



## Stakeholder engagement continued

# Section 172 statement

Section 172 (1) of the Companies Act 2006 requires the Directors to act in the way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so to have regard (amongst other matters) to:

Section 172 matters	How the Board has had regard to these matters	Page reference
<ul style="list-style-type: none"> <li>▶ the likely consequences of any decisions in the long term</li> </ul>	<ul style="list-style-type: none"> <li>▶ Board strategy discussions and oversight</li> <li>▶ Effective risk management</li> <li>▶ Proactive acquisition programme, regularly considering potential acquisitions throughout the year</li> <li>▶ Our business model and strategic plan</li> </ul>	59 38-44 18 9-11
<ul style="list-style-type: none"> <li>▶ the interests of the Company's employees</li> </ul>	<ul style="list-style-type: none"> <li>▶ Protecting our employees throughout the COVID-19 pandemic, enabling home working and providing a COVID-19 secure workplace when appropriate</li> <li>▶ Implementing hybrid working arrangements where appropriate in response to employee feedback</li> <li>▶ Regular health and safety reporting to the Board</li> <li>▶ Investment in our employees through training and other initiatives</li> </ul>	8   50-52
<ul style="list-style-type: none"> <li>▶ the need to foster the Company's business relationships with suppliers, customers and others</li> </ul>	<ul style="list-style-type: none"> <li>▶ Partnering with our customers to develop innovative solutions</li> <li>▶ High-level engagement with key defence customers</li> <li>▶ Our Group engagement principles</li> <li>▶ Building the relationship with the UK MOD through involvement in group activities such as the Department of Equipment and Support</li> <li>▶ Hosting regular review meetings with customers</li> <li>▶ Prompt payment of suppliers</li> <li>▶ Ethical business conduct</li> </ul>	12-13 45 46  106 53
<ul style="list-style-type: none"> <li>▶ the impact of the Company's operations on the community and environment</li> </ul>	<ul style="list-style-type: none"> <li>▶ Community initiatives were undertaken throughout the year</li> <li>▶ SEA and EID hold ISO14001 accreditation and three other subsidiaries are in the process of evaluating or working towards this</li> <li>▶ Promoting STEM opportunities</li> <li>▶ Supporting charities</li> <li>▶ Environmental reporting</li> </ul>	52 49 52 53 48-49
<ul style="list-style-type: none"> <li>▶ the desirability of the Company maintaining a reputation for high standards of business conduct</li> </ul>	<ul style="list-style-type: none"> <li>▶ Environmental Policy statement adopted</li> <li>▶ Strong emphasis on our Ethical Policy</li> <li>▶ Updated Anti-Bribery Policy and procedures</li> <li>▶ Regular training for employees on key compliance areas</li> <li>▶ Whistleblowing hotline</li> </ul>	49 53
<ul style="list-style-type: none"> <li>▶ the need to act fairly as between shareholders of the Company</li> </ul>	<ul style="list-style-type: none"> <li>▶ Shareholder engagement practices</li> </ul>	45-46

In discharging their duties under Section 172, the Directors also take into account any other matters which they consider relevant to the decision being made together with the Company's purpose, values and strategic objectives. Further details on how the Board operates and reflects stakeholder views in its decision making are set out in the Corporate governance report.