

BREEDON GROUP plc
(“the Company” or “the Group”)

SUSTAINABILITY COMMITTEE

TERMS OF REFERENCE

Constitution

The Board has established a Committee of the Board known as the Sustainability Committee (“the Committee”). The Terms of Reference (“TOR”) for the Committee outlined below are defined by the Board and may only be amended by the Board. The Sustainability Committee shall have the following TOR.

1. Membership

- 1.1. The Committee shall be appointed by the Board on the recommendation of the Nomination Committee and in consultation with the Chair of the Committee.
- 1.2. The Committee shall comprise of at least three non-executive directors as determined by the Board from time to time. If not already included in the non-executive directors nominated by the Board, the Chair of the Board will also be a member of the Committee. The Group’s People Director, Head of Sustainability and Head of Health, Safety & Wellbeing may be invited to attend meetings of the Committee as and when the Committee consider it appropriate or necessary.
- 1.3. Other Board members and employees may attend if invited by the Chair of the Committee.
- 1.4. The Board shall appoint the Committee Chair, who shall be a non-executive director. 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 from those who would qualify under these TOR to be appointed to that position by the Board.

2. Secretary and Papers

The Company Secretary, or their nominee, shall act as 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 issues.

The content of the papers to be considered by the Committee will be agreed in advance between the Chair of the Committee and the Group's Head of Sustainability, and the latter shall be responsible for co-ordinating the preparation of such papers for timely submission to the Committee Secretary for distribution to the Committee members in accordance with paragraph 5.2 below.

3. *Quorum*

The quorum necessary for the transaction of business shall be two members of the Committee, both of whom must be non-executive directors.

4. *Frequency of meetings*

Meetings shall be held not less than three times each year and at such other times as the Chair of the Committee shall deem necessary. If possible, meetings shall be held in conjunction with meetings of the Audit & Risk Committee, with whom the Committee shall closely liaise.

5. *Notice of meetings*

- 5.1. Meetings of the Committee shall be convened by the secretary of the Committee at the request of the Committee Chair or any of its members.
- 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 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 other attendees, as appropriate, at the same time.
- 5.3. Notices, agendas and supporting papers may be sent in electronic form.
- 5.4. Members may participate in a meeting by means of telephone, video conferencing facility or other suitable communication equipment.

6. *Minutes of meetings*

- 6.1. The secretary shall minute the proceedings and decisions 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. The Chair shall ensure that, in the event of any conflicts of interest being noted, appropriate control measures are taken in the way such conflicts are managed at that meeting.

- 6.3. Draft minutes of Committee meetings shall be agreed with the Committee Chair and then circulated promptly to all members of the Committee.
- 6.4. The approved minutes of the meeting shall be circulated to all members of the Board, unless a conflict of interest would occur in such circumstances.

7. *Engagement with shareholders*

The Committee Chair should attend the Annual General Meeting (“AGM”) to answer any shareholder questions on the Committee’s activities. In addition the Committee Chair should seek engagement with shareholders on significant matters related to the Committee’s areas of responsibility.

8. *Duties*

The Committee’s duties are to review the strategies, policies and performance of the Group in relation to sustainability, and to drive improvement in this area as appropriate. Specifically, the Committee will, on behalf of the Board:

- 8.1. Review the environmental impact and sustainability of the Group’s operations particularly in relation to those activities where the Company has its most significant environmental impacts in respect of energy management and climate change, water quality, and biodiversity and land use. In doing so, considering the Board’s duty to have regard to the impact of the Company’s operations on the community and the environment as well as the Company’s other stakeholders, when promoting the success of the Company.
- 8.2. Ensure the promotion of socially responsible values and standards that relate to the social and economic communities in which the Group operates, in accordance with the Company’s corporate sustainability strategy. Ensuring the Company can demonstrate that it lives through these values and can act responsibly in its engagement with all stakeholders in these communities, locally, nationally and internationally
- 8.3. Review the Group’s policies and procedures in relation to sustainability and associated matters.
- 8.4. Review and evaluate the sustainability performance of the Group, including but not limited to in relation to energy and carbon emissions, materials and waste management and social and community matters.
- 8.5. Consider and recommend to the Board:

- 8.5.1. the Group's overall approach to sustainability and ensure it is aligned with the Group strategy and, if appropriate, recommend amendments to the above policies to the Board;
- 8.5.2. develop and recommend to the Board corporate sustainability targets and key performance indicators and receive and review reports on progress towards the achievement of such targets and indicators;
- 8.5.3. consider matters linked to the Group's corporate sustainability strategy; and
- 8.5.4. whatever it deems appropriate on any area within its remit where action or improvement is needed.

9. *Reporting responsibilities*

- 9.1. The Committee Chair shall report to the Board after each meeting on the nature and content of its discussion, recommendations and action to be taken.
- 9.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be made available for Board discussion when necessary.
- 9.3. The Committee shall, in consultation with the Group's Audit & Risk Committee, oversee and monitor the development of the Group's sustainability disclosures, and make recommendations to the Board on any such disclosures which might be made in the Company's annual report, and it shall produce a report to be included in the Company's annual report describing the work of the Committee.
- 9.4. The Committee will at least once each year review its own performance, constitution and its TOR to ensure it is operating effectively and recommend any changes it considers necessary to the Board.

10. *Authority*

- 10.1. The Committee is authorised by the Board to:
 - 10.1.1. investigate, or cause to be investigated, any activity within these TOR;
 - 10.1.2. seek any information it requires from any employee of the Company in order to perform its duties, with an obligation on all employees of the Company to co-operate with any request made by the Committee;

- 10.1.3. obtain external professional services, funded by the Company, on any matters it considers appropriate to its TOR and invite such or other advisors to attend meetings as it deems necessary;
 - 10.1.4. meet for dispatch of its business, adjourn and otherwise regulate its meetings as it sees fit;
 - 10.1.5. delegate any of its duties as is appropriate to such persons or person as it thinks fit;
 - 10.1.6. ensure appropriate induction for new members to provide an understanding of the role of the Committee, including its TOR and the expected time commitment by members; and,
 - 10.1.7. avail itself of training it considers appropriate to ensure members have sufficient understanding of the business of the Company and the environment in which it operates, and also to ensure that members are kept up to date with relevant accounting, regulatory and legal developments.
- 10.2. The Committee will be provided with sufficient resources to undertake its duties.

These Terms of Reference were adopted by the Board on 28 January 2022.