



BOARD DIVERSITY POLICY STATEMENT 2022

The Board Diversity Policy Statement (the "Policy") sets out the Joint Board Glas Cymru Cyf & Dŵr Cymru Cyf. (the "Board") approach to diversity on the Board and its Committees and provides a high-level indication of the Board's approach to diversity in senior management roles which is governed in greater detail, through the Glas Cymru Group's policies which support equality and diversity. Glas Cymru is committed to diversity and ensuring an appropriate balance of skills and experience on its board and committees, ensuring optimal decision-making and assisting in the development of a strategy which promotes the success of Dŵr Cymru in order to benefit its customers and take into account the interests of its other stakeholders. The Board is not composed solely of like-minded people: it brings together people with different experience, backgrounds, and opinions, but with shared goals, enabling well rounded decisions to be made.

A diverse Board will include and make use of differences in skills, regional and industry experience, background and race, gender and personal attributes, such as intellect, critical assessment and judgement, courage, openness, honesty and tact; and the ability to listen, forge relationships and develop trust. These differences will be considered in determining the optimal composition of the Board and when possible should be balanced appropriately. All Board appointments are made on merit, in the context of the skills and experience the Board requires to be effective.

The Nomination Committee reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors. In identifying suitable candidates for appointment to the Board, the Committee will consider candidates on merit against objective criteria and with due regard to the benefits of diversity on the Board. Where a recruitment agency is used, a fair selection process will be used and an agency with no connection to Glas Cymru appointed. Where possible the Board will engage with recruitment agencies which have signed up to the voluntary Code of Conduct on diversity and best practice.

As part of the annual effectiveness review of the Board and Board Committees, the Board will consider the balance of skills, experience, independence and diversity representation.

The aim of the Board in adopting this diversity policy is to maintain or improve the current level of diversity with regard to skills, experience, background, race, gender and personal attributes. A culture of inclusion and diversity is cultivated with a clear tone from the top of the organisation, with the Board and Executive team championing diversity and inclusion in support of the Group's values.

The Committee will report annually, in the corporate governance section of the Annual Report, on the process it has used in relation to Board appointments, its progress in maintaining or improving the diversity of the Board and on our gender diversity ratios. It will also report on its oversight of plans to promote diversity within our workforce to ensure that the individuals working for us are truly representative of the communities that we serve.

On gender diversity this means that the Board's aim is to maintain at least 33% female representation on the Board. We continue to support the Hampton-Alexander objective of increasing female representation on boards and leadership teams. The Board is also fully supportive of the objectives of the Parker Review into the ethnic diversity of UK Boards and will aim to appoint at least one Director from an ethnic minority background by the end of 2025.

The Nomination Committee is responsible for ensuring that the Board has the right balance of skills, experience and knowledge and, in accordance with its terms of reference, shall:

- regularly review Board composition, succession planning, talent development and the broader aspects of diversity;
- work with recruitment consultancy firms who understand the Group's values and approach to diversity and will identify and propose suitable candidates for appointment to the Board, in accordance with this Policy;
- report annually in the corporate governance section of the Annual Report on the implementation of this Policy; and
- review this Policy annually and recommend any revisions to the Board.

Approved by the Joint Boards of Glas Cymru and Dŵr Cymru Cyfyngedig.

February 2022