



Corporate Governance

Group Board Diversity policy

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This document sets out the policy of SIG plc (“**Company**”) in respect of Board diversity.

BOARD DIVERSITY

The Board acknowledges the importance of equality, diversity and inclusion in its broadest sense in the boardroom as a driver of board effectiveness.

Diversity encompasses diversity of perspective, experience, background, psychological type and personal attributes.

The Board recognises that gender, ethnic, social and cultural diversity of boards are significant aspects of diversity and acknowledges the role that women and those of different ethnic, social and cultural backgrounds with the right skills, experience, cognitive and personal strengths can play in contributing to diversity of perspective in the boardroom.

THE COMPOSITION OF THE BOARD

The Board aspires to achieve the UK Listing Rules requirement of:

- at least 40% female representation;
- at least one of the senior Board positions (Chair, Chief Executive Officer, Chief Financial Officer or Senior Independent Director) held by a woman; and
- at least one director from a non-white minority ethnic background.

The Board also aspires to achieve diversity levels for each of its Committees at least consistent with the diversity achieved for the Board itself. At the same time, the Board will keep under review and evaluate its balance and composition to ensure that both it and its Committees have the appropriate mix of skills, experience, independence and knowledge to ensure their continued effectiveness. The Board will satisfy itself that plans are in place for orderly succession for appointments to the Board, so as to maintain such balance and to ensure progressive refreshing of the Board.

APPOINTMENTS OF THE BOARD

All appointments to the Board will be made on merit. The process will take into account suitability for the role, board balance and composition and the required mix of skills, background and experience (including consideration of diversity). Other relevant matters will also be taken into account, such as independence and the ability to fulfil required time commitments in the case of non-executive directors.

Prior to making any recommendations for appointment to the Board, the Nominations Committee will consider suitably qualified candidates for non-executive director roles from as wide a pool as appropriate, including candidates with little or no previous listed company

board experience but whose skills and experience will add value to the Board.

The Nominations Committee will brief executive search consultants engaged in the selection process for non-executive directors to review candidates from a variety of backgrounds and perspectives. They will be required to work to a specification which includes the strong desirability of producing a long list of candidates considered to meet the essential criteria for the role which fully reflects the benefits of diversity. Only executive search consultants who have signed up to the voluntary code of conduct for executive search firms on gender diversity on corporate boards will be engaged and we will search widely in order to secure a long list of diverse talent, including people of colour.

APPROPRIATE SUCCESSION PLANNING

The Company will develop and implement appropriate policies, programmes and initiatives designed to promote diversity and inclusion at all levels of the organisation and to ensure, amongst other things, that there is a supply of women and those from different ethnic, social and cultural backgrounds within the organisation who are qualified and capable of taking up senior positions.

The Company will proactively identify and develop leadership potential from within the Group whilst ensuring that we attract applications from high calibre external candidates. To achieve this, the Company will continue to invest in management and executive development and seek to include diverse and under-represented talent in these programmes. The Company will seek to develop a talent pipeline which is globally mobile ensuring there is a supply of SIG talent ready to take up leadership roles across the SIG Group.

DISCLOSURE

The Board will ensure that there is appropriate and meaningful disclosure in the Company's annual report of:

- the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline;
- how the Board performance review has been conducted, the outcomes and actions taken, and how it has or will influence future board composition;
- the policy and any initiatives on diversity and inclusion the Company has in place, their objectives and link to company strategy, how they have been implemented and progress on achieving the objectives; and
- the gender balance of those in senior management and their direct reports.

REVIEW

The Board will annually review this policy and its effectiveness as part of the talent and succession planning review.