

Board Diversity Policy

(approved 23 September 2019)

1. Purpose

The Group's ambition is to build and sustain an inclusive culture and diverse workforce which will help us to respond to our diverse customer base. This policy reflects our approach to achieving a similarly diverse and inclusive Board of Directors and Senior Management Team (Group Executive Committee) and their direct reports.

2. Policy Statement

- 2.1 All employees are expected to comply with the provisions of the Group's Equality, Diversity & Inclusion Policy. This policy extends these provisions to the Board and will capture the requirements of the UK Corporate Governance Code (as amended by the FRC from time to time), together with the recommendations of both the Hampton-Alexander Review and the Parker Review for FTSE100 companies.
- 2.2 The Board is committed to supporting ethnic and cultural diversity in the boardroom, and it believes that a wide range of experience, age, background, perspectives, skills, and knowledge combine to contribute towards a high performing and effective board. An effective and diverse board then has the foundations to be able to support stakeholders views, challenge management and achieve the Group's overall strategic aims by having a wider range of perspectives represented at board level.

3. Objectives

- 3.1 Our approach to ethnic and cultural diversity at all levels in the Group is set out in our Equality, Diversity & Inclusion policy. The Board, through the Nomination Committee (the Committee), strives to recruit directors from different backgrounds, with diverse experience, perspectives, personalities, skills and knowledge.
- 3.2 The merits of directors include knowledge of the operational environment of the Group, its markets and of the industry within which it operates, and may include elements such as financial, sustainability or other specific competency, and business background as required in order to achieve the appropriate balance of diversity, skills, experience and expertise of the Board collectively.

In the case of non-executive directors, the selection process is designed to ensure there is consideration given to the specific responsibilities allocated to the non-executive directors on the Board.

- 3.3 With regard to gender diversity, the Board intends to maintain a balance so that, as a minimum, one third of the Directors are women provided that this is consistent with the prevailing skills and diversity requirements of the Group as and when seeking to appoint a new Director to the Board. It is recognised that there will be periods of change on the Board and that this number

may be smaller for periods of time while the Board is refreshed, however, it is our longer term intention to at least maintain this balance.

- 3.4 The Board will also support and monitor Group activities to increase the percentage of senior management roles held by women, and other underrepresented groups across the Group.

The Committee and the Group as a whole continues to be committed to increasing ethnic and cultural diversity across the Group's businesses and supporting the development and promotion of talented individuals, regardless of gender, nationality or ethnic background. The Committee continues to believe that appointments to the Board and to other senior management positions should be based on merit.

- 3.5 The Committee, on behalf of the Board, will monitor, challenge and support internally set targets for diversity and inclusion at all levels across the organisation.

4. Responsibility

- 4.1 The Committee, on behalf of the Board, will be responsible for the implementation and delivery of this policy.
- 4.2 When recruiting Board candidates, the Committee will instruct search consultants to identify, as a priority, both female candidates and ethnicity who meet the skills and experience brief.
- 4.3 When recruiting Board candidates the Committee will only engage search firms that have signed up to the Voluntary Code of Conduct for Executive Search firms.

5. Reporting

- 5.1 This policy will be included on the Group's website.
- 5.2 The progress made towards achieving the Group's objectives on diversity and inclusion will be disclosed in the Company's Annual Report.

6. Review of the Policy

- 6.1 The Committee will keep this Policy under review to ensure its effectiveness and alignment with best practice and the requirements of the UK Corporate Governance Code and any other relevant legislation and/or regulation.
- 6.2 The Committee will recommend any required revisions to the Board for approval.