

# CPP Group

## ESG: Terms of Reference

June 2023

**Approval & Review Period:**

**Version Number:** V1.0

EMC approval is required for changes to this ToR.

This ToR will be reviewed when there are material changes in the nature of areas being covered, the business's strategic direction or operational plans. As a minimum the ToR will be reviewed at least annually.

## Environmental, Social and Governance (ESG) Committee

### Terms of Reference

These Terms of Reference for the ESG Committee (the “Committee”) have been adopted by the Executive Management Committee (the “EMC”) of CPPGroup PLC (the “Company”). The Committee shall review and reassess these Terms of Reference at appropriate intervals, and at least annually, and recommend any proposed changes to the EMC for approval.

The Committee reports into the EMC and will assist the management team in the fulfilling of its oversight responsibilities with respect to the implementation and development of the Company’s ESG strategy.

### Purpose

The purpose of the ESG Committee is to assist the EMC in developing and reviewing the strategies, policies and performance (including targets and key performance indicators (“KPIs”) of the Company’s group of companies (the “Group”) in relation to environmental, social and governance matters:

- Environmental: Addressing the Company’s impact on the natural environment and its response to climate change, including the reduction of carbon emissions, energy consumption, resources efficiency, and the reduction and management of waste; and oversight of climate and nature related disclosures.
- Social: The role of the Company in society including the responsibility CPP has to its colleagues, the communities in which it operates, and other external stakeholders - including workplace policies concerning health and wellbeing, engagement, diversity and inclusion, the application of human rights, driving customer/partner satisfaction, engagement, supporting charities and volunteering.
- Governance: Having the proper levels of ESG corporate governance in place and being open and transparent in all the Company does, including its corporate governance framework, business ethics, codes of conduct, anti-bribery and corruption, commercial and product governance, data privacy and security and how effectively the Group integrates environmental, social and longer term economic risks and opportunities into practices, processes and culture.

### Duties

The Committee’s primary responsibility is to implement, progress and develop the Company’s ESG strategy, including overseeing the Company’s most material sources of ESG risk and opportunity, associated actions, and reporting.

In carrying out its responsibilities, the Committee shall:

- Understand CPP’s social impact and impact on the environment.
- Oversee the Group’s overall approach to ESG issues through the development of a corporate ESG strategy and ensure it is in alignment with the corporate strategy, purpose and values – ensuring that CPP’s ESG strategy remains relevant and appropriate.
- Ensure that objectives for ESG activities are in place and recommend ESG KPIs for adoption by the Group – and that these KPIs are monitored and reported on.
- To recommend to the EMC and the Company’s Board (the “Board”) the approval of a budget in relation to the required resourcing and funding of ESG-related activity and oversee the deployment and control of any resources and funds.

- Review the strategies, policies and performance of the Company in relation ESG matters, ensuring they are regularly reviewed for their relevance, effectiveness and compliance with relevant regulations and industry standards, and are updated as necessary.
- Review CPP's Materiality Assessment, and actions undertaken in relation to the identified risks and opportunities presented by each material issue (ensuring that ESG risks are identified, assessed and managed in line with the Group's risk framework).
- Scrutinise progress of the implementation of the ESG strategy against agreed actions, targets and metrics and approve any projects developed in response to the ESG strategy.
- Review the results of any reviews or independent audits of the company's performance in regard to ESG matters e.g., carbon accounting and review any strategies and recommend action plans in response to issues raised.
- Review and monitor all stakeholder feedback on ESG matters, and engage as appropriate.
- Providing guidance to the EMC and the Board on best practice approaches to ESG, relevant emerging ESG topics or issues and views on how CPP Group should develop its ESG strategy in keeping with the organisation's statutory objectives and regulatory principles.
- Review regularly the requirement for external assurance of ESG matters and as may be deemed necessary, appoint external third-parties to carry out assurance of the effectiveness of ESG related policies, processes and initiatives and the accuracy of the reporting of ESG matters.
- To approve and monitor projects developed in response to implementation of the ESG strategy.
- Oversee ESG Champions across the business units who are tasked with implementing activities in relation to CPP's ESG strategy e.g., colleague wellbeing and satisfaction, local communities and charity initiatives, supplier engagement etc.
- Provide bi-annual reports to the EMC and Board on all matters relating to ESG, including progress towards the achievement of targets and indicators.
- Approve all internal and external ESG reporting and disclosures including information to be included in the Annual Report and Accounts and Company websites.
- The Committee shall 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 EMC for approval.

## Membership

- The EMC appoints Committee members, with guidance from the Group Chief Executive and Group Marketing and NPD Director.
- Membership will consist of at least one of the Company's Non-Executive Directors (as Chair), the Group Marketing and NPD Director and, when appropriate, an external ESG expert.
- The Committee Chair shall be entitled to chair all regular sessions of the Committee and add topics to the agenda.
- In the absence of the Committee Chair at a meeting, the remaining members present shall elect one of the members present to chair the meeting.
- Only the EMC and members of the Committee have the right to attend committee meetings. However, other colleagues or external advisors may be invited by the Committee Chair to attend all or part of any meeting.

### Committee Secretary

- The Group Marketing and NPD Director shall act as the secretary of the Committee.

### Quorum

- The quorum necessary for the transaction of Committee business shall be three members, including the Committee Chair or their delegate.

### Frequency of meetings

- The Committee shall meet, in person or by video conference, at least twice a year, or more frequently as circumstances dictate. These meetings will be scheduled as far in advance as possible.

All Committee members shall strive to be present at all Committee meetings. The Committee meetings shall follow an agenda established by the Committee secretary but can allow for the discussion of additional items

### Notice and proceedings of meetings

- Meetings of the Committee shall be called by the ESG Committee secretary at the request of its Chair. Meetings may also be convened by the secretary or their nominee at the request at the request of a member of the EMC or Board if they consider it necessary.
- 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 by the Committee secretary to each member of the Committee, and any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to the attendees, as appropriate, at the same time.
- The notice, agendas and supporting papers shall normally be distributed in electronic form.
- Any decisions of the Committee shall be taken on a simple majority basis. Each member of the Committee shall have one vote. Votes can only be cast by members attending a Committee meeting.
- Outside of the formal meeting programme, the Committee Chair and Committee secretary will maintain an ongoing dialogue with members on the Committee's role and responsibilities.
- The Committee may invite any Director of CPP Group PLC, colleague, and relevant internal and external specialists to advise on specific issues.

### Minutes of meetings

- The Committee secretary, or their nominee, shall minute the proceedings of all meetings.
- Minutes of meetings shall be agreed with the Committee Chair, draft minutes of the Committee meetings shall be circulated and presented for approval to all members of the Committee electronically.
- Minutes will be made available to all members of the EMC and Board and other individuals unless it would be inappropriate to do so in the opinion of the Committee Chair.

### Reporting procedures

- The Committee secretary shall report to the EMC after each of its meetings to update the team on the Committee's discussions and actions.
- The Committee Chair shall report to the Board after each of its meetings to update the Board on the Committee's discussions, recommendations and actions.
- The Committee secretary will update the EMC and the Board will report twice a year on ESG strategy, performance and best practice.
- The Committee shall produce a report to be included in the Company's Annual Report and Accounts about its activities during the reporting period and the approach taken to oversight of ESG matters.

### Authority

- The Committee can request the attendance of any colleague of CPP Group and its business units at a meeting of the Committee as and when required.
- The Committee may establish sub-committees and working groups as it deems necessary. The Committee may determine the membership of any such Committee from time to time.
- The Committee will not make any decisions on behalf of the EMC or the Board.

### Other matters

The Committee:

- Shall have access to sufficient resources to carry out its duties, including access to the Company Secretary for help and governance as required.
- May be consulted by the EMC and the Board for advice on ad-hoc issues where these arise between its scheduled meetings.
- Work and liaise with other Company and Board committees as necessary.
- Obtain at the Company's expense (and pending CPP Group's budget and approvals process), independent legal or other professional advice on any matter it believes necessary to do so.