



Sustainability

Group commitment to sustainability

As a Group we are aware of the increasing importance of sustainability and are focused on our environmental, people, social and governance priorities. We are committed to monitoring how our business activities impact on our stakeholders and acting in accordance with high levels of ethics and governance.

Environmental sustainability

The Group is committed to managing the environmental impact of its activities, and to improving resource efficiency and reducing waste. As part of the Group's commitment to sustainability, the Board has created and endorsed a Group Environmental Policy. This outlines how our businesses work together with our employees, contractors, suppliers, customers and communities to ensure high standards of environmental protection through a variety of actions including:

- ▶ compliance with all relevant environmental legislation;
- ▶ preparing and publishing environmental reports for our stakeholders;
- ▶ reviewing the environmental impact of our activities, and following good business practices to manage this;
- ▶ improving resource efficiency and reducing waste wherever we can;
- ▶ having measures in place for effective and expedient incident control, investigation and reporting;
- ▶ where relevant, having regard to environmental factors in business decisions; and
- ▶ engaging and communicating with our employees and other stakeholders on environmental matters.

Ownership of our Environmental Policy rests with the Cohort plc Board, and the Board is responsible for providing the strategic vision and direction on all environmental related matters. The Board is also committed to supporting our subsidiaries and ensuring that this policy is effectively implemented across the Group.

Each subsidiary Managing Director has responsibility for implementing an Environmental Policy and procedures appropriate for that business, and for communicating that policy to their employees to ensure that they are aware of their responsibilities. They must also ensure that environmental issues are given adequate consideration in the planning and day-to-day undertaking of all business activities.

In addition, the Board expects all employees in the Group to be ambassadors of good environmental practices and to report any practices that do not meet the required standards.



Colleagues at Chess getting involved in volunteering work at Warnham Nature Reserve as part of Wellbeing Week 2022.



Sustainability continued

Environmental sustainability continued

Performance – energy and greenhouse gas (GHG) reporting

Cohort reports our environmental performance in accordance with the UK Government's Streamlined Energy and Carbon Reporting Guidance (SECR) as required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The GHG emissions have been assessed following the GHG Protocol Corporate Accounting and Reporting Standard and has used the 2021 emission conversion factors published by Department for Environment, Food and Rural Affairs and the Department for Business, Energy & Industrial Strategy. The assessment follows the dual reporting approach for assessing Scope 2 emissions from electricity usage. The financial control approach has been used.

The table to the right summarises the GHG emissions for reporting year 1 May 2021 to 30 April 2022. As a business we have been assessing our carbon emissions since 2019 and have provided both last year's assessment results and the baseline year for comparison.

Over the assessment period Scope 3 emissions have increased due to a resumption in travel following the lifting of restrictions imposed during the COVID-19 pandemic. We have continued to use virtual meetings where appropriate. We also note that the accuracy and quality of data collection has improved since we started assessing our carbon emissions in 2019.

The table below summarises our GHG emissions for the reporting year 1 May 2021 to 30 April 2022:

Scope	Activity	2019/20 Location based tCO ₂ e	2020/21 Location based tCO ₂ e	2021/22 Location based tCO ₂ e
Scope 1	Site gas	167.32 ¹	143.50	189.16
	Van travel and distribution	67.19	69.47	48.94
	Company car travel	70.63	50.29	71.47
	Site gas oil	38.74	6.89	0.00
	Refrigeration & A/C	0.84	0.00	1.04
Scope 1 subtotal		344.71	270.15	310.62
Scope 2	Electricity generation	536.47	429.87	366.89
Scope 2 subtotal		536.47	429.87	366.89
Scope 3	Flights	1,725.18	90.86	370.90
	Employee-owned car travel (grey fleet)	138.24	70.54	106.76
	Electricity transmission and distribution	45.55	36.97	32.47
	Hire cars	39.60	14.56	26.60
	Rail travel	23.08	1.02	8.28
	Taxi travel	4.88	0.94	3.66
	Bus travel	<0.01	<0.01	<0.01
Scope 3 subtotal		1,976.52	214.88	548.67
Total tonnes of CO₂e		2,857.71	914.90	1,226.17
Total market-based tCO₂e		N/A	N/A	1,171.96
Tonnes of CO₂e per employee (all scopes)		4.45	1.52	1.74
Tonnes of CO₂e per £m turnover (all scopes)		23.58	6.40	11.34
Total energy consumption (kWh)²		3,791,999	3,467,995	3,273,720

1. Gas emissions have been adjusted to reflect improvement in data accuracy.
2. Total energy consumption includes electricity, gas and Company owned vehicles (Scope 1 and 2).

Environmental incidents

There have been no internal or external environmental incidents throughout this reporting period at any of our locations. Relevant staff receive training updates to enable them to effectively manage such events if they occur.

Energy and waste efficiency initiatives

The subsidiaries of the Cohort Group have implemented a range of energy efficiency and waste

reduction measures. All UK sites have undertaken assessments to develop and adopt Carbon Reduction Plans, in accordance with PPN 06/21.

A team from SEA attended an Environmental Awareness in Defence course at Cranfield University this year. This has already had a positive impact on ways of working at SEA and enabling it to demonstrate to MOD that SEA is working in a way that minimises its impact on the environment.

ISO 14001

SEA underwent a successful ISO 14001 reaccreditation audit with no non-conformances recorded. Their continual improvement of energy efficiency was noted by the auditor. EID recently attained their first ISO 14001 accreditation. MCL is working towards ISO 14001, and MASS along with Chess are in the final stages of the accreditation process.

Waste and recycling

SEA is now zero to landfill and has increased staff training on environmental and waste improvement. EID has implemented a waste sorting scheme to increase recycling.

Energy efficiency

At ELAC Sonar, all lighting is being replaced with LED units. In addition, PCs and other electrical equipment are being replaced with more energy efficient models. MCL, Chess and SEA have switched to green energy tariffs. MCL are encouraging suppliers to consider alternatives to air freight where possible.

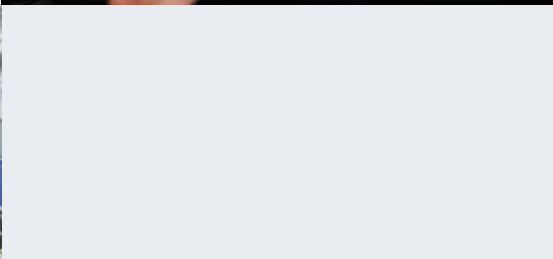
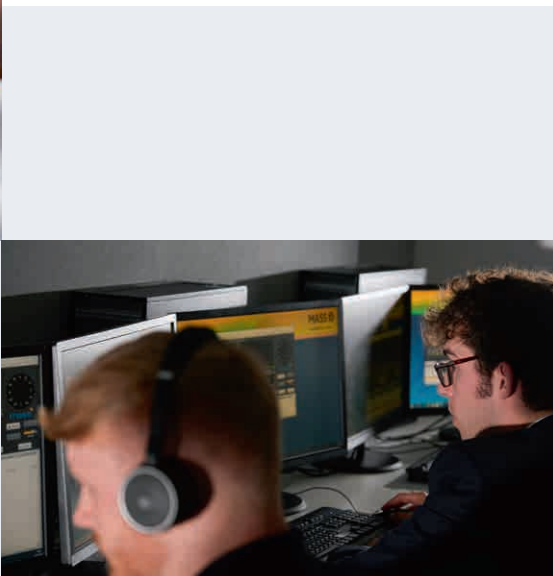
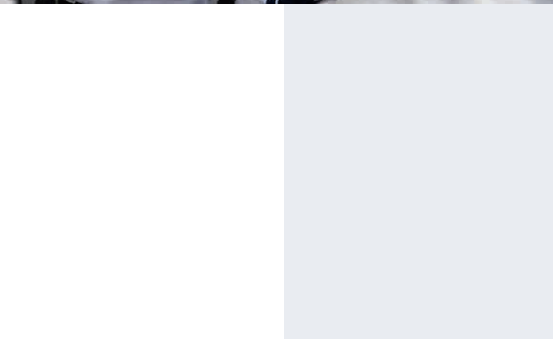
Looking forward

Measures outlined in the UK subsidiary Carbon Reduction Plans will start to roll out in the coming year. These include:

- ▶ SEA are holding product lifecycle reviews to consider component reusability and recyclability. They are also looking to introduce reusable/returnable packaging.
- ▶ Chess, SEA and MASS will be working to replace their vehicle fleet cars with electric or hybrid vehicles at the end of current lease periods. Additional EV charging points will be installed at subsidiary sites.



Sustainability continued



People

Our capabilities and customer relationships all ultimately derive from our people. Across the Group, our people can make a difference, fulfil their potential, develop their careers, and are 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 values that capture and articulate the spirit of the Group.



NUMBER OF PERMANENT EMPLOYEES AT 30 APRIL 2022

1,050

22	1,050
21	1,005
20	906
19	907

Our values

We believe in PLAYING OUR PART

We dedicate our expertise to advancing defence technology. It is our contribution to national interest and security, protecting people and keeping them safe. It is our way of making a difference.

We work at the highest levels of strategic capability and take great pride in our collective expertise. We operate with uncompromising ethics and offer up our talent and resources for the greater good of nations.

We believe in BEING RESULTS DRIVEN

We are an agile group of smart thinkers, with the ability to create solutions and the tenacity to see things through. If we say we'll do something, then we'll do it.

We're interested, committed, and personally invested in purposeful technology that delivers and makes good commercial sense.

We believe in INDEPENDENT THINKING

Small teams do big things when they have the autonomy to think and to see the bigger picture. When they're given the space and encouragement to explore, free of unnecessary process.

Independent thinking and an entrepreneurial spirit help us inspire each other to find better ways of working and create the conditions for new ideas to unfold. It's how we come to better understand the challenges before us and adapt swiftly to reach the most effective solution.



Sustainability continued

People continued

Employee engagement

It is critical to the success of our business that our employees feel valued and engaged and are well informed about happenings at Group level as well as within their own businesses and their subsidiary peers.

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, Board member visits to the subsidiaries' sites were able to resume in person after the COVID-19 restrictions. The Board undertook a varied programme including presenting recognition awards at EID in Portugal, engagement sessions with technology developers at MCL, and a site tour at ELAC Sonar. The Board engaged with the Managing Directors on an individual basis to ensure a conduit to employees was maintained.



The Board discussing technology updates with colleagues from MCL.

Group communications

The Group cascades employee communications to the subsidiary businesses through a Group intranet, update presentations, and direct all-employee emails. The Group intranet features regular updates from the Chief Executive and updates at key times of the reporting calendar, as well as sharing important information about internal activities happening across the subsidiaries. Employees have good awareness of the financial and economic factors affecting the Group's performance. Where possible communications are translated into the local language.

Internal communications

Each subsidiary has its own internal communications programme, delivered across a variety of channels appropriate to each business. Regular town hall meetings and informal employee briefings, where employees' questions can be answered by local leadership, have now been able to resume, but online communications continue to support hybrid working.

Employee feedback

All of our 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. In 2021 MASS undertook an Employee Value Proposition project using employee surveys and workshops to better define their brand and employee proposition. An action plan to support employee engagement initiatives will be rolled out across the Group in the coming year.

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 luncheon celebration and was attended by the Board.

The recipients of this year's top award were a team from Marlborough Communications who successfully negotiated a contract renewal providing communications ancillaries and hearing protection to the UK Armed Forces. They worked incredibly hard to give the customer confidence with a complex project.

The larger subsidiaries also run their own annual employee recognition events and smaller thank-you awards.

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, recently introduced at MASS.

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 2021/22 we ran a Leadership Development Programme with a group of 22 participants, including participants from the newly integrated ELAC Sonar. The Board was able to engage with the individuals who are being developed to grow the Group in the future through a Q&A session. A new programme will be starting in Autumn 2022.

Apprenticeship programmes

Across the Group we run a number of apprenticeship programmes, incorporating both technical and non-technical specialisms. The UK based Cohort businesses are utilising their Apprenticeship Levy funding for new apprentices or adding to the skills of the existing employees.



The Towards Excellence Project in action at EID discussing problems, ideas and opportunities for improvement.



Harry Shone from SEA receiving his Advanced level apprenticeship in Engineering Manufacture and Level 3 NVQ Extended Diploma in Electrical & Electronic Engineering.



Sustainability continued

People continued

MASS Apprenticeship and Graduate Talent and Development Programmes

The MASS apprenticeship programme was launched with the first intake of apprentices in 2021. The training programme mirrors their graduate training and is provided by the same external trainers. This training is undertaken in addition to their external studies towards their recognised qualification and develops their personal skills and helps them build relationships within the work environment.

The Talent and Development programme provides a focus on personal development for graduates or employees with only a few years' work experience. The 12-month training programme includes skills development, and individual coaching sessions for participants to review their learning and how they can incorporate this into their day-to-day work. Andrew Leigh, Head of Software development at MASS, ran a course on Engineering in Business as part of the programme. The objective of this module is to increase awareness of junior staff as to how engineering decisions and processes can affect delivery to the required cost, schedule and budget, to improve business outcomes for both customer and supplier.

As well as embracing technology and bringing new ideas to shape the future of the business, the apprentices are helping to bridge industry skill gaps and, along with the graduates, are enabling MASS to create a diverse talent pool within the business.



Health and wellbeing

The subsidiaries took part in many activities during the year to promote the health and wellbeing of their people. Our Employee Assistance Programmes are available for employees to access and are regularly promoted.

Once again Mental Health Awareness Week was given particular focus:

SEA launched their Wellbeing Centre on their intranet, highlighting four main sub-sections, and encouraging people to make use of the benefit.

MASS focused their activity for the week on being active by launching the MASS 5K challenge. Physical activity is proven to reduce the risk of mental health problems. Colleagues were encouraged to walk, wheel, bike ride or run the 5k distance either all at once or over a few days, to get outside and have fun. Fundraising for the MIND charity was part of the challenge.

Chess highlighted the Time to Talk campaign encouraging people to start a conversation and open up about their mental health. They aim to reduce mental health stigma and create a supportive community where people can feel empowered to seek help when needed.

Social sustainability

STEM

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

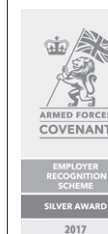
We actively promote STEM (Science, Technology, Engineering and Maths) locally by supporting schools and colleges, providing opportunities for work experience and promoting our businesses at careers fairs, in order to motivate and inspire the next generation of young scientists and engineers. Students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

FUTURENEST Mentoring

SEA's Business Development Director, Peter Hodgkinson, has been mentoring a student into the defence industry through the UKNEST FUTURENEST programme. UKNEST is a forum that promotes activities within science, technology, engineering and maths (STEM) with a primary focus on the UK Naval industry. Influenced by the MOD and UK industry, the forum is dedicated to developing initiatives that enhance future naval capabilities. FUTURENEST helps to recruit, train and develop the careers of talented individuals across the Navy. The mentee, an electrical engineer student from Cardiff University, received a grant to assist with their study and research, alongside the benefit of Peter's extensive Naval industry knowledge. On his mentoring journey so far, Peter said: "It is important to ensure that undergraduate engineers are given an opportunity to understand the opportunities that working in the maritime defence industry offers and to ensure they have a simple route into a career in maritime defence if they chose. The NEST scholarship programme achieves both aims and it has been a pleasure to work with some of the highly talented young people who have expressed an interest in maritime defence as a career."

STEM/Community Engagement at MCL

The first ever MCL STEM event was held at Avenue Primary Academy in Sutton, Greater London, a school which supports children with specialist needs. MCL's SKYDIO drone and "Spot" the quadruped robot were used in the demonstration at the school. After the event, the school sent over feedback "The headteacher received so many thank you phone calls from the parents, we can't thank you enough for turning up to our school with the robot 'dog' and drone. Lots of the children were amazed that they can work in engineering through many different routes."



Communities and charities

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 celebrate their

achievements during Armed Forces Week. At SEA we had one employee mobilised in early 2022 who spent three weeks on deployment with the Royal Navy.

We are proud to be a signatory to the Armed Forces Covenant, and under the Defence Employer Recognition Scheme we hold three Silver Awards at MASS, SEA and Cohort plc, and a Bronze Award for Chess Dynamics.



Sustainability continued

Social sustainability continued

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.

CHARITY DONATIONS IN 2022 BY THE GROUP

£29,900

(2021: £28,000)

SSAFA

Cohort plc is proud to be an active sponsor of the UK Armed Forces charity SSAFA Corporate Friends Scheme. In 2021 the Group sponsored the SSAFA Christmas Carol Concert, annual dinner and industry networking events.



Governance

Cohort is committed to the highest standards of governance and ethics. The Group has a strong ethical culture, supported by our Ethics Policy as published on our website (cohortplc.com). We see a company as a social unit with an economic output and the success of our social unit depends on the values of honesty, trust, loyalty and working together, with a healthy balance of competition and cooperation, just as in any other unit of society. We try to run our businesses this way.

Ethical business conduct

It is Cohort's policy to conduct all of our business in an honest and ethical manner. Our Ethics Policy sets out the values and standards of behaviour expected from all those working for or on our behalf. It requires all of our representatives to comply with the laws and regulations in the countries in which we operate and we require anyone who becomes aware of behaviour which may contravene our policy to report it and to seek advice. We provide a confidential and anonymous whistleblowing facility to support this.

Anti-bribery

Cohort has a culture of zero tolerance towards bribery and corruption. The Group has an Anti-Bribery Policy and each of its businesses has implemented that policy and adequate procedures described by the Bribery Act 2010 (the Act) to prevent bribery. Each business within the Group reports annually to the Board on its compliance with the policy and procedures. The Cohort Chief Executive is the Board member responsible for the Group's compliance. As part of its procedures, the Group has implemented training in respect of compliance with the Act for all of its employees on joining. Employees in roles with a greater risk of exposure to bribery are required to undertake annual refresher training.

The Group's Anti-Bribery Policy is reviewed at least every two years or more often if necessary. The policy was last reviewed and updated in January 2022. Our policy is supported by comprehensive procedures to be followed when any member of the Group works with third parties to ensure thorough due diligence is carried out and repeated at regular intervals and that our agents and other third parties have satisfactory standards and procedures in place.

Cyber risk and data security

The Group introduced an Information Security Policy (ISP) in January 2019, replacing its previous Security Policy Framework.

The ISP covers the physical and cyber security of our information including that held on behalf of third parties. It also addresses business continuity and disaster recovery procedures and encompasses our responsibilities in respect of the Data Protection and other non-personal information we handle.

Each business within the Group reports annually to the Board on its compliance with the ISP and this compliance is currently audited by an internal team of information assurance and cyber experts from MASS. MASS's own compliance with the ISP is audited externally.

The Group's ISP is frequently reviewed, taking account of best practice and requirements in government and industry.

We continue to monitor phishing attempts and other cyber threats and to raise awareness of these risks across the Group.

Our data protection policies and processes are embedded in our culture through mandatory training for all employees which must be undertaken at least every two years.

Modern slavery

The Group has an Anti-Slavery Policy to address the aspects of modern slavery as set out in the Modern Slavery Act 2015 (MSA). In accordance with the requirements of the MSA, the Group and each UK member of the Group have published a statement on their respective websites setting out the steps the Group and they have taken to ensure that slavery and human trafficking are not taking place in their respective businesses and supply chains. A copy of the statement can be found on the Corporate Governance page of our website (cohortplc.com). The Group's Anti-Slavery Policy was first adopted in April 2016 and was updated in September 2020.

We require the same high standards from all of our suppliers, contractors and other business partners.



Whistleblowing

Our whistleblowing line is hosted by SafeCall and provides a channel for confidential and anonymous reporting in more than 68 languages. Details of the service are provided in the local language at our European subsidiaries. The Chief Executive reviews all whistleblowing reports and every report is investigated with support from the General Counsel and Company Secretary. The Senior Independent Director acts as the escalation contact for whistleblowing reports. Our Whistleblowing Policy provides protection and support for whistleblowers raising a genuine concern.

FURTHER DETAILS OF OUR CORPORATE GOVERNANCE STRUCTURE ARE SET OUT IN THE CORPORATE GOVERNANCE REPORT