

# Board Diversity Policy

## Policy Statement

Our colleagues are critical to our success, so it is vital that we create a workplace that is inclusive; where our differences are not only embraced but make us stronger.

Diversity and inclusion are embraced at all levels in Smiths News and are reflected in the Company's culture and values which help deliver our strategic objectives.

Our Inclusion strategy ensures we build a workplace and culture where everyone can be authentic, feel valued and realise their full potential. An environment where we can each benefit from the experiences of a diverse range of thinking from people with varied backgrounds, and at different stages in their careers.

To achieve this, the Company believes that having a diverse and inclusive Board will bring a range of perspectives, skills and insights which will challenge conventional thinking/activity and support good decision making, thereby facilitating the Board to be better able to understand and meet colleague, customer and wider stakeholder wants and needs.

Appointments to the Board are based on merit and objective criteria reflecting the skills, knowledge, attributes and experience which are required to ensure a rounded and effective Board. The Board is focused upon increasing Board diversity without compromising on the calibre of directors. Within this context the Board aspires to having an appropriate proportion of directors who have direct experience of the Company's key sectors, functional requirements and wider stakeholder needs, with different ethnic, gender or social backgrounds reflecting the Company's wide reach.

## Objectives

- Consider all aspects of diversity when reviewing the composition and effectiveness of the Board. This includes gender and ethnicity but also goes much wider to encompass a broad range of characteristics, including different backgrounds and experiences and cognitive and personal attributes, which will align with the Company's purpose and values and help achieve our strategic ambitions
- Aim to improve ethnic and minority group diversity at Board level, with a target of having at least one person from a minority group on the Board by December 2026
- Aim to maintain at least one female director on the Board and to target a further female appointment at Board level by December 2026
- Seek to increase by 30% those in minority groups recruited into leadership positions (Leadership Level 2 and above) over the next 5 years
- Only engage/establish partnerships with companies who have signed up to the voluntary Code of Conduct on gender diversity and best practice when seeking to make new appointments or have a proven track record in sourcing diverse candidates
- Encourage and monitor the development of internal high calibre colleagues, including considering all aspects of diversity to help support the internal talent pipeline for succession at both Board and senior leadership level
- Ensure that candidate lists include individuals from a broad and diverse range of backgrounds and that all candidates with the requisite skills and capability are considered, including those with less traditional track records
- Oversee succession plans to ensure that they meet both current and future needs of the business
- Oversee plans for diversity and inclusion and assess progress annually

- Ensure that candidate lists for Non-Executive Director positions are compiled by drawing from a broad and diverse range of candidates, including those who may not have previous listed company experience but who possess suitable skills or qualities
- Consider candidates for Non-Executive Director positions against objective criteria with regard to the benefits of diversity
- Set the tone and provide visible support for the Group's diversity and inclusion objectives, including the fostering of an inclusive culture which allows individuals to bring their whole selves to work, promoting inclusive leadership and reducing unconscious bias.
- Support a zero tolerance approach to any unfair discrimination on the basis of sex, ethnicity or other protected characteristics

## **Monitoring and Reporting**

The Nominations Committee will report annually, in the Company's Annual Report, on the progress achieved in the year against this Policy. The report will include a summary of this Policy, the objectives set for implementing this Policy, progress made towards achieving those objectives, Board appointments, the Company's approach to succession planning, its actions to develop a diverse pipeline of candidates, how diversity supports the Company in meeting its strategic objectives, and the gender and ethnic balance of senior managers. The Nominations Committee will review the Policy, including its effectiveness, annually and recommend any revisions to the Board for approval.