

BAE SYSTEMS (Holdings) Limited

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

Section 172(1) statement

This statement contains an overview of how the directors have performed their duty to promote the success of the Company as set out in Section 172(1) of the UK's Companies Act 2006. That section requires a director of a company to act in the way he considers, in good faith, would most likely promote the success of the company for the benefit of its shareholders. In doing this, the director must have regard, amongst other matters, to:

- 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 shareholders are of particular relevance to the Company:

- Our investors.

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 the Company's operations and the interests and views of key stakeholders. It also reviews its 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 has not during the year been required to make a decision where they had to have regard to the matters set out in section 172(1)(a) to (f) when discharging their section 172 duties.