

Induction and training

With the easing of travel restrictions during the year, we have reverted to more customary induction processes for newly appointed directors. In addition to individual meetings with Executive Committee members and other senior executives, Directors who have joined the Board since the beginning of the pandemic have had the opportunity to visit a number of the company's production facilities and offices in London, Scotland and Ireland. These include the company's new head office in London, the Guinness Storehouse and St James's Gate Brewery in Dublin, the group's spirits production facilities and archives in Scotland.

Induction programmes for new Directors are tailored to suit the particular background and experience of the individual Director, with the Committee advising on priorities for that individual and tracking induction activity. These induction processes supplement existing practices whereby a continuing understanding of the business is developed through appropriate business engagements for Non-Executive Directors such as visits to customers, engagements with employees, and brand events worked into the annual cycle of Board meetings.

Training on specific areas of risk and detailed reviews of strategic matters are provided by Executive Committee members, other internal senior leaders and external guest speakers and specialists through presentations, roundtable discussions and other sessions as part of the Board's Annual Strategy Conference and during the year as part of Board and Audit Committee meetings.

In addition, Executive Committee members and other senior executives are invited, as appropriate, to Board and strategy meetings to make presentations on their areas of responsibility. All Directors are also provided regular briefings to ensure they are kept up to date on relevant legal and governance developments or changes, best practice developments and changing commercial and other risks.

Activities of the Nomination Committee

The principal activities of the Nomination Committee during the year were:

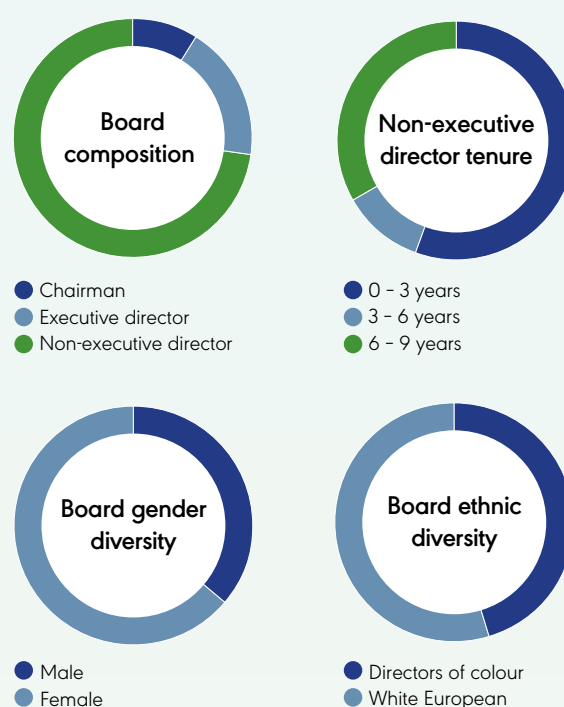
- the consideration of the talent pipeline for potential new appointments to the Board including the selection and recommendation as to the appointment of a new Board member;
- the design and conduct of the annual review of Board, committee and individual Director effectiveness and performance and a review of the findings of the review and recommended actions;
- consideration and approval of the report of the Committee in the company's Annual Report and consolidated financial statements for the year ended 30 June 2022;
- consideration and recommendation to the Board of proposed changes in Directors' outside interests and any potential conflicts of interest; and
- a review of the succession plans for Executive Committee roles, including potential candidates for such roles, their backgrounds and experience, and how such candidates would contribute towards the company's diversity objectives.

Evaluation

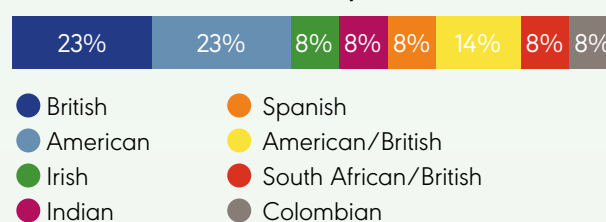
As part of the annual Board evaluation, all members of the Nomination Committee participated in an evaluation of the Committee. This concluded that the Committee was effective and that the Board was satisfied with its performance, that its remit and scope was sufficient, and that the Committee was effective in maintaining a suitable pipeline of talent for non-executive roles and in monitoring succession planning for executive director and senior management roles. Further details of the evaluation can be found on page 95.

Diversity

The Board has a longstanding commitment to prioritise diversity and supports the recommendations of the FTSE Women Leaders Review (previously the Hampton-Alexander Review) on gender diversity and the Parker Review on ethnic diversity. The Board Diversity Policy sets out specific objectives with parity between male and female members of the Board being the ultimate goal in terms of gender diversity, with a commitment to have no less than 40% female representation on the Board, and having at least one Director reflecting ethnic diversity as defined in accordance with the Parker Review. The Committee is pleased to confirm that both these objectives have currently been met. The Board Diversity Policy also sets out the Board's support for management's actions to increase the proportion of senior leadership roles held by women and by people from minority backgrounds and other under-represented groups. As at 30 June 2022, the percentage of women on the Executive Committee and their direct reports is 40%.



Executive Committee nationality



ETHNIC DIVERSITY DEFINITIONS

- Directors are defined as all non-executive and executive directors appointed to the Board.
- Directors of colour are defined in accordance with the Parker Review definitions as those "who identify as or have evident heritage from African, Asian, Middle Eastern, Central and South American regions".

All data above is given as at the last practicable date prior to publication of this report, being 27 July 2022.