

OFFICIAL



# ESG Report

**Together, delivering solutions for a  
safe and secure future**

2022/23

# Who we are

AWE's mission is to support the defence and security of the United Kingdom (UK).

## Together, delivering solutions for a safe and secure future.

The UK Government has a policy to maintain a Continuous at Sea Deterrent (CASD) to deter the most severe threats to the UK and our way of life. We're immensely proud to support CASD and our national security, through developing, manufacturing and maintaining the warheads for the nuclear deterrent, as well as providing our unique skills and expertise to support nuclear threat reduction.

To do this, we sustain the scientific expertise and industrial know how to manage, integrate and deliver a set of complex programmes and projects safely and securely.

Under instruction of The Ministry of Defence (MoD), AWE is responsible for operating its sites safely and securely as well as delivering a safe, effective, and efficient nuclear warhead programme. In 2021, AWE became a Non-Departmental Public Body (NDPB), owned by the MoD.

**6,600** employees

**28%** females in senior leadership

**287** Apprentices and graduates

**4** sites



AWE was named as one of the 25 Best Big Companies to work for in 2022

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# Introduction

At AWE we have a clear and defined mission to deliver for the Ministry of Defence (MoD) for the nation's safety. This trust has been given to us by the Government and we're proud to hold this responsibility.

In order to deliver efficiently and effectively we must weave the highest levels of responsible practice into all business functions, driving our day-to-day activities. Our ESG report demonstrates this. It details the hard work of our employees, senior leadership and executive teams to perform on our environment, social and governance commitments while executing our mission critical role in the nation's defence.

This report covers our achievements as a responsible business for the financial year 2022/23. We know we can't deliver on our mission without acute regard for our impact on the environment. We also know that without strong governance to transparently drive forward our mission, dependent on the trust of our employees, we can't accomplish our goals. All of this can only be fulfilled by our people. Their wellbeing is our priority, as is creating a culture where they feel respected and supported to use their skills to the nation's advantage. We also recognise our place in the local community and highlight the work we've done to share what we do to inspire and educate young people, and others to want to work at AWE.

The report celebrates our successes, outlines our challenges and explains our learnings from where issues arise, given the complex nature of what we do at AWE.

**We define our purpose  
in terms of our impact  
– it reminds us why  
we do what we do.  
Together, we apply our  
expertise to support  
nuclear security and  
keep our nation and  
our allies safe.**

# Message from our ESG sponsor

ESG is integral to our organisational performance and our ESG framework sets out how we manage our risks and opportunities across all areas of our business.

We are acutely aware of the vital role we must play in delivering the ESG agenda. We are proud of the mission we perform and excited to deliver against our framework which will not only reduce our impact but also identify ways we can establish positive outcomes for society and the environment.

Our ESG framework supports our vision – ‘Together, delivering solutions for a safe and secure future’. Our mission supports the UK’s national security agenda and as a business we promote prosperity by providing meaningful employment opportunities and being a valued member of the communities we operate in.

We understand that, as a public body, being a responsible business has never been more important.

We are at the start of our ESG journey but we know we’re on the right path. This framework is endorsed by the executive board who have responsibility for delivery and are accountable for progress.

This is not a static tick box exercise for us. We will continually review our framework and test that it is fit for purpose and reflects the needs of our stakeholders. Our commitments are right for today but will evolve as our organisation grows. I am personally excited to lead the charge on ESG across AWE, encouraged by my colleagues’ enthusiasm to get this right and get on with the job in hand. We have a lot of work to do, but I am confident we will deliver against our commitments and demonstrate significant progress in the years to come.



**Andy Scargill**  
Executive Director, Liabilities and ESG Sponsor

# Our ESG framework

ESG and being a responsible business must be core to everything we do at AWE. We are evolving to become a company that embeds social and environmental considerations into every decision we make.

In 2022, we carried out a comprehensive materiality assessment to help us understand the issues that are important to our stakeholders as well as reflecting our new structure as a NDPB.

We engaged with stakeholders from both inside and outside of our organisation to get a clear picture of the issues we should be driving forward, managing or monitoring. The process involved interviews, desk research, data analysis and surveys to ensure the assessment was in depth and robust.

Our ESG framework is devised from the results of the materiality assessment and is directly aligned to our business strategy covering what we do beyond our core product and operations. The framework is shaped under the three pillars of Environment, Social and Governance. We have two focus areas in each pillar and one core area which is material to the operations of our business. This report summarises progress across each of the focus areas.



# Environment

**We are committed to minimising the environmental impact of our operations and strive to deliver the highest standard of environmental protection and sustainability.**

# Approach

For AWE, being good stewards of our environment is an essential part of being a responsible and successful company. Not only do we hold ourselves accountable to our own strategy and targets, but we make sure we align with the Greening Government Commitments (GGC), which set out actions UK government departments and their agencies need to take to reduce their impacts on the environment. We also align with the MoD's strategic approach to climate change and sustainability, which seeks to inspire all those in and connected to defence through three interlocking ambitions: adaptation and resilience to climate change, net zero, and global leadership.

Our ESG framework has three focus areas for the environment to drive progress:



**Reducing carbon**



**Circular economy**



**Responsible material management**

Embedding the principles of the circular economy through effectively managing resource consumption will help reduce carbon, as well as continuing to nurture and protect our biodiversity. A dedicated focus upon the management of specific AWE material is a crucial foundation to our activity in this space.





# Responsible material management

We work with the UK Government and other nuclear organisations across the nation to understand the collective needs of the country for using the materials and plan collective resource needs. Embedding principles of the circular economy into our materials management means we understand our needs and can project our requirements for the next 100 years, in the best interests of the United Kingdom.

In order to achieve our mission, AWE works with a number of hazardous materials. The availability of materials like these are scarce, meaning we have a duty to carefully manage them through procure, use, recycle and dispose of these materials in the most responsible way possible.

We have made a commitment to annually reduce our radioactive waste. Safely disposing of radioactive waste is a challenge faced by the entire nuclear industry. With some materials we are limited with what we can move because of the disposal routes in place, but continue to work with our colleagues across industry to find new ways to safely manage our waste.

## Establishing a route for depleted uranium

Our Nuclear Materials and Transport Programme manages strategic material on behalf of the MoD's Defence Nuclear Organisation (DNO). This year, our Programme implemented a strategy to remove depleted uranium from our sites, in the form of Swarf in Oil, to the National Nuclear Laboratory.

The Swarf in Oil will be processed into a stable intermediate state, prior to oxidation and will then be transferred to an off-site long-term storage facility, on behalf of the DNO. The containers will then be returned to AWE to re-use with the remaining inventory.

This was a key achievement for all involved and establishes a safe route to process unrecoverable swarf into a suitable form for long-term storage.



# Circular Economy

We have set ambitious targets to drive the underlying values of a circular economy. By 2050 we envisage the principles of the circular economy will be fully embedded in our business, with waste designed out at source for all projects.

Our near term focus has been on Greening Government Commitments and laying the foundations for future approaches to embed circular economy principles into everything we do. Our priority last year was to create an overarching circular economy strategy and plan that gave the business a roadmap for achieving its 2030, 2040 and 2050 visions and goals.

We have undertaken a gap analysis against ISO 20400 to identify improvement opportunities throughout our supply chain processes, and we have already started to implement several of the recommendations.

Additional opportunities are being added to existing sustainability requirements for new build projects and service delivery contracts. For example, working with our catering supplier to drive out the use of consumer single use plastics.

This has resulted in a threefold increase in use of the number of reusable cups, along with a 50% reduction in disposable coffee cups, saving on average 2,200 single-use cups per week.

We are analysing data to understand business areas of focus and prioritise material flows within them. For example, we have baselined water usage throughout our sites and have identified opportunities to reduce consumption. We continue to identify opportunities to reduce, re-use and recycle and have a dedicated SharePoint site for advertising work items no longer of use that might be needed elsewhere in the business.

## Our waste management achievements

Target for non-radioactive and non-explosive waste	2019/20	2020/21	2021/22
98% diverted from landfill	98%	99%	99%
93% reused and recycled	96%	97%	99%

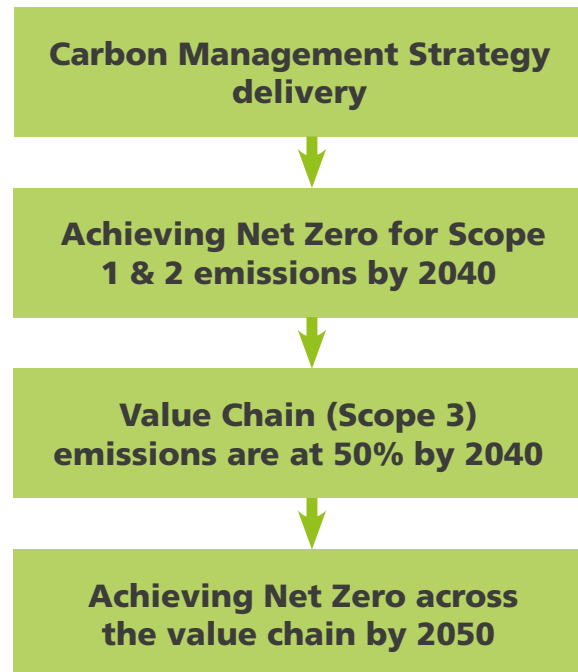
We've avoided an average of 2,200 single use cups per week in our canteens



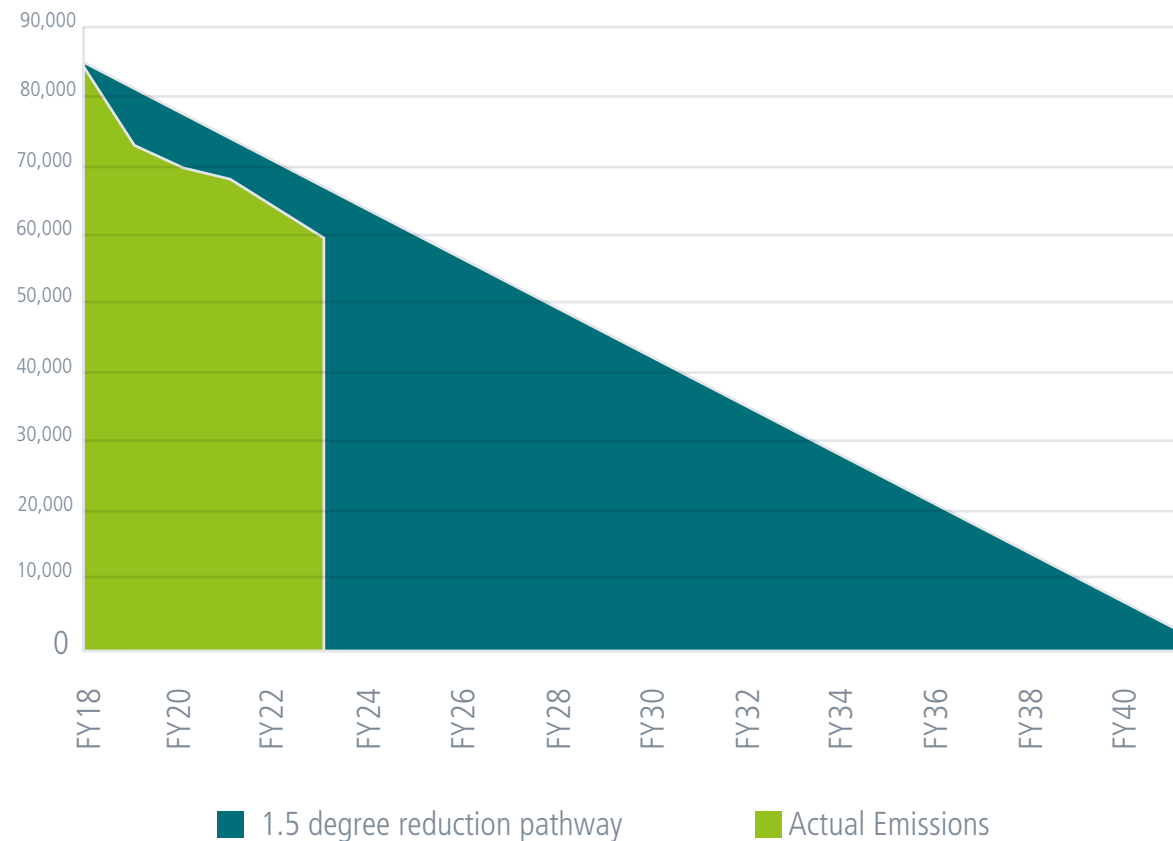
# Reducing carbon

We have devised a comprehensive roadmap to achieve net zero by 2050 and identified six areas of focus to help target reducing emissions across our business. Working closely with teams from across the company, we now have plans in place across each area to drive reductions and monitor progress.

## Our roadmap to net zero



**Scope 1 and 2 Net Zero by 2040**  
**Progress against carbon reduction target**  
 Tonnes CO<sub>2</sub>e



# Reducing carbon

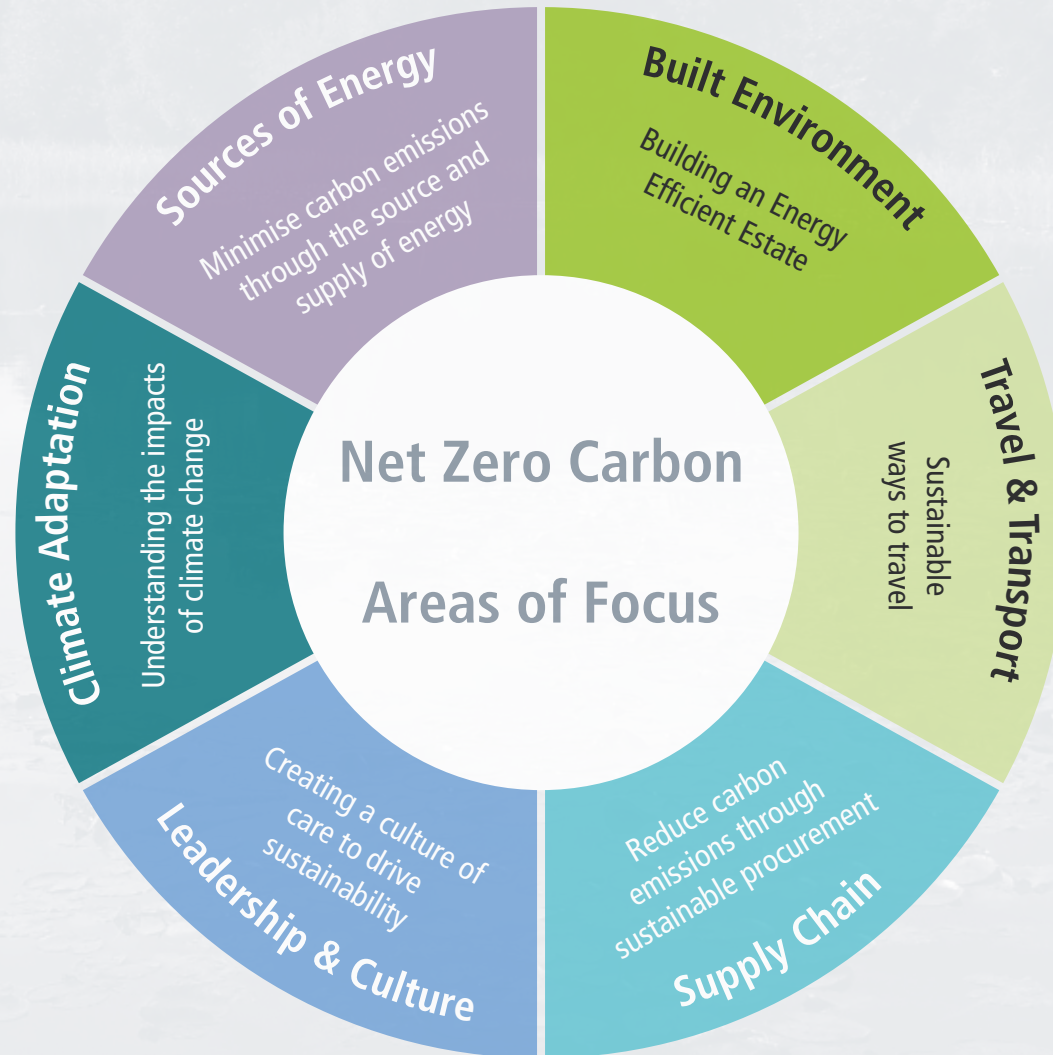
Carbon reduction targets are considered 'sciencebased' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

In 2019 AWE set a science based target for Scope 1 and 2 emissions aligned to a Well Below 2°C pathway.

### Setting Net Zero Targets

Our increased ambition to achieve Net Zero for Scope 1 and 2 carbon emissions by 2040 has required our target to be realigned to the 1.5°C pathway in accordance with the Science Based Targets initiative (SBTi) Net Zero Standard.

As a minimum this will require at least a 90% reduction in carbon emissions by 2040.





# Reducing carbon

## Energy use

In 2022, we have been driving reductions across our scope 1 and 2 emissions from energy use and site heating.

As of this year, our scope 1 (direct emissions) and 2 (indirect emissions from energy use) emissions reduced by 29% against our 2018 baseline. A key element of our carbon reduction strategy is energy procurement. Alongside purchasing 100% renewable energy, we are also exploring opportunities for entering solar farm Purchased Power Agreements and investing in on-site renewables.

AWE is going through a period of business transformation to ensure we're fit for the future. As part of this we're expanding our building portfolio and retrofitting some existing infrastructure. This means energy usage is going to increase in the near term and we're doing all we can to mitigate it, including carbon and energy efficiency audits for all new builds and exploring renewable energy sources, such as air source heat pumps.

This year we expect an annual saving of approximately 2,500 tCO<sub>2</sub>e from measures including LED lighting upgrades, lighting controls and chiller replacements.

## Reducing emissions across our value chain

A big focus of our carbon reduction strategy is indirect emissions across the value chain, categorised as scope 3 emissions. This includes all emissions outside of scope 1 and 2 that occur in the upstream and downstream activities of an organisation.

For most business, the majority of emissions will lie in the value chain, and in AWE's case, our scope 3 emissions are estimated to be 75% of our total footprint. We have undertaken an assessment against scope 3 categories to highlight the areas of greatest contribution and where we can have most influence.



**29%** reduction in emissions since 2018

# Reducing carbon

## Climate Adaptation

We are taking steps to prepare for a changing climate. AWE is undertaking Climate Impacts Risk Assessments Methodology – designed to improve the resilience of MoD establishments to climate related hazards. This identifies the risks posed by the impacts of climate change or extreme weather events, along with the associated actions required to maintain and optimise operational capability.

AWE has also undertaken a readiness review against the Task Force on Climate Related Financial Disclosures (TCFD) recommendations, reviewing how climate related risks are addressed in corporate governance, the impacts on business strategy and how risks and opportunities are identified and managed.

## Nature Based Solutions

Nature can provide important solutions to climate change, both by helping to lock up carbon and by helping society cope with the inevitable changes. The AWE Nature Recovery Plan outlines our plans to protect and enhance the biodiversity of the AWE estate. By 2030, we aim to:

- Create 75,000m<sup>2</sup> of pollinator friendly habitat
- Increase the area of woodland on our estate by 10%
- Assess our company management system against the Wildlife Trust's Biodiversity Benchmark
- Develop a corporate Natural Capital Register
- All our development projects will achieve at least 10% Biodiversity Net Gain
- Undertake annual surveys of some of the protected species that can be found on our sites
- Engage with the Local Nature Recovery Strategy and other stakeholders to share best practice

Last year, we extended the area of grassland subject of a reduced mowing regime by 5000m<sup>2</sup>, taking the total area to 20,000m<sup>2</sup>. These areas are not mowed between April and August to allow wildflowers to seed and attract pollinator species. Over the next few years we will also be creating a 2.5 hectare traditional orchard.



# Social

**Our people are critical to delivering our mission. We strive to create an inclusive, equitable and safe culture, alongside developing a highly skilled workforce that is fit for the future.**

# A Community Approach

We know we play a huge role in our communities, be it our neighbours, our people or a national community. What we do goes beyond purely achieving our mission. We have responsibilities to wider society and we are committed to playing an active role and contributing.

Now we are a public body, we are no longer allowed to directly donate to charities. To continue supporting our community, last year we introduced our new volunteering scheme, 'Time to Give' which gives our people the opportunity to use two full days for the benefit of charitable organisations.

## Case study

Brenda Watson, Business Administrator, uses her skills as an experienced netball coach to volunteer her time and provide netball coaching to a school in one of AWE's local communities. After Brenda approached Burnham Copse School offering to provide netball coaching, they were thrilled and took Brenda up on the offer.

"Burnham Copse netball club is thriving! This is due in no small part to Brenda's weekly volunteering. Every Wednesday, whatever the weather, children from Year 3 to Year 6 meet after school on the playground for netball practice. We are so grateful for Brenda's time, experience and encouragement."



Our Local Liaison Committee (LLC) brings together elected representatives in Berkshire and Hampshire and represents around half a million local residents.

LLC meetings provide members with an overview of our operations, updates on emergency planning as well as details of our environmental, safety and health performance. In the spirit of full transparency, representatives of AWE's independent regulators – the Office for Nuclear Regulation and the Environment Agency – also attend the meetings, giving independent updates on company performance and progress.

Our community magazine, Connect, is delivered to 38,000 homes and businesses, providing the latest news and information to local residents, twice a year.



LLC members speaking with an AWE colleague during Aldermaston site visit



# 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 from building state-of-the-art facilities, to supporting our production, science, engineering and technology programmes but we are dedicated to ensuring safety of our people, the public and the environment.

'We are Safe and Secure' is one of our four key behaviours, part of this is AWE's commitment to uphold a 'Culture of Care'. Creating a Culture of Care is reliant on all of our people understanding the part we have to play in creating a respectful working environment, providing constructive challenge, supporting wellbeing, meeting our regulatory requirements, meeting the licence conditions and authorisation conditions and demonstrating leadership in relation to environment, safety, security, quality and health.

As a nuclear site licensee and authorisee, our Executive Board and senior management team recognise the need for, and benefit of, a strong emphasis on safety leadership and management.

We strive for a positive culture that commits to implementing arrangements and behaviours that support the safe achievement of our goals. We expect that all our employees will:

- be stewards of and set the standard for safety
- make sure we have the capability within the organisation to support safety and our activities both now and in the future
- prioritise safety at all levels of decision making
- continue to learn and improve

We maintain a focus on safety through regular safety briefings. All meetings are encouraged to start with a 'safety moment', where colleagues share a reflection on safety issues. We also run a 'stop for safety' initiative, where the whole of AWE pauses to listen, review and discuss key safety issues. Prioritisation of health and safety will always remain at the heart of our activities. Creating and maintaining a positive environment, safety and health (ESH) culture is key to keeping our people safe but also helping to deliver our critical mission to support strategic defence of the UK.

**RIDDOR Reportable Injury Rate per 100,000 hours worked**

**0.045**

**Total RIDDOR Reportable Event Rate (injuries and Dangerous Occurrences) per 100,000 hours worked**

**0.051**

The UK government, through the Health and Safety Executive, sets requirements for the reporting of injuries, diseases, and certain dangerous occurrences. The requirements are part of the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR). Our RIDDOR Injury Rate in the period of the report was 0.045 which compares favourably to industry benchmarks.

**“We commit to all our people being able to operate in a safe and secure environment and to go home each day without experiencing harm.”**

# Employee health & wellbeing

We know that to achieve our core mission – to support the defence and security of the UK – our colleagues across the business must feel supported, safe, healthy and engaged with their work. This is why we've committed to cultivating an inclusive and progressive work culture that attracts, retains and supports a diverse talent pool.

This includes widening access and opportunities for people in the business, and creating an inclusive culture. We strive to offer a unique and fulfilling career path that includes training and development, allowing people to achieve their best with us, while also providing support and advice for our people to thrive in their physical, emotional, social and financial wellbeing.

Focusing on health and wellbeing in this way helps us develop and maintain a workplace and culture that allows employees to understand, connect with, and contribute to our goals and behaviours.

## **Our approach to wellbeing**

We want to build resilience and good mental and physical wellbeing for our people. That is best achieved by working preventatively rather than simply reacting to absences. Our mental health action plan has a focus on awareness and line manager training so we can prepare our workforce to cope better with things like stress, anxiety and low mood.

## **Employee engagement**

Everyone is different and there is no template for wellbeing support that will apply to every area. By working with leaders across the business to design area specific wellbeing programmes, we make sure we're delivering the right message in the right way where it's needed. For example, our de-stigmatisation work on mental health tends to focus on understanding the science behind mental ill health. This has proved successful in starting and maintaining conversations on the topic.

## **Mental health support**

Our mental health is important to us and we want to ensure support is available for everyone in the business. Not only does supporting our

colleagues with their mental health offer benefits to the businesses' mission, but it also helps create a culture that people want to belong to which in turn attracts and helps retain our amazing talent.

To measure the effectiveness of our wellbeing support, we have set three targets which can be measured using data from HR records and staff engagement surveys: decrease mental health absences, engage more of our people with our wellbeing support and improve the link between our line managers and Occupational Health support.



# Employee health & wellbeing

## Equity, Diversity and Inclusion (ED&I)

Our new Equity, Diversity and Inclusion (ED&I) strategy uses a market-leading eco-system approach underpinned by an action plan and targets for 2025, to effectively measure progress and remain transparent. Based on a review of policy and industry practice, we identified the three strategic themes: Leadership and Accountability; Employer Brand; and Levels of Ambition.

As an NDPB, we must comply with the Public Sector Equality Duty, in considering how our policies or decisions affect people who are protected under the Equality Act (2010). We recently introduced a toolkit to further embed this into our processes, and line managers and functions are regularly briefed on how to apply it using 'reasonable' judgement.

We have an ED&I steering group and dedicated working groups to provide insights and feedback on employee challenges and successes from the perspective of their under-represented groups and direct experiences.



**Our ED&I vision is that 'we will be fair, inclusive, and respectful, creating a culture that enables us all to thrive'.**

# Employee health & wellbeing

## Leadership of ED&I

### Our progress to date

We have set targets across four DE&I categories – gender, race and ethnicity, disability, and sexual orientation – to ensure we deliver on our ambition to be a truly inclusive employer and measure progress against clear goals. This year we will adopt a more person-centred approach to data to bring us in line with the demographic data research which underpinned the 2021 Census.

### Gender

Our female representation is 23%, a slight drop of 1% this year. While this is a small step back, we are still in a strong position compared to the sector norm of 18% for the same period. We have a number of initiatives that aim to improve gender balance in our workforce, like introducing external mentoring schemes for women and people of colour demonstrating the visible support of our leadership for ED&I programmes.

**AWE has committed to achieving a 30% female workforce by 2030.**

## Race and Ethnicity

Working to improve the representation of colleagues from different ethnic backgrounds is crucial to us.

**AWE has committed to achieving a 6% ethnicity representation across workforce.**

In the last year, we collaborated with specialist organisations to deliver campaigns including the launch of a Black History Month campaign supported by Business in The Community.

This year, we will be compiling data and publishing our ethnicity pay gap in a report.

## Disability

In the last year we worked with organisations such as the Business Disability Forum and Stamma (the national stammering network) to raise the profile of AWE and we introduced improvement actions based on feedback from employee exit comments on areas such as neurodiversity.

**In 2023 we will baseline our disability and sexual orientation data, and set targets for 2025.**

## Sexual Orientation

We have a strong Pride network with an employee-led working group who drive important conversations throughout the organisation.

We celebrated Pride with our AWE Pride awareness campaign alongside the Civil Service 'Shout' Network at the Pride in London event. This was the first time we were included with the MoD team and we were able to reach a much larger audience to promote AWE's inclusive environment as a result.



# Securing the future workforce

We recognise the urgent need to increase access to Science Technology Engineering and Maths (STEM) education across the UK, as part of our continued endeavours to secure the future security of our nation.

To successfully deliver the magnitude and significance of our mission, our talent pool must be characterised by a world leading expertise of the STEM fields.

We have a responsibility to engage communities to instil a genuine passion for STEM subjects among future generations. Additionally, as a major UK employer of homegrown talent, we must play an active role in nurturing the UK's talent pipeline through training and development programmes, designed with a view to guaranteeing future safety and security.

## STEM education

The underlying importance and complexity of our work requires the attention of expert academic minds. The strength of STEM education in the UK is central to our ability to operate effectively.

To support and improve STEM education, we look to target young people at three key points:

- Primary school, to provide quality education to inspire a passion for STEM
- Key stage 3 (ages 11-14), to continue to inspire as decisions are made for GCSE options
- GCSE and further education, to support potential STEM career pathways

In the reporting year of 2021/22 we reached more than 8,000 young people through our activities to inspire, educate and inform.

## Primary Schools

We have a well-established partnership with Queen Mary College in Basingstoke to sponsor their Primary Science Centre. Through our sponsorship we maintain the upkeep of the Science Centre, and provide transport for local primary schools to receive free, quality science lessons. During the pandemic we had to change our approach, but we are returning to a full service and expect to be able to support more than 4,000 young people every year.

Alongside this, we also run a number of events with local primary schools. For example, a Primary Science Challenge where teams from AWE and Education Business Partners set up tasks for young people to compete in. In 2022, the event was tied to World Earth Day and the students considered how they might reduce their carbon footprint. The winning students were presented with a voucher to spend on STEM resources for their school.

# Securing the future workforce

## Secondary School

Our people have a natural passion for what they do and are keen to share it within our communities.

We support our colleagues to take part in the national STEM Ambassador scheme which engages young people about the world of STEM.

All colleagues aged 17 and over are able to get involved in the STEM Ambassador programme and can claim 27 hours special leave to participate in local and national STEM activities. AWE has more than 150 STEM ambassadors across our workforce, who proudly share their passion for our important work.

We are also acutely aware of the diversity deficit which undermines the strength of the UK's STEM talent pool. According to an Office for National Statistics Labour Force Survey, in 2019 women accounted for just 24% of the STEM workforce. AWE firmly believes that the make-up of the STEM workforce in the UK should reflect the diverse nature of the country we protect.

We have therefore set a target to achieve 30% female representation across our workforce by 2027. Additionally, during 2023 we will also be targeting 6% ethnicity representation throughout our workforce.

In early 2023, we facilitated a visit from St Swithun's school for girls as part of to inspire both teachers and students. St Swithun's were awarded the visit having won the Sphero Maze Challenge competition at the TeenTech Hampshire Festival, which we sponsored.

We are on track to achieve **30%** female representation across our workforce by 2027



St Swithun's school for girls visit to Orion

# Securing the future workforce

## Further Education

Engaging and empowering our colleagues to celebrate working in STEM is a great way to help our own STEM talent pipeline and the national picture.

Throughout the year, we attend careers fairs across regions to inform young people of the choices and career paths that are available to them. For example, Destinations Expo is an annual event attended by 800 A Level students, designed to advertise a wide range of local sectors and industries to the next generation of STEM experts. We attend events like The Expo, as well as webinars with educational partners and our own events to promote our organisation and career pathways.

AWE will continue to proactively inspire the next generation as we believe the strength of the UK's STEM talent pool is fundamental to the strength of our national security.

In 2022, we celebrated the 70th year of our Skills Academy, which to date has helped more than 3,500 people launch their careers with its hands-on, earn while you learn training. Our annual

intake has more than doubled since 2015 alone and continues to go from strength to strength as we respond to the once in a generation challenge of a replacement warhead programme. Our Academy runs 15 courses across varied disciplines, building on its engineering roots.

Alongside our academy, we work with industry partners, universities, working groups, research

councils and professional bodies to continually push STEM innovations in the national interest and our own programme development. We are especially proud of our William Penny Fellowships, which continue to sponsor key academics for technical excellence in the scientific community.



AWE colleagues at Destinations Expo 2023

# Securing the future workforce

## Case study

Mike Allaston never looked back after becoming one of our earliest apprentices in 1953 – the experience proved a great take-off for a long career that's included work on components for Concorde, the Harrier jump jet and Airbus.

"I applied for three schemes, but chose AWE's as it was just starting and was the most technical," remembers Mike, who's now 84 but was a keen 16-year-old just out of Basingstoke Grammar School when he joined the second running of the programme.

Over five years with the team, he honed the craft skills learned on his apprenticeship and the experience helped him land his next role. "I joined Smiths Aviation in Basingstoke and was there for 42 years," says Mike, who was involved with instrumentation for many aircraft, including Concorde, the Harrier jump jet and Airbus.

He has stayed in contact with several of his fellow apprentices and organised their last reunion in 2015.

"I have many good memories from those years," says Mike, who still treasures the toolbox and tools he made as one of his first projects on the scheme.



"I have many good memories from those years"

Mike Allaston with the toolbox he made during his first year as an apprentice



# Governance

We strive to foster the highest levels of responsible business through our corporate governance.

# Governance of ESG

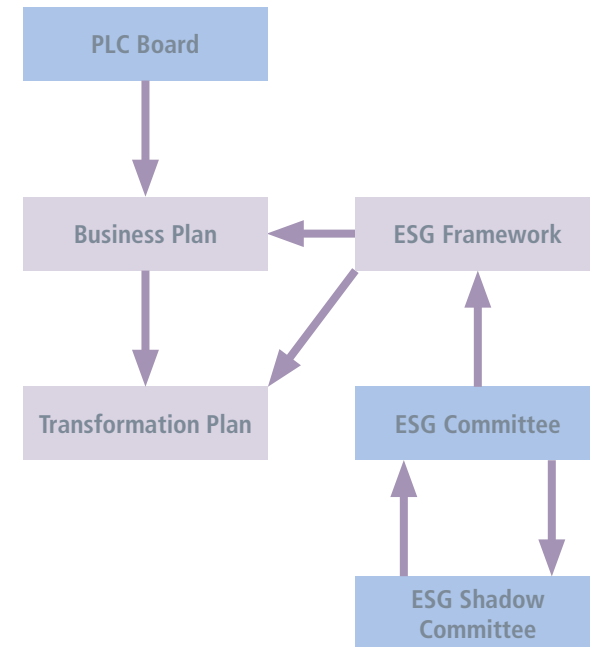
We're proud of our role as an arms-length NDPB bringing us closer to the UK Government and MoD. Being an NDPB means we're held to account by numerous stakeholders including our internal governance structure, UK regulators, the UK government and the public. This ensures we're achieving the highest standards of safety, sustainability and security, and that we're delivering on the Government's mission with confidence. For us, good governance is based on:

- a culture of care;
- business transformation;
- accountability and transparency

Governance of our ESG framework is beginning to be embedded throughout the business. We believe everyone is responsible for achieving our ESG ambitions and we instil teams with the tools and knowledge to deliver on this.

Our ESG Committee is made up of senior leaders and subject matter experts across the business. Their role as part of the Committee is to represent AWE as a whole, rather than their business function, to a complete view of a company and our ESG performance. In 2023, we introduced a Shadow Committee

(pictured below) made up of colleagues in their early to mid-careers. This is to reflect that ESG is made up of long-term ambitions that needs diverse thinking and problem solving. We believe this will further challenge our ambitions as a responsible business.



## Our commitments

**We commit to always answering the call for the country's nuclear threat reduction needs.**

**We will produce an ethnicity pay gap report in the 2023/24 financial year.**

**We will reduce the number of buildings on our sites by 25%, by 2032.**

# Security

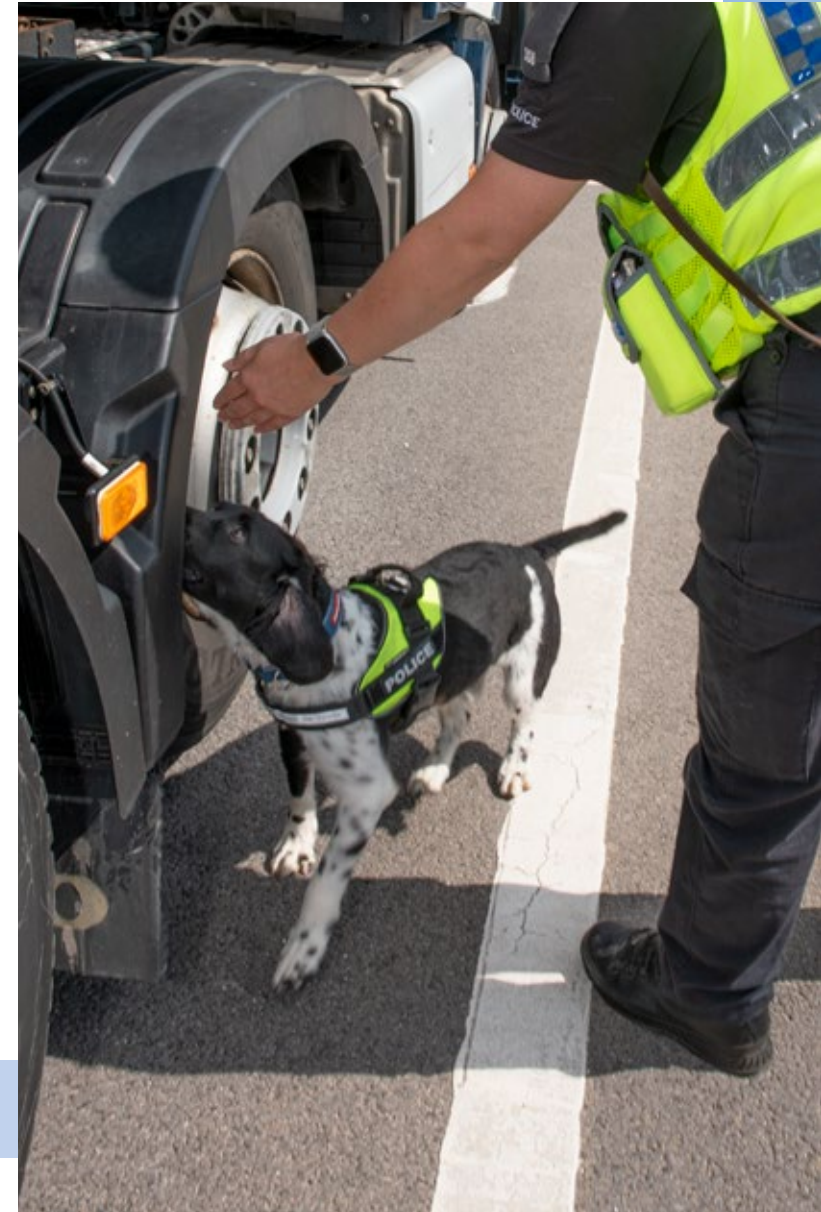
Our security culture is rooted in employee behaviours providing the vital component to a successful mission. We imbue our employees with the skills to go beyond compliance, considering security in everyday decision making. Any identified risks are challenged and reported by employees empowered to act in the country's interest.

We run security campaigns to consistently engage employees about their responsibility and duty to the nation.

**// We uphold a culture of care, we take pride in creating an environment where all feel safe and secure, operating in a way which protects others, our business and our nation. //**

Over the next three years we will build on these principles with reviewed, refreshed and enhanced training. This includes training for new joiners, annual threat briefs and specialist training, as well as bespoke briefings for those with additional security responsibilities. In addition, we deliver regular communications to all AWE employees including feedback from learnings around incidents to ensure we continually build on our security excellence.

In 2023 we will reissue our Security Culture survey and continue to develop our 'safe and secure' behaviours campaign. A key focus will be to deliver our refreshed two-year plan, in order to continue to demonstrate confidence to our key stakeholders, including the Government, the public, the regulators, our staff and our supply chain.



# Accountability and transparency

Our transition to an NDPB has established a closer working relationship with the Government built on transparency and trust. We recognise the importance of remaining aligned with the Government to deliver resilience and reliability in everything we do.

## Ethics

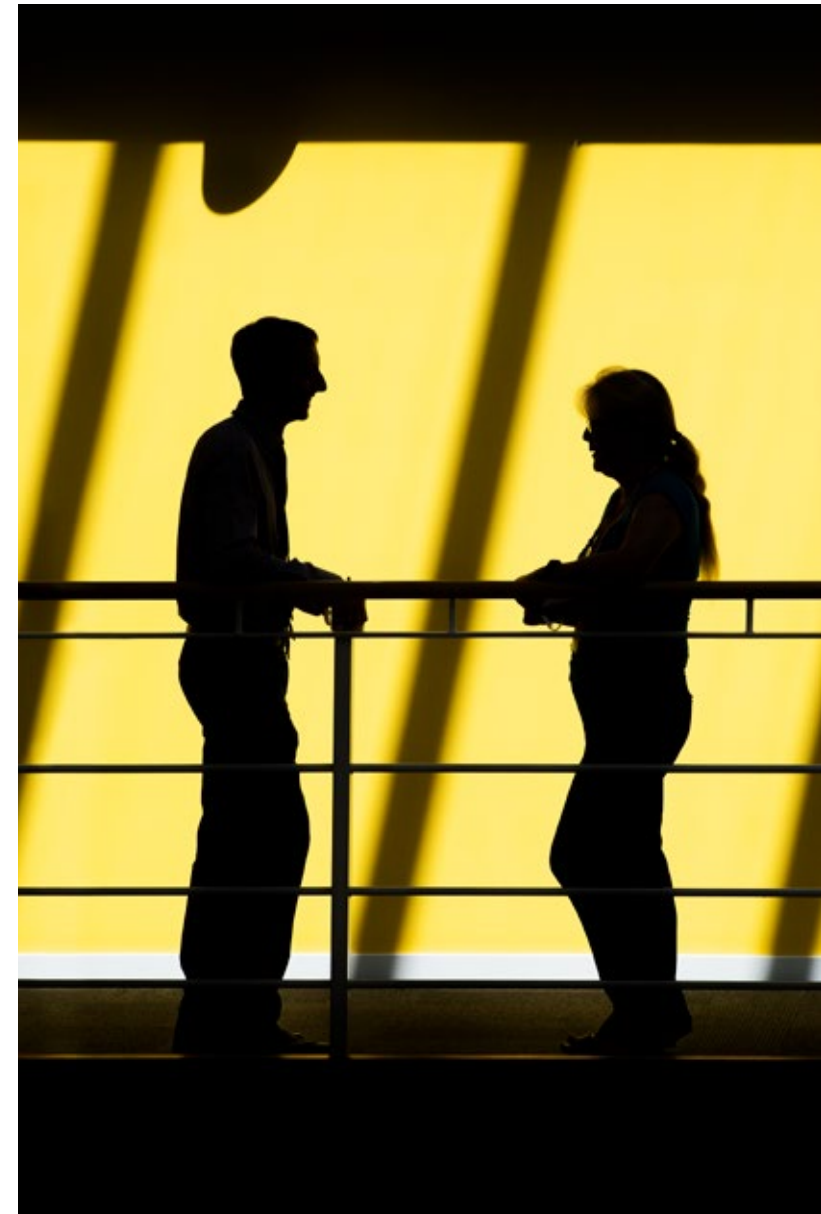
At AWE we hold ourselves to the highest standards of practice across the organisation. In delivering on our mission, we are guided by a code of ethics covering safety, security, integrity, customer relations, data protection and operating a responsible organisation allowing our employees to conduct their work effectively while feeling empowered to be accountable and raise their voice when needed.

In 2022, we reviewed our Whistleblowing Standard and Procedure which sets out principles by which our employees feel safe to speak up about wrong-doing they may experience or witness, beyond those covered in the Public Interest Disclosure Act that would afford a whistle-blower legal protection. Employees learn about whistleblowing through mandatory ethics training.

We understand that sometimes speaking out feels difficult. That's why AWE has 18 Ethics Ambassadors to offer advice and guidance to all employees. In 2022, we provided Ambassadors with tailored training from subject matter experts and external legal specialists.

Further to this, our recently developed Ethics Risk Matrix helps us review company-wide data identifying where interventions may be needed before issues arise or the culture is not reflecting our exacting standards.

**97% employees completed mandatory ethics training in 2022.**



# Business Transformation

In 2020, the Government reiterated its commitment to the CASD announcing the intention to build a replacement warhead, entrusting AWE with a once-in-a-generation chance to play a pivotal role in our nation's defence.

Our priority is to ensure every penny invested in the nation's defence is used responsibly. To do this we undertook a major project to identify organisational and operational transformations needed to deliver on our mission.

Business transformation involves ensuring we have the right skills and capabilities within the organisation to deliver on our current and future operations. We have fundamentally shifted how we operate to deliver change at pace to meet our requirements, while maintaining the highest levels of safety and quality.

One of the largest projects within the strategic programme is the modernisation of AWE's manufacturing facilities to meet the demands of our mission, this includes reducing the number of buildings on our sites. Our transformation will see our workforce expand using homegrown skills

and talents, creating efficient, safe and secure ways of working and making the programme as robust as possible. In turn, we will also deliver on the Government's agenda to level up, drive innovation and develop technical skills across the UK.

## Culture of care

Through our commitment to business transformation and enabling programmatic delivery, we knew we had to evolve our culture to continue working towards becoming a high performing organisation.

When we established our cultural change programme we identified three priorities.

1. To have a clear vision aligned with AWE's strategic ambition: "Together, delivering solutions for a safe and secure future".
2. To develop a new behavioural framework to set clear expectations of our employees conduct.
3. The need for psychological safety to allow us to keep pushing innovation, inclusivity and transformation effectively, in recognition of the nature of the work that we do.

Our cultural change activity began in 2022. We disseminated our new behaviours framework through line management training for over 1,000 managers and an immersive experience for employees. These behaviours are now embedded across the employee experience and driven by senior leadership and executive teams.

Psychology safety masterclasses have been rolled out to executive and senior leadership teams, and plans to further develop the capability are underway focusing on our core operational areas in 2023.

# Business Transformation

## Behaviours

We recognise that in order to be successful in our mission we need to transform our approach and what we do. To reflect this cultural shift we introduced a new set of core behaviours that define how we expect our people to behave.

Understanding, embracing, and embedding our new behaviours is key to our future success. These behaviours were launched through an immersive experience available to all our colleagues, that gave them opportunities to see for themselves how they can be applied to what we do.

## We keep our promises

We take proactive and decisive action to follow through on commitments to deliver our mission, showing accountability to achieve excellence, and create trust.

## We are safe and secure

We uphold a culture of care, we take pride in creating an environment where all feel safe and secure, operating in a way that protects others, our business and our nation.

## We connect with respect

We combine our expertise, celebrate, and leverage our differences, working collaboratively to achieve our mission, always acting with integrity, trust and respect.

## We embrace simplicity

We know when to positively challenge assumptions to make things simpler and better. We are curious and use insight to seek out new ways of working and to challenge the status quo. We listen, we learn and seek out the best ideas.

# Our commitments



## Environment

- We will achieve science based targets for Scope 1 & 2 emissions, to stay on track to achieve net zero by 2050
- We will baseline all our tier 1 suppliers who have committed to net zero and work collaboratively to reduce our scope 3 emissions
- We will educate and empower our people to drive environmental innovations
- We will achieve an annual reduction of radioactive waste



## Social

- We commit to all our people being able to operate in a safe and secure environment and to go home each day without experiencing harm
- We will create wellbeing working groups in all of our business units
- We will invite all our senior leaders to share in mentoring circles with individuals from under-represented groups
- We will inspire 8,000 young people of all backgrounds through STEM based engagements



## Governance

- We commit to always answering the call for the country's nuclear threat reduction needs
- We will produce an ethnicity pay gap report in the 2023/24 financial year
- We will reduce the number of buildings on our sites by 25%, by 2032



# ESG Report

**Together, delivering solutions for a safe and secure future**

**2022/23**

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