

BAE Systems Enterprises Limited

Extract from the Statutory Report & Accounts for y/e 31.12.24

Section 172(1) statement

The directors have acted in a way that they considered, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholder's and this section forms the Company's section 172 disclosure, describing how, in doing so, the directors considered the following matters:

- a) the likely consequences of any decision in the long term;
- b) the interests of the Company's employees;
- c) the need to foster the Company's business relationships with suppliers, customers and others;
- d) the impact of the Company's operations on the community and the environment;
- e) the desirability of the Company maintaining a reputation for high standards of business conduct;
and
- f) the need to act fairly as between members of the Company

Please see pages 77 to 79 of BAE Systems plc's 2024 Annual Report (available at www.baesystems.com/investors) for a description of the BAE Systems Group's key stakeholders and how they were engaged during the year. The Company's shareholder's are of particular relevance to the Company.

Depending on the decision in question, the relevance of each particular stakeholder group may differ and the Board adopts a variety of methods of engagement with different stakeholder groups. Given the size of the BAE Systems Group and the nature of its business and stakeholders, stakeholder engagement often takes place at an operational level or is led at the BAE Systems Group level (in particular, where matters are of group-wide significance).

The Board considers and discusses information from across the organisation to help it understand the impact of its subsidiaries operations and the interests and views of key stakeholders. It also reviews its subsidiaries strategy and financial and operational performance, as well as information relating to key risks and legal and regulatory compliance. This information is provided to the board through reports sent in advance of each board meeting and through in-person presentations.

As a result of these activities, the board has an overview of engagement with stakeholders, and other relevant factors, which enables the directors to comply with their legal duty under section 172 of the UK Companies Act 2006.

The Board declared an interim dividend during the year of £653,749k. No other decisions were addressed to where they had to have regard to the matters set out in section 172(1)(a) to (f) when discharging their section 172 duties.