

Dated

TERMS OF REFERENCE – ENVIRONMENTAL,
SOCIAL and GOVERNANCE COMMITTEE

ADOPTED BY THE BOARD 23 MARCH 2022

References to “the Committee” shall mean the Environmental, Social and Governance (ESG) Committee; references to “the Board” shall mean the Board of Directors of the Company; references to “the Company” shall mean Esken Limited.

References in these terms of reference to ESG matters and ESG shall include, but not be limited to the following:

Environmental: the Group’s impact on the natural environment and its adaptation to climate change including greenhouse gas emissions, energy consumption, generation and use of renewable energy, biodiversity and habitat, impact on water resources and the status of water bodies, pollution, resources efficiency and the reduction and management of waste.

Social: the Group’s interactions with employees, host governments, commercial and state counterparties, stakeholders and the communities in which it operates and the role of the Group in society, workplace policies (for example, employee relations and engagement, diversity, non-discrimination and equality of treatment, health and safety and well-being), ethical procurement, any social or community projects undertaken by the Group and social aspects of the supply chain, community and stakeholder engagement or partnerships.

Governance: the ethical conduct of the Group’s business including its corporate governance framework.

1 MEMBERSHIP

- 1.1 The Members of the Committee shall be appointed by the Board.
- 1.2 The Committee shall be comprised of at least three members. A majority of the Members shall be Directors of the Company and at least one member shall be an independent Non-Executive Director. The Group Head of ESG shall be a member of the Committee.
- 1.3 The Chairman of the Committee shall be appointed by the Board and should be an independent Non-Executive Director. The first Chairman shall be Ginny Pulbrook. In the absence of the Chairman and/or an appointed deputy the remaining members present shall elect one of their number to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.
- 1.4 If a Member is unable to act for any reason, the Chairman of the Committee may appoint another person as an additional Member until such time as the Board is able to nominate a new Member provided always that the provisions of paragraph 1.2 above shall be complied with.
- 1.5 Appointments to the Committee shall be for a period of up to three years (starting, in the case of the first appointments to the Committee from 1 March 2021), which may be extended for two further three-year periods, provided that, in the case of a Non-Executive Director, the Director remains independent, and in the case of any Director that person remains a Director.
- 1.6 Only Members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Group People Director and external advisers may be invited to attend for all or any part of any meeting, as and when appropriate and necessary.
- 1.7 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.

2 SECRETARY

- 2.2 In accordance with good practice, the Company Secretary, or his or her nominee¹, shall act as secretary to the Committee
- 2.3 The Committee has access to the services of the Secretary or Nominee on all Committee matters, including:-
- (a) Assisting the Chair in planning the Committee's work
 - (b) Drawing up meeting agendas
 - (c) Maintenance of minutes
 - (d) Collection and distribution of information; and
 - (e) Ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

3 QUORUM

- 3.1 The quorum necessary for the transaction of business shall be two members one of whom must be a Director. 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 NOTICE OF MEETINGS

- 4.1 Meetings of the Committee shall be held at least four times a year.
- 4.2 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 MINUTES

- 5.1 A member of the Committee or Nominated Secretary shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
- 5.2 Draft minutes of the meetings shall be circulated promptly to all Members of the Committee. Once approved, these minutes should be circulated to all other Members of the Board and the Company Secretary unless, in the opinion of the Committee Chairman, it would be inappropriate to do so.

6 DUTIES

- 6.1 The Committee shall have overall responsibility:
- (a) to recommend the Group's environmental, social, sustainability and related governance ("ESG") strategy for adoption by the Board and ensure that it remains

¹ It is expected that this task will initially be carried out by the Group Head of ESG.

fit for purpose and consistent with the Company's purpose, culture and values whilst supporting the Company's long term sustainable success;

- (b) to ensure that short and long term objectives for the Company's ESG activities are in place and increase transparency and continuity, drive engagement and secure resources for that strategy;
- (c) to monitor and review the Group's compliance with the recommendations and requirements of The Task Force on Climate-Related Financial Disclosures (TCFD) created by the Financial Stability Board (FSB) to develop consistent climate-related financial risk disclosures for use by companies, banks, and investors in providing information to stakeholders and to approve any relevant disclosures mandated thereby under the Listing Rules; The Committee will have access to supplementary attendees such as a representative from the Finance Department or the Company's Auditors for specific TCFD issues.
- (d) to ensure that all related policies are regularly reviewed and updated and remain in compliance with any relevant national and international regulations; and
- (e) to ensure that ESG risks (including those mandated by the TCFD) are identified, assessed and managed in line with the Group's relevant risk mitigation framework;
- (f) to recommend ESG key performance indicators ("KPIs") for adoption by the Group, including for use by the Group in incentive schemes and annual bonus schemes and to report to the Board and/or the Remuneration Committee as required on measurement of such KPIs from time to time;
- (g) to monitor and review the overall implementation of the Company's ESG strategy;
- (h) to review and recommend approval of the budget of the Group in relation to its ESG strategy;
- (i) to approve projects developed in response to implementation of the ESG strategy;
- (j) to receive regular reports from the chair of each management team tasked with implementing the ESG strategy;
- (k) to monitor, review and consider all recommendations in response to ESG issues raised and review the execution and implementation of plans previously approved by the Committee including recommending corrective actions, where applicable;
- (l) to monitor, review and consider stakeholder engagement in ESG activities and review key external disclosures.

6.2 Without prejudice to the foregoing, the ESG strategy shall deal with the following:

- (a) Charitable giving
- (b) Employee volunteering
- (c) Education, employment and skills outreach
- (d) Gathering and reporting social impact metric

- (e) Diversity
- (f) Responsible procurement
- (g) Health and safety
- (h) Wellbeing
- (i) Net Zero and carbon reduction plans
- (j) Energy and renewable energy
- (k) Air quality and remaining within legal limits
- (l) Water usage and contamination management
- (m) Waste reduction and recycling.

6.3 The Committee shall provide the Committee report on its activities and any environmental, sustainability and related governance content in the Company's Annual Report to the Board for approval. It shall also approve any standalone Sustainability Report and any disclosures made in response to the requirements and recommendations of the TCFD. It will also be responsible for commissioning any standalone Environmental Reports, if applicable.

6.4 The Committee shall, with the Board, monitor the Company's engagement with its stakeholders including colleagues, customers, suppliers, the community, investors and government, on sustainability and ESG matters.

7 REPORTING RESPONSIBILITIES

7.1 The Chair of the Committee shall report to the Board following each meeting of the Committee and 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 decisions when necessary.

8 OTHER MATTERS

8.1 The Committee shall:

- (a) make available to shareholders these terms of reference by placing them on the Company's website;
- (b) have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- (c) be provided with appropriate and timely training, both in the form of an induction programme for new Members of the Committee and on an ongoing basis for all Members of the Committee;
- (d) ensure periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;

- (e) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Rules, Prospectus and Disclosure Guidance and Transparency Rules as appropriate;
- (f) monitor the progress of any relevant corporate governance or regulatory developments that may impact the Committee and recommend any action or changes it considers necessary to the Board for approval.

8.2 The Committee shall undertake any other duties as directed by the Board.

9 AUTHORITY

9.1 The Committee is authorised by the Board to obtain external advice and support as and when required, at the Company's expense, and to appoint and secure the attendance at its meetings of external consultants and advisors if it considers this beneficial.

Approved: 23 March 2022