



BOARD DIVERSITY POLICY

The Hill & Smith Board Diversity Policy (the 'Policy') sets out our approach to diversity and inclusion in respect of the Board and its committees.

Introduction

The Hill & Smith Group values every employee as an individual and is committed to equality, diversity and inclusion among our workforce. We recognize and respect differences and are committed to eliminating any forms of discrimination. We promote equality of opportunity for all employees and the right of employees and prospective employees to fair and equal treatment. A separate policy covering the Hill & Smith Group and operating companies is in place and available on our website.

This policy applies specifically to the Hill & Smith PLC Board and its committees. We believe that our Board plays an important role in delivering our organisational diversity and inclusion goals and sets the tone from the top through demonstrating its commitment through its own composition. Our aim is for our Board and its committees to comprise of directors who are diverse in their skills, personal and cognitive strengths, experience, gender, ethnicity, independence and knowledge.

Role of the Chair and Board

The Chair is responsible for the leadership of the Board. In so doing, he leads on matters of Board culture and facilitates the effective contribution and active engagement of all directors amongst a culture of openness and debate. In conjunction with the Nomination Committee, the Chair will lead the diversity agenda with the aim of continuously improving diversity and inclusion generally, which the Board believes leads to better debate and increases the quality of decision making. The Board is expected to role model inclusive language, behaviours and practice as part of its commitment to the Hill & Smith values.

The Board aims to comply with the FCA UK Listing Rules which require:

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

It is however acknowledged that there may be times when this balance cannot be maintained especially during periods of board change.

The Board is happy to consider candidates for appointment as Non-executive Directors from a wider pool of candidates including those with little or no previous FTSE board experience.

The Board additionally oversees management's diversity initiatives across the Group, specifically to increase the proportion of senior leadership roles held by under-represented groups.

Role of the Nomination Committee

The Nomination Committee is responsible for recommending appointments to the Board and its Committees and as part of this it ensures that search consultants are appointed on the basis that they will present a diverse list of candidates for consideration for each Board and senior management role.

In line with its terms of reference, the Nomination Committee regularly reviews the structure, size and composition of the Board and its committees in order to ensure that an appropriate balance of skills, diversity of thought, background and working style is represented. It also considers the output of the Board's annual performance review relating to items within its remit, including matters relating to Board composition. When identifying suitable candidates for recommendation to the Board, the Nomination Committee will consider candidates on merit, against objective criteria, having due regard to the benefits of diversity and the current composition of the Board.



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The Nomination Committee is also responsible for senior level succession planning and development. When undertaking this role, the Committee will consider the importance of the development of a diverse succession pipeline.

Monitoring

The Board and Nomination Committee regularly monitor compliance and progress against diversity objectives and will continue to report annually in its Annual Report and Accounts.

Alan Giddins
Chair