

Environment, Social and
Corporate Governance
Committee

Terms of Reference
(Approved 28 May 2023)

Reference to "the committee" shall mean the ESG Committee

Reference to "the board" shall mean the Board of Directors.

Reference to "the Code" shall mean the UK Corporate Governance Code 2018.

Reference to "ESG" shall mean environment, social and corporate governance

1. Membership

- 1.1. Members of the committee shall be appointed by the board, on the recommendation of the nomination committee in consultation with the chair of the committee. The committee shall be made up of at least 3 members.
- 1.2. A majority of the members of the committee shall be independent non-executive directors.
- 1.3. Only members of the committee have the right to attend committee meetings. However, the executive directors and board chairman (to the extent not appointed members of the committee) and the Group Head of Sustainability Strategy and ESG will be invited to attend meetings of the committee on a regular basis and other non-members may be invited to attend all or part of any meeting as and when appropriate and necessary.
- 1.4. The board shall appoint the committee chair who shall be an independent non-executive director. The first committee chair shall be the chairman of the board. 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.

2. Secretary

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

3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be two members one of whom should be the chair of the committee.

4. Frequency of Meetings

- 4.1. The committee shall meet at least three times a year and otherwise as required.
- 4.2. Outside of the formal meeting programme, the committee chair, and to a lesser extent the other committee members, will maintain a dialogue with key individuals involved in the Group's ESG strategy.

5. Notice of Meetings

- 5.1. Meetings of the committee shall be convened by the secretary of the committee at the request of any of its members.
- 5.2. Unless otherwise agreed by the committee, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the committee, any other person required to attend and all other non- executive directors, no later than 3 working days prior to the date of the meeting. Supporting papers shall be sent to the committee members and to other attendees, as appropriate, or otherwise as agreed with the committee chair.
- 5.3. Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

6. Minutes of Meetings

- 6.1. The secretary shall minute the proceedings and decisions of all meetings of the committee, including the names of those present and in attendance.
- 6.2. Draft minutes of committee meetings shall be agreed with the committee chair and then circulated promptly to all members of the committee, unless it would be inappropriate to do so in the opinion of the committee chair.

7. Annual General Meeting

- 7.1. The committee chair should attend the annual general meeting prepared to answer shareholder questions.

8. Duties

The committee should have oversight of the Group as a whole and, unless required otherwise by regulation, carry out the duties below:

8.1. Strategy

- 8.1.1. The committee shall consider and recommend to the board the Group's ESG strategy taking into account the Group's stated purpose, strategy, culture, vision and values.
- 8.1.2. The committee shall, with the Board, monitor the Group's engagement with its stakeholders including colleagues, customers, suppliers, the community, investors and government, and its understanding of their priorities on ESG matters.
- 8.1.3. The committee shall ensure that short-term and long-term objectives for the Company's ESG activities are in place and key metrics are reported on.
- 8.1.4. The Committee shall approve any projects developed to implement the Group's ESG strategy.

8.2. Review

The committee shall be responsible for the effectiveness of the Group's ESG strategy (including its Second Nature strategy) and the governance in place to ensure its successful delivery, including:

- 8.2.1. Reviewing the adequacy of the Group's policies, principles and standards insofar as they relate to ESG.
- 8.2.2. Reviewing the Group's ESG risks (physical and transitional), related mitigation and long-term impact on the Group.
- 8.2.3. Ensuring the provision of adequate management information relating to ESG is provided to the committee.
- 8.2.4. Ensuring compliance with any relevant national or international ESG regulations applicable to the Group.
- 8.2.5. Holding to account executives tasked with implementing any ESG strategy.
- 8.2.6. Monitoring the Group's performance against any previously agreed KPI's and/or targets.
- 8.2.7. Reviewing annually the Terms of Reference and the effectiveness of the Committee and to report to the Board, including any recommendations for improvement.

8.3. Reporting Responsibilities

- 8.3.1. The committee chair shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities and on how it has discharged its responsibilities.
- 8.3.2. The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 8.3.3. The committee shall compile a report on its activities to the extent required (or otherwise agreed) to be included in the company's annual report.

9. Other matters

The committee shall:

- 9.1. have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;
- 9.2. 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;
- 9.3. give due consideration to relevant laws and regulations, the provisions of the Code and the requirements of the Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules source book and any other applicable rules, as appropriate;
- 9.4. oversee any investigation of activities which are within its terms of reference;
- 9.5. work and liaise as necessary with all other board committees, taking particular account of the impact of risk management and internal controls being delegated to different committees; and

9.6. arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board.

9.7. The committee terms of reference shall be made publicly available.

10. Authority

The committee is authorised to:

10.1. seek any information it requires from any employee of the company in order to perform its duties;

10.2. obtain, at the company's expense, independent legal, accounting or other professional advice on any matter it believes is necessary to do so,

10.3. call any employee to be questioned at a meeting of the committee as and when required.