

Board Diversity and Inclusion Policy

This policy, which has been adopted in accordance with the UK Corporate Governance Code and UK Listing Rules, sets out the approach to diversity and inclusion in respect of the Board of Directors of BAE Systems plc.

The Nominations Committee (the “Committee”), on behalf of the Board, undertakes a formal, rigorous and transparent approach to succession planning for director appointments. The Committee oversees the development and implementation of succession plans for Directors and senior managers.

The Committee considers a number of factors including the appropriate balance of nationalities, skills, experience, diversity and personal strengths, in determining the composition of the Board and its committees. Appointments and succession plans are based on merit and objective criteria, reflecting the skills, knowledge and experience needed to ensure we have a well-rounded, diverse and effective Board. In the case of Non-Executive Directors, other relevant matters are also taken into account, such as independence and the ability to fulfil time commitments.

Due to the nature of the Group’s activities, the UK Government holds a Special Share in the Company, ensuring that the Company cannot be non-British controlled. The Special Share also includes provisions requiring that a majority of the Directors on the Board and on any Board Committee are British nationals and the roles of Chair and Chief Executive are also subject to UK nationality restrictions.

In accordance with UK Listing Rule UKLR 6.6.6R(9), the Committee shall aim to comply with and report on the following targets in respect of Board membership:

- at least 40% of Board members shall be women;
- at least one of the four senior Board positions (Chair, Chief Executive Officer, Senior Independent Director, Chief Financial Officer) shall be a woman; and
- At least one member of the Board shall be from an ethnic minority background.

Approved by the Board on 10 December 2025

Effective from 5 January 2026