

## BOARD DIVERSITY POLICY

This Board diversity statement sets out the approach to diversity on the Boards and Committees of Glas Cymru Cyf & Dwr Cymru Cyf. The Board Diversity Policy (the "Policy") sets out the Joint Board Glas Cymru Cyf & Dwr 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. Our 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. We believe creating an inclusive and diverse culture supports the attraction and retention of talented people and improves the effectiveness of the Board.

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, as a whole, 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 gender 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 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.

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.

On gender diversity this means that the Board's aim is to maintain at least 3 female Board members, representing 36% female representation on the Board. 37% of our Executive team are women, whilst in the wider workforce, of those senior managers reporting directly to a member of the Executive team, 36% are women which meets the Hampton-Alexander objective of 33% female representation on boards and leadership teams by the end of 2020. Whilst the Board has not set a target for senior roles to be held by Black, Asian and Minority Ethnic ("B.A.M.E") executives it is fully supportive of the objectives of the Parker Review.