

Leidos Innovations UK Ltd

Registered No. SC112421

Section 172 (1) statement

The directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as whole.

Recognising that the company is a wholly owned subsidiary of a US parent company, the directors have fulfilled this duty in conjunction with the UK “Senior Leadership Team” (SLT) and within the corporate governance framework of the wider Leidos Group (US ultimate parent company and subsidiaries), giving 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

The following paragraphs summarise how the directors have fulfilled these duties during the year ended 31 December 2019.

Strategic planning and risk management

The directors undertook a full strategic review of the Leidos UK operations in support of the over-arching Leidos group's strategic direction to achieve growth in the UK and European geographical markets whilst simultaneously improving operating margins.

The “Journey to High Performance” review involved extensive stakeholder engagement in order to define the markets and segments into which the company will invest, explore or deliver and to leverage its competitive advantage and core competencies. The key stakeholders engaged with included ultimate parent company management and corporate functions, UK employees, customers, suppliers and industry representatives and bodies. External advisors and facilitators were also engaged in order to ensure inclusivity and diversity in the decision making process.

The output of the Strategic Review has been clearly communicated to the company's employees throughout the process, and has been further supported through linked cultural change and leadership development programmes at all levels.

Employee engagement

The directors recognise the critical importance of the company's workforce as the heart of its ability to deliver innovative solutions that ensure its customers' success. The company's People and Culture strategy supports the hiring and development of a diverse, talented and empowered team. The directors have clearly defined and communicated the company's values, and continually monitor the company's culture through employee surveys and open feedback channels such as weekly video updates (Vlogs) which enable and promote direct engagement and feedback to members of the SLT. Employee engagement is further encouraged through skip-level meetings with senior management and regular “town-hall” meetings and “round-table” forums.

Employee surveys include specific questions and anonymous feedback sections covering the performance of the SLT and the company's strategy. The output of the surveys is communicated to all employees, and plans are put in place to resolve identified issues or gaps.

Business relationships

The company's mission is to make the world safer, healthier, and more efficient through information technology, engineering, and science. Ensuring that it delivers innovative solutions to achieve success for its customers requires a high level of engagement and partnership throughout programme life-cycles.

This is achieved through a dedicated Business Development team and continuous status updates and dialogue between programme delivery teams and customers and suppliers.

Community, environment and reputation

Leidos places significant emphasis on its role as a responsible corporate entity that seeks to create positive change, and has defined integrity as one of its core values. The company's management is committed to supporting STEM education, enriching communities and supporting charitable causes local to its operations. For several years, Leidos has supported Career Ready, a UK-wide charity that links employers with schools to open up the world of work to young people. As part of the support, Leidos has a number of employees who mentor 16-19 year olds.

The directors monitor governance and control across the organisation, and foster a culture where ethical behaviour is proactively encouraged and supported. This is further supported by the wider Leidos group's dedicated Ethics and Compliance team, website, code of conduct and related mandatory annual training for all employees.