

2022

SUSTAINABILITY REPORT



## Corporate Social Responsibility at BWXT

At BWX Technologies, Inc. (NYSE: BWXT), we are dedicated to the long-term well-being of our employees, the communities in which we operate, and the environment that surrounds us.

*BWX Technologies, Inc. and its consolidated subsidiaries are referred to as “BWXT,” the “Company,” “we” or “us” in this report, unless the context otherwise indicates.*

*Certain photos in this report may have been taken at times when COVID mask and distancing protocols were relaxed or not in effect.*

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*February 23, 2022*

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# BWXT OVERVIEW

We are People Strong, *Innovation Driven*. Headquartered in Lynchburg, Virginia, BWXT is a Fortune 1000 and Defense News Top 100 manufacturing and engineering innovator that provides safe and effective nuclear solutions for global security, clean energy, environmental remediation, nuclear medicine and space exploration. With approximately 6,600 employees, BWXT has 12 major operating sites in the U.S. and Canada. In addition, BWXT joint ventures provide management and operations at more than a dozen U.S. Department of Energy and NASA facilities.



## Financial Highlights

(\$ in millions, except per share amounts)	2019	2020	2021
Revenue	\$1,895	\$2,124	\$2,124
GAAP Operating Income	\$326	\$359	\$346
Non-GAAP Operating Income*	\$331	\$366	\$349
GAAP Operating Margin	17.2%	16.9%	16.3%
Non-GAAP Operating Margin*	17.5%	17.3%	16.4%
GAAP EPS	\$2.55	\$2.91	\$3.24
Non-GAAP EPS*	\$2.62	\$3.03	\$3.06
Cash Returned to Shareholders			
Dividends	\$65	\$73	\$80
Share Repurchases	\$20	\$22	\$226

\* A reconciliation of non-GAAP to the comparable GAAP figures can be found at the end of this report.

**Revenue**  
In millions



**Non-GAAP Operating Income\***  
In millions



**Non-GAAP EPS\***



**Quarterly Dividend Per Share**



## ESG Alignment

Top 50 ESG companies  
2019, 2020



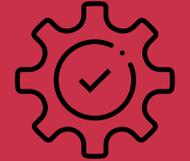
MSCI

INVESTOR  
BUSINESS  
DAILY

## Manufacturing Excellence

### Industry Week

**#1** 2020 Manufacturer  
of the Year



TOP INDUSTRY  
RECOGNITION

## Business Growth

Named to Fortune 1000  
2021



FORTUNE  
1000

## Safety Record

### OSHA

- World-class safety record
- Consistent top quartile outperformance





## MESSAGE FROM OUR PRESIDENT AND CEO

We are proud to share our 2021 progress on sustainability in this report. At BWXT, we carry the responsibility of solving some of the world's greatest problems for our customers, working in concert with them towards creating a lasting and sustainable future.

Our nuclear technology expertise and innovations deliver effective and safe solutions for high-consequence challenges. From providing reliable, uninterrupted and carbon-free energy to developing new, more stable techniques for manufacturing technetium-99m for medical diagnostic purposes, we are acutely focused on making the world a better place.

- Without BWXT-manufactured reactors for nuclear propulsion, one aircraft carrier would use an estimated 500,000 barrels of fossil fuel per year, or about 25 million barrels before it is retired. This translates to more than 200,000 metric tons of CO<sub>2</sub> emissions per year, or over 10 million metric tons of CO<sub>2</sub> emissions over its lifetime.
- BWXT's nuclear components supported Ontario's elimination of coal-fired power plants, virtually ending smog-alert days.
- Our design and development work on small next-generation nuclear reactors is paving the way to providing resilient power needs for both government and commercial customers.
- We have more than 30 years of experience cleaning up sites containing legacy radioactive materials. In 2021, a BWXT-led joint venture was awarded a

10-year U.S. Department of Energy environmental management operations contract to stabilize and dispose of liquid waste at the DOE's Savannah River Site in South Carolina.

- BWXT is laying the groundwork to become a leading global manufacturer in nuclear medicine, generating life-saving solutions to diagnose and treat disease while mitigating nuclear waste and eliminating proliferation concerns.

BWXT's contributions towards global security, clean energy, next generation nuclear reactors and nuclear medicine are important. And without our employees and their diverse backgrounds and experiences, none of it would be possible. These highly experienced and resilient people are the essence of this company, and they embody our high ethical standards, core values and mission.

Our journey ahead is exciting, and we will continue to do our part to address the many challenges facing society. We are People Strong, *Innovation Driven*.

Sincerely,

A handwritten signature in black ink that reads "Rex D. Geveden". The signature is written in a cursive, slightly stylized font.

**Rex D. Geveden**  
*President and Chief Executive Officer*

# CORPORATE PURPOSE

We employ nuclear technology to solve some of the world's most important problems.



# MISSION

We provide safe and effective nuclear solutions for global security, clean energy, environmental restoration, nuclear medicine and space exploration.

## Global Security



BWXT has proudly supported the U.S. Navy's mission by manufacturing naval nuclear components and reactors since the 1950s, when we designed and fabricated components for the world's first nuclear-powered submarine. After more than 60 years of work, BWXT has shipped more than 400 nuclear reactor cores to the U.S. Navy. These submarines and aircraft carriers have safely steamed millions of miles with zero greenhouse gas (GHG) emissions.

## Clean Energy



Nuclear power — a reliable carbon-free energy source — provides electricity to millions of homes, dramatically reducing GHG emissions. We are a leading supplier of nuclear fuel, systems, components and services for nuclear power plants in Canada. In 2014, Ontario eliminated coal-fired power plants, the largest source of GHG, following a decade-long investment in nuclear power, including BWXT components, fuel and services. Today, 60% of Ontario's energy comes from zero-carbon, nuclear-generated electricity.

## Environmental Restoration



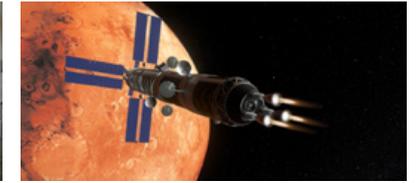
BWXT is a leading provider of environmental management services to the U.S. Department of Energy, with more than 30 years of experience. We are committed to remediating sites across the U.S. containing legacy radioactive materials, utilizing a wide range of services that include decontamination and decommissioning, waste management and restoration. We are the first company in the U.S. to successfully complete a major decontamination and decommissioning project that was released for unrestricted use.

## Nuclear Medicine



Our molybdenum-99 (Mo-99) manufacturing process puts BWXT at the forefront of medical isotope production. Our patent-pending technology produces Mo-99 using natural molybdenum rather than enriched uranium, thereby mitigating radioactive waste and proliferation concerns and significantly reducing costs. Mo-99 is used in the creation of technetium-99m (Tc-99m) which is critical for diagnostic imaging procedures that detect serious health conditions, like heart disease and cancer. Our unique solution will provide a reliable supply of medical Tc-99m with less impact on the environment.

## Space Exploration



We are working with NASA on its nuclear thermal propulsion (NTP) project in hopes of powering a future crewed mission to Mars. Compared to traditional chemical propulsion, NTP's high-energy density and improved spacecraft thrust can shorten interplanetary travel times by up to 50% and improve crew safety by reducing exposure to cosmic radiation. We are also helping NASA reduce the development time and costs of a mission to Mars.



## CORE VALUES

At BWXT, we pride ourselves in maintaining a highly ethical culture. Our core values are the pillars of our culture and guide the decisions we make each day. They are the foundation of our identity, supporting our vision and reflecting our standards.



### People

We treat each other with dignity and respect while embracing diversity, teamwork, candor and accountability.



### Innovation

We encourage innovation to open new markets and improve products, processes and business results.



### Responsibility

We are dedicated to the highest safety, security, ethical and environmental standards.



### Excellence

We are committed to delivering products and services of the very highest quality to our customers and other stakeholders.

# PRODUCT IMPACT

BWXT is committed to designing and manufacturing our products to the highest standards using stringent processes and controls to ensure quality, safety and full product life.



## Nuclear Navy

BWXT is the sole manufacturer of naval nuclear reactors for U.S. submarines and aircraft carriers and has shipped more than 400 nuclear reactor cores to the Naval Nuclear Propulsion Program. For more than 60 years, the U.S. Navy's submarines and aircraft carriers have safely steamed millions of miles using components manufactured by BWXT facilities – a track record that is highlighted by our commitment to safety, quality and integrity.

Nuclear reactors do not release greenhouse gases into the atmosphere and do not require the use of additional ships

to provide regular refueling. The reactors for submarines being developed and built today are designed to last for the life of the ship, and reactors for aircraft carriers being built today are designed to be refueled only once during the life of the ship. This translates to a significant reduction in greenhouse gas emissions and waste over comparable submarines and ships using fossil fuel propulsion systems, as well as the elimination of the need for additional conventionally-powered fuel supply ships.



# 10 Million

metric tons less CO<sub>2</sub> emissions produced by using a nuclear aircraft carrier instead of a conventionally-powered aircraft carrier

### No GHG Emissions

One fossil-fuel powered aircraft carrier would use an estimated 500,000 barrels of fossil fuel per year, or about 25 million barrels over its lifetime. This translates to more than 200,000 metric tons of CO<sub>2</sub> emissions per year, or over 10 million metric tons of CO<sub>2</sub> emissions over its operational lifetime, all of which are eliminated through the use of nuclear propulsion.

*Source: Calculations based on U.S. General Accounting Office Report, Navy Aircraft Carriers - Cost-Effectiveness of Conventionally and Nuclear-Powered Carriers (August 1998).*

## Environmental Restoration

BWXT is a leading provider of environmental management services to the U.S. Department of Energy (DOE), with more than 30 years of experience. We are committed to cleaning up sites across the U.S. containing legacy radioactive materials, utilizing a wide range of services that include decontamination and decommissioning, waste management and restoration.

We deploy innovative technologies, such as vitrification, to safely and securely stabilize and dispose of liquid waste to allow DOE facilities to be repurposed.



### Vitrification of Liquid Radioactive Waste

We work with the DOE at its Savannah River Site to safely remove and prepare liquid radioactive waste for storage through vitrification, which immobilizes the waste. Vitrification is a process of combining radioactive waste with a sand-like material under high heat to form a glass that is then sealed in stainless steel canisters, allowing for the safe, long-term storage of this waste. This is the only waste vitrification site in the U.S., and we are proud to support the DOE mission.

**In 2021, the DOE selected a joint venture led by BWXT** to stabilize and dispose of liquid waste at the DOE's Savannah River Site.

**We also do important environmental management work** under contracts for the Portsmouth and Paducah Gaseous Diffusion Plants, Los Alamos Legacy Cleanup, West Valley Demonstration Project and the Waste Isolation Pilot Plant (WIPP).

We previously served as the project operating contractor responsible for **converting more than 800,000 metric tons of depleted uranium hexafluoride into depleted uranium oxide.**

We received four awards from the National Safety Council while managing the Advanced Mixed Waste Treatment Project, **shipping over 21,000 cubic meters of transuranic waste to WIPP.**

**30+**

years of experience remediating sites containing legacy radioactive materials in the U.S.

## Clean Energy

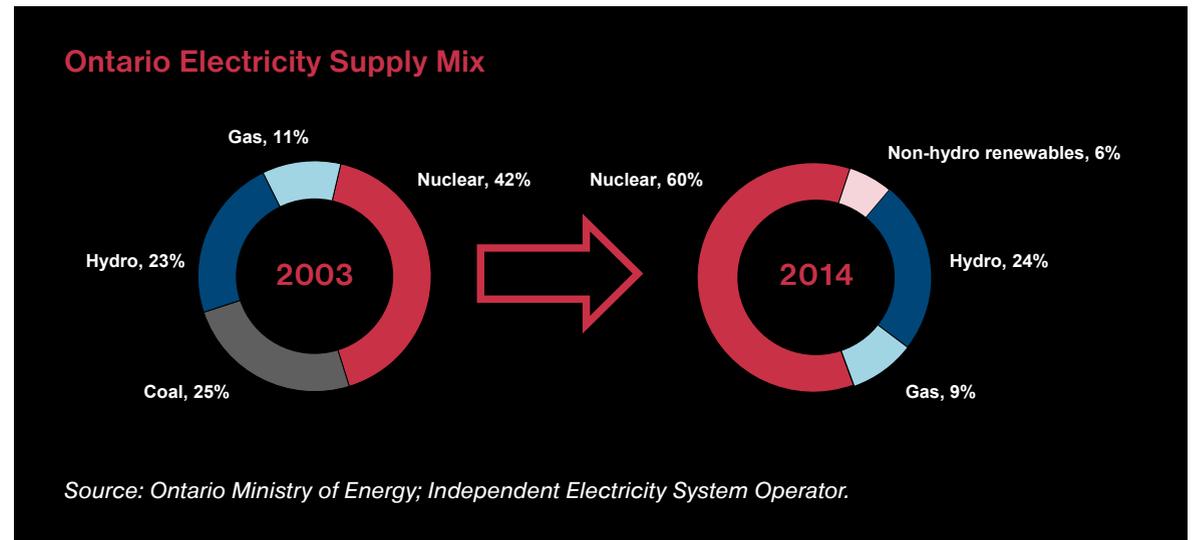
### Ontario Uses Nuclear Energy to Eliminate Coal Plants

BWXT has been a significant contributor to Ontario's reduction in GHG emissions by providing the products and services to support its nuclear power infrastructure construction and refurbishment efforts. We deliver components, fuel, refurbishment, maintenance and other services to the CANDU\* reactor fleet.

Since 2003, Ontario has embraced nuclear energy as the green energy of the future, making significant investments in nuclear power generation and eliminating the use of coal in power generation in 2014, which has significantly reduced GHG emissions. In 2020, its electricity supply was 94% emission-free with approximately 60% of electricity produced by nuclear and 24% by hydroelectric power.

Nuclear power is the most reliable choice for baseload power in conjunction with other carbon-free energy sources. Its predictability, reliability and expansion capability make it an essential component in the future of carbon-free energy.

\* CANDU is a Canadian pressurized heavy-water nuclear reactor used for power generation and powered by natural uranium.



## Advanced Reactors

BWXT has been engaged in the development of a number of advanced reactor designs, including innovative manufacturing techniques for new reactors. In addition, we have manufactured and certified tristructural-isotropic (TRISO) coated kernels and fuel compacts in production-scale quantities for use in advanced reactors.



Artist's rendering depicting a microreactor we are developing for remote power generation.

	 Reactor Type	 Size	 Output	 Fuel Type	 Use Case
	Conventional	Large	300 to 1000 MW	LEU	Reliable baseload electricity
Advanced Reactors	SMRs	Medium	20 to 300 MW	LEU/HALEU	Scalable power solution & industrial heat
	Microreactors	Small	1 to 20 MW	HALEU	National security, remote power, propulsion & industrial heat

## Small Modular Reactors

BWXT has been working with a number of companies to develop and manufacture small modular reactors (SMRs). SMRs offer unique benefits when compared to more traditional, larger reactors and complement renewable energy sources, such as wind and solar.

When compared to larger reactors, SMRs provide a simpler design, more limited on-site preparation and significantly reduced construction times. Unlike larger reactors, the modularity of SMRs allows fabrication of major components of the nuclear steam supply system in a factory environment, with shipment to site thereafter. Further, as energy demands increase, additional modules can be added over time. The modular capability and factory fabrication also reduce the capital investment in a nuclear plant.

SMRs have a much smaller footprint than other types of reactors and renewable energy sources. SMRs can be in areas

that are not as suitable for larger nuclear plants like smaller electrical markets, isolated areas, smaller grids, or sites with limited water and acreage.

SMRs have the capability to replace existing fossil fuel plants or complement power grids, providing an energy source that does not emit any greenhouse gases. SMRs can also be paired with renewable energy sources, such as wind and solar, to maintain power continuity and stability.

SMRs employ passive safety features based on the laws of physics. These technologies eliminate the requirement of human or computer resources to safely operate in unstable conditions.



### Supporting SMR Projects

BWXT Canada announced its intention to cooperate with GE Hitachi Nuclear Energy (GEH) in the development of small modular reactors. GEH has been selected by Ontario Power Generation (OPG) as the technology partner for the Darlington New Nuclear Project. GEH is working with OPG to deploy a BWRX-300 at the Darlington site that could be completed as early as 2028. BWXT Canada intends to cooperate with GEH to deploy this innovative SMR technology. Additionally, in December 2021, BWXT Canada announced a partnership with GEH and Synthos Green Energy (SGE) to deploy BWRX-300 in Poland. SGE, together with its partners, desires to deploy at least 10 BWRX-300 SMRs in Poland by the early 2030s. BWXT Canada is well-suited to manufacture a variety of components for these advanced reactors, including reactor pressure vessels, reactor internals and other key components.



Artist's renderings depicting microreactors in development for space exploration.

## Microreactors

BWXT is involved in a number of projects with the Department of Defense (DoD), DOE and NASA to develop microreactors that may be used for national security, remote power, propulsion and industrial heat applications. We were selected by the DOE's Office of Nuclear Energy to participate in its Advanced Reactor Demonstration Program, which is designed to help the domestic industry demonstrate commercial viability of advanced nuclear reactors.

In the past two years, BWXT has also received contract awards from the DoD's Strategic Capabilities Office (SCO) for the design of a transportable microreactor prototype under its Project Pele initiative. SCO is partnering with the DOE to develop, prototype and demonstrate a mobile microreactor that can be used to provide resilient power for a variety of DoD operational needs. Such reactors provide the opportunity to make the DoD's domestic infrastructure more resilient to power grid attacks, fundamentally simplifying energy logistics and delivery for forward operating bases and significantly reducing carbon emissions. Microreactors may be used to generate water and power to reduce the need for supply convoys.

During U.S. military operations in Iraq, approximately 52% of all casualties occurred in attacks on missions to resupply diesel fuel and water to forward locations.

## Nuclear Thermal Propulsion

BWXT is working with NASA in support of the agency's Nuclear Thermal Propulsion project. BWXT is responsible for providing design content for an NTP reactor in hopes of powering a future crewed mission to Mars. NTP possesses numerous advantages over traditional chemical propulsion systems. With NTP technology's high-energy density and resulting spacecraft thrust, NASA is projecting up to a 50% reduction in interplanetary travel times compared to chemical rockets, significantly increasing the crew's safety by reducing exposure to cosmic radiation and allowing abort and return options. For this latest interplanetary endeavor, BWXT is drawing upon its extensive space nuclear reactor experience. While previous projects utilized high-enriched uranium, the current NTP project relies on low-enriched uranium.



## Special Nuclear Fuels

In March 2021, we contracted with the DOE's National Nuclear Security Administration to develop a supply of High Assay Low Enriched Uranium (HALEU) fuel to aid in the conversion of High Enriched Uranium (HEU) research reactors to HALEU in the U.S. and reduce the need for HEU supply and the proliferation risk associated with its use.

In addition, we have developed and validated tristructural-isotropic (TRISO) HALEU fuel (see artist's rendering below) for production and use in DOE and NASA programs, as well as future commercial applications. TRISO fuel is unique in that it is a spherical kernel of uranium constructed with layers of coatings designed to withstand high heat and retain fission products, reducing environmental risks and eliminating proliferation concerns.

Under DOE's Advanced Gas Reactor Fuel Development Program, we have manufactured and certified TRISO-coated kernels and fuel compacts in production-scale quantities.





## Medical Isotopes

BWXT Medical manufactures and supplies critical medical radioisotopes and radiopharmaceuticals for research, diagnostic and therapeutic uses, including:

- Indium-111 Oxyquinoline: used as a diagnostic agent for labeling targeted molecules for cancer and other diseases
- Iodine-123: used for imaging in neurology, oncology and cardiology applications
- Germanium-68: used in generators to produce Gallium-68 for positron emissions tomography (PET) imaging of prostate tumors

BWXT Medical is a trusted manufacturer of TheraSphere® for Boston Scientific Corporation. TheraSphere is a targeted hepatocellular carcinoma therapy consisting of glass microspheres containing radioactive Yttrium-90 and has been manufactured at our Ottawa, Ontario facility for over 20 years.

BWXT's scientists and engineers have developed a unique solution to meet the growing demand for medical isotopes for diagnostic imaging. Featuring a patent-pending neutron capture process, this innovative technology is designed to produce molybdenum-99 (Mo-99), the parent isotope of technetium-99m (Tc-99m), which is used globally in more than 40 million medical procedures each year. We have made a significant investment in developing this technology, constructing manufacturing capabilities and seeking regulatory approvals.

*TheraSphere® is a registered trademark of Theragenics Corp. used under license by Boston Scientific Corporation.*



## Benefits of the Neutron Capture Process

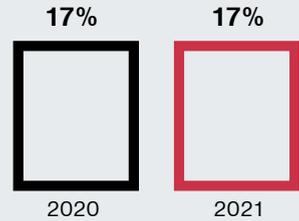
Historically, Mo-99 has been produced within research reactors using uranium as a starting material. BWXT's new proprietary technology features:

- A neutron capture process which will use targets made of molybdenum, rather than uranium, (mitigating radioactive waste streams and eliminating nuclear proliferation concerns)
- Irradiation of molybdenum targets at commercial power reactors
- A process to convert low specific activity Mo-99 into Tc-99m generators that perform the same as other generators on the market

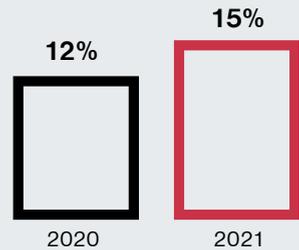
# PEOPLE

At BWXT, our employees are our greatest asset. Our business is built on their focus and dedication. Recruiting and developing diverse and talented employees, while providing an inclusive environment for growth and opportunity, is paramount.

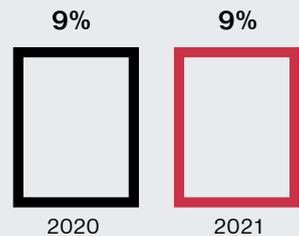




**Female workforce**



**Minority workforce**



**Veteran workforce\***

\*U.S. employees only

## Diversity and Inclusion

Employee diversity is key to our business. BWXT is committed to providing a professional atmosphere for all employees that promotes productivity and encourages creativity and innovation. We strive to maintain a diverse workforce where employees are hired, retained, compensated and promoted based on their contributions and performance.

BWXT measures diversity representation, recruitment, retention and advancement in order to focus diversity initiatives. For example, such targeted programs were key to achieving our female representation goals in the areas of engineering, finance and IT.

In 2018, we formed a Diversity and Inclusion Committee that includes a rotating group of employees representing various job levels at our Company. This team works to identify and implement changes to improve our efforts in this area. The team’s mission is to intentionally foster a culture that promotes a diverse workforce and an inclusive workplace by raising awareness and providing strategies and tools to bring the vision of comprehensive excellence in our Company to life.



**Michelle Lee**  
*Plant Manager*

“Since joining BWXT right out of college, I’ve worked in a wide range of areas such as down-blending operations, safety analysis, regulatory relations, employee relations and lab management. These experiences have helped me grow as a person and leader, and I was pleased to recently become the Lynchburg Technology Center plant manager. I am proud to be part of this team as we work to pioneer innovations in reactor design, fuel design and fabrication, and life-saving medical isotopes.”



**Linzie Johnson**  
*Production Control*

“Companies that capitalize on the diversity of their workforce help employees feel they are integral parts of the team and they have equal opportunities for progression within their organization. Likewise, a diverse organization can foster differing perspectives, which can ultimately drive innovation within the company.”



We recognize the benefits of a diverse Board of Directors and consider diversity of gender, ethnic background, education, viewpoint and personal and professional experiences, among other things, in all searches for director candidates. Our Board includes three directors (30% of the Board) who are diverse by gender, race or ethnicity.

BWXT participates in numerous conferences and career fairs each year that focus on diversity. A few of the organizations participating in these events include the National Society of Black Engineers, the Society of Women Engineers and the Society of Hispanic Professional Engineers.

BWXT also commits financial support to outreach events that make a difference in our communities. Our employees volunteer and assume significant leadership roles in support of these initiatives. Some of these organizations include Beacon of Hope, the Youth Leadership Foundation, Big Brothers/Big Sisters, HOLA Latino Festival and the Virginia Center for Inclusive Communities.

BWXT has partnered with the Base 11 Next Frontier Initiative, a nonprofit that prepares and accelerates students from diverse backgrounds with the STEM skills critical for tomorrow's workforce. We identified industry opportunities as areas of focus, including data analytics, cybersecurity, aerospace and advanced manufacturing.

529

employees participated in Unconscious Bias training in 2021

25%

increase in minority workforce in 2021



**Carl Booker**  
*Safety*

“People inherently have a unique set of beliefs, experiences, motivations and values. The ability to appreciate and incorporate those different properties inspires growth and allows us to remain competitive, both individually and corporately.”



**Reymundo Elvira**  
*Engineering*

“Growing up in a low-socioeconomic community in South Texas, I never imagined I could have landed a job at an exciting company like BWXT. Even though I am one of the newest members of my team, they have all been welcoming and given me every possible opportunity to make an impact.”



## Total Employee Engagement

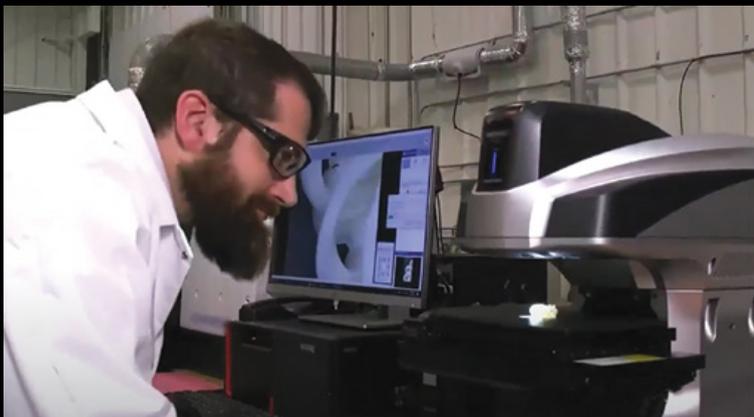
We value the diversity of our employees and are committed to providing an engaging and inclusive atmosphere for all employees that promotes productivity and encourages creativity and innovation. In 2021, we had approximately 6,600 employees worldwide, including nearly 1,650 members of labor unions.

We believe that maintaining a work environment that recognizes effort and teamwork, values mutual respect and open communication, and demonstrates care and concern for our employees is essential to an engaged and productive workforce. In furtherance of this objective, we provide regular Code of Business Conduct training for our employees to identify and prevent misconduct and report situations that violate our policies and/or negatively impact our work environment. Our ethics and compliance team investigates and takes prompt action to correct conduct that is inconsistent with our Code of Business Conduct and other policies.

## Employee Recruitment and Retention

The attraction, development and retention of our employees is a key focus for our Company. We offer online and in-person training programs to enhance the knowledge, skills and advancement opportunities of our employees. Our goal is to be the employer of choice within our industry and the communities in which we operate. We focus on maintaining a solid pipeline of talent throughout our organization and continually developing the capabilities and skills needed for the future of our business.

BWXT's rolling 12-month average employee voluntary attrition rate was less than 5% (excluding planned retirements, internships and temporary employees) for each of the last three years (2019-2021).



## Technical Fellow Program

The Technical Fellow program at BWXT is a celebration and reward of the Company's top technical talent. This special designation is an acknowledgment of the key role a technical leader plays in driving intentional and meaningful innovation. The program fosters a broad technical diversity within the Company and provides subject matter experts an innovative platform to develop leading-edge solutions to the challenges facing our industry. These select individuals form the creative center of new technology developments, demonstrating the vision and know-how to help our customers and the world in new ways.

25

employees inducted into the Technical Fellow program in 2021



BWXT Emerging Leaders



BWXT Inaugural Project Management Class Graduation Ceremony



2021 Leadership Academy

## Employee Development Programs

BWXT operates in a competitive global marketplace where continuous improvement is critical to the success of our various businesses. We offer many professional development opportunities for employees to continually improve skills and advance their careers.

Current development programs include:

- A partnership with the University of Arizona's accredited online program that offers savings on tuition and other educational costs to eligible employees
- Financial reimbursement assistance to employees who take job-related, career-enhancing credit courses at recognized and accredited institutions in areas of study that will benefit both the employee and BWXT
- The BWXT Emerging Leader Program that is designed to accelerate the development of high-potential individual contributors for future promotion to leadership roles
- The BWXT Leadership Academy, a pinnacle leadership program in partnership with the University of Tennessee, that introduces leadership principles to assist with improving supervisory skills, better motivating direct reports and enhancing leadership skills
- A Project Management Training Program in partnership with the University of Lynchburg that covers best practices for effective project management
- On-site professional development programs that provide employees with a cost- and time-effective way to develop skills and reach career goals
- The Percipio e-learning tool that allows employees to access 450+ courses at their own pace and at no cost



21%

of our employees use Percipio's e-learning tools

27%

increase in Percipio users in 2021



## Internship and Training Programs

BWXT believes that supporting educational opportunities in the communities in which we operate is essential for regional growth and retention of viable workforces. Investing in programs that promote educational excellence at the primary, secondary and collegiate levels assists in reducing barriers for job seekers and supports the development of local talent and workforce advancement. Gaining job-specific skills through mentoring and community outreach allows candidates to acquire knowledge and experience that is vital for maintaining a successful career.

We have been supporting and promoting our annual internship program for more than 80 years. These opportunities help developing learners broaden their knowledge and experience base, while building valuable relationships. BWXT also sponsors technical training and mentoring programs that focus on coaching and development in the fields of advanced machinery, quality control and health sciences.

BWXT has partnered with state community colleges to develop technical training programs. These programs prepare students for future careers in Machining Technology, Precision Machining and Quality Control inspection. For example, the Manufacturing Technician 1 (MT1) certification program was developed to provide essential skills to meet the growing demands of manufacturers.



2,000+

high school students have participated in our mentorship programs

50+

technical training programs sponsored by BWXT

## Advanced Training in Defense Manufacturing

BWXT partnered with the Institute for Advanced Learning & Research in Danville, Virginia to create the Accelerated Training in Defense Manufacturing (ATDM) program for machining, quality control and assurance, welding and additive manufacturing.

Nuclear Operations Group president, Joel Duling, served on ATDM's executive steering committee. Current and retired BWXT employees provided support and expertise on course content and equipment and continue to advise as new courses are established.

Students train full-time onsite using modern equipment and facilities with experienced instructors. Over the course of four months last year, several BWXT employees participated in the pilot cohort and graduated in the welding and quality control subjects.

Trimaine "TJ" Johnson, who started his career with BWXT as a production technician, was one of the students in the program. Since completing the ATDM program, he has returned to welding school to become a qualified welder, where he will have more responsibility and the opportunity to advance.





# HEALTH, SAFETY AND SECURITY

We are committed to maintaining a safe and secure work environment. Finishing each and every day incident and injury free is our ultimate goal.

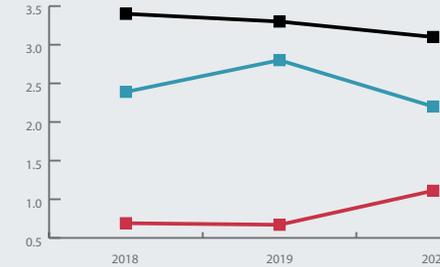
# Safety

BWXT is in pursuit of an injury-free workplace. We constantly monitor and assess injuries and near misses to learn from and reduce future risks inherent in occupational activities. We believe that all occupational and environmental incidents can be prevented, and our industry-leading safety program helps us achieve those goals. To promote rigor and continuous improvement in safety, we focus on a number of safety metrics, including Total Recordable Incident Rate (TRIR) and Days Away, Restricted or Transferred (DART). TRIR tracks recordable incidents defined as illnesses or injuries resulting from an incident or exposure while an employee was working. DART tracks the number of cases where an employee missed work from a work-related injury. In each case, a lower number reflects a safer work environment. We have historically outperformed our industry peers in both of these metrics and are committed to the continuous focus on our safety performance.

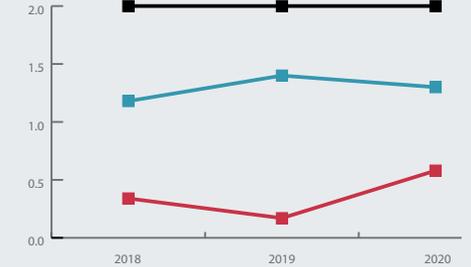
Since 2015, we have included TRIR and DART safety metrics in our annual incentive plans to emphasize continuous focus on our safety performance.

Our Safety Culture Program Policy specifies 10 safety culture traits and surveys employees' performance relative to those traits. Employees participate in small group sessions to discuss action plans to address areas of concern and improve the safety culture at our locations. Site leaders and employees establish and monitor improvement goals. An integral part of our safety culture is our Safety Conscious Work Environment (SCWE). BWXT encourages an open culture for personnel to raise concerns and fosters resolution with commitment, respect and timeliness. Situations that may pose an environmental, health or safety hazard must be reported immediately. We provide regular safety training, culture surveys, ombudsman programs and a whistleblower hotline for employees to raise concerns.

**BWXT TRIR Rate vs Industry <sup>(1)</sup>**



**BWXT DART vs Industry <sup>(1)</sup>**



TRIR	2018	2019	2020	2021
U.S. Manufacturing	3.40	3.30	3.10	<sup>(3)</sup>
Industry Peers <sup>(2)</sup>	2.39	2.80	2.20	<sup>(3)</sup>
BWXT	0.69	0.64	1.11	0.92

DART	2018	2019	2020	2021
U.S. Manufacturing	2.00	2.00	2.00	<sup>(3)</sup>
Industry Peers <sup>(2)</sup>	1.18	1.40	1.30	<sup>(3)</sup>
BWXT	0.34	0.17	0.58	1.14

- U.S. Manufacturing
- Industry Peers <sup>(2)</sup>
- **BWXT**

(1) 2020 and 2021 data include COVID cases in accordance with OSHA requirements.  
 (2) A composite of data from all NAICS codes worked by BWXT, weighted by hours worked under each code.  
 (3) Peer group and industry safety data not available at time of publication.

## BWXT Safety Culture

We are committed to continuous improvement of our safety culture through our core values and behaviors, including:



### Individual

- Personal accountability
- Questioning attitude
- Effective safety communication
- Continuous learning



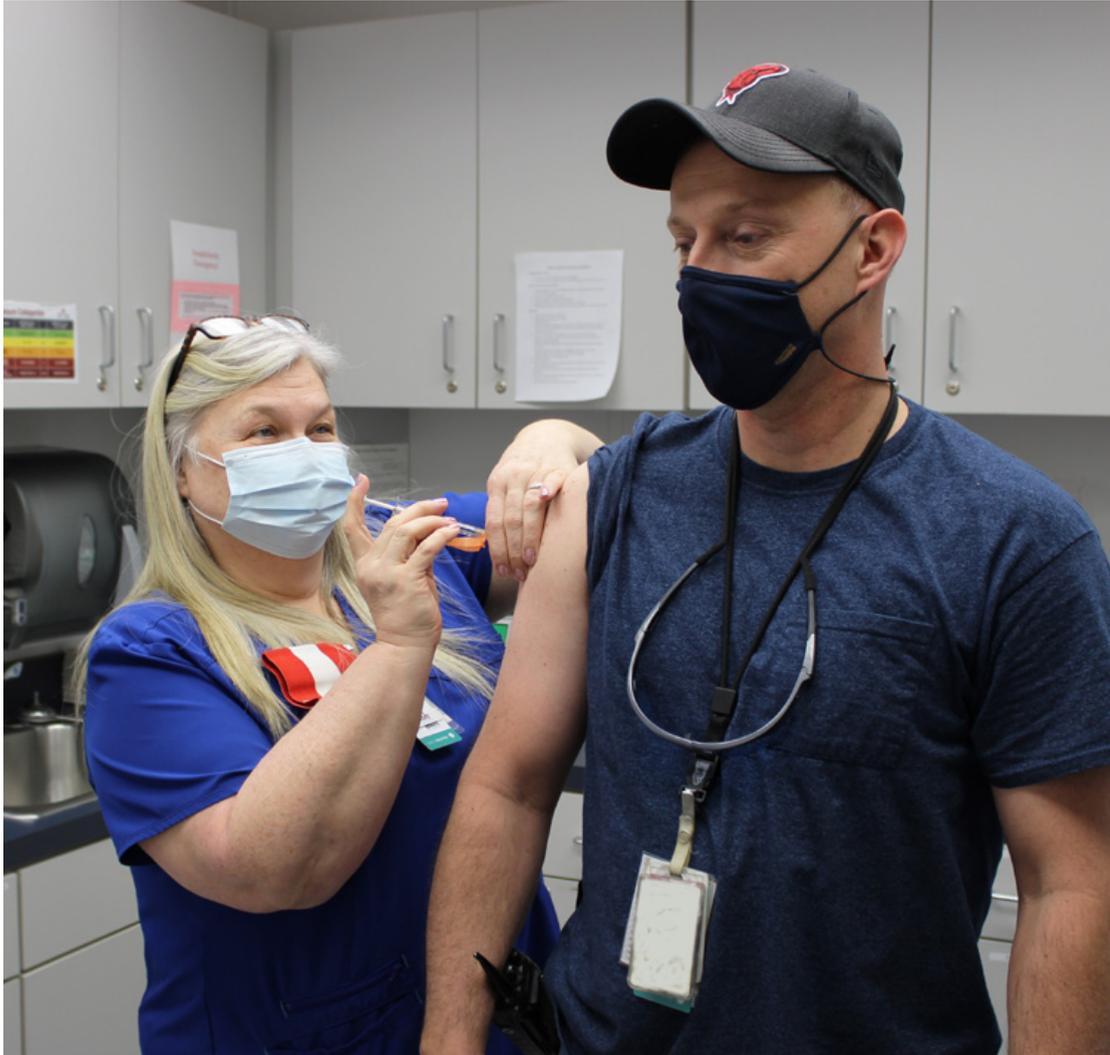
### Management

- Leadership safety values and actions
- Decision-making
- Respectful work environment



### Management Systems

- Problem identification and resolution
- Environment for raising concerns
- Work processes



## COVID-19

As an essential business, our ability to support our customers and national security is crucial. BWXT has taken concrete actions to promote the health and safety of our employees, which include:

- Creating a COVID-19 Task Force to monitor and manage our business based on health organization, local government and our own safety protocols
- Daily cleaning and disinfecting protocols in all facilities
- Supplying required face coverings for associates inside our facilities
- Establishing social distancing protocols within offices and manufacturing sites
- Offering free on-site vaccinations to our employees in many locations
- An option to work remotely, if appropriate
- Suspending non-essential business travel
- Utilizing virtual collaboration and productivity tools in lieu of travel and face-to-face meetings
- Providing resources to support the physical and emotional health of associates

We continue to monitor the situation and update our protocols accordingly in order to keep our employees safe.

## Employee Health and Wellness

BWXT is committed to improving the health and well-being of our employees. We have a comprehensive wellness program, at little or no cost to our employees, which includes:

- Well-health coaching and physicals
- Work and non-work related care for injuries or illness
- On-site physical therapists
- Immunizations and allergy shots
- Support of the national HealthyWage Challenge
- Telemedicine for private assessments and treatment plans
- Routine health monitoring
- On-site fitness centers



5,000

personal training and  
fitness sessions

200

BWXT participants in the  
2021 Virginia 10 Miler



15,000

employee check-ins at BWXT's  
fitness center in Lynchburg, VA

## Physical Security

We maintain the highest levels of security at all of our nuclear manufacturing facilities, utilizing state-of-the-art technologies and a highly trained security force to protect our resources and to respond to external threats. As a major provider of high consequence products and services in support of America's national defense and critical infrastructure, we are entrusted with safeguarding critical materials and information required to execute our missions. Violating that trust by failing to adhere to relevant security regulations and orders, or through inadequate performance in protecting our personnel and assets, and those of our customers, potentially impacts national security, exposes us to serious liability and jeopardizes our reputation. We strive to exhibit excellence in the execution of all facets of our security mission.

We empower and expect all employees, contractors and suppliers to comply with our security policies and procedures and to accept the responsibility to ensure that the critical assets and technology entrusted to our care receive the appropriate level of protection. Our management is committed to ensuring that all personnel are provided a workplace with a strong security culture, well-defined requirements and expectations, and the skills training necessary to fulfill that responsibility.

Today, risks include an array of security threats that include workplace violence, insider threats, industrial sabotage, foreign intelligence operations, cyber intrusions and terrorist attacks. A secure work environment depends on a cohesive effort by all employees working in accordance with clear, established standards that are reinforced by regular training and monitoring.



## Data Security & Cybersecurity

As a major provider of high-consequence products and services in support of America's national defense and critical infrastructure, we are entrusted with safeguarding critical materials and sensitive defense-related technology required to execute our missions. We strive to exhibit excellence in the execution of all facets of our security mission. We empower and expect all employees, contractors and suppliers to comply with our security policies and procedures, and to accept the responsibility of ensuring that the critical assets and technology entrusted to our care receive the appropriate level of protection. We are committed to maintaining a workplace with a solid security culture, well-defined requirements and expectations, and the skills and training necessary to fulfill that responsibility. We have implemented an information security awareness program and conduct frequent security training so that our employees understand their role in safeguarding our communications and information systems.

It is our policy to provide a secure working environment by establishing and maintaining effective security measures to protect the Company's employees, properties, technology and customers' assets from potential threats. This policy is informed and guided by the Company's basic core values, and Code of Business Conduct. All Company security activities must follow the basic principles outlined within this policy and, as further defined by regulation, contract requirements and site-specific security plans and implementing procedures.

We endeavor to employ secure communications and information systems to help conduct our business as reliably and productively as possible. We have established a common set of information security standards throughout the Company to help ensure that our business applications remain available without interruption, that our data is not inappropriately disclosed, and that our systems are not damaged or destroyed by outside attacks or computer viruses.



### Information Security Standards

Our minimum information security standards meet or exceed applicable best practices:

- System access control: strict controls over the creation, alteration or deletion of user accounts and the granting of data and program access privileges
- Passwords: construction and duration of strong passwords
- Virus protection: prevention of business disruption due to computer viruses and other malicious programs
- Physical security: protection of IT equipment on Company premises and/or in the possession of the Company's employees
- Remote access: limited access to the Company's network from outside the Company
- Data security: secure transmission and storage of the Company's electronic information
- Regular training and testing of the effectiveness of our standards

# ENVIRONMENT

BWXT is committed to conducting our business in an environmentally responsible manner.



## Environment

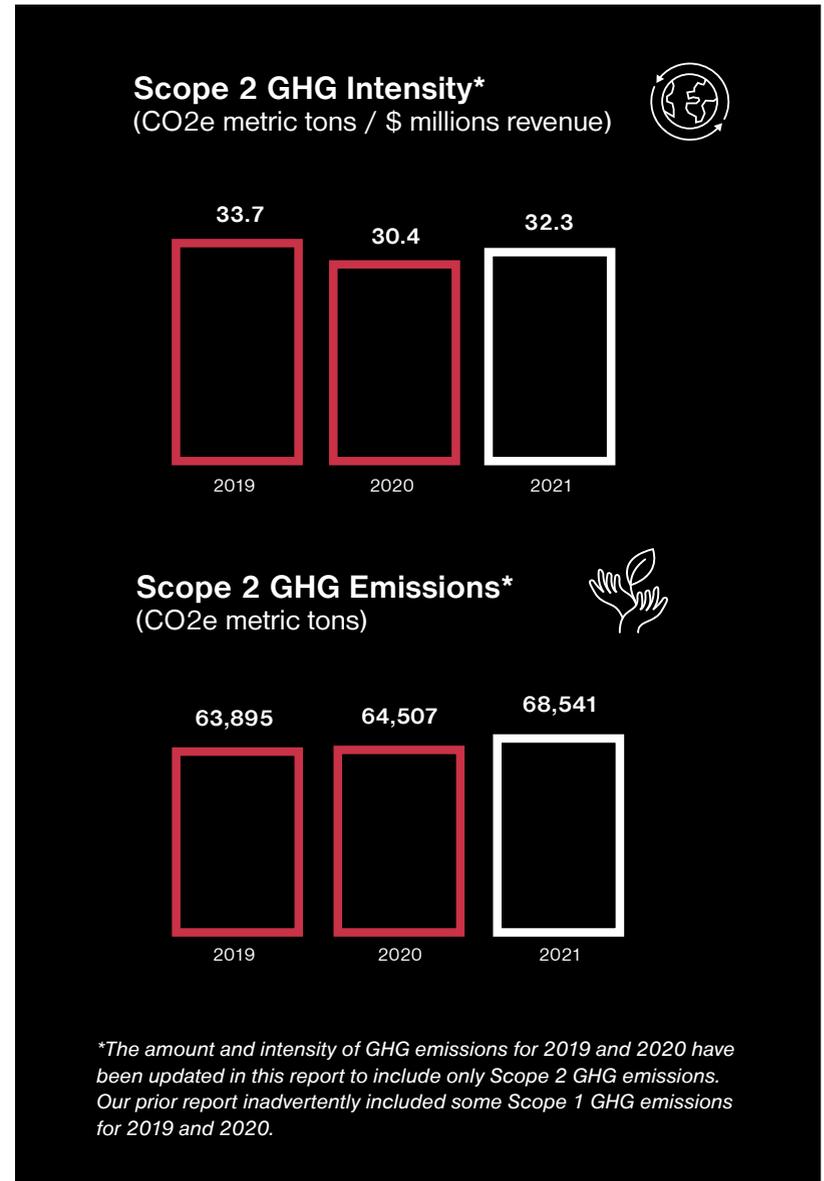
As a People Strong, *Innovation Driven* organization, BWXT has developed a culture of continuous improvement in all facets of our business. One of our top priorities is the protection of the natural environment and its use, and we strive to continuously improve our environmental performance through resource conservation and efficient practices. From our advanced nuclear technologies to handling hazardous waste, BWXT is committed to operating in a safe and environmentally sound manner. We measure our environmental performance and promote environmentally friendly practices that respect natural resources and our communities.

BWXT's large manufacturing sites implement environmental management systems to ensure compliance with our environmental policy. We focus on reducing risks to employees and the environment through training, recordkeeping, problem identification, problem resolution, emergency preparedness and self-assessments. Each site leader is responsible for enforcing the system.

## Greenhouse Gas Emissions

We began voluntarily tracking our greenhouse gas emissions in 2010 and regularly evaluate opportunities to address such emissions. We have reported Scope 2 GHG emissions from electricity purchased and used at all of our facilities. We are evaluating Scope 3 GHG emissions for future disclosure. We measure GHG in metric tons of carbon dioxide equivalents (CO<sub>2</sub>e). We began reporting Scope 1 GHG emission this year and will continue to provide this data in future reports.

Scope 1 GHG Emissions	2021
GHG Intensity (CO <sub>2</sub> e metric tons / \$ million revenue)	107.0
GHG Emissions (CO <sub>2</sub> e metric tons)	227,247



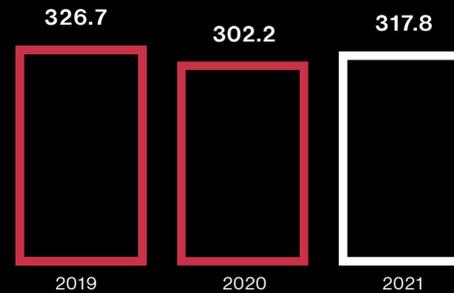


## Energy and Water Usage

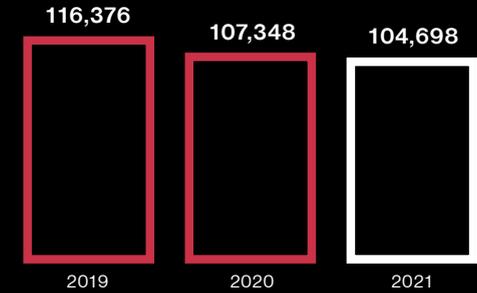
We carefully track and manage energy and water consumption, and have implemented responsible energy and water reduction strategies at our facilities.

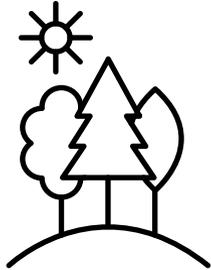
While water is not a significant aspect of our global activities, it is certainly true that water is a critical resource and, as a global citizen, we are committed to managing our usage responsibly.

### Electricity Usage Intensity (gigajoules / \$ million revenue)



### Water Usage Intensity (gallons / \$ million revenue)





## Waste and Recycling

Our manufacturing sites recycle materials throughout the production process to minimize impacts to the environment. We manage, separate and dispose of waste that cannot be reused. Waste streams from our facilities are dispositioned using environmentally sound methods.



Additional Environmental Data*	2019	2020	2021
Water Usage (in millions of gallons)	220.5	228.0	222.4
Electricity Usage (in gigajoules)	618,986	641,718	675,116
Non-Hazardous Waste (in metric tons)	6,316	7,365	6,758
Hazardous Waste (in metric tons)	440	439	492
Recycling** (in metric tons)	6,890	4,130	3,140

\* Additional environmental data is in the SASB index. Data included for the latest year may include estimates for the fourth quarter of such year.

\*\* In 2019, we significantly increased our recycling as a result of a major facility expansion and refurbishment project.

# GOVERNANCE AND ETHICS

Our reputation for honesty and integrity is an important asset. Ethical conduct and compliance with the spirit and letter of the law builds trust and respect.



## Ethics and Compliance

BWXT is committed to honesty and integrity in every aspect of our work. The Ethics and Compliance department serves as a resource to all of our employees and collaborates with corporate and site management personnel to maintain a work environment that is responsive, transparent and inclusive.

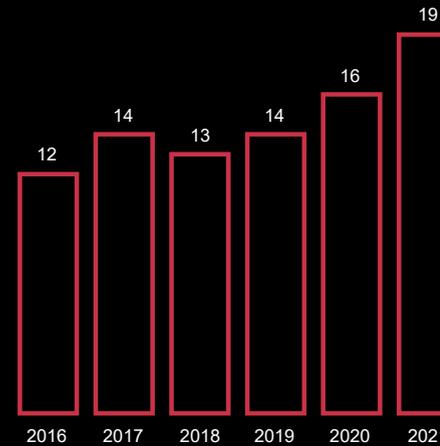
Employees have a responsibility to understand and abide by the values outlined in our Code of Business Conduct (Code) and share questions and concerns that may need to be addressed. To aid employees in reporting, we offer multiple avenues for reporting concerns, including the ability to report anonymously via the BWXT Helpline, available 24 hours a day by phone, text or the Internet. Annual training on ethics-related topics is required of all employees, and regular communication of our Company values is shared on the Company intranet and electronic bulletin boards located at each site. At the beginning of each year, our CEO presents an annual video conversation focused on ethics-related topics.

BWXT is committed to maintaining the highest ethical standards for the benefit of our stakeholders, including our employees and the communities in which we work. We screen outside agents and partners and require their acknowledgment of our Code. We have established robust policies to enforce controls related to conflict minerals, nuclear export, anti-bribery, procurement integrity, human rights and responsible corporate citizenship. Risk assessments are performed on a regular basis, and we provide auditing, monitoring and reporting assessments to our Compliance Committee, CEO, BWXT Board of Directors and the U.S. Securities and Exchange Commission (SEC).

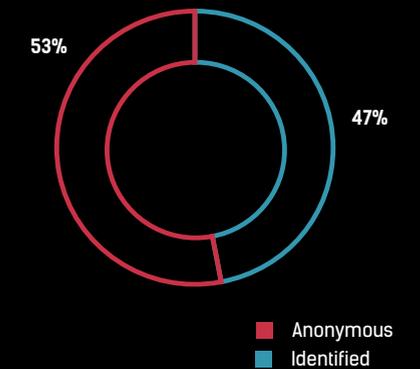
BWXT is a member of the Defense Industry Initiative on Business Ethics and Conduct, and Ethics and Compliance team members hold Corporate Compliance and Ethics Professional certifications through the Society for Corporate Compliance and Ethics.

### Ethics and Compliance Metrics in 2021

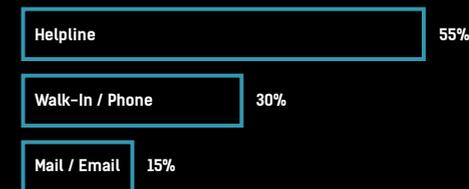
Concerns Raised per 1,000 employees



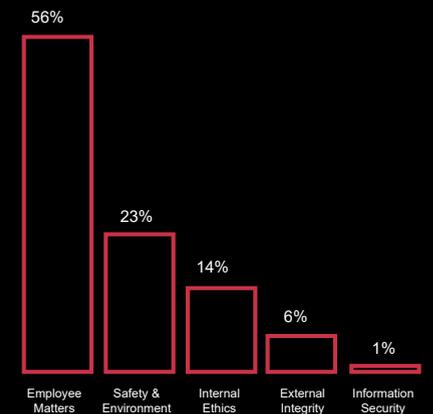
Anonymous vs. Identified



Reporting Source



Concerns by Type



## Corporate Governance

Board of Directors (Board) is comprised of 10 members, 80% of whom are independent directors. BWXT's Corporate Governance Principles reflect the independence requirements established by the SEC and the New York Stock Exchange. Our leadership structure is determined by the Board. We currently have a separate Chairman and CEO, as well as a Lead Independent Director, whose role is set forth in our Corporate Governance Principles. The Board maintains three standing Committees: Audit and Finance, Compensation and Governance.

30%

Board diversity by  
gender and race

Board Structure and Independence	Stockholder Rights and Accountability	Best Practices	10-Year Director Tenure Limit
<ul style="list-style-type: none"> <li>• 90% independent directors</li> <li>• 30% gender/racial diversity</li> <li>• Separate Chairman and CEO</li> <li>• Lead Independent Director</li> <li>• Regular executive sessions of independent directors</li> <li>• All committees comprised entirely of independent directors</li> <li>• Committees can engage independent advisors</li> <li>• Annual board and committee self-evaluations</li> </ul>	<ul style="list-style-type: none"> <li>• 10-year director tenure limit</li> <li>• Annual election of directors*</li> <li>• Majority voting with director resignation in uncontested elections</li> <li>• Annual CEO performance and compensation evaluation by independent directors</li> <li>• Annual election of chairman and lead independent director</li> <li>• Clawback policy</li> <li>• No "poison pill" (shareholder rights plan)</li> <li>• No dual-class stock</li> </ul>	<ul style="list-style-type: none"> <li>• Active stockholder engagement</li> <li>• CEO and management succession planning</li> <li>• Robust stock ownership guidelines</li> <li>• Limits on director overboarding</li> <li>• New director orientation and ongoing director education</li> <li>• Board strategy/risk oversight</li> <li>• No CIC tax gross ups</li> <li>• No single trigger CIC vesting</li> <li>• No hedging or pledging policy</li> <li>• No employment agreements</li> </ul>	<p><b>10-Year Director Tenure Limit</b></p> <p>Our Bylaws provide that (1) a person shall not be nominated for election or reelection to our Board if such person will have served as a director for 10 years prior to the date of election or re-election (as measured from the date of the Bylaw amendment, July 1, 2015) and (2) any director who attains 10 years of service during his or her term shall be deemed to have resigned and retired at the first annual meeting following his or her attainment of 10 years of service as a director.</p>

\* In 2019, our Board adopted and stockholders approved the elimination of our classified board to allow for the annual election of directors. Starting at our 2022 annual meeting of stockholders, all directors will be elected annually for one-year terms.

## Role of the Board in Risk Oversight

As part of its oversight function, the Board monitors the risks that our Company faces. The information below provides a summary of risk allocation among the Board and its standing committees.

BWXT maintains an enterprise risk management program administered by our Risk Management group. The program facilitates the process of reviewing key external, strategic, operational, safety, security and financial risks as well as monitoring the effectiveness of risk mitigation. Information from the enterprise risk management program is presented to senior management and the Board on a quarterly basis.

The Audit and Finance Committee assists the Board in its oversight of financial reporting, litigation and environmental risks and by meeting quarterly with management to review these risks and to discuss our risk policies and guidelines.

The Compensation Committee assesses risks associated with our compensation programs in consultation with management and the Committee's outside compensation consultant. The Compensation Committee has included an ESG performance metric (safety) in our annual incentive plans since 2015 to emphasize our continuous focus on safety.

The Governance Committee oversees risks associated with corporate governance, ESG and cybersecurity and receives quarterly briefings on these topics. The Chief Information Officer provides regular, at least annually, updates to the Governance Committee regarding cybersecurity and data security risk.

## Board Risk Oversight



### BOARD OF DIRECTORS

- Primary risks
- Security risks
- Regulatory (safety) risks
- Emerging risks
- Risks outside committees charters



### AUDIT AND FINANCE COMMITTEE

- Financial risks
- Project/contract risks
- Regulatory (financial) risks
- Capital structure risks
- Ethics and compliance risks
- Environmental risks
- Litigation risks



### COMPENSATION COMMITTEE

- Compensation risks
- Benefits risks



### GOVERNANCE COMMITTEE

- Corporate governance risks
- Cybersecurity risks
- ESG risks



## Board Oversight of Environmental, Social and Governance

The BWXT Board of Directors believes that a commitment to ESG enhances shareholder value. To ensure effective governance, our policies include tenure limits, gender diversity, a no hedging/pledging policy for Company securities and maintaining a lead independent director. The executive officers have responsibility for execution and implementation of the Company's ESG program. In addition, we seek opportunities to engage stockholders for input on current and emerging areas of concern.

The Board believes that the effective oversight of the Company's ESG objectives and metrics is best accomplished by the Board and each of its committees.

- The Board oversees and monitors execution upon the Company's strategy and corporate purpose, safety and security performance, succession planning and overall sustainability efforts.

- The Audit and Finance Committee oversees and receives quarterly updates on litigation and environmental matters, regulatory compliance and training, concerns and violations relating to the Code of Business Conduct.
- The Compensation Committee oversees and receives quarterly reports on compensation and benefits and has maintained ESG performance (safety goals) for all participants in the Company's annual incentive plans since 2015.
- The Governance Committee has primary responsibility for ESG matters and oversees and receives quarterly reports on the Company's corporate governance, human capital management, diversity and inclusion, cybersecurity and other ESG matters. The executive officers have responsibility for execution and implementation of the Company's ESG program.

## Corruption, Bribery and Anti-Competitive Behavior

All employees, agents or representatives of BWXT must comply with the Foreign Corrupt Practices Act (FCPA) of the United States and the laws of any other countries which prohibit bribery. Payments of any kind or offers to pay or give anything of value to any foreign public or government official or to representatives of such persons in order to further Company business are not permitted. Similarly, such payments are not to be made through joint ventures or other affiliates doing business abroad.

The FCPA also requires that we maintain a system of internal accounting controls, and that our books and records accurately reflect all transactions. Facilitating payments will not be made by employees of BWXT, or by third parties acting on behalf of BWXT, its subsidiaries or affiliated companies.

BWXT believes in free and fair trade, and we compete in a legal and ethical manner on the basis of the quality of our services. We are committed to compliance with fair competition and applicable anti-trust laws.



## Fair Business Competition Policy



Do not enter into agreements with customers, suppliers, competitors or others that are intended to unfairly limit competition.



Make purchases strictly on the basis of quality, price and service.



Do not share information with a competitor about our customers, pricing or Company strategies.



Don't discuss any aspect of bidding with any of our competitors.



Never share competitor information with customers or vendors.



Never discriminate unfairly in terms of price or services between similar customers.

# HUMAN RIGHTS AND SUPPLY CHAIN

We are committed to responsible sourcing throughout our supply chain and have established standards for conducting business in order to identify and manage potential risks.



## Human Rights

Our core principles include a respect for fundamental human rights and a strong commitment to responsible corporate citizenship. We prohibit participation in activities that violate human rights, including human trafficking and child, slave or forced labor. We strive to follow all applicable laws in the communities in which we operate.

Our Human Rights Policy applies to our employees, suppliers, vendors and other third parties performing services for or with BWXT. We strive to source components and materials from vendors and suppliers that share our values regarding respect for human rights and ethics. We expect our employees and suppliers to conduct business with integrity and to avoid any illegal or unethical conduct.



## Human Rights Policy

- ✓ Prohibits discrimination and harassment
- ✓ Recognizes the rights of employees to participate in any lawful organization
- ✓ Respects compliance with laws pertaining to freedom of association, privacy and collective bargaining
- ✓ Commits to providing a safe and healthful workplace for employees
- ✓ Protects the environment of communities in which we conduct business
- ✓ Promotes a work environment that encourages productivity, teamwork and communication, and fair and competitive compensation and benefits
- ✓ Disallows human trafficking and the use of child or forced labor

## Supply Chain

The integrity of BWXT's suppliers is critical to our ability to deliver quality products and services. We are committed to finding and cultivating the best supply partners in the world – those who demonstrate high ethical standards and meet the time, quality, cost and technical needs of our customers.

We support supplier diversity initiatives, and our procurement program encourages active participation by small or disadvantaged businesses. Suppliers help us execute our commitment to employ sustainable business practices. Together, we strive to ensure performance that is both socially and environmentally responsible.

Our suppliers are required to comply with our Code and all applicable laws, rules and regulations. To enhance and strengthen our business relationships, we have implemented our Supplier Code of Conduct (Supplier Code) that sets forth our expectations for suppliers. The Supplier Code provides categorized information on areas that can expose us and our suppliers to risk. The Supplier Code covers human rights, conflicts of interest, global trade compliance, employment practices, information protection, environment, health and safety and anti-corruption, among other things. In addition to the Supplier Code, compliance assessments and quality audits of suppliers are conducted periodically to confirm compliance with our standards and expectations.

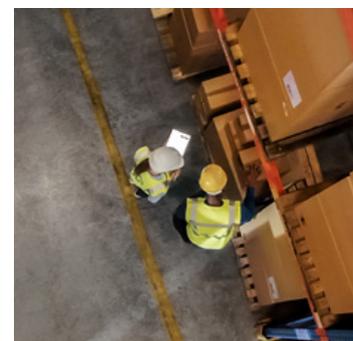
We have incorporated the Supplier Code into the standard terms and conditions for our BWXT Nuclear Operations Group (NOG) suppliers. BWXT NOG audits its Tier 1 suppliers annually and Tier 2 suppliers every three years using ISO 9001 standards.

When small businesses thrive, so do their communities. We continuously work to identify opportunities to engage with and support small and minority-owned businesses. Our small business plans help develop, prepare and execute subcontracting plans to ensure that our supply chain includes capable small and small disadvantaged businesses.

---

# 30%

of our supply chain  
spending is with  
small businesses



## Conflict Minerals

BWXT is committed to the responsible sourcing of minerals through our global supply chain and compliance with regulations issued by the SEC. The SEC requires publicly traded companies to file annual reports disclosing their use of certain conflict minerals in their products. We support sourcing components and materials from suppliers who share our fundamental values of respect for human rights, ethics and environmental responsibility. BWXT files an annual Form SD (Specialized Disclosure) in compliance with the SEC disclosure requirements, and we work with our suppliers to perform reasonable country of origin inquiries and due diligence in determining the potential for conflict minerals in our supply chain and products. We designed our procedures to conform, in all material respects, to the due diligence framework presented by the Organization for Economic Co-operation and Development.

# COMMUNITY SERVICE

The values BWXT holds as a company go beyond our work for customers and include social responsibility for the well-being of our employees and the communities in which they live and work.





## Jubilee STEM Center

In 2021, Lynchburg, Virginia's Jubilee Family Development Center, an organization that supports at-risk youth and offers programs and services to aid in the development of academic and social skills, opened its new STEM center to be named after BWXT board member Leland Melvin. Leland spent more than 24 years with NASA as an astronaut and is a Jubilee supporter. The STEM Center will provide a foundation in STEM principles and training to generate greater interest in high-demand science and technology-based career fields.

The training and instruction offered in the STEM Center will pave the way for more advanced skills development programs at institutions of higher learning and facilitate access to paid internships and/or entry-level positions of employment. Jubilee is developing its program with Central Virginia Community College (CVCC) to ensure that STEM Center instruction lays the groundwork for advanced skills development, training opportunities and advancement to CVCC programs and job opportunities. The STEM Center strives to, one day, serve as a CVCC satellite site for individuals who are not able to attend CVCC in person or feel intimidated by attending classes on a college campus.



*BWXT Board member Leland Melvin (above) cuts ribbon at the grand opening of the Jubilee STEM Center.*

## Corporate Giving

Each year, we commit significant financial support and other non-financial Company resources to help make a difference in people's lives. Our corporate giving and community engagement initiatives are diverse and include:

- Promoting educational excellence at the primary, secondary and college/university levels through numerous outreach, mentoring and scholarship activities. Some of these programs include the BWXT Scholarship Program, the BWXT Internship/Co-Op Program and grants to school districts, colleges and universities. BWXT sponsors a variety of educational programs and scholarships, including the employee dependent's scholarship program, the Central Virginia Governor's School and a large college internship program at operating sites.
  - Assisting nonprofit organizations focused on health and human services and the arts with donations and other support.
- These groups include performing arts organizations, local chapters of national organizations that conduct medical research and United Way chapters.
- Bolstering economic development of the regions in which we operate using sponsorships and engagement through organizations, such as chambers of commerce, economic development authorities, trade organizations and regional planning entities.
  - Supporting agencies, like the American Red Cross, Habitat for Humanity and Big Brothers/Big Sisters with monetary donations and volunteering.



## Employee Involvement

We are part of the communities in which we live and work and endeavor to maintain engagement as a good corporate citizen, consistent with our Code and Human Rights Policy. Our employees dedicate time and energy to causes that are important to their communities, including supporting vulnerable and disadvantaged groups, and we collaborate with organizations to further their goals.



## Canadian Council of Aboriginal Businesses

BWXT Canada has been a member of the Canadian Council of Aboriginal Businesses since September of 2017 and is currently Progressive Aboriginal Relations (PAR) certified at the Committed level. We seek opportunities to improve our Indigenous relations and are evaluating external verification of our performance in the future.

We have an Indigenous Relations Committee that meets regularly to review objectives outlined in the PAR criteria, working to find ways to strengthen relationships with Indigenous communities. The Indigenous Relations Committee developed an Indigenous Relations Policy which sets out the framework for our commitment to building and sustaining meaningful, long-term relationships with Indigenous communities. The policy applies to all BWXT operating units in Canada, and the implementation of this policy is led by our Indigenous Relations Committee. The Indigenous Relations Committee is actively working through the PAR requirements that will take our Company from being a PAR Committed organization to one that is certified at the bronze, silver or gold level. This program has full support from BWXT senior leadership, and the Indigenous Relations Committee looks forward to continuing its progress in Indigenous relations.

BWXT Canada is also an active member within the Indigenous Opportunities in Nuclear program established by Ontario Power Generation and the Indigenous Relations Suppliers Network established by Bruce Power.

## Campbell County Training School

In 2021, BWXT proudly donated \$30,000 to the Campbell County Training School Complex renovation project in Campbell County, Virginia. Restoration of this historical school complex is underway to preserve and celebrate the significant role this school played in Black history.

In the 1920s and 1930s, the Rosenwald school complex was one of few educational institutions that provided opportunities for Black students. The curriculum was focused on trades and domestic skills and was staffed and funded by Black communities and the local school board.

Now, project leaders have a different idea of how the school can continue contributing to cultural and historical education in the local area. The restoration vision includes hands-on workshops, training and think-tank space for budding businesses. An assembly hall will become a theater for plays, concerts and lectures, and a Rosenwald museum will tell the storied history of an innovative school started to craft a better future.





## Employee Giving and Volunteering

We are committed to making a positive difference in our communities. In 2017, we established the BWXT Volunteer Strong program in Canada to support and facilitate employee community volunteering activities.

Several BWXT executives hold active leadership roles in local organizations. President and CEO Rex Geveden has served on the board of directors for the Lynchburg Regional Business Alliance since 2017. Senior V.P. and Chief Administrative Officer Rick Loving serves on the community boards for the Virginia College Fund and as past president for the Lynchburg Academy Center of the Arts. In 2021, Mr. Loving received the Lynchburg Exchange Club's "Book of Golden Deeds" award in recognition of his service to the community, state and nation.

Our employees regularly participate in a variety of giving and volunteering activities throughout the U.S. and Canada. Some of these efforts include:

- United Way annual giving campaigns
- Food drives
- Habitat for Humanity home builds
- Christmas in July
- Red Cross blood drives

BWXT employees regularly volunteer their time guest-teaching or providing hands-on training and activities at local schools, civic organizations and universities. Whether they are teaching basic economics to grade-school children or explaining nuclear fission to older students, these employees are an inspiration and make a positive, lasting impact in their communities.

## Sustainability Accounting Standards Board (SASB) Index

Topic	Accounting Metric	Unit of Measure	Code	Disclosure
Energy Management	Total energy consumed	Gigajoules	RT-AE-130a.1	675,116 gigajoules of electricity consumed (2021) (p. 32)
	Percentage grid electricity	Percentage (%)	RT-EE-130a.1	100% (2021)
Hazardous Waste Management	Amount of hazardous waste generated	Metric tons (t)	RT-AE-150a.1	492 metric tons (2021) (p. 32)
	Percentage recycled	Percentage (%)		0% (2021)
Data Security	Description of approach to identifying and addressing data security risks in Company operations and products	n/a	RT-AE-230a.2	See Data Security & Cybersecurity (p. 28)
Product Safety	Number of Airworthiness Directives received, total units affected	Number	RT-AE-250a.3	None. This disclosure does not apply to our business lines.
Fuel Economy & Emissions in Use-phase	Revenue from alternative energy-related products	Reporting currency	RT-AE-410a.1	Nuclear energy is not considered in the SASB list of alternative energy sources. However, unlike other forms of alternative energy that are included in the SASB list (e.g., ethanol, natural gas, propane, etc.), nuclear energy does not emit any CO <sub>2</sub> e which has a significant impact on climate change.
	Description of approach and discussion of strategy to address fuel economy and greenhouse gas (GHG) emission of products	n/a	RT-AE-410a.2	We are constantly improving our products and technologies to continue to reduce our carbon footprint through nuclear technology. As nuclear technology is at the core of our business, we will continue to provide safe and effective nuclear solutions for global security, clean energy, environmental restoration, nuclear medicine and space exploration.

## Sustainability Accounting Standards Board (SASB) Index (cont'd)

Topic	Accounting Metric	Unit of Measure	Code	Disclosure
Materials Sourcing	Description of the management of risks associated with the use of critical materials	n/a	RT-AE-440a.1	See Supply Chain (p. 41)
Business Ethics	Discussion of processes to manage business ethics risks throughout the value chain	Discussion & Analysis	RT-AE-510a.3	See Supply Chain (p. 41)
	Description of policies and practices for prevention of: corruption and bribery and anti-competitive behavior	n/a	RT-EE-410a.1	See Corruption, Bribery, and Anti-Competitive Behavior (p. 38)
Product Lifecycle Management	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria	Percentage (%) by revenue	RT-EE-410a.2	None. This disclosure does not apply to our business lines.
	Revenue from renewable energy-related and energy efficiency-related products	Reporting currency	RT-EE-410a.3	Nuclear energy is not considered in the SASB list of alternative energy sources. However, unlike other forms of alternative energy that are included in the SASB list (e.g., ethanol, natural gas, propane, etc.), nuclear energy does not emit any CO <sub>2</sub> e which has a significant impact on climate change. Our business is entirely focused on providing safe and effective nuclear solutions for global security, clean energy, environmental restoration, nuclear medicine and space exploration.

## Reconciliation of Non-GAAP Operating Income and Earnings per Share

(In millions, except per share amounts)

For the Year Ended December 31, 2021  
(In millions, except per share amounts)

	GAAP	Pension & OPEB MTM (Gain) / Loss		Restructuring & Other Costs		Costs associated with early Bond redemption				Non-GAAP
Operating Income	\$ 345.8	\$ -	\$ -	\$ 3.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 349.0
Other Income (Expense)	49.9	(39.6)	-	-	15.0	-	-	-	-	25.3
Provision for Income Taxes	(89.4)	9.1	-	(0.8)	(3.5)	-	-	-	-	(84.6)
Net Income	306.3	(30.5)	-	2.4	11.5	-	-	-	-	289.6
Net Income Attributable to Noncontrolling Interest	(0.4)	-	-	-	-	-	-	-	-	(0.4)
Net Income Attributable to BWXT	\$ 305.9	\$ (30.5)	\$ -	\$ 2.4	\$ 11.5	\$ -	\$ -	\$ -	\$ -	\$ 289.2
Diluted Shares Outstanding	94.5									94.5
Diluted Earnings per Common Share	\$ 3.24	\$ (0.32)	\$ -	\$ 0.03	\$ 0.12	\$ -	\$ -	\$ -	\$ -	\$ 3.06

(1) Tables may not foot due to rounding.

(2) BWXT is providing non-GAAP information regarding certain of its historical results to supplement the results provided in accordance with GAAP and it should not be considered superior to, or as a substitute for, the comparable GAAP measures. BWXT believes the non-GAAP measures provide meaningful insight and transparency into the Company's operational performance and provides these measures to investors to help facilitate comparisons of operating results with prior periods and to assist them in understanding BWXT's ongoing operations.

## Reconciliation of Non-GAAP Operating Income and Earnings per Share (cont'd)

(In millions, except per share amounts)

For the Year Ended December 31, 2020  
(In millions, except per share amounts)

	GAAP	One-time franchise tax audit expense	Restructuring Costs	Costs Associated with Sale of Business	Debt Issuance Costs	Pension & OPEB MTM (Gain) / Loss				Non-GAAP
Operating Income	\$ 358.6	\$ 2.6	\$ 2.3	\$ 2.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 366.3
Other Income (Expense)	3.6	-	-	-	0.5	6.4	-	-	-	10.5
Provision for Income Taxes	(83.0)	(0.6)	(0.6)	(0.7)	(0.1)	(1.6)	-	-	-	(86.5)
Net Income	279.2	2.0	1.7	2.2	0.4	4.8	-	-	-	290.3
Net Income Attributable to Noncontrolling Interest	(0.5)	-	-	-	-	-	-	-	-	(0.5)
Net Income Attributable to BWXT	\$ 278.7	\$ 2.0	\$ 1.7	\$ 2.2	\$ 0.4	\$ 4.8	-	-	-	\$ 289.8
Diluted Shares Outstanding	95.7									95.7
Diluted Earnings per Common Share	\$ 2.91	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.00	\$ 0.05	\$ -	\$ -	\$ -	\$ 3.03

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## Reconciliation of Non-GAAP Operating Income and Earnings per Share (cont'd)

(In millions, except per share amounts)

For the Twelve Months Ended December 31, 2019  
(In millions, except per share amounts)

	GAAP	Pension & OPEB MTM (Gain) / Loss	Acquisition Related Costs	Restructuring & Impairment Costs							Non-GAAP
Operating Income	\$ 325.5	\$ -	\$ 0.2	\$ 5.8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 331.5
Other Income (Expense)	(11.8)	3.6	-	-	-	-	-	-	-	-	(8.1)
Provision for Income Taxes	(69.1)	(0.9)	(0.0)	(1.5)	-	-	-	-	-	-	(71.5)
Net Income	244.7	2.7	0.1	4.3	-	-	-	-	-	-	251.8
Net Income Attributable to Noncontrolling Interest	(0.6)	-	-	-	-	-	-	-	-	-	(0.6)
Net Income Attributable to BWXT	\$ 244.1	\$ 2.7	\$ 0.1	\$ 4.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 251.3
Diluted Shares Outstanding	95.8										95.8
Diluted Earnings per Common Share	\$ 2.55	\$ 0.03	\$ 0.00	\$ 0.04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2.62

(1) Tables may not foot due to rounding.

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## Cautionary Statement Concerning Forward-Looking Statements

This document may include “forward-looking statements” within the meaning of the U.S. federal securities laws. Forward-looking statements are any statements other than statements of historical fact. Forward-looking statements represent our current judgment about possible future events and are often identified by words like “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goal,” “initiative,” “intend,” “may,” “outlook,” “plan,” “seek,” “strive,” “should,” “will,” “would,” or the negative of any of those words or similar expressions. We have based our forward-looking statements on information currently available to us and our current assumptions, expectations, estimates and projections about our industries and our Company. We caution that these statements are not guarantees of future performance, and you should not rely unduly on them as they involve risks, uncertainties and assumptions that we cannot predict. We have based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. Factors that could cause such differences include, but are not limited to, economic, competitive, social and regulatory factors, such as the impact of COVID-19. While our management considers these statements and assumptions to be reasonable, they are inherently subject to numerous factors, including those risk factors described in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, most of which are difficult to predict and many of which are beyond our control. Accordingly, our actual results may differ materially from the future performance that we have expressed or forecast in our forward-looking statements. We undertake no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events or other factors, except where we are expressly required to do so by law.



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