

2023 / 2024

ESG Report

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Who we are

Our mission:

**TO DELIVER A
SECURE FUTURE
FOR US ALL**

AWE protects the UK through nuclear science and technology. We design and manufacture warheads for the Continuous at Sea Deterrent and provide nuclear services to meet the needs of defence.

AWE is proud to have been at the forefront of nuclear technology and innovation for over 70 years, working together to deliver a secure future for all.

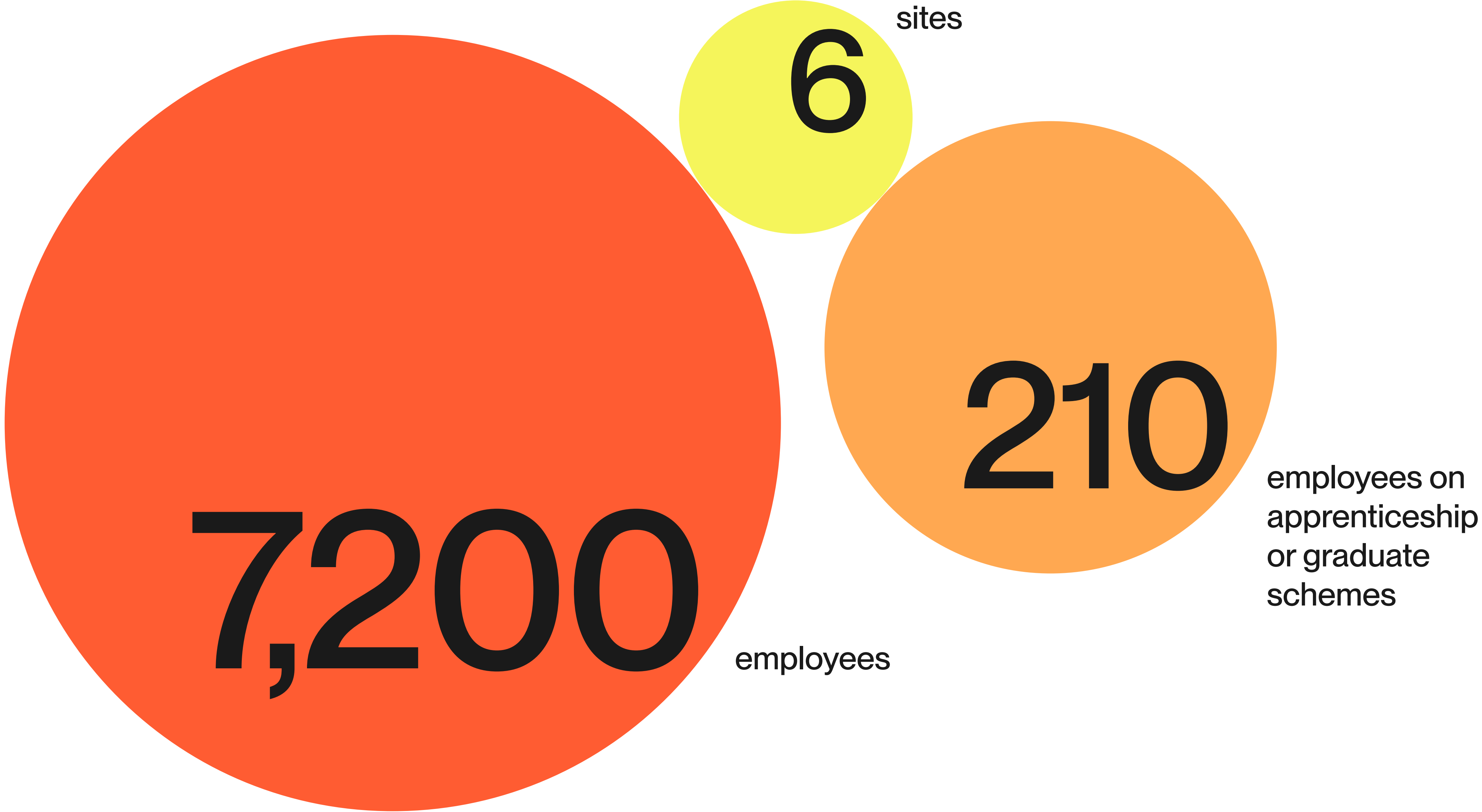


Top 25
Sunday Times best
big UK companies to
work for 2023



Top 10
Sunday Times best
construction and
engineering companies
to work for in 2023

WHO WE ARE



OUR IMPACT

As we work to deliver a secure future for everyone, AWE is proud to support tens of thousands of jobs across the country and make a significant contribution to the UK economy. Our positive economic impact is set to grow in the years ahead. In 2023:

35,300

jobs supported
across the country

45%

of employment generated
outside the South-East

£470 mil.

directly contributed to
the UK supply chain

19

distinct industries
supported through AWE's
supply chain spending

By developing, manufacturing, and maintaining nuclear warheads for the UK's nuclear deterrent, AWE plays a critical role in guarding against the most significant threats this country faces.

Through the critical work we do to protect national security, we also have a significant, positive, and far reaching impact on the economy, society, and environment.

Delivering on our mission generates jobs, investment, innovation, and international trade, creating economic growth and opportunity. In addition, the work we do demands responsible business practice – this is an integral part of who we are and we could not keep the country safe without it.

AWE is pivotal in the national endeavour to develop Astraea, the replacement warhead programme. To achieve this, our company needs to modernise and transform so we can continue to deliver on our purpose to protect the UK through nuclear science and technology.

We know this is a big undertaking, and at the core of all our decisions is a commitment to align our actions with our ambitions as a responsible business. Last year, we reported for the first time against our ESG framework. This year is our second reporting period and I am really proud of the progress we have made, particularly against the commitments we made last year.

These were our first set of public commitments, designed to be stretching and not things we would achieve through business as usual. The fact that we have successfully achieved so many is a credit to how well we have adopted ESG into our culture and broader programme of work.

As we move into our third year of this framework, we will engage our stakeholders and confirm these remain the priority areas for us to focus on. I look forward to sharing the results of this and our continued progress in future reports.



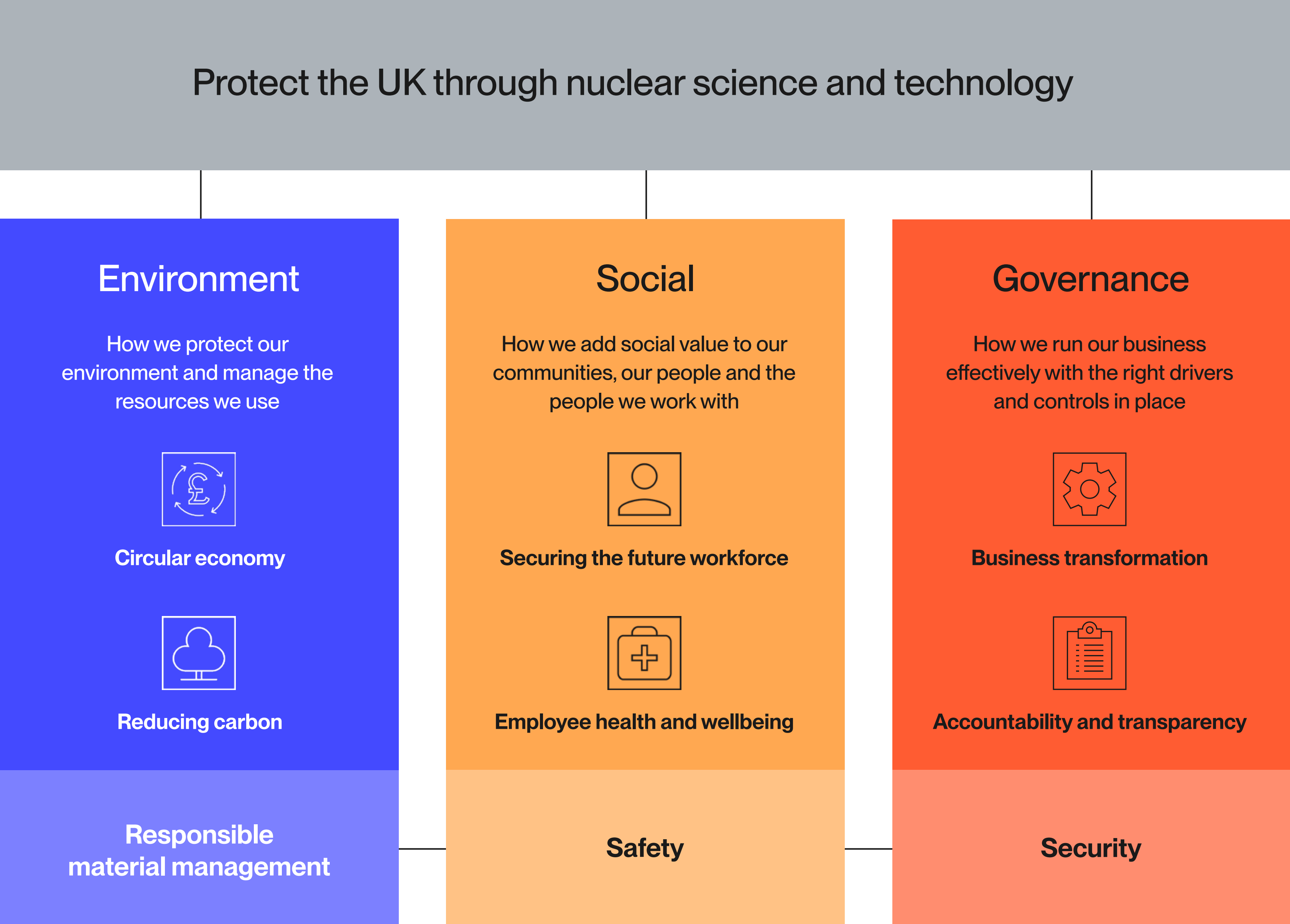
Mark Hedges
Executive Director, Estates
& Liabilities

Introduction

OUR ESG FRAMEWORK

To get a clear picture of how to best fulfil our ESG responsibilities, we conducted a materiality assessment in 2022. Using a combination of interviews, desk research, data analysis, and surveys, we assessed our current performance and identified our top priorities going forward. We used the results of this assessment to help us shape our ESG framework.

Under each of the key pillars – Environment, Social and Governance – we have one foundational area. These foundations are an essential part of our business operations. Only with safety, security and responsible material management in place can we carry out our core functions and protect national security.



Reducing carbon

Our carbon reduction targets

As part of our commitment to limiting the impact of climate change, we have devised a roadmap to achieve net zero by 2050.

As an important intermediate step, we aim to achieve net zero for our Scope 1 and 2 emissions and almost halve our Scope 3 emissions by 2040.

Carbon reduction targets for Scope 1 and 2 emissions are aligned to the Science Based Target Initiative (SBTi) methodology for setting net zero targets.

REDUCING CARBON

To achieve these targets, we have identified six areas across the business where we focus on reducing our carbon emissions. We work closely with teams in each area to put plans in place that drive reductions and monitor progress.

1

Sources of energy

Minimise carbon emissions through the source and supply of energy

2

Built environment

Build an energy efficient estate

3

Travel and transport

Sustainable ways to travel

4

Supply chain

Reduce carbon emissions through sustainable procurement

5

Leadership and culture

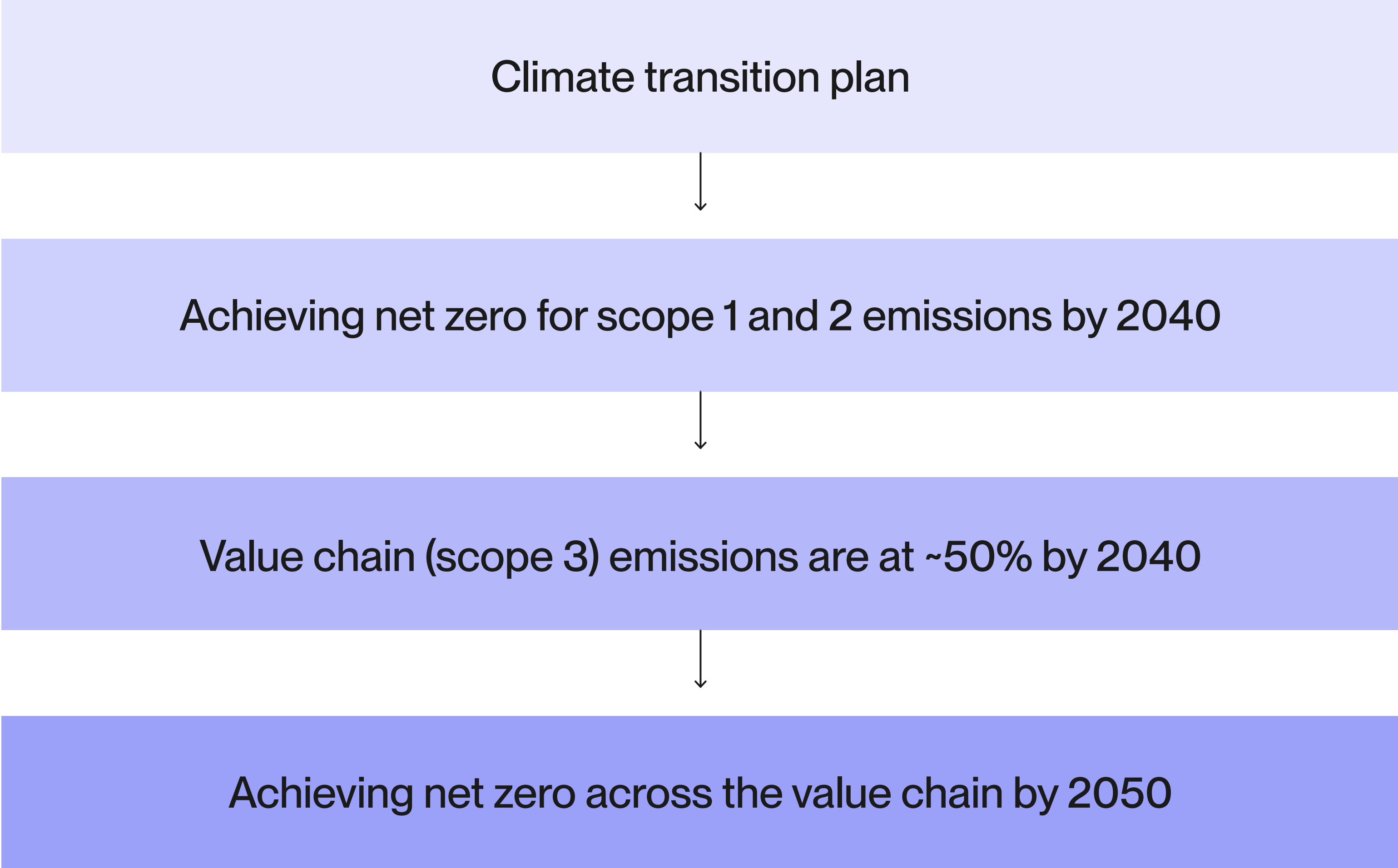
Creating a culture of care to drive sustainability

6

Climate adaption

Understanding the impacts of climate change

REDUCING CARBON



Our plan to achieve our targets

To date, our Carbon Management Strategy has given us a clear roadmap to reducing our carbon emissions, which the whole business has executed successfully.

Next year, we will introduce our Climate Transition Plan. This plan, which will replace our Carbon Management Strategy, brings together our roadmap to reduce carbon with an adaptation strategy for a changing world.

Our carbon reduction targets will remain the same, but the Climate Transition Plan will help identify further opportunities to decarbonise as well as clear strategies to help us cope with the risks that come with a changing planet.

The Climate Transition Plan will be a milestone in next year’s overarching AWE Business Plan, reflecting its importance in guiding the direction of our organisation.

REDUCING CARBON

Our carbon reduction progress

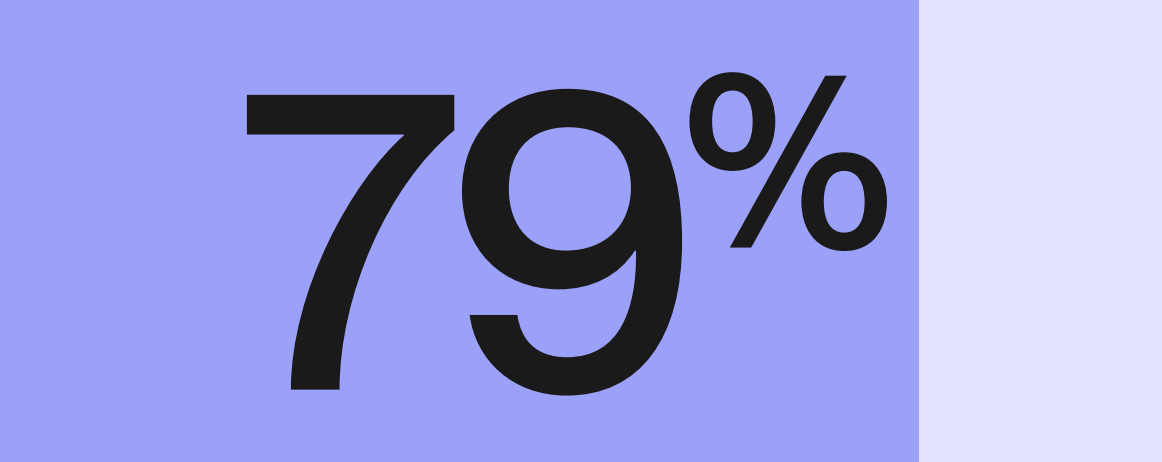
To date, we have achieved our reduction targets for Scope 1 and 2 emissions, which we have reduced by 28% against our FY18 benchmark. However, we anticipate that from next year we will fall behind our science based targets, as our infrastructure work starts and our energy needs increase.

While our total use of natural gas and electricity has reduced by 3.5% since last year, there was a slight increase in total emissions. This is primarily because we used more fuel and the UK's electricity CO²e factor has increased by 7% since 2022 due to more natural gas and less renewable energy in our electricity mix.

Overall, we made 2,500 tonnes of CO₂ savings across the year from all our energy efficiency projects, meeting our FY24 targets. We are on track to make similar savings next year.

In addition, we achieved 79% of our sustainability targets and made excellent progress on contributing to our Greening Government Commitments.

Our Environmental Steering Group monitors our performance against annual targets, and progress is reported at an executive board level.

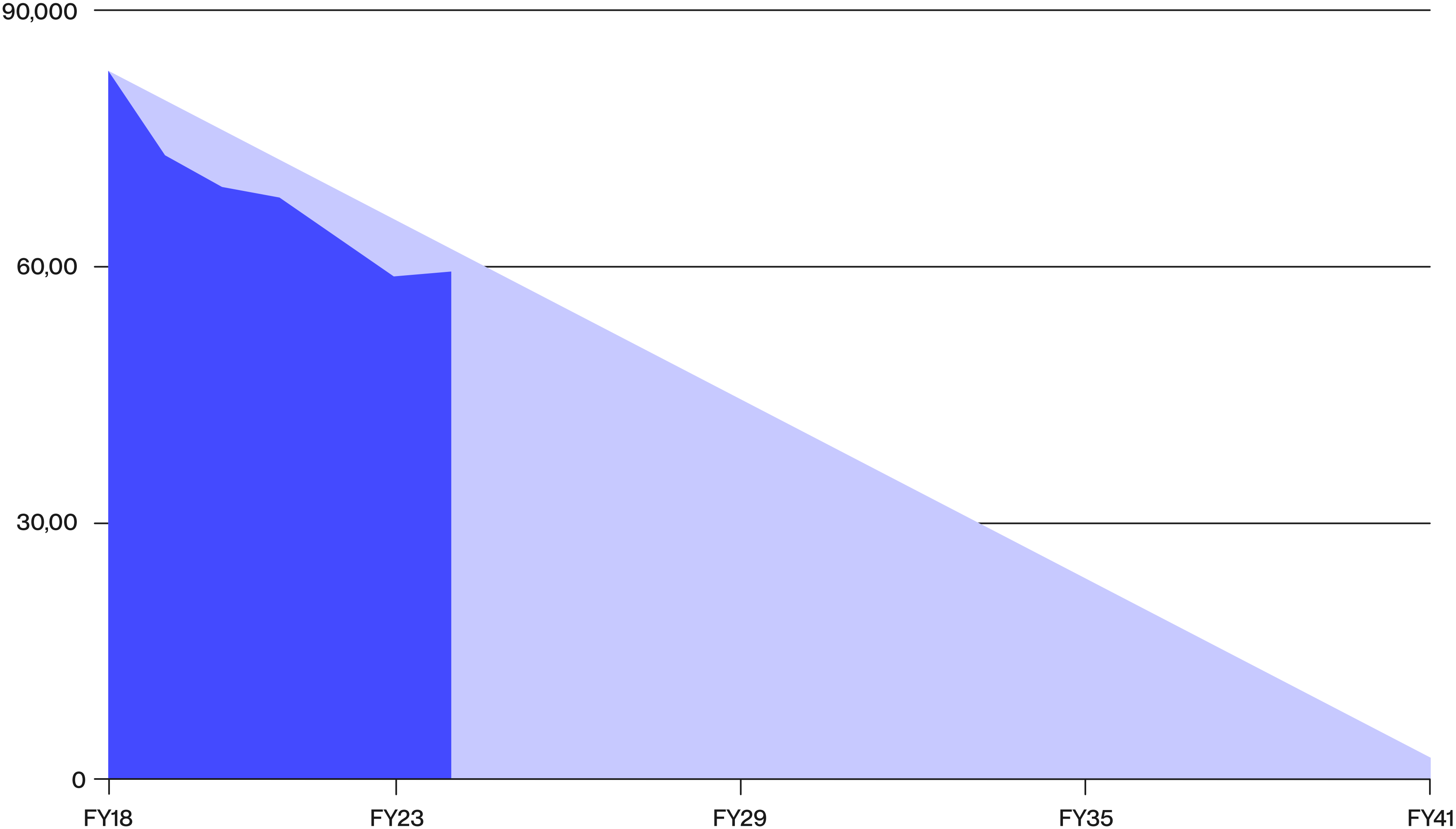


of our sustainability targets achieved across our Environmental pillar and excellent progress made on achieving our Greening Government Commitments

REDUCING CARBON

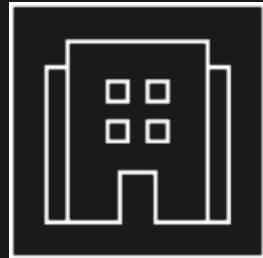
Scope 1 and 2 net zero by 2040 progress against carbon reduction target (tonnes CO2e)

- 1.5°C reduction pathway
- Actual emissions



REDUCING CARBON

Key carbon reduction initiatives



Built environment

This year, we have driven carbon reductions from energy use and site heating by 28% against our 2018 baseline. We achieved this by promoting energy efficiency with changes like replacing chillers and installing LED lighting. We also purchase 100% renewable energy to supplement our efficiencies.



Transportation

We are on track to install 120 additional EV charging points by 2026, which will help us start to transition our car and van fleet to Ultra Low Emission Vehicles.



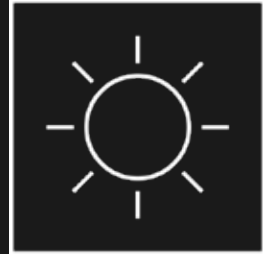
Supply chain

A significant contributor to our Scope 3 emissions comes from our value chain, so for us to meet our targets, we need to work with suppliers who share our goals.

This year, we conducted a survey of Strategic Rank 1 suppliers to assess their alignment with our net zero commitments and found that 70% had made a commitment to Net Zero Carbon by 2050. Sustainability requirements are now part of all supply chain management contracts.

REDUCING CARBON

Ambitions for next year



Solar farm

By 2030, we aim to serve approximately 30% of our annual electricity demands directly from low carbon solar power generation sources. In line with this target, enabling work for an offsite solar farm is currently well underway and this will continue next year.



Construction

This year, we will focus on reducing the impact of construction work, one of the biggest contributors to our Scope 3 emissions. We will partner with suppliers with low carbon commitments, minimise diesel usage on site, reduce the most carbon intensive concrete pours where possible, and align with PAS 2080, a globally recognised standard for carbon management.



Supply chain

We will integrate the ISO 20400 sustainable procurement framework into our commercial process and continue to collaborate with our supply chain partners to reduce our carbon footprint. We will also carry out a survey on our Strategic Rank 2 suppliers to assess their alignment with our net zero commitments.

REDUCING CARBON

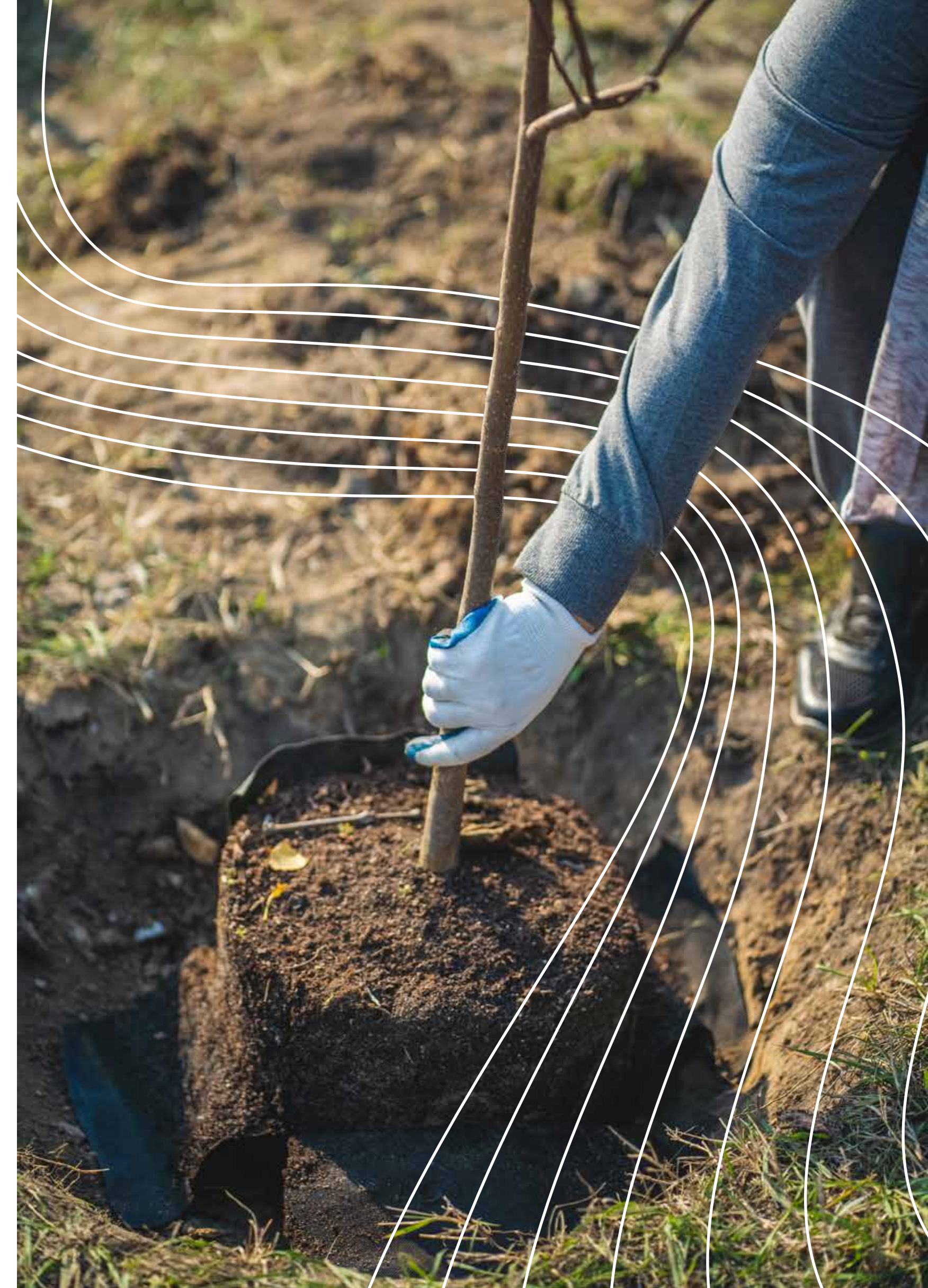
Enhancing biodiversity

Our [AWE Nature Recovery Plan](#) is designed to protect and enhance the biodiversity of our estate, keeping us in line with Greening Government Commitments and a wide range of local, national, and international objectives.

Between April and August 2023, we reduced mowing in over 170,000m² of land, increasing pollinator friendly species and far exceeding our targets.

We have begun planting a traditional orchard at Burghfield, which currently has over 200 trees, putting us well on track to achieve our goal of increasing the woodland on our estate by 10%, by 2030.

All our capital projects remain on target to achieve at least 10% Biodiversity Net Gain across their lifecycle. We continue to expand the conservation led surveys to cover a wider range of both the protected species and habitats found on our estate.



REDUCING CARBON



Climate adaptation

We are taking steps to understand the risks associated with a changing climate. By undertaking a Climate Impacts Risk Assessment, following the MOD methodology which assesses our resilience to climate related risks.

In addition, we added a new strategic risk on Environmental Sustainability and Climate Change in December 2023. This means that the Board now includes climate change in their overarching risk management strategy.

We reviewed ourselves against the Task Force on Climate Related Financial Disclosures recommendations, and used these insights to improve our climate adaptation strategy.

Our work on climate adaptation will feed into our new Climate Transition Plan, which outlines our strategy for transitioning to a low carbon economy. This plan has full board approval and oversight.

A circular economy is a model which promotes sustainable material consumption and the continual re-use of resources, aiming to eliminate waste and pollution. Our vision is to have the principles of a circular economy fully embedded into our business by 2050.

Waste management

This year, we exceeded our targets for managing 'controlled waste' - waste from conventional business functions like construction, demolition and operations that isn't radioactive or explosive. We diverted 99% of it from landfill and reused or recycled 72% of it.

Food waste

We worked with our catering suppliers to sort and record the food waste from our Aldermaston site, sending approximately 13 tonnes for anaerobic digestion, a process which produces both biogas and fertiliser.

Resource use

We continue our drive to remove single use plastics from around our business. We have maintained a 50% reduction in the use of disposal cups post COVID, and continue to meet our 50% paper reduction targets from our FY18 baseline.

Through our equipment sharing platform, where colleagues can share basic equipment and consumables so they are less likely to purchase new ones, we have rehomed almost 100 items since FY22.

Circular economy

Supply chain

This year, we established a quarterly meeting with key suppliers in cleaning, catering, and waste management, creating a valuable opportunity to collaborate and realise ways to limit resource consumption and waste.

We conducted a survey of Strategic Rank 1 suppliers to assess, among other things, their alignment with our net zero commitments. We found that 70% had made a commitment to Net Zero Carbon by 2050. In 2024, we are conducting the same survey with our Strategic Rank 2 suppliers.

We continue to integrate the ISO 20400 sustainable procurement framework into our commercial process. Further sustainability requirements are now part of our supply chain management contract template and are linked throughout our tendering processes.

Responsible material management

Our responsibilities

AWE works with a number of radioactive or explosive materials to support the defence and security of the UK. Many of these materials are scarce, which means we must manage them in the most responsible way. We also have annual targets to minimise our accumulated radioactive waste.

Much of our work in materials management is limited by the existing disposal routes we can access. We collaborate with partners across the industry to manage our waste safely and balance our own needs with those of the UK Government and other nuclear organisations.

RESPONSIBLE MATERIAL MANAGEMENT

<0.001 mSv

The annual radiation dose level from discharges at AWE Aldermaston and Burghfield is **currently less than 0.001 mSv**. The UK average annual background radiation dose is 2.7 mSv.

How we manage waste safely

Our radioactive waste is minimised by applying 'best available techniques' and we discharge materials in compliance with environmental permits which are regulated by the Environment Agency.

This year, we have collaborated with supply chain partners to better understand the UK radioactive waste life cycle, helping us disposition, reclassify, and dispose of waste efficiently.

Our strategy to remove depleted uranium from our sites and process via National Nuclear Laboratory continues. We are also progressing with plans to reduce both low activity and high activity waste, especially that which is stored in the local area.

Next year, we will continue to strengthen the country's nuclear material capabilities by working alongside partners in the military, enterprise, and civil organisations.

Civil - Defence Nuclear Liabilities Collaboration

AWE works to optimise nuclear liabilities reduction, including waste, as part of the Civil - Defence Nuclear Liabilities Collaboration.

In 2024, a road map was published to recognise the importance of nuclear liability reduction across the nuclear industry. The collaboration includes the Defence Nuclear Organisation, Submarine Delivery Agency, AWE, the Department of Energy Security and NET Zero (DESNEZ), the Nuclear Decommissioning Authority (NDA), and all departments.

This mission is to ensure the UK's legacy and future nuclear liabilities are managed for their whole life cycle, from design to disposal, including all assets and infrastructure.

The NDA has already developed waste storage and treatment capabilities which AWE is now implementing for our Higher Activity Waste Reduction Programme. For other waste there is a shared challenge and all parties stand to gain from approaching that challenge together.

Employee health and wellbeing

To achieve our core mission to deliver a secure future for us all, colleagues across our business must feel supported, safe, healthy, and engaged. We take a proactive and preventative approach to achieving this, focusing on the four pillars of wellbeing: physical, emotional, social, and financial.

To achieve these objectives, we focus on prevention and early intervention, responding to problems as they develop. Evidence shows us that the earlier things are caught, the less impact they have on colleagues and the business in the long run.

Our three key employee wellbeing objectives:

Support

To help our people to stay well physically, mentally, socially, and financially

1

Empower

To equip our people with the right tools to take greater responsibility for their own health and wellbeing

2

Culture

To support a culture of care within our organisation, where personal wellbeing is valued and respected

3

EMPLOYEE HEALTH AND WELLBEING

Underlining our commitments

We recently signed up to the Business in the Community (BITC) Workwell Commitment, a wellbeing framework developed by experts that helps us keep employee wellbeing at the forefront, so we can all continue to thrive.

The BITC Commitment also helps us benchmark against other organisations, measure and report our progress, and publish our data so we can stay accountable and share the good work we do.

Our key initiatives

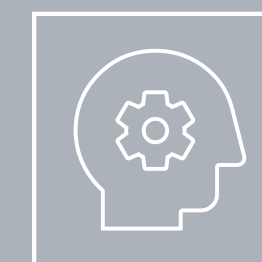


Physical

Through our ongoing Employee Assistance Programme, we offer plenty of resources to support physical health, including physiotherapy and nutritionist sessions.

During this year's annual Health Fair, suppliers of our benefits programmes shared their varied service with colleagues, giving expert advice and tips on how to lead a healthier lifestyle.

We ran a flu campaign which gave colleagues the option of a free flu vaccination on site, helping them stay well over the winter months.



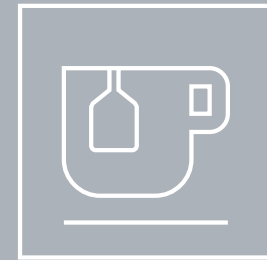
Emotional

We enhanced our line manager training to encompass how to coach teams with self awareness, lead processes with confidence, communicate effectively, and understand the fundamentals of team leadership. The training, an in-person course followed by periodic online modules, has now been taken by the majority of AWE line managers.

Our Wellbeing Champions network continues to grow, ensuring every colleague can connect to a specific person they can talk to. 6% of our employees are now Wellbeing Champions.

Through our Employee Assistance Programme, we continue to offer counselling and other mental health services.

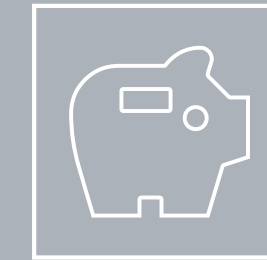
Our key initiatives



Social

This year we ran our first Hobby Fair, which attracted hundreds of attendees. It brought together all the hobby groups from across AWE to share what they have been up to and bring in new members.

We have also introduced a new wellbeing space online where we talk about upcoming events, share tips and tools, and answer any questions. Since launching the space, attendance at wellbeing webinars has tripled.



Financial

We have launched a monthly pensions webinar which began as an event for new joiners but, by popular demand, quickly expanded to the whole company and attracts over 200 attendees each month.

We continue with our financial education webinar series for apprentices and graduates, which offers expert advice tailored to their stage of life.

EMPLOYEE HEALTH AND WELLBEING



Equity, Diversity and Inclusion

Here at AWE, we want every employee to feel a sense of belonging. We aim to create an inclusive environment where all employees feel valued, respected, and supported. Over the last year we have made good progress, but we know there is much to do.

Our Inclusion team plays a vital role in ensuring that every employee feels accepted, regardless of their background and circumstances. Having a diverse and inclusive workplace culture inspires creativity, encourages varied perspectives, improves retention and attracts top talent.

Employee Experience Team

This year, we created a new Employee Experience Team whose focus is to listen, understand and act on employee insights. We recognise that by creating better experiences it improves levels of engagement leading to higher levels of business performance.

EMPLOYEE HEALTH AND WELLBEING

Diversity at AWE

Gender

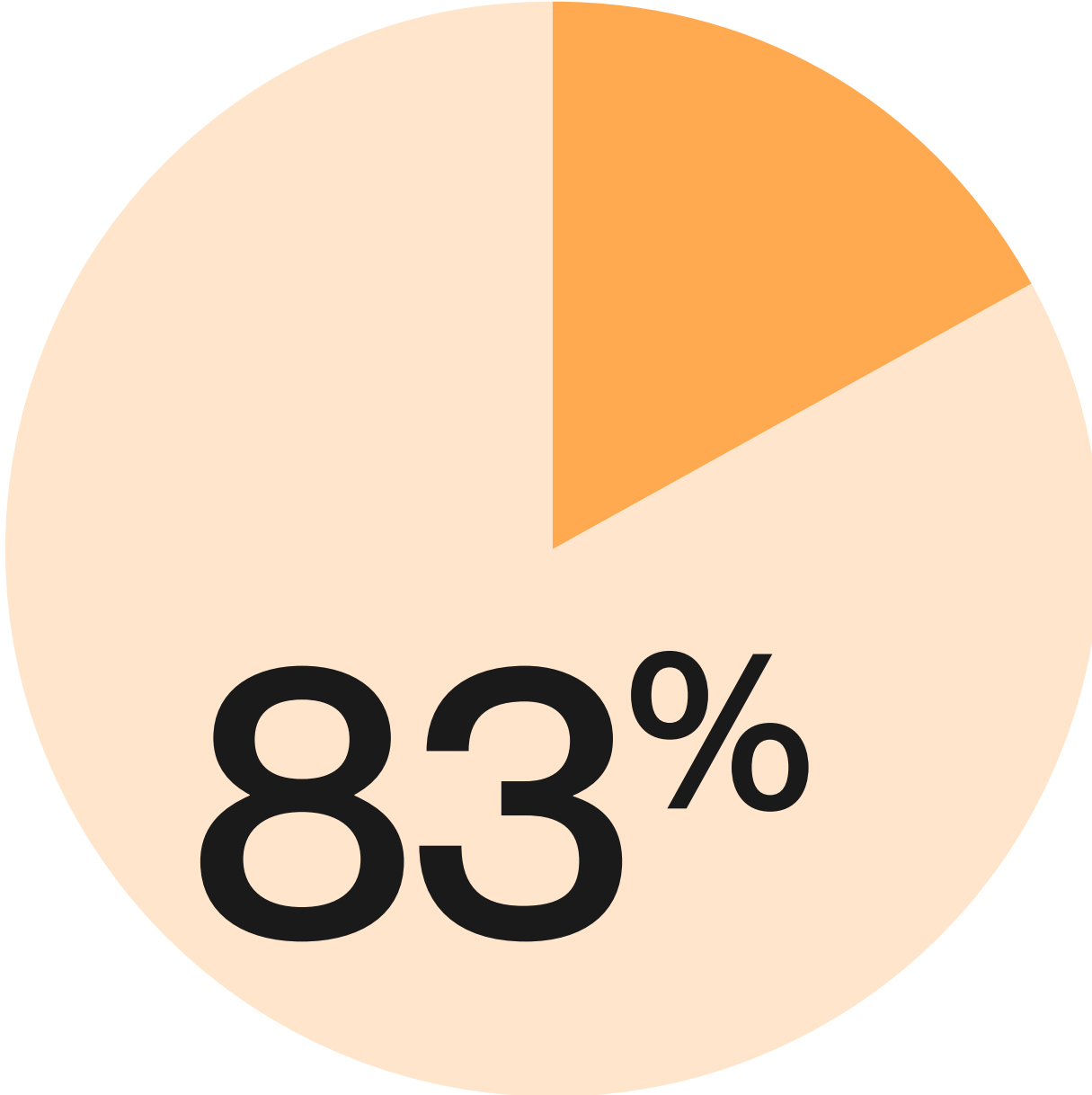
The number of women in the organisation increased from 26.2% in July 2023 to 26.7% in March 2024. Over 35% of new hires are now female and we continue to see a positive increase in the number of female applicants.

Ethnicity

The proportion of employees identifying in a minority ethnic group remained stable at 4.3%. We are performing well in diverse hires in our early careers intakes although progress still needs to be made across experienced hires.

Diversity data

In April, we launched our diversity data project, encouraging employees to voluntarily provide their diversity data via our people system. Having this information will allow us to shape our policies and processes, understand how representative AWE is of the society we protect, and how our workforce demographic compares against other organisations.



of our workforce are yet to share their diversity data

EMPLOYEE HEALTH AND WELLBEING



Inclusive ways of working

We have made a number of changes to our policy, practices, and guidance to better support our employees, including:

- Enhanced maternity leave and return benefits
- Special and dependents leave
- New menopause policy and guidance
- Specific Learning Difficulties (SpLDs) assessments for all new apprentices
- Specialist support from external agencies for apprentices with an ADHD or an SpLD diagnosis
- New e-learning training for line managers on how to manage neurodiverse staff

Employee Resource Groups

Our established Employee Resource Groups (ERGs) are committees of volunteers who ensure that employees from every walk of life are supported and have their views heard. Each group represents a key protected characteristic.

This year, we have restructured these groups to give members clearer roles and responsibilities, and have assigned an executive sponsor and senior leadership team champion to each group.

The ERGs have been pivotal in organising key celebration events such as Pride Month, Black History Month, International Women's Day, and Ada Lovelace Day. They also continue to support the company in shaping our ways of working and have played an integral role in many of our achievements this year.

EMPLOYEE HEALTH AND WELLBEING

External recognition

Employers Network for Equality & Inclusion Gold Award

The ENEI Awards recognise an organisation's commitment to and advancements in the realms of Equality, Diversity, and Inclusion, providing a benchmark against which peer institutions can be measured. In 2023, AWE distinguished itself by ranking in the top 10% of UK companies and was honoured with the prestigious ENEI Gold Award.



Armed Forces Covenant

This year, we won a Silver Award under the Employer Recognition Scheme for our commitment to the Armed Forces Covenant and the support we offer to our 300 veterans and reservist staff members.

Chief Science Advisor Commendation Awards

The Chief Science Advisor Commendation Awards recognise the exceptional contributions of individuals and teams working in science and engineering across the defence industry. This year Sophie Heaver, a manufacturing engineer at AWE, was awarded the Diversity and Inclusion Award.

300

veteran or reservist staff members supported by our commitment to the Armed Forces Covenant



Safety

Health and safety is at the heart of everything we do at AWE.

We operate one of the largest and most complex programmes in the UK defence industry, building state-of-the-art facilities and supporting the production of science, engineering, and technology programmes across the UK.

We are dedicated to keeping our people, supply chain partners, the public, and the environment safe as we realise our mission to deliver a secure future for us all.



SAFETY

In July 2023, a construction incident at our Aldermaston site resulted in a tragic fatality. This was a conventional health and safety event and did not involve any of our nuclear installations or nuclear materials. However, it was a terrible reminder of how safety must always be a priority and we are committed to learning lessons from this incident.

As part of the responsibilities that come with being a nuclear site licensee, our Executive Board and senior management team place a strong emphasis on safety within leadership and management.

We strive for a positive culture and have high expectations that our people will:

1

be stewards of and set the standard for safety

2

ensure we have the capability within the organisation to support safety, both now and in the future

3

prioritise safety at all levels of decision making

4

continue to improve and learn

SAFETY

We Care

This year, we strengthened our safe working culture under the banner of 'We Care' which encompasses six key themes: the environment, safety, learning from experience, security, quality and wellbeing.

As part of this renewal, we updated our communications around 'We Care', with endorsements from our Executive Leadership team. We have also established monthly safety conversations on safety performance and recommended improvements.

Reporting and learning

We continue to proactively track our 'near misses' which gives us valuable data we use to focus our improvement activities.

This year, we have also strengthened our Learning from Experience in line with wider corporate objectives, meaning we can improve safety, security, and quality more efficiently across the business.

We continuously monitor compliance against our licence and authorisation conditions to ensure that we maintain a high standard of nuclear safety. Our biggest success this year has been our return to high hazard decommissioning which reduces the risk at legacy facilities.

Independent regulation

We work closely with all our independent regulators, including the Office for Nuclear Regulation (ONR), the Defence Nuclear Safety Regulator (DNSR), the Environment Agency (EA), and the Defence Nuclear Security Regulator (DefNucSyR).

External recognition

In 2023, AWE Burghfield won an International Safety Award from the British Safety Council. We achieved the highest mark possible and gained a Distinction, recognising our ongoing commitment to ensuring all our people operate in a safe and secure environment and go home each day without experiencing harm.

SAFETY

RIDDOR and OSHA rates

The UK Government, through its Health and Safety Executive, sets requirements for the reporting of injuries, diseases, and certain dangerous occurrences (RIDDOR). These are part of The Reporting of Injuries, Diseases, and Dangerous Occurrences Regulations 2013.

Our RIDDOR Injury Rate in the period of the report was 0.063. Although the figure has risen slightly, it compares favourably to industry benchmarks.

We have applied a US Occupational Safety & Health Administration (OSHA) Classification to injury and illness records so we can benchmark against other UK and US operators who use the system. OSHA also provides a greater range of predefined injury classifications than RIDDOR, so is a better way to track and reduce personal injuries.

Rates for the 12 months to the end of	Mar 24	Mar 23
RIDDOR Reportable injury Rate per 100,000 hours worked	0.063	0.045
Total RIDDOR Reportable Rate (includes injuries and Dangerous Occurrences) per 100,000 hours worked	0.063	0.051
OSHA Recordable injury rate per 200,000 hours worked	0.287	0.256

Securing the future workforce

Part of our mission to deliver a secure future for us all is supporting passion and excellence in STEM in future generations.

As the UK's nuclear defence and energy sectors expand, the demand for skilled employees will increase too. At AWE, we expect our need for talent to increase by around 1,000 roles over the next 20 years.

To help meet this demand, we run a wide variety of initiatives to inspire and educate young people from primary school all the way through to early employment.

50,000+

primary and secondary school students reached during the reporting period

SECURING THE FUTURE WORKFORCE



Primary schools

We continue our partnership with Queen Mary's College in Basingstoke, for whom we sponsor a Primary Science Centre. This year, 3,400 local primary school children received free, high quality science lessons at the Centre.

We run a number of events within local primary schools including the Primary Science Challenge where we work with Education Business Partners to set up science workshops and tasks for young people to compete in.

Next year, we will enrich our schools engagement programme with workshops aligned with the primary school curriculum, helping strengthen key STEM skills.

“Guess my job” and “people like me” sessions have seen AWE employees talk to over 200 primary and 700 secondary school students about their jobs, helping children relate to those who work in STEM.

Secondary schools

One of the important ways we connect with secondary school children is through the national STEM Ambassadors programme. Through this scheme, AWE colleagues can claim three days of leave to take part in local and national STEM activities for young people. AWE currently has over 150 STEM Ambassadors who share their passion for these subjects through careers fairs, presentations, workshops, and more.

This year, we invited career advisors from local schools to tour our Skills Academy so they're better placed to tell their students about what we offer. We also regularly visit schools to give presentations about our apprenticeships and other ways we support future careers.

Next year, we are approaching schools about more focussed conversations we can have with groups who are especially suitable for AWE opportunities.

SECURING THE FUTURE WORKFORCE

Further education

One of our top priorities is supporting young people in further education and early employment, which is the special focus of our External Technical Partnership team. While this team supports the UK's talent pipeline both locally and nationally, their work also significantly strengthens the talent coming into AWE, helping us deliver on our mission.

This year, we welcomed 210 people into our graduate, apprentice, and year-in-industry programme, and next year we expect that figure to increase to around 500.



SECURING THE FUTURE WORKFORCE

Further education

Skills Academy

Our Skills Academy helps young people launch their careers with hands on, earn while you learn training courses across 15 disciplines. The Academy has been running for over 70 years and in that time helped more than 3,500 people launch their careers.

This year, we have recruited a pastoral team for the Academy to improve psychological safety and wellbeing, support learners through mental health challenges, and help them work through difficult periods in their lives.

Apprenticeships

We now run apprenticeships from Level 2 to Level 6 Bachelors degree, covering a range of subjects from Engineering to Project Management.

We introduced Level 2 apprenticeships in 2023 which means we now offer opportunities to those without any formal qualifications. 15 young people joined the programme in April 2023 and we expect similar numbers this year.

Demand for apprenticeships continues to grow – 89 apprentices joined in 2023 and 300 in 2024.

Careers fairs

We share opportunities available at AWE through careers fairs such as Destination Expo, an annual event attended by 800 A-Level students. This year, we will be increasing our attendance at fairs in local areas like Newbury, Reading, and Basingstoke.

Social mobility

This year, we delivered STEM workshops in specific community centres with the aim of improving opportunities for those from lower income families. Mindful of the importance of continuous outreach, we will follow this up with a STEM Boot Camp as well as mentoring and coaching programmes. We will continue to use the Government's social mobility data to find the right schools to support.

SECURING THE FUTURE WORKFORCE

Further education

Sponsorships

We work with more than 30 universities in the UK to sponsor postgraduate positions in key areas of technical focus. This year, we have increased holistic support for our PhD students so they feel more included in our organisation and can now take advantage of some of our employee assistance programmes.

We continue to be part of the Defence STEM Undergraduate Sponsorship Scheme, which pays for recipients' undergraduate degrees and guarantees them a job in defence for a minimum of two years post-graduation.

This year marks the 10th anniversary of the Oxford Centre for High Energy Density Science (OxCHEDS), an AWE sponsored Centre of Excellence.

Fellowships

We continue to sponsor exceptional academics whose research supports our strategic aims through the William Penney Fellowships. In 2023, eight Fellows gathered at the William Penney Fellow Conference in London to discuss areas of mutual interest and AWE's mission.

Conferences

We host conferences such as the Postgraduate Student Materials Science & Engineering Conference. These events celebrate the contribution that our sponsored students make to our work and create opportunities for recruitment. The AWE sponsored Nuclear Forensics Conference (NuFor) in London is unique in the range of people it brings together, from senior government leaders to university and school pupils.

Community

Protecting and working in partnership with our local and national community is an integral part of who we are. Fostering strong, trusting relationships with our neighbours helps us share and explain our mission, instils a passion for STEM in local young people, and enhances our employee wellbeing.

COMMUNITY

Local Liaison Committee

Our Local Liaison Committee brings together elected representatives from parishes in Berkshire and Hampshire who represent around half a million local residents.

In committee meetings, which run twice a year, we share an overview of our operations, updates on emergency planning, environment safety and health performance, and all the latest news on our community programmes.

Our independent regulators including The Environment Agency and Office for Nuclear Regulation attend and give impartial updates on our performance and progress. There is always time for questions from residents which are answered in the meetings.

Time To Give

Our volunteering scheme 'Time to Give' gives every colleague a total of three full days to volunteer at a charitable organisation chosen by them, pro rata for part time employees. The scheme has been a success and volunteering activities delivered increase year on year.

Community Magazine

We circulate our community magazine Connect to 38,000 local homes and businesses, which is full of good news stories and local initiatives.

38,000

local homes and businesses reached via our Connect community magazine

COMMUNITY

Volunteering in a community garden

As part of our volunteering scheme Time to Give, AWE volunteers helped Basingstoke Voluntary Action (BVA) spruce up the garden, known as 'The Orchard', which surrounds their community centre.

The seven AWE volunteers spent the day cleaning and painting The Orchard's fence, just in time for BVA to host a Thank You Tea Party and the official launch of their Volunteer Hub.

One of the volunteers, Senior Business Analyst Anne, said:

“It was so beneficial, spending time with other members of the team, away from the distractions of the office and getting to know them personally.

With our busy lives, giving time for our social wellbeing was very valuable. Plus we found it rewarding to get the painting completed for such an important charity. The team at the centre was delighted at how much we were able to complete.”

Security

AWE's overarching mission is to support the defence and security of the UK. As such, achieving our security commitments will always be a priority. This year we have continued to meet all of our key performance objectives.

Security through culture

Security at AWE is rooted into our culture. This means that every single colleague understands their security responsibilities and is empowered to make the safest decisions in all situations.

Our Security Survey 2023 confirmed that our colleagues have an exceptionally high degree of confidence in their ability to keep themselves and the organisation safe.

We train and inform all employees, visitors, contractors, and partners on best security practices, both when they join us and when they take on new responsibilities.

A focus this year has been on 'leading securely' and we are giving those in leadership positions thorough security training including the rationale for our measures.

SECURITY

AWE's security culture is underpinned by three key principles:

Everyone **understands** our security threats

1

Everyone has **personal responsibility** for our security

2

Security is embedded into **everyday decision making**

3

Internal security

We continue to invest in cyber security to protect us from external threats and develop our relationship with the Ministry of Defence Police who provide our ground security operations and personnel.

Suppliers

Our suppliers have rigorous security measures in place and we are increasing our capability to support them. Our Capital Builds Programme will see our supplier base grow and our high security measures will be integrated into this expansion.

Partners

We continue to collaborate with our US partners, the MoD, and other British nuclear organisations on security best practice.

How we behave, both as individuals and as an organisation, significantly impacts both the wellbeing of our employees and our wider reputation.

A culture of ethical conduct

Ethical conduct can only happen within a culture which helps people make good decisions. We go to great lengths to make AWE a positive place to work, empower people to make the right choices, and build awareness of how they can raise any concerns.

We proactively engage with all our new joiners about how our Ethics Office and Ethics Ambassadors support them. We also regularly publish articles in the company newsletter about corporate ethical matters.

We have seen an increase in ethical queries year on year, most of which are asking for advice, showing that a culture of transparency is becoming more embedded into our company.

The highest volume of queries we deal with is around potential conflicts of interest, which could have significant legal, financial or reputational consequences. We continue to focus on helping people understand what these are and how to deal with them as they arise.

Accountability and transparency

ETHICS

Code of Ethics

Our Code of Ethics outlines the behavioural expectations for colleagues working at AWE and every employee is responsible for upholding them. The Code covers topics such as safety, security, integrity, customer relations, and data protection.

Training

Alongside our mandatory annual ethics training, we have recently introduced mandatory anti-bribery and corruption training to help employees understand our zero tolerance approach to bribery and corruption.

Ethics Ambassadors

To help colleagues feel comfortable speaking out, we have 16 Ethics Ambassadors at AWE. These employees are embedded into different functions within the organisation and act as a point of contact for anyone who needs advice or wants to raise an ethical concern. Through workshops and presentations, Ambassadors raise awareness of the support they offer and the legal protections employees have.

Ethics Risk Matrix and Maturity Reviews

We regularly conduct Ethics Risk Matrices, collecting data which helps us identify possible areas of intervention. We then carry out Ethics Maturity Reviews within those target areas, speaking to key teammates about any issues and sharing recommendations on how to improve ethical conduct and reporting.



Business transformation: built estate

In 2020, the UK government reiterated its commitment to our continuous at sea deterrent and, as part of this renewal, announced its intention to build a replacement warhead, known as Astraea. As the organisation responsible for developing the warhead, we have developed a transformation strategy to ensure we execute this project successfully.

BUSINESS TRANSFORMATION: BUILT ESTATE

-25%

reduction in our built estate size by 2032 to achieve our energy efficiency goals

13%

of our estate identified as suitable for long term biodiversity management

One of the largest components of this transformation is the modernisation of our manufacturing facilities and built estate, including reducing the number of buildings on our sites. This year, we have continued to deliver on our priorities to exit our ageing infrastructure, reduce our estate footprint, and increase biodiversity.

As well as ensuring we deliver on our mission, a more biodiverse, modern, and energy efficient estate has a significant positive impact on workforce wellbeing. More indoor natural light, ambient temperatures, green space, and considerate use of materials makes AWE a more enriching and rewarding place to work.

Exiting ageing infrastructure

As part of our Hub Project, we are on course to reduce the size of our built estate by 25%, removing 70 buildings by 2032. This programme will help us achieve energy efficiency goals and ensure the built estate fully supports employee wellbeing.

Minimising estate carbon footprint

Our physical estate is one of the biggest contributors to our carbon footprint and as we reduce its size and modernise our infrastructure, we will be better positioned to deliver our target to achieve net zero by 2050.

Increasing biodiversity

Biodiversity on site is a significant priority, and all our major development projects are on target to achieve at least a 10% biodiversity net gain. In addition, we've identified approximately 13% of the estate as suitable for long term biodiversity management.

As we reduce built infrastructure on site, we will look for opportunities to use the new space for biodiversity projects. By 2060, we have a vision to connect the entire estate with corridors of flora.

Business transformation: culture

As part of the transformation programme that will put us in the best possible position to deliver the next generation of warheads, we are evolving our culture to become higher-performing and more agile.

This year, we have focussed on developing our talent and leadership, increasing diversity and inclusivity, and improving psychological safety across the organisation.

As ever, these cultural changes are underpinned by our core behaviours: to keep promises, be safe and secure, connect with respect, and embrace simplicity.

BUSINESS TRANSFORMATION: CULTURE



Leadership

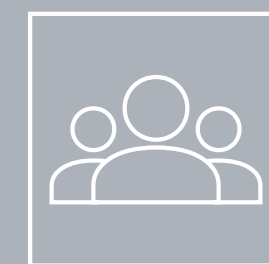
We have rolled out a suite of new leadership programmes, including our Catalyst programme which teaches leaders how to transform businesses through a 'people first' mentality. We have also launched our Foundations of Management training which approximately 700 people have taken to date.



Early careers

We continue to focus on attracting and supporting talent through our early careers programme. This year, we welcomed 210 people into graduate, apprentice, and year-in-industry roles and next year we expect this figure to increase to around 500.

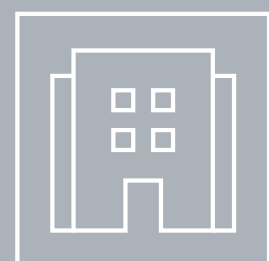
We have introduced Level 2 apprenticeships which mean we now offer opportunities to those without any formal qualifications. 15 young people joined the programme in 2023 and we expect similar numbers this year.



Diversity and inclusion

This year, we hit our ethnic minority and gender targets for all our early career hires. We continue to create an inclusive onboarding process, especially for those who are neurodivergent, for whom we offer a wide range of adaptations.

BUSINESS TRANSFORMATION: CULTURE



AWE Through Life Learning Academy

As we transform our built estate, we are equipping people with the skills to work efficiently and safely in our renovated buildings. To do this, we are setting up the AWE Through Life Learning Academy.

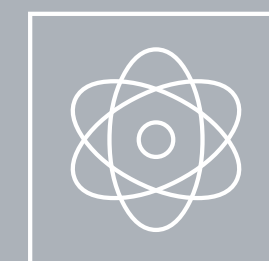
Our modern facilities will give our people the skills they need for a varied and interesting career, while meeting our capability requirements.



Psychological safety

Psychological safety is a critical part of supporting wellbeing, performance, and safe decision making at AWE. As we transform our business, it is especially important that employees feel safe sharing questions, concerns, and difficulties.

We support psychological safety through employee workshops as well as guidance around psychological safety in leadership training.



Nuclear skills

We are involved in national capability initiatives to ensure we have enough high quality skills in the UK's nuclear and defence sectors, both now and in the future. The foremost of these is the ten year National Nuclear Strategic Plan for Skills which is jointly sponsored by two government departments, MoD and the Department for Energy Security and Net Zero.

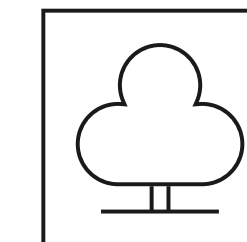
Our ESG commitments



ESG COMMITMENT UPDATE

ENVIRONMENT

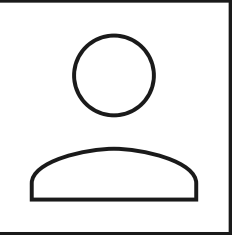
As we have achieved two of our commitments, we are introducing two new ambitions for next year. We will baseline all our tier 2 suppliers who have committed to net zero and we will increase pollinator friendly habitats across our Aldermaston and Burghfield sites.



ESG Pillar	Financial Year 2023/24 Target	Progress	Status
Reducing Carbon	Achieve science based targets for Scope 1 and 2 emissions and stay on track to achieve net zero by 2050.	Although our overall emissions increased, we achieved our science based targets for Scope 1 and 2 emissions.	● On track
Reducing Carbon	Baseline all our Strategic Rank 1 suppliers who have committed to net zero and collaborate to reduce our Scope 3 emissions.	We contacted all of our Strategic Rank 1 suppliers to understand their net zero commitments. Of the 82% who responded, 70% have made a pledge to achieve net zero. This year, we will share best practice with our suppliers and work alongside those who are yet to make the pledge.	● Achieved
Reducing Carbon	Enable our colleagues to drive environmental innovations across the company.	As part of a behaviour focus week, we asked colleagues to submit their ideas for environmental innovations. The two winning ideas were to ensure more energy is obtained from renewable sources and to acquire small modular reactors for nuclear power generation.	● On track
Responsible Material Management	Achieve an annual reduction of radioactive waste.	We have completed removal of 36.76 tonnes of radioactive waste this year, which we believe is an annual reduction. The waste is currently being measured and we'll confirm results in Q4 2024.	● Achieved

ESG COMMITMENT UPDATE

SOCIAL



ESG Pillar	Financial Year 2023/24 Target	Progress	Status
Safety	Ensure all our people operate in a safe and secure environment and go home each day without experiencing harm.	AWE remains committed to the safety of its people and operations. In July 2023, a construction incident at our Aldermaston site resulted in a tragic fatality. This was a conventional health and safety event and did not involve any of our nuclear installations or nuclear materials. However, this event was a terrible reminder of how safety must always be a priority and we are committed to learning lessons from this incident.	● On track
Employee wellbeing	Create Wellbeing Working Groups in all of our business units.	We've set up a Wellbeing Working Group in all functions and tech centres. Two areas are in earlier stages of development due to restructure, resourcing, and strike action.	● Achieved
Securing the future workforce	Invite all our senior leaders to share in mentoring circles with individuals from under-represented groups.	We have piloted mentoring circles with ten leaders and are reviewing their impact and how they can be used in the future.	● On track
Securing the future workforce	Inspire 8,000 young people of all backgrounds through STEM based engagements.	We reached over 50,000 young people this reporting year which, according to STEM.net, has resulted in at least £3.4 million of social value. We have updated next year's target to inspire 50,000 young people accordingly.	● Achieved

ESG COMMITMENT UPDATE

GOVERNANCE



ESG Pillar	Financial Year 2023/24 Target	Progress	Status
Security	Always answer the call for the country’s nuclear threat reduction needs.	We have maintained all of our nuclear threat reduction operational capabilities at the required state of readiness over the past year. We continue to seek ways to improve and integrate the services we provide to government and partner agencies.	● Achieved
Accountability and transparency	Produce an ethnicity pay gap report in the 2023/24 financial year.	At the start of the reporting period, we had every intention of producing an ethnicity pay gap report. However, in light of an ongoing pay dispute, the Reward team had to make some difficult decisions on its priorities this year. We recognise the importance and value that an ethnicity pay gap report may bring but have made the difficult decision to defer. Resource is being directed so that we can achieve this in our next cycle of reporting.	● Moved to 24/25
Business transformation	Reduce the number of buildings on our sites by 25% by 2032.	We remain on track to achieve our commitment, as set out in the estate master plan, and twenty facilities have been removed from site within the past 12 months. The programme had two company milestones to deliver during FY24, both of which were achieved on time and to cost.	● Achieved

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