

## 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
▶ the likely consequences of any decisions in the long term	<ul style="list-style-type: none"> <li>▶ Board strategy discussions and oversight</li> <li>▶ Effective risk management</li> <li>▶ Proactive acquisition programme, completing the acquisition of ELAC Sonar in 2020</li> <li>▶ Our business model and strategic plan</li> </ul>	56 37-42 18 9-11
▶ the interests of the Company's employees	<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>▶ Regular health and safety reporting to the Board</li> <li>▶ Investment in our employees through training and other initiatives</li> </ul>	8 45-46
▶ the need to foster the Company's business relationships with suppliers, customers and others	<ul style="list-style-type: none"> <li>▶ Partnering with our customers to develop innovative solutions including creating a virtual learning environment to deliver training during the pandemic</li> <li>▶ High level engagement with key defence customers</li> <li>▶ Our Group engagement principles and ethical business conduct</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 webinars for customers</li> <li>▶ Prompt payment of suppliers</li> </ul>	47 103
▶ the impact of the Company's operations on the community and environment	<ul style="list-style-type: none"> <li>▶ Community initiatives were undertaken throughout the year</li> <li>▶ SEA has ISO14001 certification and four other subsidiaries are in the process of evaluating or working towards this</li> <li>▶ Promoting STEM opportunities</li> <li>▶ Supporting charities</li> </ul>	48 51 48 48
▶ the desirability of the Company maintaining a reputation for high standards of business conduct	<ul style="list-style-type: none"> <li>▶ Updated ethical policies and training</li> <li>▶ New procedures for approval and onboarding of agents</li> <li>▶ Whistleblowing hotline</li> </ul>	59
▶ the need to act fairly as between shareholders of the Company	<ul style="list-style-type: none"> <li>▶ Shareholder engagement practices</li> </ul>	44

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 on pages 55 to 59.