

Diversity and inclusion statement – 2021

The Board of Directors believes a diverse workforce is vital to the Group's success and values the differences each colleague brings to their role, making the Group stronger and better able to meet the needs of our customers and the communities within which we operate.

Since 2017, FirstGroup has more than doubled the number of UK female employees (from 2,937 to 5,904) representing an increase from approximately 13% to nearly 20% of the total UK workforce. As highlighted in the gender pay gap report, thanks to our continued focus at recruitment, 29% more women were hired in 2020 compared with the prior year. Our women's development programmes have been successful in identifying female talent and speeding up readiness for promotion into higher paying roles, with 28% of participants already achieving their first supervisory role, and 35% of junior managers being promoted to more senior roles after attending these programmes.

This improvement is similarly reflected at more senior levels in the Group with two recent appointments, Janette Bell, MD of First Bus and Claire Mann, MD of SWR. Janette Bell and Rachael Borthwick, Corporate Services Director, are members of the Executive Committee, representing 22% of the Committee membership. At 30%, the Board at 27 March 2021 was above its target of 25% female representation and slightly below the Hampton-Alexander Review target of 33%. With the appointment of Jane Lodge on 30 June 2021, female representation on the Board has increased to 36.4% and three out of the Board's four principal Committees are chaired by female Non-Executive Directors of the Board. In addition, as at the date of publication of the Company's Annual Report and Accounts, 11 August 2021, 26% of our Executive Committee and their direct reports were female.

Further information can be found on pages 40-41 of the [2021 Annual Report and Accounts](#), and in our [gender pay gap report](#).

The Board recognises that there is still much to do to improve our overall workforce diversity. FirstGroup is a signatory to 'Change the Race Ratio' reflecting the commitment of the Chairman, the Chief Executive and the Board to increase the racial and ethnic diversity of the Board, senior leadership and our workforce. Work is underway to develop detailed plans, including diversity targets that can be measured and tracked and which we expect to publish later this year.

Policy on appointments to the Board

The Committee recognises the value that individuals from diverse backgrounds can bring to Board deliberations. The Committee considers diversity in its wider sense, including gender, length of tenure and nationalities.

In line with the Committee's diversity policy, when considering the recruitment of a new Director, the Committee adopts a formal, rigorous and transparent procedure and due regard is given to ensuring fairness and diversity through the consideration of skills, experience, competencies, sector knowledge, independence and individual characteristics. Prior to making an appointment, the Committee evaluates the composition of the Board and, in light of this evaluation, prepares a full description of the role and capabilities required. In identifying suitable candidates, the Committee:

- uses open advertising or the services of external advisers to facilitate the search
- considers candidates on merit and against objective criteria ensuring that appointees have sufficient time to fulfil their Board and, where relevant, Committee responsibilities in light of other potential significant positions. As part of this process, candidates disclose all other time commitments and, on appointment, undertake to inform the Board of any changes
- considers candidates from a wide range of backgrounds.

Where the Committee appoints external advisers to facilitate the search, it ensures that the firm that is selected has signed up to the relevant industry codes (for example, on diversity) and has no connection with the Company.