

THG

Sustainability Committee Terms of Reference

THG PLC

1. Purpose

- 1.1 The Board has established a Sustainability Committee to review and assure that the Company has appropriate and effective strategies, policies and operational controls to conduct their business in a responsible manner (including performance against the Group's sustainability strategy and in relation to environmental, social and governance (ESG) matters).

2. Composition and Meetings of the Sustainability Committee

- 2.1 The Sustainability Committee comprises at least 3 members, which will include at least one non-executive director. Members of the Sustainability Committee should be appointed by the Board, on the recommendation of the Nomination Committee. Appointments shall be for a period of up to three years which may be extended for up to two additional three-year periods, provided members continue to be independent and meet the membership criteria of the committee.
- 2.2 All members of the Sustainability Committee shall have the skills and experience appropriate for membership. The Sustainability Committee as a whole shall have competence relevant to the sector in which the Company operates.
- 2.3 The chair of the Sustainability Committee shall be appointed by the Board and shall be a non executive director. In the absence of the chair of the Sustainability Committee and/or appointed deputy at a meeting of the Sustainability Committee, the remaining members shall elect one of themselves to chair the meeting.
- 2.4 If any member of the Sustainability Committee is unable to act for any reason, the chair of the Sustainability Committee may appoint any other independent non executive director of the Company to act as his or her alternate.
- 2.5 The Company secretary (or his or her nominee) shall be the secretary of the Sustainability Committee.
- 2.6 The quorum for meetings of the Sustainability Committee is any two of its members.
- 2.7 Only members of the Sustainability Committee and those entitled to attend as an observer have the right to attend meetings of the Sustainability Committee. External advisers may be invited to attend for one or part of any meetings as and when appropriate and necessary.

- 2.8 Meetings of the Sustainability Committee are to be held not less than three times a year and at such other times as the chair of the Sustainability Committee shall require. Any of the Sustainability Committee members may request a meeting of the Sustainability Committee if he or she considers it necessary, to be arranged by the secretary. Unless otherwise agreed by the Sustainability Committee, 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 Sustainability 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 the members of the Sustainability Committee and to other attendees, as appropriate, at the same time. Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to received documents in such a way.

3. Duties of the Sustainability Committee

The duties of the Sustainability Committee are:

- 3.1 to monitor management's assessment of the health, safety, security, environmental and social impacts resulting from the Company's operations, in particular the impact on its employees, suppliers, contractors and host communities;
- 3.2 to confirm the Company's compliance with and reporting of relevant health, safety and environmental legislation and standards, responsibilities and commitments;
- 3.3 to review and monitor systems, strategies, policies and targets in relation to emissions to air, water and land, energy management, climate change and carbon management, waste, recycling and resource productivity and biodiversity, and compliance with environmental laws or regulations, in addition to any other subject matter deemed material to the Group over time;
- 3.4 to assess the Company's performance in implementing sustainability strategy and policy, by receiving and considering updates from the Company's businesses and experts;
- 3.5 to review and recommend changes as appropriate to the Company's sustainability strategy and policy and to ensure that the Company's standards of business behaviour are up to date and reflect best business practices;
- 3.6 to review statements and reports to be published by the Company on sustainability, including policy statements on environmental and social matters;
- 3.7 to bring best practice thinking and ongoing awareness of global developments in sustainability

- 3.8 to report to the Audit and Risk Committee on material sustainability risks identified and managed through the system of risk management, and the outcome of the evaluation of those risks;
- 3.9 to review and monitor the systems for compliance with applicable sustainability-related legal and regulatory requirements and monitor the performance of the Company in regard to those requirements; and
- 3.10 to review and endorse to the Audit and Risk Committee the Sustainability section of the Company's internal audit plan.

4. Sustainability Committee Chair

The Sustainability Committee chair shall:

- 4.1 report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities; and
- 4.2 attend the Company's annual general meeting prepared to answer any shareholders' questions.

5. Sustainability Committee Secretary

The Sustainability Committee secretary shall:

- 5.1 minute the proceedings and resolutions of all meetings of the Sustainability Committee, including recording the names of those present and in attendance;
- 5.2 ascertain, at the beginning of each meeting the existence of any conflicts of interest and minute them accordingly; and
- 5.3 promptly circulate minutes of Sustainability Committee meetings to all members of the Sustainability Committee and, once agreed, to all members of the Board, unless in the opinion of the committee chair, a conflict of interest exists.

6. Authorisations

The Sustainability Committee is authorised by the Board:

- 6.1 to obtain, at the Company's expense, such independent, legal, accounting or other professional advice on any matter it deems necessary;
- 6.2 to secure the attendance of other persons at its meetings if it considers this necessary; and
- 6.3 to delegate any matter or matters to another committee or person(s) as it deems appropriate.

7. Other Matters

The Sustainability Committee shall:

- 7.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for advice and assistance as required;
- 7.2 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;
- 7.3 give due consideration to any applicable laws and regulations, as appropriate; and
- 7.4 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.

