

# **BIG YELLOW GROUP PLC**

## **Terms of Reference - SUSTAINABILITY Committee**

*In this document:*

*“Board” means the Board of Directors*

*“Committee” means the Sustainability Committee*

*“Corporate Governance Code” means the UK Corporate Governance Code published by the Financial Reporting Council in July 2018, which applies to financial years beginning on or after 1 January 2019, or any succeeding version of it*

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### **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 Sustainability Committee. The Committee shall be made up of at least three members.
- 1.2. Unless the Board resolves otherwise, all members of the Committee shall be independent non-executive directors, at least one of whom shall have recent and relevant experience with regards to sustainability, human rights or general social or environmental topics. The Chair of the Board shall not be a member of the Committee.
- 1.3. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chair of the Board, Chief Executive, Chief Finance Officer, other directors, and representatives from the CSR function may be invited to attend all or part of any meeting as and when appropriate.
- 1.4. Appointments to the Committee shall usually be for a period of up to three years, which may be extended for two further three year periods, provided the director remains independent.
- 1.5. The Board shall appoint the Committee Chair. Where the Committee comprises more than two directors, if the Committee Chair is absent, the remaining members present shall elect one of themselves to chair the meeting.

### **2. Secretary**

The Company Secretary or their nominee shall act as the Secretary of the Committee.

### **3. Quorum**

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.

### **4. Frequency of Meetings**

The Committee shall meet at least twice a year, in September and March.

## **5. Notice of Meetings**

- 5.1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members or at the request of external or internal auditors if they consider it necessary.
- 5.2. Unless otherwise agreed, 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 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.

## **6. Minutes of Meetings**

- 6.1. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 6.3. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict exists.

## **7. Annual General Meeting**

The Chair of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

## **8. Duties**

The Committee should carry out the duties below for the parent Company, major subsidiary undertakings and the group as a whole, as appropriate. Specifically, the Committee:

### **8.1. Framework and Sustainability Strategy**

The Committee shall:

- 8.1.1. Determine and agree with the Board the framework or broad policy for the Company sustainability programme.
- 8.1.2. Review and provide guidance to management, and report to the Board regarding the involvement of significant corporate responsibility issues in major business decisions, to protect the Company's valuable goodwill, and human and intellectual capital.
- 8.1.3. Present any proposed changes in sustainability strategy to the Executive Committee for approval.

### **8.2. Sustainability performance review**

- 8.2.1. The Committee shall review the current financial year's performance, reviewing significant reporting issues and judgements which they contain.

- 8.2.2. The Committee shall also review summary sustainability statements, and any material information published through other means, such as the Sustainability corporate website.

### 8.3. **Sustainability Materiality**

The Committee shall:

- 8.3.1. Review and provide guidance to management on emerging social and environmental issues to determine how material they are to the long-term value of the business.
- 8.3.2. Review and make recommendations to management on reporting to shareholders and other communities regarding corporate responsibility activities;

### 8.4. **Sustainability Risk:**

The Committee shall:

- 8.4.1. Consider social and environmental risks, and the mitigating actions that are in place,
- 8.4.2. Pay particular attention to the clarity of disclosure of the Company's TCFD (Task Force on Climate-related Financial Disclosure) statements;

### 8.5. **Reporting Responsibilities**

- 8.5.1. The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 8.5.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 8.5.3. The Committee shall compile a report to shareholders on its activities to be included in the Company's Annual Report.

Perform such other duties and functions as may, from time to time, be assigned to the Committee by the Board.

### 8.6. **Other Matters**

The Committee shall:

- 8.6.1. have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- 8.6.2. 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;
- 8.6.3. give due consideration to laws and regulations, the Corporate Governance Code, the TCFD (Task Force on Climate-related Financial Disclosure), the SECR (Streamlined Energy and Carbon reporting), ESOS (Energy Savings Opportunity Scheme), UK Modern Slavery Act, GHG Protocol and any other relevant law and regulation;

- 8.6.4. oversee any investigation of activities which are within its terms of reference and act as a court of the last resort; and
- 8.6.5. at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

**9. Authority**

The Committee is authorised:

- 9.1. to seek any information it requires from any employee of the Company in order to perform its duties;
  - 9.2. to call any employee to be questioned at a meeting of the Committee as and when required.
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