

Composition, succession and evaluation

Nominations Committee report



Andy Harrison
Chair of Nominations Committee

Nominations Committee membership

The Directors who served on the Committee during the year and their attendance is set out below:

Member	From	To	Meetings attended
Andy Harrison (Chair)	1 September 2014	To date	4/4
Sir Will Adderley	17 February 2011	To date	4/4
Ian Bull	10 July 2019	To date	4/4
William Reeve	1 July 2015	To date	4/4
Peter Ruis	10 September 2015	To date	4/4
Marion Sears	18 January 2005	To date	4/4
Arja Taaveniku ¹	15 February 2021	To date	1/1
Paula Vennells ²	4 September 2019	25 April 2021	3/3

1. Arja Taaveniku was appointed to the Board during the financial year, and joined the Nominations Committee on appointment.
2. Paula Vennells stepped down from the Board on 25 April 2021.

The Company Secretary acts as secretary to the Committee. Additionally, the independent consultant referred to below under 'Succession and Talent' and the People and Stores Director attended two Board discussions on succession and talent management in the business. No Director attended that part of a meeting during which his or her own position was discussed.

Dear Shareholder

The Covid-19 crisis has underlined the importance of a talented, committed and cohesive leadership team. Throughout the crisis both my Executive and Non-Executive colleagues have risen to the new challenges, with creativity, sheer hard work and good judgement. I thank them all for their commitment and support over the past year, and particularly to my Non-Executive colleagues for committing additional time in this busy year for all their other commitments, alongside the ever-increasing demands of regular Board and Committee business. When we appoint a Non-Executive Director (NED) to the Board we always assess their other commitments to ensure that they have sufficient time to dedicate to Dunelm, including during periods of unanticipated additional activity.

BOARD SUCCESSION

We are a cohesive, engaged Board and have endeavoured to manage our succession plan to ensure we have the appropriate and diverse range of skills needed to deliver our strategy for the benefit of our stakeholders. We also take care to ensure that all new members of our Board are aligned to our purpose and culture, and share our values, whatever their skills and background.

In recent years, we have been strengthening our Board; primarily to support our ambitious growth plans and mindful of best governance practices. In September 2020 William Reeve, who already chaired the Remuneration Committee, was appointed Senior Independent Director. Ian Bull continues to chair our Audit and Risk Committee very well.

The rapid growth of our digital operations over the last few years has brought new challenges for our international fulfilment capability. This stimulated us to add a relevant NED with leadership experience in this area. In February 2021, we were delighted to welcome Arja Taaveniku, who has a background in international home retail businesses, with specific expertise in the strategic and operational development of customer value propositions and product range development, and supply chain management, alongside environmental, social and governance (ESG) initiatives.

Additionally, as our digital participation grows we decided that we would like to add more NED experience of large scale digital commerce, including cyber security and multichannel supply chains. I was delighted to announce that Vijay Talwar will be joining the Board on 1 October 2021. Vijay will help us to broaden our digital business discussions, enhance our ability to navigate the growing importance of cyber security as our digital business accelerates, and address the increasing regulation around audit, risk governance and reporting. I look forward to working with him in the coming years.

Paula Vennells stepped down from the Board in April 2021, and we thank Paula for her contribution. We have the required number of independent Directors on the Board, and the minimum number of female Directors required by the Corporate Governance Code and the majority of our shareholders and their representatives. However with 30% of our Board being female from October 2021, we will no longer meet the gender balance requirements of all proxy agencies and therefore we have started to look for an additional female Director to ensure that we meet their requirements.

“

The quality of our leadership team has never been more important. We continue to balance required skills and experience, build individual calibre, and enhance teamwork.”

The importance of carefully planned succession applies equally to the role of Chair. My term as Chairman is due to end by September 2023, and we have started the process to identify my successor, led by William Reeve, our Senior Independent Director. We are at the early stages of this process, allowing sufficient time for a seamless transition. Dunelm remains my first priority and my timing is flexible to suit the wishes of the Board.

DIVERSITY AND INCLUSION

We fully support diversity and inclusion in all its dimensions as an important contribution to high quality decision-making and innovative thinking. In the past year, the Board and Executive Board have significantly increased our focus on this, developing and rolling out a full programme across the business under the theme ‘This is Me’. Further details are in the Sustainability section on page 68 and page 128. At the Board level we have received stimulating presentations from a number of speakers on a range of topics, which have built our awareness and understanding of how our business can take active steps to promote diversity and inclusion, see page 128. When making our Board appointments our policy is that our Board should always be of mixed gender, and in all recent appointments we have requested that a range of candidates from diverse social and ethnic backgrounds be brought forward for consideration. Further details are in our report on page 129.

SUCCESSION AND TALENT

As I mention above, having a talented and cohesive leadership team is a key capability for our business, and this year the Committee has overseen a step change in our focus on succession and talent management. With the support of a specialist external consultant, we have built a tailored structure that is being rolled out throughout the business and which is being well received. Our investment in this process and our diversity and inclusion programme will ensure that we have the capabilities that we need to deliver our growth ambitions.

BOARD EFFECTIVENESS

This year we held an internal Board review, as usual focused on increasing the Board’s effectiveness for the future, as we accelerate our growth strategy and develop our stakeholder relationships. The review concluded that the Board is performing effectively, capturing new ways of working during the pandemic. As always, we challenge ourselves to continue to improve, and the actions which we have agreed are set out on page 127.

I look forward to meeting shareholders at the AGM.

Yours faithfully,

Andy Harrison

Chair of the Nominations Committee
8 September 2021

SUMMARY OF THE NOMINATIONS COMMITTEE’S PRINCIPAL ACTIVITIES

- Appointment of Arja Taaveniku as an Independent Non-Executive Director.
- Appointment of William Reeve as Senior Independent Director.
- Welcomed our newest Board member Arja into the business through a comprehensive induction programme, co-ordinated by the Company Secretary.
- Announced the appointment of Vijay Talwar, who can bring experience of large scale digital commerce.
- Commenced the search for an additional female NED.
- Prepared specification for Chair succession in September 2023.
- Played an active role in the increased focus on succession and talent management throughout the business.
- Oversight of the Board and the Group’s ‘This is Me’ programme to increase inclusion and diversity of gender, ethnicity, background, thought and skills throughout the business.
- Oversight of Annual Board review to ensure that the Board is working as effectively as possible.
- Ongoing review of the Board’s composition, to ensure it follows best practice and meets the strategic needs of the business, taking into account the main trends and factors affecting the long-term success and future viability of the Company.



Composition, succession and evaluation continued

OUR NOMINATIONS COMMITTEE'S ACTIVITIES IN MORE DETAIL FY21

The following pages provide details of the role of the Nominations Committee and the work it has undertaken during the year.

PRINCIPAL DUTIES

The purpose of our Nominations Committee is: to assist the Board by keeping the composition of the Board under review; to conduct a rigorous and transparent process against objective criteria - with due regard for the benefits of the Board's diversity - when new appointments to the Board are made; to oversee the succession plans for the Board and senior management; and to ensure that there are processes in place to secure a diverse pipeline of potential candidates for succession to key management positions and to the Board. The full terms of reference for the Committee can be found on the Company's website, corporate.dunelm.com. These terms were last reviewed by the Committee in June 2020.

BOARD CHANGES IN FY21

Last year I described how we were continuing to search for an additional Non-Executive Director (NED), to enhance the digital skills on the Board and to support the development of our strategy, and promote diversity of thought. In October 2020 we reviewed the specification in the light of the current and future needs of the business, and agreed that the remit should be widened to include international supply chain experience in a multichannel environment. Consideration would also be given to the Committee's desire to increase ethnic and other diversity on the Board.

In the light of this, we recommended to the Board that Arja Taaveniku be appointed as an Independent Non-Executive Director on 15 February 2021. Arja is an experienced business leader, having spent over 30 years in leadership positions with a number of international retail organisations including Ikea Group, Ikano Group (an international franchisee of Ikea which also develops, owns and manages companies in consumer banking, insurance, residential and shopping centres), and Kingfisher plc. Details of the process followed for Arja's appointment and her induction are set out on page 124.

Additionally, we identified a need for a further NED with experience in digital businesses, including digital risk management and to meet the increasing regulatory requirements of an Audit and Risk Committee member - financial expertise and a deeper ability to understand cyber risk. On 14 July 2021 we announced the appointment of Vijay Talwar to the Board, with effect from 1 October 2021.

Vijay brings excellent and highly relevant business leadership experience with international consumer brands, and has been at the centre of driving multichannel digital transformation at Foot Locker, Inc., where he is currently Executive Vice President and Chief Executive of Europe, Middle East and Africa, having held previous responsibilities for global digital development. Vijay is a Certified Public Accountant and holds an MBA from the University of Chicago. His international background and experience will also bring a different dimension to our Board discussions and I look forward to working with him.

Ongoing activity

Following the decision of Paula Vennells to step down from the Board in April 2021 and Vijay's appointment, we have a vacancy for a female Director to ensure that we meet all external best practice requirements of gender balance. We thank Paula for her contribution to our Board and have started to look for an additional female Non-Executive Director.

As I mentioned in my report last year, on 10 September 2020 William Reeve was appointed Senior Independent Director. As well as conducting the evaluation of my own performance, William has started the process to appoint my successor by September 2023. Although this is two years away, as with all appointments we take great care, and the Board Chair is a particularly important appointment. Ideally we would like the successful candidate to serve some months on the Board before becoming Chair, to enable them to get to know the Board and business, and build relationships with key stakeholders.

Overview of FY21 and future Board succession planning

Actions/rationale	Notes	Timings
NED with international digital and commerce experience	Arja successfully appointed after a process which started in FY20 and was delayed by Covid-19	Completed
Additional female NED to replace Paula Vennells	New action following Paula stepping down in April 2021 before the end of her term and Vijay joining the Board on 1 October 2021	Ongoing since July 2021
NED with current digital experience, deeper understanding of digital/cyber risk and additional financial expertise specifically to enhance the capability of the Audit and Risk Committee	Original process commenced in FY20 but paused due to the preferred candidate being unavailable and the Covid-19 pandemic	Completed with the appointment of Vijay Talwar
Chairman	Longer-term planning ahead of end of tenure in September 2023	Preliminary process started with specialist search agency

Search process FY21

Our search process to fill Board vacancies is pragmatic, well-rehearsed, and supports our approach to diversity and inclusion. The Nominations Committee runs the process and makes the final recommendation but it is important to note that any Board appointment is regarded as a 'whole-Board' matter, and no appointment is made without unanimous Board support.

We adopted a similar search process for the recent appointment of both Arja and Vijay which is summarised in the box below. Although Arja was already known to some Board members and not identified through the usual search process, she was considered to be the most appropriate appointment when compared to other candidates put forward by the search consultant or who applied through Nurole.

For the Chair appointment we have appointed an independent search agent but not advertised via the Nurole platform in view of the special requirements of this role.

BOARD APPOINTMENT PROCESS

For NED appointments and our ongoing succession plans we generally follow this well-rehearsed process, adapting where necessary to account for specific skills required and circumstances.

- Detailed role and person specification drawn up by Nominations Committee.
- Independent external search consultant appointed to conduct the process. Vacancies usually also advertised on the Nurole platform, to open the search to a potentially wider and more diverse range of applicants.
- Equal number of male and female candidates feature on the 'long list' as standard practice. Search consultant also asked to bring forward candidates from a diverse background.
- Initial candidates meet with Chairman and at least one other Board member; short list candidates meet with other Board members.
- Extensive references taken and assessment of candidate's other commitments made to ensure they have sufficient time to dedicate to Board member duties.
- Nominations Committee makes final recommendation, subject to unanimous Board support.

Our purpose, culture and shared values

Preservation of our culture and shared values – through alignment with our purpose – has always been a Board priority. No appointment is made to the Board unless we are satisfied that the individual is a good cultural fit, is fully aligned to our shared values, and will be an appropriate role model for our colleagues and all of our stakeholders. These considerations also form part of all of our Board succession planning. Further details of our shared values, and how they are aligned to our refreshed purpose and embedded throughout our business, and how the Board monitors these, are set out in the Corporate Governance Report.

Board induction process

Each new Board Director receives a full and tailored induction, led by the Chairman and the Company Secretary. The Company Secretary provides a full set of relevant documents and access to past Board and Committee papers, as well as a briefing on Directors' duties and responsibilities. Induction meetings are held with all Board members and members of the Executive Board, as well as other senior management and external advisers relevant to that Director's interests and any specific Board responsibilities. For example, Arja Taaveniku met with a number of senior members of the commercial team, as this is one of her particular areas of interest. A programme of site visits is also arranged.

Board succession

We have always had a formal, long-range plan for how Board membership should develop. This aims to balance continuity of service with a regular refreshment of skills and experience needed to deliver our evolving strategy. In general, and as discussed during our Board evaluation, we aim to maintain a Board of between nine and eleven Directors (current membership is nine), with ideally no more than one new appointee in any year.

We regularly review the balance of skills on the Board as a whole, taking account of the future needs of the business, and the knowledge, experience, length of service and performance of the Directors. In accordance with our Board Diversity and Inclusion Policy, and mindful of the Guidelines set out in the Parker Review that 'all FTSE 250 companies should have a Board member of colour by 2024', we also have regard to the requirement to achieve a diversity of characters, backgrounds and experiences amongst Board members, as well as ethnicity and gender. All Board appointments irrespective of background must satisfy the high standards Dunelm requires. Candidates must have the competence to contribute to wide-ranging debates and cope with the demands of a stretching future focused agenda, and share our values.

Composition, succession and evaluation continued



Arja Taaveniku

Non-Executive Director induction

On joining the Group, Arja was offered a comprehensive induction programme, meeting all of the Board and Executive Board, and other members of senior management across various teams. Following the relaxation of government restrictions, Arja also visited a number of Dunelm stores and reflects on her induction.

“ Before I formally joined the Board I met with all Board members and Dawn Durrant, the Company Secretary, received a briefing on regulatory matters and my duties as a director of a UK plc, and had access to prior Board papers and other relevant information.

After this, my introduction to Dunelm took place over a number of weeks, totalling more than 25 hours. Guided by Dawn, I met 15 colleagues in online meetings, including the Executive Board and some of their direct reports and spanning a cross-section of teams – People, Finance, Commercial and Retail operations. Before my appointment and in the spring when restrictions were lifted I visited six Dunelm stores in Greenford, Croydon, Collier’s Wood, Beckton, Leicester and Truro and personally bought some spring cushions and throws online.

The Dunelm Chairman, Andy, followed up continuously with me to check how my induction was going and to see if there was anything else I needed:

I could not be happier with the induction that was organised for me.

My impression of the Dunelm culture is that it is very straightforward, honest and inclusive. Colleagues speak up and voice their opinion openly, and do not seem to be restricted by their managers. So far I have experienced a business with very few internal politics and a far greater focus on problem-solving and increasing competitiveness.

Dunelm has a great team of colleagues that is future-proofing the Company: they are modernising products, their online proposition and stores and I believe they are well set for growing the business. I look forward to supporting the Dunelm Board through my business development, commercial and buying background, and my experience in developing environmental, social and governance (ESG) practices.”

We also take into account the corporate governance guidance on Chairman and Non-Executive Director tenure; for reference their tenure and re-election cycle is summarised in the table on page 129. Our updates on recent and planned Board appointments are described on page 122.

As described above, this year we welcomed one new Independent Non-Executive Director, Arja Taaveniku, to our Board, and one of our Independent Non-Executive Directors stepped down from the Board in the year. We have announced the appointment of Vijay Talwar to join the Board in October 2021, are actively seeking a further Director to improve gender balance on the Board. We have also drawn up a specification for Andy Harrison’s successor as Chair, due in September 2023, and appointed an external search consultancy to lead the process. Although this is two years away, as with all appointments we take great care, and the Board Chair is a particularly important appointment. Ideally we would like the successful candidate to serve some months on the Board before becoming Chair, to enable them to get to know the Board and business, and build relationships with key stakeholders.

Executive Board succession

For some years, the Board has regularly reviewed the composition and succession plans in place for members of the Executive Board and their direct reports. During the past year this has been refreshed as described in the section headed ‘Our refreshed approach to succession and talent’. In addition, the CEO discusses with the Non-Executive Directors the performance of individual Executive Board members and any changes that he proposes to make to this team. Whilst this activity does not take place formally within the meetings of the Nominations Committee, it does form part of its work in overseeing Executive Board development and succession process, and the pipeline of talent available for succession to the Board.

Dunelm Board members have regular contact with members of the Executive Board and the wider Dunelm Leadership Team, through formal Board presentations, attendance of the Executive Board at the annual Strategy Days, and in regular visits to stores and other Company sites, when Non-Executive Directors meet members of the Executive Board or Dunelm leadership team on a less formal basis. Each Non-Executive Director also mentors at least one of the members of the Executive Board.

OUR REFRESHED APPROACH TO SUCCESSION AND TALENT

Succession and talent management

The Committee is responsible for Board succession planning and monitoring Executive Board succession to ensure that the respective composition of these leadership bodies enables us to embed and deliver our purpose 'To help create the joy of truly feeling at home. Now and for the generations to come'; and that we have the capability to progress our ambitious growth strategy. We maintain a consistent recruitment approach across the business; our Board and Nominations Committee members have oversight of, and follow, Dunelm's People Strategy (see pages 66 to 71) and its management of succession and talent.

One of the actions from our FY20 external Board evaluation was to renew and increase the Board's focus on succession and talent management throughout the business, to ensure that we have a continuing pipeline of colleagues with diverse backgrounds, skills and knowledge that we need to deliver our strategy.

Under the guidance of the Committee, the Board appointed a specialist external consultant to help us develop and deliver a more structured approach. We have identified the following challenges:

- Successful management of succession and talent is needed to deliver transformation and growth as the business transitions to become a leading multichannel retailer.
- Following a planned programme of people and role changes at the Executive Board level, including a number of internal promotions, we need to embed these changes and rebuild the succession pipeline.

- The rapidly evolving external environment and shifts in societal values present both challenges and opportunities for the attraction, retention and development of talent.
- Building a more diverse and inclusive workforce is becoming more critical to our business success.

Talent Committee

Under the guidance of the Committee, the Talent Committee comprising Executive Board members was established in September 2020, led by the Chief Executive, Nick Wilkinson, and supported by our external consultant. Its members include the People and Stores Director and other members of the Executive Board. Its purpose is to develop and implement a more structured 'Home of Talent' process, to ensure that there is a strong succession pipeline for our Executive Directors, members of the Executive Board and throughout the business. This is a two- to three-year project designed to embed a mechanism that will become part of the regular People processes. The process incorporates our 'This is Me' inclusion and diversity programme, which is referred to on page 128 in this Annual Report.

The Talent Committee reports at least twice a year to the Committee or the Board (in respect of colleagues), in relation to governance and the Executive Board, and the Chief Executive updates the Board through his monthly report in respect of the wider colleague population. We agreed that this is an appropriate balance, given that matters relating to our workforce are whole-Board topics.

Composition, succession and evaluation continued

BOARD EFFECTIVENESS

Each Director receives a formal evaluation of their performance during the year, which is conducted by the Chairman. The Senior Independent Director reviews the performance of the Chairman and feeds back to the other Board members.

The performance of our Board and Committees is also formally evaluated as a whole. In 2020, in line with best practice, we evaluated the whole Board using an external provider. In 2021, the review was led by the Chairman. The results of this and the actions taken as a result of the 2020 review are described on the following pages.

Five-year Board evaluation cycle summary

2017	External	External evaluation led by Lorna Parker
2018	Internal	Chair-led evaluation with individual members
2019	Internal	Chair-led evaluation with individual members
2020	External	External evaluation led by Lorna Parker
2021	Internal	Chair-led evaluation with individual members

FY20 Board evaluation summary

The recommendations arising from our FY20 external Board evaluation, conducted by Lorna Parker, and the actions implemented in response are set out below:

Outcomes and recommendations from FY20 evaluation	Actions implemented
Conclude the appointment of a Non-Executive Director with digital experience.	Specification expanded, and Arja Taaveniku appointed. Search commenced for a further Non-Executive Director with digital/financial expertise and was completed with Vijay Talwar's appointment.
Schedule time for more discussion of Board and Executive Board succession.	Specialist external consultant appointed and new succession and talent management process adopted see above. Five presentations on talent and succession made to the Nominations Committee or Board during the year.
Revise Board schedule to include virtual meetings focused on performance, and face-to-face meetings covering strategy and more discursive topics.	The majority of meetings in the year were held virtually due to national restrictions. The FY22 agenda has been revised in this way.
Schedule more discussions of our approach to sustainability, and develop long-term objectives on priority topics.	Agenda items at four of the ten meetings in the year (including the Strategy Days). Regular progress updates from the Company Secretary. Initial climate change risk assessment completed, long-term Scope 1, 2 and 3 greenhouse gas reduction targets set. Became supporters of the British Retail Consortium's Climate Action Roadmap. Long-term objectives also set on key materials (cotton, timber, packaging); became signatories to Textiles 2030. Supporters of the BRC Diversity and Inclusion Charter.
Refine a formal 'risk appetite' and conduct a horizon scanning exercise.	Risk appetite agreed in June 2021. Horizon scan forms part of twice-yearly reviews by the Audit and Risk Committee/Board. Risk and Resilience Committee formed to create greater focus on risk by management and stimulate cross-functional challenge, see page 136.
Agree how best for the Board to keep up to date with, and responsive to, competitors.	Competitor updates included in Board packs.

OVERVIEW OF FY21 BOARD EVALUATION PROCESS



CONFIDENTIAL QUESTIONNAIRE

Completed by each Director and Company Secretary



INDIVIDUAL MEETINGS WITH DIRECTORS AND COMPANY SECRETARY

Focus on specific topics, informed by questionnaire results



PRESENTATION OF RESULTS TO BOARD

Discussion

Agreed actions

FY21 Board evaluation

The Chairman led the internal Board evaluation in May and June 2021. The process involved each Director and the Company Secretary completing a confidential questionnaire, which included questions on a number of relevant, forward-looking topics as well as a number of regular 'standard' questions, for example about committee performance, stakeholder engagement, agenda topics and meeting management. All Board members actively engaged in the process and provided open and constructive comments. The Company Secretary collated the comments and the Chairman summarised the outcomes and suggested actions, including those likely to influence Board composition, which were discussed and agreed by the Board.

Overall there was satisfaction with the way that the Board is performing, and there was agreement about the areas which we need to focus on to improve our effectiveness.

FY21 Board evaluation summary

A summary of conclusions and actions from our latest evaluation is set out below:

Topic	Conclusions	Action
Learnings from the last 12 months	<p>Board relationships have been strong and collegiate, with a good level of support for the Executive Board. The Board faced a number of difficult decisions and some suggestions were made as to how the process could be improved.</p> <p>The Board felt that it should continue to focus on the factors that make us resilient to future shocks.</p> <p>We should continue to refine the KPIs to measure business performance.</p>	<p>Chairman and Company Secretary to manage agenda carefully.</p> <p>Ensure that there are regular discussions of 'What keeps us awake at night?'</p> <p>Continue to develop the work of the Risk and Resilience Committee.</p> <p>Board members to feed back suggestions to Nick and Laura on additional KPIs which they would find useful.</p>
Governance and strategy	<p>Given the increasing burden of governance requirements, the Board agreed to continue to address these pragmatically, and not allow the time spent on these to impact our focus on strategy.</p> <p>The Board should increase its focus on looking at the changing competitive landscape, changing consumer trends, technology changes and evolving social trends.</p>	<p>Chairman, Committee Chairs and Company Secretary continue to manage this.</p> <p>Keep Committee membership and agendas under review.</p>
Composition	<p>Agreement that we should aim for a Board size of between nine and eleven Directors.</p>	<p>Continue search for an additional female NED, being mindful of the need to comply with regulatory and investor requirements on diversity.</p>
Talent and succession	<p>Continue to build on succession plans for the Executive Board, and to oversee the talent management activity throughout the Group.</p>	<p>The Board should consciously focus on building on the progress made in the year. Aim to develop formal emergency and planned succession plans for Nick, Laura and members of the Executive Board.</p>

Composition, succession and valuation continued

DIVERSITY AND INCLUSION

The Board's ambition to secure the best talent in Dunelm includes being known for our inclusive, diverse and tolerant culture, as encapsulated in our 'stronger together' shared value. For Dunelm to continually improve as a business, it is crucial that we select and recruit the best people in the industry. This involves calling on the widest possible pool of candidates and selecting them based on their ability to do the job regardless of their gender, marital status, sexual orientation, disability, race, religion, colour, nationality, ethnic origin, age or gender reassignment. The Board agrees that diversity of input helps to promote better decision-making and is focused on three broad activities:

- Refine the way we recruit.
- Identify, support and mentor existing diverse talent in the business.
- Increase the diversity amongst senior appointments as they are made.

'This is Me' programme

In FY21, a significant programme - overseen by the Board - was launched to promote inclusion and diversity throughout the Group under the theme 'This is Me' with the support of a specialist consultancy. In the past year, the focus has been on 'educating' and 'starting the conversation'. Over 300 leaders in the business participated in 'Leading in an Inclusive World' training and the Group Board and Executive Board attending awareness-raising workshops on specific topics, designed to educate and stimulate discussion (see below).

FY21 BOARD AND EXECUTIVE BOARD INCLUSION AND DIVERSITY PRESENTATIONS

Topic	Presenter
Diversity	Amanda Cox, People and Stores Director
Diversity - 'This is Me' proposal	Amanda Cox, People and Stores Director
Black Lives Matter Discussion	Raph Richards, Chair of Governors, Djangoly Strelley Academy, Mentor
LGBT+	Martin Mason and Leng Montgomery (Unleashed)
Social mobility	Tunde Banjoko, OBE

Gender, age and ethnicity

Gender diversity has been discussed for many years and we have made progress in balancing our gender ratios in the workforce and seen a shift towards female representation on our senior leadership team: 55% of our Executive Board and 38% of our senior leadership roles are held by women and 33% of Board members are female, as is the Company Secretary. Full details of the gender balance on our Board and in our senior management population are set out on page 68 in our Sustainability section. Dunelm published its fourth gender pay report later than usual in October 2021, as per revised UK Government timings and guidelines (which exclude any colleague on furlough or receiving reduced pay). As this represented a considerable percentage of the Dunelm population the Board also received a more comparable summary. An overview is provided on page 68 in our Sustainability section.

As part of its oversight of colleague policies and practices across the Group, the Board also receives a full breakdown of our colleague population by age, and for the last 12 months we have been collecting ethnicity data on new joiners. In 2021 we also trialled our first colleague 'census'. Through our planned census roll out we aim to provide the Board with more robust ethnicity data, to enable us to develop further our strategy and action plan. Further commentary on our colleague population and findings is made in our Sustainability section, page 68.

Policies

Our Board Diversity Policy, which has been in place for more than a decade, is set out on page 129.

OUR BOARD DIVERSITY POLICY

Our overriding concern is to ensure that the Board and Group comprise outstanding individuals who can lead the business effectively in a manner aligned to our purpose and shared values. We believe the Group's best interests are served by ensuring that these individuals represent a range of skills, experiences, backgrounds and perspectives. Our Company culture must be inclusive and it is our policy that the Board should always be at least one third female - and ideally higher to meet higher increasing expectations. We also aim to ensure that we have at least one Board Director from an ethnically diverse background.

- We support the objective of promoting diversity in all of its forms on our Board and throughout the Group.
- We shall continue to ensure that specific effort is made to bring forward diverse candidates for senior management and Board appointments.
- We will monitor the Group's approach to people development to ensure that it continues to enable talented individuals, regardless of gender, marital status, sexual orientation, disability, race, religion, colour, nationality, ethnic origin, age or gender reassignment, to enjoy career progression within Dunelm.

 OUR GROUP EQUALITY AND DIVERSITY POLICY IS AVAILABLE ON OUR CORPORATE WEBSITE, CORPORATE.DUNELM.COM AND IS REVIEWED PERIODICALLY, GIVING DUE CONSIDERATION TO LEGISLATIVE CHANGES.

POLICY 

TENURE AND RE-ELECTION OF DIRECTORS

The Nominations Committee considers the length of service of Board members at least annually. The tenure of the Non-Executive Directors is set out below:

Member	Appointment	Current term (years)	Next renewal	Additional Board role
Andy Harrison	September 2014	7	September 2023	Chairman and Nominations Chair
Ian Bull	July 2019	2	July 2022	Audit and Risk Chair
William Reeve	July 2015	6	July 2024	Remuneration Chair and Senior Independent Director
Peter Ruis	September 2015	6	September 2024	
Marion Sears	July 2004	17	July 2022	Designated NED for engaging with colleagues
Arja Taaveniku	February 2021	0	February 2024	

Marion Sears has served 17 years on the Board. Marion is now considered by the Board to be non-independent in view of her tenure. See page 114 for more details.

In accordance with our policy and the UK Corporate Governance Code, all Directors will seek election or re-election at the 2021 AGM, and as now required by the Listing Rules, all Non-Executive Directors will be subject to an additional vote by shareholders independent of the Adderley family.

Approved by the Board on 8 September 2021.

Andy Harrison

Chair of the Nominations Committee
8 September 2021