significant programme of corporate level improvements, designed to address identified areas in safe operations, process, change and stakeholder interactions.

Progress has been made over the last year, with the ONR finding improvements at both our Aldermaston and Burghfield sites in the Chief Nuclear Inspectors 2021 annual report on Great Britain's nuclear industry. The ONR is currently reviewing whether it would be appropriate for AWE Burghfield to move to routine regulatory attention and believes that AWE Aldermaston could also be moved to routine attention by the end of 2022 at the earliest.

Nuclear Professionalism learning was rolled out last year. The rollout resulted in more than 90% of the workforce achieving Nuclear Professionalism accreditation. Sustainment continues with all staff undertaking the learning as part of their induction and every-three-year refresher training. This continues to ensure a consistent understanding of what it means to work on a nuclear licensed site.

In addition to the ONR, we are regulated by the Defence Fire Risk Management Organisation, the Defence Nuclear Safety Regulator, and the Environment Agency.

## Values and behaviours

The values we embrace in AWE are Pride, Excellence, Innovation and Trust. They inform behaviour and are woven through our reward and recognition mechanisms, encouraging strong alignment of delivery and values.

### Pride

We recognise past achievement and are proud to contribute to our nation's security.

### Excellence

We deliver excellence at every level, behaving ethically and professionally, continually striving for improvement.

### Innovation

We lead the way in delivering innovation and integrated solutions, pushing the boundaries of science and technology in the nuclear defence environment.

### Trust

We build trust in all that we do, meeting our promises and commitments to each other, our neighbours, our customer and our country.



# Ethics

At AWE, we set high standards of conduct across the organisation to guide the principles of our business and help employees make the right decisions. Our Code of Ethics outlines the way we seek to fulfil our mission and provides employees with a model for how they are expected to promote these ethical standards in their day-to-day work. The Code has six sections, covering safety, security, integrity, customer relations, data protection and responsible organisation; each section includes information and a dilemma to illustrate how the Code can be applied at work.



## Robust reporting systems

We encourage all our employees to raise ethical concerns or questions via our confidential reporting channels. These concerns can include wrongdoing by individuals or the organisation, such as environmental and fraud concerns, or health and safety matters. These reports are monitored by our Corporate Ethics Office, who can be contacted directly or via an external company that manages a helpline on our behalf. This external company also undertakes benchmarking reviews, allowing us to understand how we are performing in comparison to similar organisations. Regular reporting on these disclosures is provided to our Audit Committee. Last year, 74 cases were raised and investigated by our HR, Security and Ethics teams. This compares to 72 cases during 2019/20.

## Listening to our people

As part of our commitment to keeping our organisation's performance under review, we regularly engage with our employees to understand where we can improve. Following comments in previous engagement surveys, we identified that a significant cohort of staff felt that there was a perception that the business condoned bullying and harassment. In 2020, we launched a campaign to tackle this issue and confirmed our stance of 'zero-tolerance', our commitment to carrying out robust investigations and taking decisive action upon anyone found to be bullying and harassing work colleagues. The campaign also raised awareness of what is and isn't bullying and harassment, and outlined the behaviour that is expected of our employees. Our outreach included webinars from our Occupational Health provider and online awareness-raising courses. Throughout 2020, we saw a drop in cases alleging bullying or harassment to 11 with four upheld, compared to 21 in 2019, of which nine were upheld.

Last year, we also completed the Ethics Maturity Reviews, in which members of various teams across the organisation gave individual interviews to gather a picture of our culture. This gave employees an opportunity to raise concerns and suggest improvements. As a result, managers were able to rectify these issues as well as identify where they could better support employee wellbeing.





For more information, please see our website

[www.awe.co.uk](http://www.awe.co.uk)