

**C&C Group PLC (the “Company”)**

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) COMMITTEE  
TERMS OF REFERENCE  
adopted 23 July 2020**

**1. Membership**

- 1.1 The members of the Committee shall be appointed by the Board and shall comprise of a Chairman and at least three other members, two of whom shall be non-executive directors and two of whom shall be executive directors.
- 1.2 The Board shall appoint the Committee Chairman on the recommendation of the Nomination Committee. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
- 1.3 Any member of the Committee can be removed at any time from that role by resolution of the Board.
- 1.4 Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for further periods of up to three years provided the director still meets the criteria for membership of the Committee.

**2. Secretary**

- 2.1 The Assistant Company Secretary or his/her nominee shall act as the Secretary of the Committee.

**3. Quorum**

- 3.1 The quorum necessary for the transaction of business shall be two members, one of whom shall be a non-executive director and one of whom shall be an executive 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 discretion vested in or exercisable by the Committee.

**4. Meetings**

- 4.1 The Committee shall meet not less than four times a year, and at such other times as the Chairman of the Committee shall require.

**5. Notice of Meetings**

- 5.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee.
- 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 three 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 Only members of the Committee and the Secretary of the Committee have the right to attend Committee meetings. However, other individuals including the Chairman of the Board (where not a member of the Committee), the Chief Executive (where not a member of the Committee), ESG Associates from within individual business units of the Company and its subsidiaries (the “**Group**”) and external advisers may be invited by the Chairman of the Committee to attend for all or part of any meeting when considered appropriate.

## 6. Minutes of Meetings

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2 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 of interest exists.

## 7. Annual General Meeting

- 7.1 The Chairman of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee’s activities.

## 8. Purpose and Role

- 8.1 The Committee was constituted by the Board to:
- 8.1.1 assist the Board in defining and regularly reviewing the Group’s strategy relating to ESG matters and in setting relevant KPIs;
  - 8.1.2 develop and review regularly the policies, programmes, practices, targets and initiatives of the Group relating to ESG matters ensuring they remain effective and up to date and consistent with good industry practice;
  - 8.1.3 provide oversight of the Group’s management of ESG matters and compliance with relevant legal and regulatory requirements, including applicable rules and principles of corporate governance, and applicable industry standards;
  - 8.1.4 report on these matters to the Board and, where appropriate, make recommendations to the Board; and
  - 8.1.5 report as required to the shareholders of the Company on the activities and remit of the Committee.
- 8.2 References in these terms of reference to **ESG matters** and **ESG** shall include, but not be limited to, the following:
- 8.2.1 **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, the reduction and management of waste, and the environmental impact of the Group's supply chain;

8.2.2 **Social:** the Group's interactions with employees, customers, suppliers, other stakeholders and the communities in which it operates and the role of the Group in society, workplace policies, ethical procurement, any social or community projects undertaken by the Group and social aspects of the supply chain, community and stakeholder engagement or partnerships; and

8.2.3 **Governance:** the ethical conduct of the Group's business including its corporate governance framework (including compliance with the UK Corporate Governance Code), business ethics policies and codes of conduct, counterparty due diligence and onboarding policies and procedures, the management of bribery, corruption and money laundering risk and the transparency of reporting and financial and tax transparency.

## 9. Duties

9.1 The Committee should carry out the duties below for the Company and the Group as a whole, as appropriate.

9.2 The Committee shall:

9.2.1 assess the effectiveness of the Group's policies, programmes, practices and systems for:

- identifying, managing and mitigating or eliminating ESG risks in connection with the Group's operations and corporate activity; and
- ensuring compliance with relevant legal and regulatory requirements and industry standards and guidelines applicable to ESG matters;

9.2.2 monitor the Company and the Group's performance in relation to ESG matters against previously set KPIs;

9.2.3 assess the performance of the Group with regard to the impact of decisions relating to ESG matters, including any social or community projects undertaken by the Group, and any related actions upon employees, communities and other third parties, and further assess the impact of such decisions and actions on the reputation of the Group;

9.2.4 review the quality and integrity of internal and external reporting of ESG matters and performance;

9.2.5 review the results of any reviews or independent audits of the Group's performance in regard to ESG matters, review any strategies and action plans developed by management in response to issues raised; and

9.2.6 make recommendations to the Board on any of the matters listed above that the Committee considers appropriate.

9.3 Although the Committee can seek the advice and assistance of the senior executive team on matters falling within its duties and responsibilities, it must ensure that any such advice and assistance is clearly separated from the role that the relevant member(s) of the senior executive team performs within the business.

## **10. Other**

10.1 The Committee shall:

9.1.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required;

9.1.2 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;

9.1.3 give due consideration to applicable laws and regulations, the provisions of the UK Corporate Governance Code, the requirements of the London Stock Exchange's Listing Rules, the Market Abuse and Transparency Regulations, the UK Listing Authority's Listing Rules, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate; and

9.1.4 arrange for periodic reviews of its own performance and, at least annually, 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 for approval.

## **10. Reporting Responsibilities**

10.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

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

10.3 The Committee shall produce a report to shareholder on its activities to be included in the Company's Annual Report.

## **11. Authority**

11.1 The Committee is authorised to seek any information it requires from any employee of the Group in order to perform its duties.

11.2 The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.