

# Board Diversity, Equity and Inclusion Policy

Version No: 1.3

Approved and adopted by the Board: 11 July 2023

**This Policy applies to:**

**Sage Board and its Committees**

# Board Diversity, Equity and Inclusion Policy

## (“Board DEI Policy”)

### Policy summary

#### **How to ensure you do the right thing.**

The Sage Group plc. (“**Sage**”, or the “**Group**”) is passionate about building and driving an engaged, equitable and inclusive culture. We know that diversity, equity and inclusion are important for our success and fundamental to the delivery of our strategy to promote the long-term sustainable success of the Group, for the benefit of all our stakeholders.

At Sage, it is our ambition to reflect the diversity of our customers and partners in the communities where we operate. We strongly believe that a diverse and inclusive workforce brings a broader range of perspectives, accelerates growth and innovation, helps to understand the needs of our wide range of stakeholders and to find and retain the best talent.

The Board of Directors of Sage (the “**Board**”) is committed to fostering a culture of diversity, equity and inclusion across Sage.

# Table of Contents

- 1. Purpose and Scope ..... 4**
- 2. Policy Statement..... 4**
- 3. Policy Objectives ..... 4**
- 4. Monitoring and Reporting .....5**
- Annex A.....6**

## 1. Purpose and Scope

- 1.1 This Board DEI Policy sets out the approach to diversity, equity and inclusion for the Board itself and for its Committees<sup>1</sup>. It is intended to assist the Board (through the Board succession planning work of the Nomination Committee) in creating and maintaining the appropriate Board and Committee composition.
- 1.2 This Board DEI Policy applies to the Board and its Committees and sits alongside Sage's group-wide Diversity, Equity and Inclusion Policy, Code of Conduct and associated global policies, which set out our broader commitment to diversity, equity and inclusion.
- 1.3 How the Board and Sage define diversity, equity and inclusion is set out in **Annex A** of this policy.

## 2. Policy Statement

The Board believes that:

- 2.1 it is important that the composition of the Board and its Committees exhibits a diverse mix of skills, personal attributes, professional and industry backgrounds, geographical experience and expertise, independence of thought, gender, age, tenure, race, ethnicity, and broader aspects of diversity which may include, for instance, disability, sexual orientation and socio-economic background ;
- 2.2 a diverse Board, with Board members contributing a range of views, insights, perspectives, and opinions, will improve the Board's decision-making and effectiveness; and
- 2.3 an inclusive and equitable culture is cultivated through clear tone from the top, with the Board, Executive Leadership Team and senior leadership team championing diversity, equity and inclusion, in support of Sage's values and behaviours.

## 3. Policy Objectives

- 3.1 All appointments to the Board should be made on merit against objective criteria which take into account experience, skills and the need to ensure an appropriately diverse balance in the resulting membership of the Board;
- 3.2 Consider candidates for appointment to the Board from as diverse a pool of applicants as possible, ensuring that the recruitment and selection process has been reviewed to mitigate bias;

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<sup>1</sup>For the purposes of this Board DEI Policy, "Committees" means the Audit & Risk, Remuneration and Nomination Committees.

- 3.3 Meet the targets of the Parker<sup>2</sup> and FTSE Women Leaders Reviews<sup>3</sup>, the Financial Conduct Authority's Listing Rules<sup>4</sup>, and our internal Global Gender Goal<sup>5</sup> as far as possible, recognising that there may be temporary periods when this is not possible; such periods should be minimised;
- 3.4 Engage executive search firms who have signed up to the voluntary Code of Conduct on both gender and ethnic diversity and best practice, and utilise an open recruitment process for non-executive roles; and
- 3.5 Ensure advertisements, role descriptions and long lists, reflect the Board's diversity commitments in respect of gender, race, ethnicity, and the wider aspects of diversity, as set out in this policy.

## 4. Monitoring and Reporting

The Board will ensure that:

- 4.1 it monitors progress against the objectives of the Board DEI Policy;
- 4.2 there is appropriate and meaningful disclosure in the corporate governance section of our Annual Report and Accounts on the objectives and implementation of the Board DEI Policy and progress made in meeting the objectives, supported by other policies and initiatives Sage has in place which promote diversity, equity and inclusion at Board level and across the Group; and
- 4.3 it reviews the Board DEI Policy and its effectiveness annually and any changes recommended by the Nomination Committee.

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<sup>2</sup> The Parker Review, which launched in 2017, was updated in March 2023 to include that FTSE 350 companies will be asked to set a percentage target for senior management positions that will be occupied by ethnic minority executives in December 2027.

<sup>3</sup> The FTSE Woman Leaders Review, which launched in 2022, set the updated targets that 40% of FTSE 350 board and leadership positions should be held by women by the end of 2025 and that FTSE 350 companies should have at least one woman appointed as Chair, Senior Independent Director, CEO or CFO by the end of 2025.

<sup>4</sup> Listing Rule 9.8.6R(9) and Listing Rule 14.3.33R(1), to include a statement in the Annual Financial Report setting out whether the listed company has met the following targets on board diversity (i) at least 40% of the individuals on its board of directors are women; (ii) at least one of the following senior positions on its board of directors is held by a woman: (A) the chair; (B) the chief executive; (C) the senior independent director; or (D) the chief financial officer; and (iii) at least one individual on its board of directors is from a minority ethnic background;

<sup>5</sup> Sage's Global Gender Goal is to achieve representation of no more than 60% of men, women, or non-binary people in any leadership team by end of FY26.

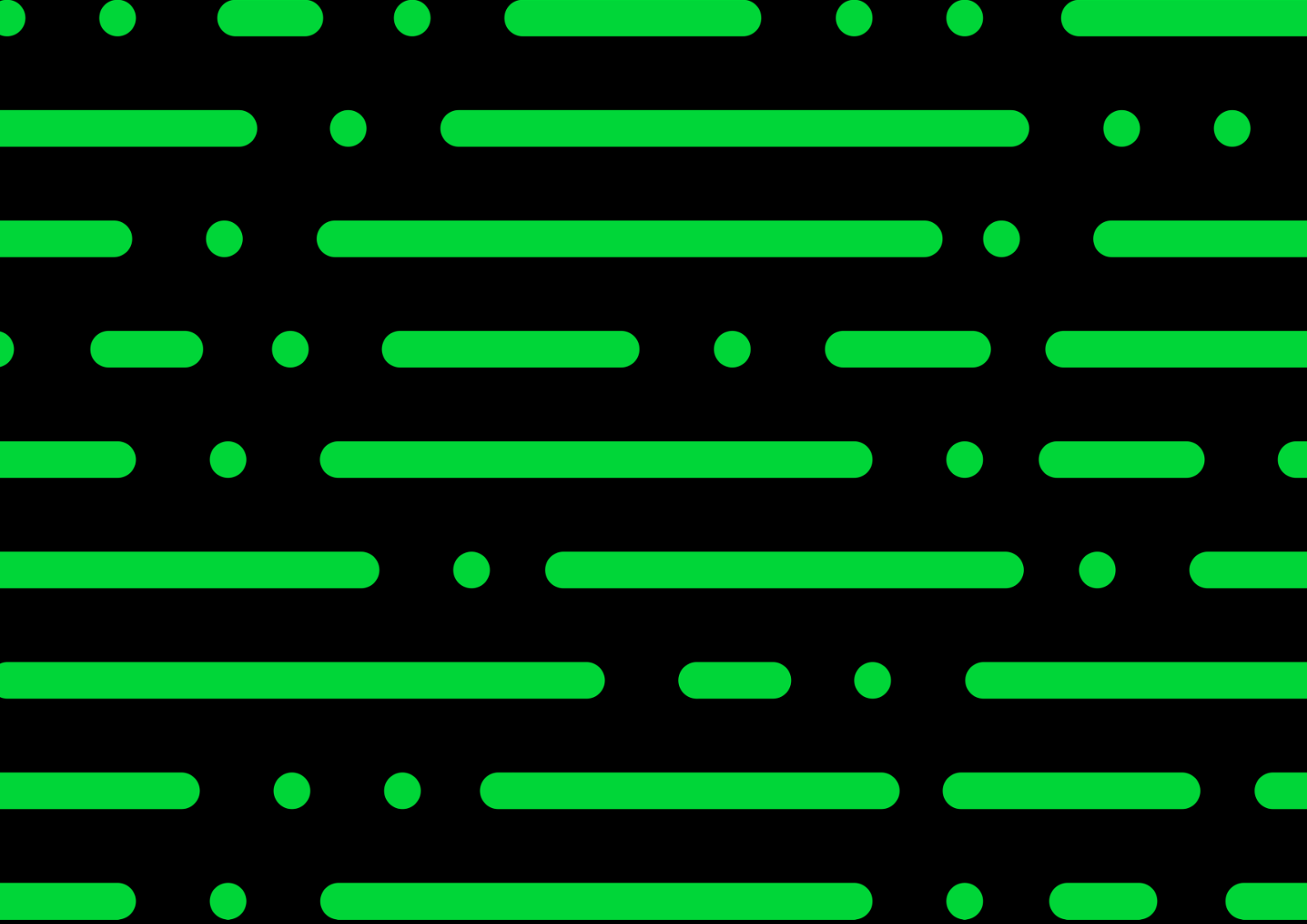
## Annex A

**Diversity** is the difference of identity, thought and experience within a given setting. All of our colleagues are unique individuals with a variety of backgrounds, and it is important to understand that individuals themselves are not “diverse”, but they do offer a diverse range of perspectives.

**Equity** is acknowledging that unequal opportunities exist between different people, and therefore we should cater to individual needs to ensure that each and every one of us is set up for success. There is a clear distinction between equality, which is also based on promoting fairness, but is defined as treating everyone the same regardless of individual circumstances, which can lead to disadvantage amongst some groups.

**Inclusion** is ensuring that everyone feels valued, included and encouraged to bring more of themselves to work. To shape an inclusive culture, we must be intentional with our actions and provide equitable and fair access to opportunities and resources for everyone.

**Non-binary:** An umbrella term for people whose gender identity doesn't sit comfortably with 'man' or 'woman'. Non-binary identities are varied and can include people who identify with some aspects of binary identities, while others reject them entirely.



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