



## **BOARD DIVERSITY**

### **Policy**

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Issue 3.3

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## 1. Background

Diversity plays an important role in promoting good governance within the Society.

The 2018 version of the UK Corporate Governance Code (The Code)<sup>1</sup> recognises the value that a diverse Board can bring. Principle 3.J states, “*Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for 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*”.

## 2. Scope of this Policy

The scope of this Policy applies to the Board of the Ecology Building Society (‘the Society’). Diversity, equality and inclusion are valued at all levels within the Society and in all that we do. The Society’s wider commitment to equality, diversity and inclusion for its employees and prospective employees is encapsulated in a separate Equality, Diversity and Inclusion policy. The Society’s commitment to equality, diversity and inclusion for its members or prospective members is included in the Society Ethics Policy.

## 3. Board Commitment

The Society is committed to engaging a broad set of qualities skills, experience and competencies when recruiting members to the Board.

The Board recognises that a diverse Board strengthens the effectiveness of its independence, judgement and decision making, by facilitating a broader range of views, opinions, experience, perception, values and backgrounds.

The Society’s diversity and inclusion ambition is to support an inclusive environment where everyone can contribute to the success of the Society. Appointments to the Board are based on merit and objective criteria reflecting the skills, knowledge, experience, regulatory and business environment experience needed to ensure a rounded and effective Board.

No candidate for Board membership shall be discriminated against on grounds of age, gender, gender reassignment, being married or in a civil partnership, being pregnant or on maternity/paternity leave, disability, race including colour, nationality, ethnic or national origin, religion or belief, sexual orientation, social circumstances or any other irrelevant factor.

## 4. Diversity and Inclusion Aims

Aim to have at least 30% female representation on the Board in the medium term

Only use search and specialist recruitment agencies that have signed up to the Standard Voluntary Code of Conduct for Executive Search Firms (with a preference for those signed up to the Enhanced code)

Commitment to fostering an inclusive culture and investing in the talent pipeline, particularly nurturing minority and female talent, providing development opportunities for all and having robust succession planning.

Regularly review and assess the composition of the Board and its Committees, including succession plans, considering the balance of skills, experience, independence, and knowledge with its diverse composition.

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<sup>1</sup> <https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.PDF>

## 5. **Diversity and Inclusion Action Plan**

An action plan to facilitate progress in these areas if required will be implemented. To ensure that continued effectiveness of this policy, the Nominations Committee will provide oversight of this policy and will monitor progress against these aims.

## 6. **Reporting**

The Nominations Committee will report annually, in the Corporate Governance section of the Annual Report and Accounts, on the process it has used in relation to Board appointments. This report will include a summary of the Board Diversity Policy and the progress made in achieving the measurable objectives for implementing the Policy.

## 7. **Review and Responsibilities**

In respect of this Diversity Policy, the Nominations Committee shall:

- Continue to monitor regulatory developments in respect of diversity
- Continue to monitor the level of diversity on the Board
- Review this Policy on at least an annual basis to assess its effectiveness. This will include whether the desired Board diversity representation levels remain appropriate
- Adhere to this Policy when reviewing existing Board composition and whilst recruiting to the Board.