

Environmental Social Governance Committee Terms of Reference

Role

The primary role of the Environmental Social Governance ('ESG') Committee is to assist the Board in:

- understanding the views of key stakeholders of the Company;
- understanding the Company's impact on community and the environment;
- ensuring that the Board is aware of the processes and mechanisms used by the Company to engage with key stakeholders; and
- ensuring that those processes and mechanisms are fit for purpose and assist in contributing to wider society.

Duties

1. Assess and monitor culture to ensure alignment with the Company's purpose, values and strategy.
2. Responsible for engagement with the workforce on behalf of the Board to satisfy the Board's responsibility under Provision 5 of the UK Corporate Governance Code.
3. Responsible for reviewing workforce engagement and feedback mechanisms so that they remain effective.
4. Oversee and monitor the Company's Health & Safety systems and practices.
5. Oversee and monitor the Transition Vehicle.
6. Oversee and provide strategic oversight of the Community Investment Fund.
7. Oversee and monitor the Company's processes and mechanisms for building relationships with customers, suppliers and other key stakeholders and understanding their views.
8. Understanding the impact of the Company's operations on the community and environment. Monitor the Company's execution of the 2030 Sustainability Strategy.
9. Understanding the charitable activities of the Company.
10. Oversee and monitor the development of gender and ethnic diversity of the senior management pipeline. Monitor the Company's execution of the 2030 Diversity, Equality & Inclusion Strategy.

Reporting & Relationships with other Committees

1. A joint meeting will be held with the Remuneration Committee once per year consisting of the respective quorums of each Committee to consider the indicators of the cultural health of the Company.

2. The Committee:
 - will report formally to the Board on how its duties have been discharged, as agreed with the Board; and
 - may request and receive reports from any employee network and the following committees:
 - o Sustainability;
 - o Health & Safety;
 - o Community Investment Fund; and
 - o Transition Vehicle.

General

1. The Committee:
 - will review annually the Committee's effectiveness and terms of reference and recommend any changes to the terms of reference for approval by the Board;
 - will produce a report to be included in the Company's annual report;
 - will consider appropriate training for any members of the Committee; and
 - will give due regard to applicable laws, regulations, codes and any other rules.
2. The Committee may delegate any or all of its powers and authorities set out in these terms of reference to a sub-committee of the ESG Committee.
3. The following governance matters are dealt with in the ESG Committee's Governance Protocols included as an appendix to this document:
 - Membership and quorum;
 - Secretary, notice of meetings and minutes of meetings;
 - Frequency of meetings and attendees;
 - Information and advice.

Approved by the Board of Directors on 16 May 2022.

Appendix: Governance Protocols

Membership, quorum and voting	<ul style="list-style-type: none"> • The Committee shall have a minimum of two members. • Members shall be appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the ESG Committee Chair. • The ESG Committee Chair shall be appointed by the Board and should attend the annual general meeting. • Each member of the Committee shall have one vote. • All members of the Committee are required to be independent non-executive directors. • A quorum shall be two members.
Secretary, notice of meetings and minutes	<ul style="list-style-type: none"> • The Head of Secretariat, or his or her nominee, shall act as the secretary. • At least five working days' notice will be given of all meetings unless all members agree to shorter notice. • The secretary will minute the proceedings of each meeting which will be circulated to all members unless the ESG Committee Chair considers this inappropriate.
Frequency of meetings and attendees	<ul style="list-style-type: none"> • The Committee shall meet at least two times a year. Only members of the Committee are entitled to attend and vote at meetings. The ESG Committee Chair may invite any employee or third party to attend any meeting of the Committee. • In addition, the Committee shall meet with the Remuneration at least once per year consisting of the respective quorums of each Committee.
Information and advice	<p>The Committee is authorised to:</p> <ul style="list-style-type: none"> • Investigate any activity within its terms of reference; • Seek any information it requires from any employee of the Company in order to perform its duties; • Obtain at the Company's expense, independent legal or other professional advice on any matter it believes necessary to do so; and • Call any employee to attend and answer questions at any meeting of the Committee.