

Stakeholder engagement

Engaging with our stakeholders

We maintain strong relationships across all our stakeholder groups.



Shareholders

- ▶ Direct engagement with certain shareholders following 2020 AGM.
- ▶ Establishment of a Nomination Committee.
- ▶ Live Q&As hosted for shareholders.

 FURTHER DETAILS ARE SET OUT ON PAGE 44 AND IN THE CORPORATE GOVERNANCE REPORT ON PAGE 56



Suppliers and partners

- ▶ The Board received updates on relationships with key suppliers and strategic partners through the monthly reporting mechanism and the year-end compliance reports.
- ▶ Our Group engagement principles show our suppliers how we will work with them.



People

- ▶ The Board maintained close contact with the Managing Directors throughout lockdown to understand the impact on employees.
- ▶ The Board received monthly health and safety reports which included updates on safety incidents involving employees and incidents of COVID-19 throughout the Group.
- ▶ Board members attended the Cohort Business Excellence Awards remotely to commend individuals for their achievements.
- ▶ Board members contributed to Q&A sessions held for the Learning Development Programme Alumni event and Business Development Conference.

 FURTHER DETAILS ARE SET OUT IN THE "PEOPLE" ON PAGE 45 AND 46



Communities

- ▶ Engagement by our subsidiaries in the communities within which they operate is reported to the Board throughout the year where appropriate.



Customers

- ▶ The Board received regular updates on key customers through the monthly reporting mechanism, virtual attendance at Board meetings by the Managing Directors and input from the Managing Directors into the strategy planning.
- ▶ Our Group engagement principles show our customers how we will work with them.
- ▶ Board members attended the online customer webinar hosted by Chess and SEA.

Stakeholder engagement continued

Shareholders

The Board gives the utmost importance to engaging with shareholders.

Annual General Meeting

Our AGM is one of the key methods of communicating with the Company's shareholders. The AGM is an opportunity for the Chair, the Senior Independent Director, the Committee Chairs and the rest of the Cohort plc Board to meet with shareholders, hear their views and answer their questions about the Group and its business. Last year, a physical AGM was not possible due to COVID-19 and the Company held a closed meeting in accordance with the provisions of the Corporate Insolvency and Governance Act 2020. However, the Board was keen to maintain engagement with shareholders. To facilitate this the Board invited shareholders to submit questions in advance of the AGM and conducted a live Q&A session immediately after the AGM. All voting was conducted by way of a poll and all shareholders were encouraged to submit voting instructions by proxy in advance of the AGM to ensure that all shareholders were able to participate in the decision-making of the Company and have their votes recorded. Details of proxy votes received were also made available on the Company's website (cohortplc.com) following the meeting.

This year the Company is expecting to be able to host a physical AGM at 15:00 on 20 September 2021 at Phyllis Court Club, Marlow Road, Henley-on-Thames, Oxfordshire RG9 2HT and the Notice of AGM for Cohort plc is being sent to shareholders together with this Annual Report.

The Board also hosted live Q&A sessions for shareholders following the year end announcement in July and after the Interim results in December.

Responding to shareholders

The Chairman takes overall responsibility for ensuring that the views of our shareholders are communicated to the Board, and that all Directors are made aware of issues and concerns raised by shareholders. When appropriate, the Committee Chairs will engage with shareholders where an issue has been raised relevant to the work of their committee.

Details of the engagement between the Chairman and the Chair of the Remuneration Committee and some of our significant shareholders are set out in our Corporate governance report.

Other shareholder engagement

Further engagement with our shareholders takes place through meetings with institutional shareholders, the Annual Report and Accounts, the Interim Report, social media, webcasts and email for RNS alerts. The Chairman, together with the Company Secretary, responds to any written enquiries received from investors.

The Executive Directors host presentations to market analysts on the Group's performance twice per year and, on occasions, along with other members of the Board, will host capital market days where shareholders and other interested parties, including analysts and banks, are invited to attend.

Stakeholder engagement continued

People

Our capabilities and customer relationships all ultimately derive from our people. Across the Cohort Group, our people can make a difference, fulfil their potential, develop their careers, and be rewarded for what they do.

We recognise that our success hinges on the attitudes and behaviours of our people. We create a climate and culture that encourages them to deliver outstanding performance for our customers, operating with uncompromising ethics. We encourage our people to role model our brand values that capture and articulate the spirit of the Group.

NUMBER OF PERMANENT EMPLOYEES*:

1,005

21	1,005
20	906
19	907

* At 30 April 2021.

Board visits to subsidiaries

The Board places great importance on visiting subsidiary sites throughout the year to engage directly with local management and employees. This enables the Directors to understand the priorities for local management so that they can have regard to their interests in decision-making. This year, the Non-executive Directors were unable to visit the subsidiaries' sites in person due to the COVID-19 restrictions. As an effective alternative, the Board engaged virtually with the Managing Directors to ensure a conduit to employees was maintained throughout the lockdown restrictions. The Non-executive Directors are planning an increased programme of visits to subsidiaries' sites in the year ahead.

Group communications

The Group organises employee communications locally through its subsidiary undertakings. The channels used for organised communications include the Group intranet, regular update presentations, direct all-employee emails and distribution of news releases. The Group intranet features regular updates from the Chief Executive and updates at key times of the reporting calendar. This ensures that employees have a good awareness of the financial and economic factors affecting the Group's performance. Where possible communications are translated into the local language. The Chief Executive communicated regularly to employees during the pandemic through all-employee emails.

In December 2020 ELAC Sonar joined the Cohort Group, and as a Board visit was not possible the welcome communications were delivered by the Chief Executive online.

Internal communications

Each subsidiary has its own internal communications programme, including local intranets, in-house magazines or staff bulletins, and notices are published containing information about matters of interest within the Group. The regular town hall meetings and informal employee briefings, where employees' questions can be answered by local leadership, were adapted during the pandemic and moved online. During the lockdown restrictions where the majority of employees were working from home, subsidiary management teams increased communications to their employees and one-to-one communication increased in frequency. At SEA a communications portal was made available to furloughed workers to help them stay in touch from April to October 2020.

Employee feedback

Our larger subsidiaries conduct regular employee engagement surveys, and the key outcomes are put into an action plan for the local management team to implement. The results of these surveys are reported to the Cohort plc Board.

Reward and recognition

Each year we host the Cohort Business Excellence Awards, where we acknowledge the key achievements and dedication of those teams and individuals who have shown true delivery of our values, made a real difference to the success of our business, or been commended for their excellence in service to our customers. The awards event was held as a virtual celebration due to the pandemic and was attended by representatives from the Board.

The recipients of this year's top award were a team from Chess Dynamics who put exceptional effort into the testing and verification programme for a customer's vehicle surveillance system. They put in a high level of dedication, effort, and teamwork, and overcame extreme logistical issues and succeeded in winning this major customer contract.

The larger subsidiaries also run their own recognition schemes. This year both MASS and Chess Dynamics have introduced recognition schemes.

Recognition at MASS

At MASS, a Monthly Applause scheme was introduced in 2020. All employees can nominate a colleague who will receive a voucher. The MASS Achievement Awards were also introduced to provide recognition on a broader scale. The awards link into the Group and Company values. The awards ceremony took place in December 2020.

Stakeholder engagement continued

People continued

Training and development

The success of our business depends on our ability to deliver innovative solutions to our customers. This drives us to attract the best talent and to nurture this ability within our employees, providing them with a stimulating workplace and career development and supporting the creation of long-term value for our business.

Many training schemes operate at subsidiary level, including the use of online solutions such as LinkedIn Learning. At Group level, our Leadership Development Programmes are designed to equip our current and future leaders with the skills to effectively deliver the strategic priorities of the business and respond to the competitive and changing environment we operate within. In 2020/21 we ran a Leadership Development Alumni Programme online to ensure the networks formed from the original training are maintained and encourage collaboration across the Group. The Board was able to engage with the individuals who are being developed to grow the Group in the future through an online Q&A session.

The Group also provides regular training on our Group policies including on topics such as anti-bribery and data protection.

Health and wellbeing

The subsidiaries took part in many activities during the year to promote the health and wellbeing of their people and these are reported back to the Board. In particular this year there was a focus on supporting Mental Health Awareness Week and activities engaging with MIND, the mental health charity. SEA established a Dignity at Work Policy designed to create a work environment free from bullying and harassment, where everyone is treated with dignity and respect. Our Employee Assistance Programmes are available for employees to access and were regularly promoted through our COVID-19 communications.



Chess receive Olympic motivation

Chess Dynamics welcomed former Olympian Fran Halsall to its offices to discuss motivation, techniques to support wellbeing and how to utilise the parallels of an elite mindset.

Fran's successful career in elite sport has taught her many lessons, lessons that she shared with the team at Chess to help build resilience, wellbeing, engagement and performance.

All-employee share schemes

An important part of employee engagement in the UK are the all-employee share schemes. All UK permanent employees were again encouraged to invest in the Cohort plc Save as You Earn (SAYE) scheme and/or the Group's Share Incentive Plan (SIP). In addition, senior management and key employees in all subsidiaries are awarded share options under the Cohort plc 2016 share option scheme. Further details are set out in note 20 of the accounts.



Women in Defence Charter

On International Women's Day 2021, Cohort made a firm commitment to gender diversity by signing the Women in Defence Charter – a pledge to provide opportunities for women to succeed at all levels and giving a public commitment to ensuring women are given every opportunity within the Cohort Group.

Group website

The Company uses the Group website (cohortplc.com) as a key source of information for all of our stakeholders; our website contains information on the business of the Group, corporate governance, all regulatory announcements, key dates in the financial calendar and other important shareholder information.

Stakeholder engagement continued

Customers, suppliers and partners

The Board received regular updates on key customers through the monthly reporting mechanism; subsidiary MDs were also asked to attend at Board meetings through video conference. All subsidiary MDs have input into the strategy planning process.

During 2020/21 our business development teams were not able to meet with their customers face to face and all industry conferences and exhibitions were cancelled or moved online. The teams worked hard to create alternative methods of reaching their contacts, including hosting online seminars and meetings by video conference. Customers were supplied with video training aids and a Virtual User Group was set up for our Transport business at SEA.

Our engagement principles show what our customers, partners and suppliers can expect from us when they work with the Cohort Group.

We hold innovation at our core

Breaking new ground reverberates through the core of our business. It is fundamental, constant and a critical resource for our customers. We dedicate the equivalent of over 50% of our profits to innovation and we employ and develop the best minds in the business to stay at the forefront of defence and security technology solutions.

We nurture agile partnerships

Direct access to specialist expertise, underpinned by deep operational experience. With short decision-making chains, managed risk and a culture of openness and support, we're easy to do business with.

We commit to mission critical effectiveness

We are committed to developing purposeful technology that is driven by our customers and their agenda. Inspired and motivated by solving real problems, we move quickly and act effectively.



Virtual Learning Environment

MASS launched a new online learning platform to host its popular Cyber and Electronic Warfare (EW) training courses, offering an engaging learning experience in an accessible and COVID secure way.

The Virtual Learning Environment (VLE) offers a full mix of teaching methods, including virtual classrooms, group work and individual self-paced learning. Students benefit from the usual five-star experience of a MASS training course but with the advantages an online platform brings.



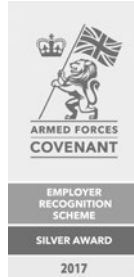
Ship Survivability webinar

To make up for the lack of face-to-face industry events, Chess and SEA joined together in November 2020 to host a joint customer webinar entitled "Ship Survivability" attended by an international online audience. Here our industry experts discussed how naval surface ships, especially carrier strike groups, are being increasingly targeted by hostile threats. The discussion looked at a ship's ability to identify and counter threats whilst still being able to project power as intended, and fed into an active Q&A session.

Stakeholder engagement continued

Communities

We recognise the enormous contribution that our Armed Forces make to protect our nation and the work that we do helps them carry out their vital tasks more effectively. Across the Group, we employ many military veterans and current reservists, and we are proud to be a signatory to the Armed Forces Covenant, holding two Silver Awards under the Defence Employer Recognition Scheme.



CHARITY DONATIONS IN 2021 BY THE GROUP:

£28,000

(2020: (£44,000))

Chess Sponsors Plymouth football club

Chess has sponsored the Plymstock United Under 16s football club since 2019. The team is local to the Naval Systems team based in Plymouth. Under its sponsorship the team has won the Devon County Cup for two years in a row.

At a Group level we maintain close links with academic institutions, and we are Enterprise Partners of the Institute of Engineering and Technology.

STEM

We actively promote STEM (Science, Technology, Engineering and Maths) locally by supporting schools and colleges, providing opportunities for work experience and promoting our businesses at careers fairs, in order to motivate and inspire the next generation of young scientists and engineers. Students are sponsored at various levels across the Group, including at Kiel University.

Work placements at MASS

Despite the restrictions created by the COVID-19 situation, at MASS they were still able to hold work placements for local schools. The children were given equipment as an employee would be and were able to remotely participate in all activities as if they were in the office; joining team calls, stand-ups and briefings, working via screen sharing on shadowing technology changes, and having access to a learning platform to reinforce their school learning with industry learning. They were also given five technology research tasks which could be done on their own, calling the MASS team for information when needed.

Charities

Our subsidiaries are active participants in their local communities and engage in local initiatives and provide charitable support. In a challenging year our teams managed to provide valuable support for both local and national charities. Initiatives included a charity bike ride for SSAFA and raising money for Macmillan cancer charity and local hospices.



Peter Hodgkinson and Jonnie Barnes-Yallowley from SEA undertook a cycling challenge to raise money for SSAFA