

## COMPOSITION, SUCCESSION AND EVALUATION

An effective Board requires the right mix of skills and experience. Our Board is a diverse and effective team focused on promoting the long-term success of the Group for the benefit of all stakeholders.

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Complying with the Code Principles	<a href="#">page 137</a>
Chairman's letter	<a href="#">page 138</a>
The role of the Nominations Committee	<a href="#">page 139</a>

**Stephen Hubbard**  
Chairman



## COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

## Overview

Attendance at  
Nominations  
Committee meetings

## Committee membership

The Committee comprises the Non-Executive Directors and is chaired by Stephen Hubbard. Details of individual attendance at the meetings held during the year are set out below. More information on the skills and experience of all Committee members can be found on pages 106 to 109.

	Meetings attended
Stephen Hubbard (Chairman)	3/3
Maria Moloney	3/3
Suzi Williams	3/3
Chris Girling	3/3
Damon Russell	3/3
Rosie Shapland <sup>1</sup>	-
Lesley-Ann Nash <sup>2</sup>	-

1. Rosie Shapland was appointed as a Non-Executive Director on 6 November 2020.

2. Lesley-Ann Nash was appointed as a Non-Executive Director on 1 January 2021.

## Complying with the Code Principles

## PRINCIPLE J

Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained by board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

Having reviewed the succession plans for the Board, the Nominations Committee has, during the year, appointed two Non-Executive Directors to the Board. An external search consultancy was used to facilitate the appointments and provide access to a strong and diverse candidate pool. The Committee also plays a key role in supporting inclusion and diversity at Workspace.



See page 140

## PRINCIPLE K

Board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.

Throughout the reporting period, the Nominations Committee continued to focus on the succession pipeline for the Board, including the tenure of all Directors.



See page 143

## PRINCIPLE L

Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.

As part of the three-year external Board evaluation cycle, this year the Board and Committee evaluation process was externally facilitated. The review was forward-looking, evaluating the effectiveness of the Board and its Committees by looking at their composition, dynamics and processes, and providing recommendations to increase effectiveness in the future.



See page 146

**COMPOSITION, SUCCESSION AND EVALUATION** CONTINUED**Nominations  
Committee  
Chairman's  
Letter**

2 June 2021

*Dear Shareholder*

The purpose of this report is to highlight the role that the Nominations Committee plays in monitoring the Board's balance of skills, experience, knowledge and background to provide the breadth, diversity of thinking and perspective needed to provide effective leadership.

**Non-Executive Director succession**

As Chairman of both the Committee and the Company, I am acutely aware of the need to ensure that there are no gaps in the skills or experience as members of the Board reach the end of their terms.

This year, the Committee continued its focus on succession planning. In doing so, it considered the tenure, mix and diversity of skills and experience of existing Board members and those required of prospective Board members in the context of the Group's medium and long-term strategy.

Chris Girling, who is both Chairman of the Audit Committee and Senior Independent Director, and Damon Russell, Chairman of the Risk Committee, will both reach their nine-year terms in 2022. Our focus this year has been on finding a Non-Executive Director with recent and relevant financial experience to succeed Chris as Chairman of the Audit Committee in July 2021. We are pleased that Rosie Shapland, a Chartered Accountant and former audit partner at PwC, joined the Board in November 2020.

We also welcomed Lesley-Ann Nash following our search for a new Non-Executive Director. Lesley-Ann, who joined the Board in January 2021, brings a broad range of experience acquired during her time in the Cabinet Office of HM Government and, previously, as Managing Director of Morgan Stanley.

The dedicated search process for both Rosie and Lesley-Ann is set out on pages 140 to 141.

**Diversity and inclusion**

The Board fully recognises the importance of diversity in all forms on the Board and across the organisation. We are committed to diversity and recognise the benefits that a diverse and inclusive workforce can bring, with differences in background, personal characteristics, skills, industry experience and other qualities combining to provide different perspectives. These have a positive impact on boardroom debate and wider organisational effectiveness.

At Board level, the Nominations Committee and the Board are committed to making sure that, together, the Directors possess a mix of skills, experience, diversity and perspectives to support the long-term success of the Group as well as reflecting our culture and purpose.

We are encouraged by our progress. We are pleased with, but not complacent regarding, our gender and ethnic representation at Board level and across the Group. In particular, we are pleased to report that we meet the recommendations of the Hampton-Alexander and Parker Reviews. On the retirement of Maria Moloney in July 2021, 37% of our Board will be female and, of our Executive Committee and their direct reports, 25% and 46% respectively are female.

On page 145 we describe our diversity and inclusion policy in further detail. We recognise the importance of diversity to our employees and customers. The benefits of diversity in its widest sense, including gender and ethnic diversity, have been and will continue to be an active consideration whenever changes to the composition of the Board or our senior management team are contemplated.

Looking forward, the Nominations Committee will continue to develop and monitor succession plans both at the Board and senior management level, in line with our desire to make sure that the Board and Workspace employees are representative of the diverse society in which we live. The remainder of this report provides further information on the key activities of the Committee during the year.

**Stephen Hubbard**

Chairman of the Nominations Committee

**COMPOSITION, SUCCESSION AND EVALUATION** CONTINUED**The role of the Nominations Committee**

The Nominations Committee is responsible for monitoring that the Board, its Committees and Workspace's senior management have a good balance of skills, knowledge and experience, to lead Workspace effectively both now and in the longer term.

This is achieved through succession planning and talent development, and an understanding of the changing competencies required to support the Group's strategy, purpose, vision, culture and values. The way in which this is supported through the current Board composition is set out on page 143.

The Committee also plays a key role in supporting inclusion and diversity at Workspace, which at Board level involves reviewing and monitoring processes and initiatives in the Group, with employee engagement playing an important role.

The Committee is also responsible for recommending candidates for the role of Non-Executive Director responsible for employee engagement.

**How the Committee operates**

The Committee held three meetings, primarily to progress the appointment of our new Non-Executive Directors.

- The meetings are usually held immediately prior to or following a Board meeting, though the Committee also meets on other occasions on an ad hoc basis, as required.
- Only members of the Committee have the right to attend meetings. However, an invitation to attend meetings is, on occasion, extended to the Chief Executive Officer, in order that the Committee can understand his views, particularly on key talent within the business.
- The Directors can, for the purpose of discharging their duties, obtain independent professional advice at the Company's expense. No Director had reason to use this facility during the year.

## COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

## Nominations Committee activities in 2020/21

Board succession and appointment of new Non-Executive Directors	<a href="#">page 140</a>
Performance of the Nominations Committee	<a href="#">page 143</a>
Board composition	<a href="#">page 143</a>
Inclusion and diversity policy	<a href="#">page 145</a>
Board evaluation	<a href="#">page 146</a>

## Board succession and appointment of new Non-Executive Directors

During the year, the Committee continued to fulfil its core responsibilities of reviewing the structure of the Board and its Committees, recommending new Board appointments and adhering to a formal appointment and induction process.

Chris Girling will have served nine years as a Non-Executive Director in February 2022 and will step down as Audit Committee Chairman following the conclusion of the AGM in July 2021. Considering Chris's length of tenure, our focus was on finding the right person who could eventually assume the role of Chair of the Audit Committee.

### Key considerations for the search process

The Nominations Committee discussed the role specification in detail and concluded that strong financial skills, with significant and relevant financial experience, were essential for this role. Potential areas to inform the search process were agreed, to include:

- a qualified accountant, with a deep understanding of the parameters of a non-executive role
- an ability to constructively challenge and support the senior management team and the Board while maintaining a highly collaborative approach and collegiate style
- a strong interest in ESG and how it is shaping the work of the Board and the impacts on the business

In addition, a key consideration as to an individual's suitability for the role was that candidates would be able to devote sufficient time to the role.

### Our extensive search and selection process

Fidelio Partners Board Development & Executive Search Ltd ('Fidelio'), an independent external consultancy, were engaged to conduct the selection process.

Fidelio were asked to draw up a detailed role specification. This was reviewed with the Chairman who then engaged with the Nominations Committee. A final role specification was then approved.

The Nominations Committee then agreed that the Chairman would conduct interviews with five of the candidates presented.

Following these interviews, the Chairman and Fidelio compiled a shortlist of two candidates based on their level of experience, commercial focus and broad financial skill sets.

The two candidates then met with Chris Girling, Senior Independent Director and Chairman of the Audit Committee, Graham Clemett (Chief Executive Officer) and Dave Benson (Chief Financial Officer).

### Considered candidates with relevant and diverse skills

In follow-up discussions held between the Chairman and the Committee, they reflected upon the experience of the candidates and their specific skill sets.

After due consideration, the Committee recommended the appointment of Rosie Shapland to the Board with effect from 6 November 2020. The Nominations Committee was satisfied that, as a Chartered Accountant and as a former audit partner at PwC, with over 30 years of audit experience across multiple sectors, Rosie has the relevant skills to assume the role of Chair of the Audit Committee.

Furthermore, given the experience and diverse skills of Lesley-Ann Nash, acquired during her tenure as a Director in the Cabinet Office of HM Government and, previously, as Managing Director at Morgan Stanley, it was agreed that Lesley-Ann also be invited to join the Board as a Non-Executive Director with effect from 1 January 2021.

This followed confirmation of the time commitment required and a review of existing arrangements for any actual or potential conflicts of interest.

The biographies for Rosie and Lesley-Ann can be found on pages 108 and 109.

## COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

### NOMINATIONS COMMITTEE ACTIVITIES IN 2020/21 CONTINUED

#### Board succession and appointment of new Non-Executive Directors continued

##### External search consultancy engaged by the Nominations Committee

Fidelio are signatories to the Voluntary Code of Conduct for executive search firms and are committed to identifying the most qualified and inclusive candidates for the roles identified. Fidelio was recently accredited by the Hampton-Alexander Review for the fourth year running for their contribution towards achieving gender balance on Boards and leadership teams in the category 'Beyond FTSE 350'. Fidelio also has a strong track record with regard to ethnic diversity in its Board search practice.

The Board development team of Fidelio were engaged to undertake an external Board evaluation, which was concluded in April 2021. Details of the external evaluation can be found on page 146. Fidelio have no other connection with the Company or the individual Directors.



Rosie Shapland and Lesley-Ann Nash photographed at Kennington Park.

#### Induction of Rosie Shapland and Lesley-Ann Nash

All new Non-Executive and Executive Directors joining the Board undertake a formal and personalised induction programme which is designed to provide an understanding of the Company's business, governance, management and its stakeholders. This covers, for example, the operation and activities of the Company including site visits and meeting members of the senior management team, the Company's principal strategic risks, the role of the Board, the decision-making matters reserved to the Board, and the responsibilities of the Board Committees.

The inductions for both Rosie and Lesley-Ann began shortly after the announcement of their appointment on 6 November 2020. Given the restrictions imposed by Covid-19, meetings with staff and external advisers were held remotely. Details of the induction programme can be found on page 142.

**"Workspace's tailored director induction programme provided an excellent opportunity to meet with members of the Board and Executive Committee. It enabled me to learn more about the business and to discuss Board strategy, priorities and future plans."**

**Rosie Shapland**  
Non-Executive Director

**"I joined Workspace in January 2021 and received an extensive and very informative induction. Now that Covid-19 restrictions are easing, I am very much looking forward to spending more time in our business centres and at head office."**

**Lesley-Ann Nash**  
Non-Executive Director



**COMPOSITION, SUCCESSION AND EVALUATION** CONTINUED**NOMINATIONS COMMITTEE ACTIVITIES IN 2020/21** CONTINUED**Board succession and appointment of new Non-Executive Directors** continued**Tailored induction for new Directors**

The Company Secretary assists the Chairman in designing and facilitating an induction programme for new Directors and their ongoing training.

Each newly appointed Director receives a comprehensive induction programme designed to give them a thorough overview and understanding of the business, covering the Company's purpose, values, strategy, key business areas and operations, and corporate governance structure. This is tailored to take into account a Director's previous experience and responsibilities.

Directors are also briefed on their roles and responsibilities as a director of a listed company. For Non-Executive Directors, specific committee responsibilities relevant to their Committee membership are covered, to enable them to function effectively as quickly as possible.

Directors are also offered follow-up sessions in any areas in which they want to increase their knowledge, or if they feel they could support management with their experience.

**Rosie Shapland and Lesley-Ann Nash's induction programme**

For the new Non-Executive Directors, Rosie Shapland and Lesley-Ann Nash, the induction programme included the following elements:

- One-to-one meetings with both Executive Directors, the Chairman and each of the Non-Executive Directors.
  - Briefing from the Chief Executive Officer on the Group strategy, operational matters and people.
  - Discussion with the Chief Financial Officer on financial matters, the control environment, including the capital structure and funding.
  - Briefings from the Company Secretary and the Head of Corporate Communications on legal governance matters and shareholder relationships, which were followed up by sessions with the Company brokers and external advisers.
- Briefings from senior executives and managers across our key business areas and operations, including marketing, asset management, investment, brand development, ESG and technology.
  - Access to reference materials, including key information on our governance framework, recent financial data, investor relations and policies supporting our business practices, including our share dealing policies, conflicts of interest procedure and directors' duties.

Regrettably, given the Covid-19 pandemic, these sessions were held remotely and on-site visits were not possible. However, as soon as restrictions ease, visits to our properties and other direct engagement with advisers and staff will be arranged.

**Time commitments**

The Directors have demonstrated a strong commitment to their roles on our Board and Committees in a year where all companies have asked more of their directors to meet the challenges of Covid-19. The Directors attended meetings of the Board and Committees scheduled in 2020/21 as well as additional ad hoc meetings. For further details of attendance at meetings see page 105.

The Directors have also given careful consideration to their external time commitments to confirm that they are able to devote an appropriate amount of time to their roles on our Board and Committees. For each of the Directors, the Board considers that the time commitment that he or she is required to devote to those roles does not compromise their roles at Workspace. The Nominations Committee reviews on an ongoing basis Directors' time commitments and confirmed that they were fully satisfied with the amount of time each Director devoted to the business.

## COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

### NOMINATIONS COMMITTEE ACTIVITIES IN 2020/21 CONTINUED

## Performance of the Nominations Committee

### Performance of the Nominations Committee

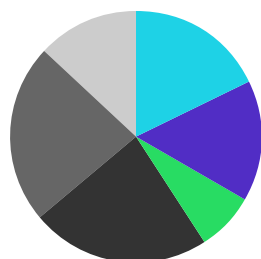
The performance of the Committee was considered through the annual Board evaluation process, which this year was the subject of an external review.

From the responses provided, it was concluded that the Nominations Committee was operating effectively.

## Board composition

### BOARD SKILLS AND EXPERIENCE

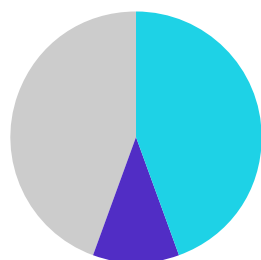
As at 31 March 2021



Property and real estate	7
Financial acumen	6
Brand and marketing	3
Executive and strategic leadership	9
ESG	9
Investor relations and engagement	5

### BOARD TENURE

As at 1 April 2021



0-5 years	4
5-7 years	1
7+ years	4

### Reviewing the Board and Committee composition

As part of the Board's annual effectiveness review, described on page 146, the Committee considers the composition of the Board and its Committees in terms of balance of skills, experience, length of service and wider diversity considerations.

The Board and its Committees continue to have a strong mix of experienced individuals on the Board who are not only able to offer an external perspective on the business, but also provide constructive challenge to review the Group's strategy.

The Board has carefully considered the guidance criteria regarding the composition of the Board under the UK Corporate Governance Code. In the opinion of the Board, the Chairman and all the Non-Executive Directors bring independence of judgement and character, a wealth of experience and knowledge and the appropriate balance of skills. The Directors are given sufficient time to enable them to carry out effectively their responsibilities and duties to the Board and the Committees on which they sit.

They are sufficiently independent of management and are free from any other circumstances or relationships that could interfere with the exercise of their judgement.

As at 31 March 2021, the Board comprised the Chairman, two Executive Directors and six Non-Executive Directors. Further details on the independence of Directors and their election

and re-election can be found on page 199 and on page 4 of the 2021 Notice of Annual General Meeting.

In accordance with the Code, with the exception of Maria Moloney, all the Directors will retire and offer themselves for election or re-election by shareholders at the 2021 Annual General Meeting. The biographies of all members of the Board, outlining the experience they bring to their roles, are set out on pages 106 to 109.

### Non-Executive Directors

Each of Chris Girling, Damon Russell, Maria Moloney and Stephen Hubbard have or will have been on the Board for more than six years, so the Committee has undertaken a review of their contribution to the Board. The Committee concluded that each of Chris, Damon, Maria and Stephen are independent and continue to bring a range of relevant skills gained in diverse business environments. This enables the Directors to bring the benefit of varying perspectives to Board debate.

The Committee recommended to the Board the re-election and election of all Directors with the exception of Maria Moloney who, having served as a Non-Executive Director for nine years in May 2021, will retire following the conclusion of the 2021 AGM.

The skills and experience of the Directors are summarised on pages 106 to 109.



## COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

### NOMINATIONS COMMITTEE ACTIVITIES IN 2020/21 CONTINUED

## Board composition continued

### Non-Executive Director for employee engagement

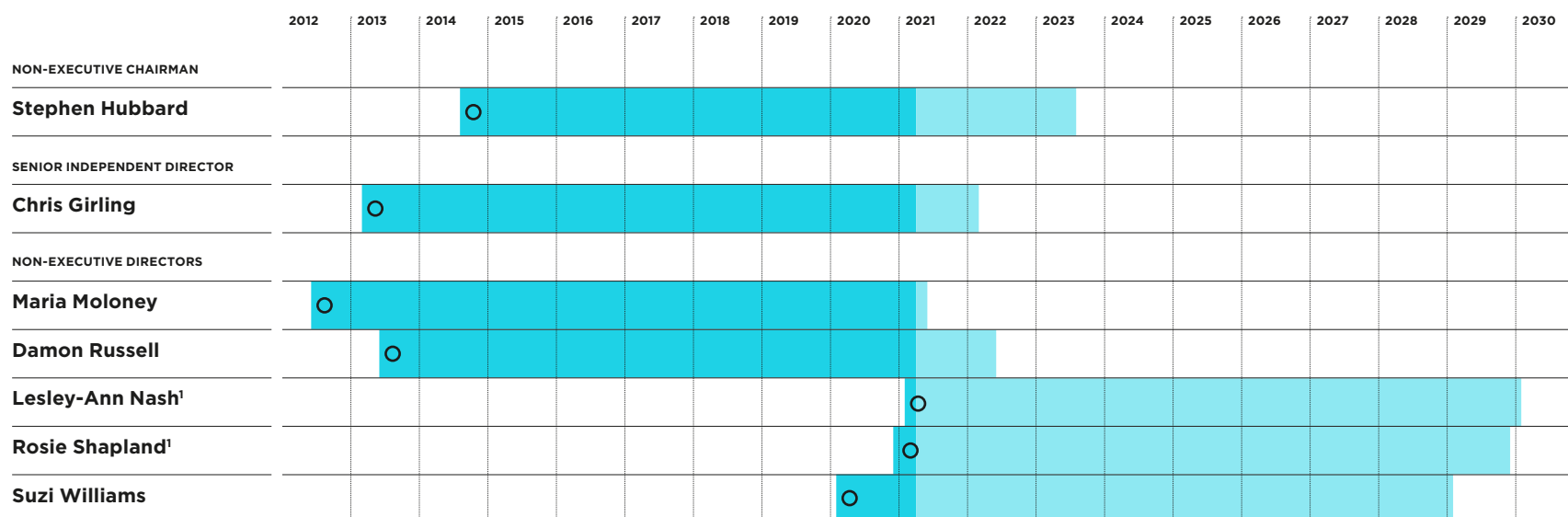
Stephen Hubbard was appointed as the Non-Executive Director for employee engagement in July 2020. Further details can be found on page 118.

### Non-Executive appointments and time commitments

Following a review process, the Nominations Committee concluded that each of the Directors continued to make an effective contribution to the Board and to fulfil their duty to promote the success of the Company. It also considered the time commitments of the Non-Executive Directors and concluded that each Director is able to dedicate sufficient time to the Company.

Furthermore, the respective skills of the Directors were found to complement one another, enhancing the overall operation of the Board.

### NON-EXECUTIVE DIRECTORS' TENURE AS AT 31 MARCH 2021



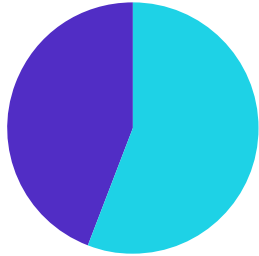
○ Appointment date  
 ● Length of current tenure  
 ◐ Estimated remaining tenure

1. Rosie Shapland and Lesley-Ann Nash were appointed to the Board with effect from 6 November 2020 and 1 January 2021 respectively.

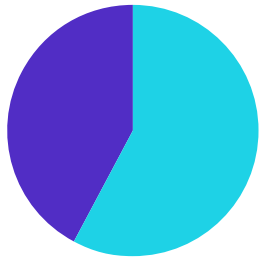
**COMPOSITION, SUCCESSION AND EVALUATION** CONTINUED  
**NOMINATIONS COMMITTEE ACTIVITIES IN 2020/21** CONTINUED

# Inclusion and diversity policy

**GENDER DIVERSITY OF THE BOARD**  
As at 1 April 2021



**GENDER DIVERSITY OF EXECUTIVE COMMITTEE AND DIRECT REPORTS**



Diversity is an integral part of our corporate culture and our purpose, to give businesses the freedom to grow. We invest in our employees through training and support them to grow and develop the ability to think differently and act on their own initiative to deliver the best for our customers. A diverse workforce that brings an appropriate balance of skills, experience and knowledge, as well as fresh perspectives, enriches our business and contributes to our long-term success.

We believe in fairness and equality of opportunity where talented people can thrive, without regard to gender, race, ethnicity, age, religious beliefs, disability, education or social background. We operate an Equal Opportunities Policy which provides that recruitment and selection, training and development, and performance reviews and promotion must all be based solely on individual merit and free from bias. We monitor and analyse employee gender and ethnicity information and we actively follow recommendations for improving diversity. We consider this to be consistent with our policy that selection should be based on the best person for the role. Active consideration is always given to using recruitment processes, including advertisements and use of recruitment agencies, which allow a diverse group of potential candidates to be identified both at Board and employee level.

The Board's gender and ethnicity balance is in accordance with the recommendations of the Hampton-Alexander and Parker Reviews.

To support the development of an inclusive and diverse talent pipeline, our Human Resources team has been tasked with delivering a number of supporting initiatives to increase diversity and build a pipeline of talented employees and senior managers. The HR team has continued to work closely with employees to identify and progress these initiatives including:

- supporting employees returning from parental leave by offering flexible working options and staggered returns to work
- organising unconscious bias training and interview skills training for members of the Executive Committee and staff involved in recruitment and performance appraisals
- issuing a recruitment policy and guidance notes to promote fair and thorough processes
- continuing to advertise new job vacancies internally to encourage internal applications
- reviewing and auditing job descriptions and person specifications to confirm that inclusive language is being used consistently and working with recruitment agencies to make sure the same applies to any materials produced by them
- requiring, wherever possible, candidate shortlists for executive-level positions to include an equal number of men and women

- requesting that CVs from recruiters are anonymised so that we fairly shortlist candidates without considering their gender or ethnicity
- continuing to promote progressive career development through job rotation to broaden experiences and skills
- identifying, via our bi-annual appraisal process, employees who have strong potential for development at Workspace, and putting training and development plans in place for them
- sponsoring external learning and development as well as providing a group-wide internal training programme to offer employees opportunities to learn and develop skills such as organisation, people management and managing difficult situations

**Details of the Board of Directors**

See page 106

**Further details of gender and ethnic diversity of all employees**

See page 47

## COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

### NOMINATIONS COMMITTEE ACTIVITIES IN 2020/21 CONTINUED

# Board evaluation

The annual Board and Committee effectiveness reviews, whether internal or external, continue to provide a valuable opportunity for the Board to reflect on how it operates, enabling it to improve its effectiveness and that of its Committees. As part of our three-year external Board evaluation cycle, this year, our Board and Committee evaluation process was externally facilitated by Gillian Karran-Cumberlege of Fidelio. Two potential options for external evaluators were presented to the Board. In considering who to appoint, the Board was keen to work with Fidelio given their extensive Board evaluation and development experience, their focus on enhancing effectiveness and the Board's contribution to value, and their understanding of diversity, ESG and shareholder engagement. Fidelio were an active contributor to the recent BEIS consultation paper on Board Evaluation conducted by the UK Chartered Governance Institute.

The Executive search team of Fidelio were, in 2020, engaged to assist with the search and identification of a new Non-Executive Director.

They have no other connection with the Company or the individual Directors.

## BOARD EVALUATION TIMELINE



## COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

### NOMINATIONS COMMITTEE ACTIVITIES IN 2020/21 CONTINUED

## Board evaluation continued

### BOARD EVALUATION PROCESS

#### 1.

As part of the review, Gillian Karran-Cumberlege of Fidelio:

Met with the Chairman and the Company Secretary to define the scope and objectives of the evaluation.

Held in-depth one-to-one interviews with each Board Director and the Company Secretary covering key aspects of governance and effectiveness.

Held discussions with each of the Executive Committee members. Given that the purpose of the evaluation is to increase Board effectiveness, the perspective of the Executive Committee was considered important.

Conducted a benchmarking of Workspace against three peer companies, reviewing governance, Board composition, Board structures, diversity and inclusion, and the approach to ESG.

In addition to the evaluation of the Board and each of the Committees, individual feedback on the Directors was provided to the Chairman, who after consideration of the recommendations from the Board evaluation process, met with the Directors individually. Feedback on the Chairman was also provided in the report.

#### 2.

The review was focused on the following key areas:

Board dynamic and decision making.

The value that the Board brings to Workspace.

Board accountability and directors' duties.

Risk and oversight.

Board leadership and company purpose – including culture and its alignment to purpose, values and strategy and setting the tone from the top.

Strategy and the Board's contribution to its formulation.

Composition, succession and evaluation – including the appointments process for Board and senior roles, induction and development of Board members.

Effectiveness of the respective Board Committees in contributing to the work of the Board.

Engagement with shareholders and other stakeholders.

How ESG considerations are fully integrated into the strategy, business model and the work of the Board.

The effectiveness of the Board in its oversight of diversity and inclusion.

#### 3.

The report of the findings was presented to the Board at their April meeting. The Board discussed the points raised by the review as well as the recommendations for increasing the effectiveness of the Workspace Board.

#### OUTCOMES

The feedback from this year's external Board evaluation was positive and concluded that the Board and its Committees continued to work well. In particular, it was noted that the Board had moved rapidly to a new form of remote working during the pandemic, with key decisions and approvals being achieved.

Specific development themes included:

- Create a clear framework for how the Board members and the Executives can engage beyond the formal Board meetings.
- Continue to develop the Board's oversight of the broader people agenda, including diversity and inclusion, succession planning, culture, and people leadership and development.
- Continue to develop its oversight of strategy and its implementation.
- Continue to focus on ESG and how it is embedded into strategy.
- Maintain a focus on stakeholder and shareholder engagement.
- Maintain a focus on succession planning and composition of the Board, its Committees and of the Executive Committee.
- Review the approach to Board learning, developing a dynamic programme of relevant subject areas that reflect strategic priorities or challenges.

Following the recommendations from the external review, an implementation plan and progress tracker were developed by Gillian Karran-Cumberlege and the Company Secretary and reviewed by the Board. Progress on implementing the recommendations will also be reviewed with the Chairman after six and twelve months.

## COMPOSITION, SUCCESSION AND EVALUATION CONTINUED






### NOMINATIONS COMMITTEE ACTIVITIES IN 2020/21 CONTINUED

## Board evaluation continued

### Progress against the internal Board effectiveness review conducted in 2020

In 2019/20, the performance and effectiveness of the Board was reviewed through an internally facilitated evaluation process. The feedback from this review was positive and concluded that the Board and its Committees continued to work well and that the Directors contribute effectively and demonstrate commitment to their roles.

Whilst no specific development themes were identified from the 2020 evaluation, the Board agreed that it would continue to look for opportunities to improve its effectiveness. The items that were discussed during this review focused on succession planning, the continued evolution of the Board and its composition, broader stakeholder engagement and continued focus on strategy. These areas have been progressed within the period.

ITEM DISCUSSED BY THE BOARD:	OUTCOME:	
<b>SUCCESSION PLANNING AND CONTINUED EVOLUTION OF THE BOARD AND ITS COMPOSITION</b>	<p>We are pleased with our progress this year. We appointed Rosie Shapland and Lesley-Ann Nash as Non-Executive Directors.</p> <p>Maria Moloney will have served as a Non-Executive Director for nine years in May, and so will be stepping down at the AGM in July 2021. Until January 2021, Maria was also Chairman of the Remuneration Committee. As part of the review of succession planning and Board composition, Suzi Williams, appointed in January 2020, was appointed as Chair of the Remuneration Committee with effect from January 2021.</p>	<p><b>More information on the recruitment and induction of Rosie Shapland and Lesley-Ann Nash</b></p> <p> Pages 140 to 142</p>
<b>STRATEGY SHOULD CONTINUE TO FEATURE ON THE BOARD'S AGENDA</b>	<p>Strategy has remained a key feature on Board agendas in the year, with a separate strategy day held in September 2020.</p>	<p><b>More information on our strategy day</b></p> <p> Page 111</p>
<b>SHAREHOLDER COMMUNICATIONS AND BROADER STAKEHOLDER ENGAGEMENT ACTIVITY</b>	<p>The Board recognises the importance of clear communications and proactive engagement with all our stakeholders.</p> <p>During the year, Stephen Hubbard, the Non-Executive Director responsible for employee engagement, held meetings with small groups of employees where a broad range of matters were discussed.</p> <p>The Board also received an update from the Chief Executive Officer and Chief Financial Officer following feedback from investors on the launch of the Company's first green bond issuance in March 2021 and, earlier in the year, from analysts and investors on the full-year and half-year results.</p> <p>The Chief Executive Officer and other members of the Executive Team have held remote meetings with staff during lockdown periods, with regular updates made to the Board on feedback received from staff.</p>	<p><b>More information on our stakeholder engagement activity</b></p> <p> Pages 116 to 121</p> <p><b>More information on our employee engagement activity</b></p> <p> Pages 118</p> <p><b>More information on our stakeholder engagement activity</b></p> <p> Pages 116 to 121</p>