



## **1. Constitution**

- 1.1. There shall be established a committee of the board, duly constituted, to be known as the Environmental Social and Governance (ESG) Committee ("the committee").

## **2. Membership**

- 2.1. The board shall appoint the committee chair on the recommendation of the nomination committee.
- 2.2. The board shall appoint committee members on the nomination committee's recommendation in consultation with the committee chair. The committee shall be made up of at least three directors of the board for the time being, the majority of whom shall be independent non-executive directors, including one member of the Audit and Risk Committee.
- 2.3. Only members of the committee have the right to attend committee meetings. However, other directors, management and representatives from service providers to the company may be invited to attend all or part of any meeting as and when appropriate and necessary.
- 2.4. Appointments to the committee shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the director continues to meet the criteria for membership of the committee.
- 2.5. The board shall appoint the committee chair who shall be an independent non-executive director. In the absence of the committee chair and/or an appointed deputy, the

remaining members present shall elect one of themselves to chair the meeting.

## **3. Secretary**

- 3.1. The company secretary or his or her nominee shall act as the secretary of the committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

## **4. Quorum**

- 4.1. The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretions vested in, or exercisable by, the committee. Attendance by telephone, video conference, or similar is acceptable in determining the meeting quorum.

## **5. Frequency of meetings**

- 5.1. The committee will meet at least three times each year and otherwise as required.

## **6. Notice of meetings**

- 6.1. Meetings of the committee shall be called by the secretary of the committee at the request of the committee chair or the board. Any member may also call a meeting of the committee.
- 6.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be

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discussed, shall be forwarded to each member of the committee, and any other person required to attend, if any, normally no later than five working days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

### 7. Minutes of meetings

- 7.1. The secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.
- 7.2. Draft minutes of committee meetings shall be circulated promptly to all members of the committee.

### 8. Annual general meeting

- 8.1. The committee chair should attend the annual general meeting to answer shareholder questions on the committee's activities.

### 9. Duties

#### 9.1. Governance

- 9.1.1. Consider and recommend the board approval of the responsible business framework, incorporating material priorities and implementation roadmap.
- 9.1.2. Consider and recommend for board approval environmental, social, and governance policy documents reserved for board approval.

#### 9.2. Environment

- 9.2.1. oversee the setting of the company's material environmental objectives, review the company's strategy to achieve the agreed goals, and monitor the extent to which they are integrated within the company's business strategy and risk management processes;

- 9.2.2. receive and consider internal and external reports concerning agreed metrics and targets and key performance indicators for environmental programmes and review progress towards the achievement of such targets and indicators;

- 9.2.3. consider at meetings of the committee the company's environmental risks and opportunities and the resources required to manage the company's impact on the environment;

- 9.2.4. review commitments by the company to:
  - reduction of operational and embedded carbon emissions;
  - reduction in energy usage;
  - reducing waste; and
  - water conservation.

#### 9.3. Social

- 9.3.1. review and recommend to the board for approval the company's statements of purpose and values;

- 9.3.2. assess and monitor company culture to evaluate whether policies, practices, and behaviors align with its purpose, values, and strategy.

- 9.3.3. oversee the setting of the company's material social objectives, review the company's strategy to achieve the agreed goals, and monitor the extent to which they are integrated within the company's business strategy and risk management processes;

- 9.3.4. receive and consider internal and external reports concerning agreed baseline metrics and targets and key performance indicators for social programmes and monitor progress towards the achievement of such targets and indicators;

- 9.3.5. review commitments by the company to:
  - diversity and inclusion programmes;
  - learning and development;

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- human rights policy development;
- community programmes, and
- charitable support.

### 10. Reporting responsibilities

- 10.1. Consider and recommend the board approval of the appropriate ESG reporting frameworks and standards to be applied by the company.
- 10.2. Consider whether the appropriate communications policies are in place and working effectively to build and protect the Group's reputation concerning ESG matters both internally and externally.
- 10.3. After each meeting, the committee chair shall report to the board on its proceedings on all matters within its duties and responsibilities.
- 10.4. The committee shall compile a report on its activities to be included in the company's annual report.

### 11. Other matters

The committee shall:

- 11.1. have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;
- 11.2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 11.3. Give due consideration to the provisions of the UK Corporate Governance Code and any other applicable rules and regulations, as appropriate;
- 11.4. arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval;

11.5. oversee any investigation of activities which are within its terms of reference; and

11.6. make available its terms of reference, explaining its role and the authority delegated to it by the board.

### 12. Voting arrangements

- 12.1. each member of the committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending the meeting.
- 12.2. If a matter that is considered by the committee is one where a member of the committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote as the meeting.
- 12.3. Save where he, or she, has a personal interest, the committee chair will have a casting vote.

### 13. Authority

The committee is authorised by the board to:

- 13.1. undertake any activity within its terms of reference;
- 13.2. do all matters as the committee believes appropriate in respect of the conduct of its duties, including without limitation, the matters referred to herein;
- 13.3. obtain, at the companies expense, outside legal or other professional advice on any matters within its terms of reference;
- 13.4. seek any information it requires from any employee or director of the company;
- 13.5. call any service provider of the company to be questioned at a meeting of the committee as and when required; and
- 13.6. delegate any of its powers to one or more of its members or the secretary of the committee.

Approved by the board 24 January 2022.