

## **Sustainability Committee Terms of Reference**

Approved effective 2 April 2020

### **1.1 Role**

- 1.2** The Committee shall carry out the duties below in relation to Sustainability and related matters for the Company and the Group as a whole.

## **2. Duties**

### **2.1 Maintaining Health, Safety and Wellbeing**

The Committee shall oversee:

- (a) the management of health, safety and wellbeing of the Group's employees.
- (b) the adherence to the highest quality standards and ensure that safety measures are taken to mitigate risk, including in relation to:
  - (i) safety
  - (ii) health
  - (iii) wellbeing

### **2.2 Focusing on our people**

The Committee shall oversee:

- (a) the importance of the Group's operations on the lives of its people and ensure the Group's commitment to making a positive impact on these individuals, including in relation to:
  - (i) Employee recruitment, retention and development
  - (ii) Fair employee practices
  - (iii) Diversity and inclusion
  - (iv) Human and labour rights

### **2.3 Caring for the environment**

The Committee shall oversee:

- (a) the prevention, mitigation and control of the impacts of the Group's activities on the environment, recognising that as a business, the Group has a responsibility to the health of the environment, including in relation to:
  - (i) air quality and pollution
  - (ii) biodiversity, ecosystems, land use and quality
  - (iii) climate change and energy
  - (iv) waste, hazardous waste and water

## **2.4 Unlocking value for our communities**

The Committee shall oversee:

- (a) the focus on customers and communities aiming to provide the highest product quality and drive social value in the communities in which the Group operates, including:
  - (i) Community engagement
  - (ii) Sustainable communities

## **2.5 Sustainability Governance and Reporting**

The Committee shall oversee:-

- (a) Governance and reporting matters in relation to its areas of responsibility under these terms of reference, including:-
  - (i) Reviewing reports from management on governance matters in relation to the Committee's areas of responsibility.
  - (ii) Reviewing reports on risk management in relation to the Committee's areas of responsibility.
  - (iii) Reviewing any reports on its areas of responsibility referred to the Committee by the Audit Committee [this would cover, for example, internal audit/whistleblowing reports where relevant].
  - (iv) Reviewing the Company's Sustainability Report and any other similar reports prior to publication.

**2.6** The Chair of the Committee shall report formally to the Board of directors on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board of directors on how it has discharged its responsibilities.

**2.7** The Committee shall make whatever recommendations to the Board of directors it deems appropriate on any area within its remit where action or improvement is needed.

**2.8** The Committee shall compile a report to shareholders on its activities to be included in the Company's Annual Report.

**2.9** The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;
- (b) 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;
- (c) give due consideration to applicable laws and regulations, the provisions of the QCA Corporate Governance Code, and the requirements of the London Stock Exchange's rules for AIM companies as appropriate;
- (d) oversee any investigation of activities which are within its terms of reference; and
- (e) arrange for periodic review of its own performance and, at least once a year, 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 of directors for approval.

**2.10** To consider such other matters as may be requested by the Board of directors.

**3. Membership**

**3.1** The members of the Committee shall be appointed by the Board of directors, on the recommendation of the Nomination Committee in consultation with the Chair of the Committee.

**3.2** The Committee shall have at least two members.

**3.3** The Board of directors shall appoint a Committee Chair. In the absence of a Committee Chair, the remaining Committee members present shall elect one of themselves as Chair.

**3.4** A quorum shall be any two members of the Committee.

**4. Voting arrangements**

**4.1** 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 a meeting of the Committee.

**4.2** 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 at the meeting.

**4.3** Save where he or she has a personal interest, the Chair of the Committee will have a casting vote.

## **5. Attendance at meetings**

- 5.1** The Committee will meet at least twice times a year at appropriate intervals. The Committee may meet at other times during the year as agreed between the members of the Committee or as required.
- 5.2** Outside of the formal meeting programme, the Committee Chair will maintain a dialogue with key individuals involved in sustainability in the Group.
- 5.3** Only members of the Committee have the right to attend Committee meetings. However, the Group Sustainability Director and Group [Director of Corporate Communications] will be invited to meetings of the Committee on a regular basis and other non-members including the Group General Counsel may be invited to attend all or part of any meeting as and when appropriate.
- 5.4** The company secretary or his or her nominee shall be 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 all issues.

## **6. Notice of meetings**

- 6.1** Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members.
- 6.2** Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall be forwarded to each member and any other person required to attend no later than three working days before the date of the meeting (or such later time as the Chair or the Committee may agree). Any supporting papers shall be sent to each member of the Committee and to other attendees (as appropriate) at the same time.
- 6.3** Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

## **7. Authority**

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. The Committee is authorised by the Board of directors to examine any activity within its terms of reference and is authorised to obtain, at the company's expense, professional advice on any matter within its terms of reference. The Committee is authorised to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Committee. The Committee has the right to publish in the company's annual report, details of any issues that cannot be resolved between the Committee and the Board of directors.

## **8. Reporting**

- 8.1** The proceedings and resolutions of meetings of the Committee, including the names of those present and in attendance shall be minuted by the company secretary.
- 8.2** Draft minutes of each meeting will be circulated promptly to all members of the Committee. Once approved, the minutes of each meeting will be circulated to all other members of the Board of directors, unless, in the opinion of the Committee Chair it would be inappropriate to do so. The Committee Chair shall report to the Board of directors on its proceedings after each meeting on all matters within its duties and responsibilities.

## **9. General matters**

- 9.1** The Chair of the Committee should make himself or herself available at each Annual General Meeting of the company to answer questions concerning the Committee's work.
- 9.2** The Committee shall work and liaise as necessary with all other Board committees.
- 9.3** The Committee shall make available to shareholders these terms of reference.