

HENRY BOOT PLC

TERMS OF REFERENCE OF THE RESPONSIBLE BUSINESS COMMITTEE

1. Definitions

In these terms of reference:

“**Board**” means the board of directors of the Company;

“**Committee**” means the Responsible Business Committee of the board;

“**Company**” means Henry Boot PLC;

“**ESG**” means Environmental, Social and Governance;

“**Group**” means the Company and its subsidiary undertakings from time to time; and

“**Strategy**” means the Responsible Business Strategy.

2. Introduction

The purpose of the Committee is to provide oversight and leadership on the Company’s strategic approach to, and performance on, responsible business practices. The Committee will provide an independent review and oversight of the development and delivery of the Strategy which will guide the Company’s approach to delivery of long term ESG activity and objectives.

The Committee will provide oversight to ensure that the Strategy successfully guides the Company to deliver an excellent performance on ESG activity and engages internal and external stakeholders. It provides a forum separate from management in which other interested parties can candidly discuss concerns and that individuals across the Company who are involved in ESG activity can seek guidance and advice.

By effectively carrying out its functions and responsibilities, the Committee helps to ensure that management properly develops and commits to the incorporation of ESG into the Company’s Commercial Strategy and are held accountable for the delivery of the Strategy. See “Duties” below for more information.

3. Membership

3.1 The Committee shall comprise at least three members. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chair of the Committee. Appointments shall be for a period of up to three years which may be extended for up to two additional three-year periods.

3.2 Only members of the Committee have the right to attend Committee meetings. However, the Company’s Responsible Business Manager and other non-members may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

- 3.3 The Board shall appoint the Committee Chair. 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.

4. Secretary

The Responsible Business Manager, or his or her 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.

5. Quorum

The quorum necessary for the transaction of business shall be two members.

6. Frequency of meetings

- 6.1 The Committee shall meet at least three times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.

- 6.2 Outside of the formal meeting programme, the Committee Chair will maintain a dialogue with key individuals involved in the Strategy including the Board.

7. Notice of meetings

- 7.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of any of its members or at the request of a non-member if they consider it necessary.

- 7.2 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.

8. Minutes of meetings

- 8.1 The Secretary shall minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance.

- 8.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board, unless in the opinion of the Committee Chair, it would be inappropriate to do so.

9. Annual General Meeting

The Committee Chair should attend the Annual General Meeting 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.

10. Duties

The Committee should have oversight of the Group as a whole and, unless required otherwise by regulation, carry out the duties below for the Parent Company, major subsidiary undertakings, and the Group as a whole, as appropriate.

- 10.1 The Committee shall monitor the development of the current (and any prospective) Strategy to ensure that it will enable and support the Company to deliver successful ESG objectives and performance.
- 10.2 In particular, the Committee shall review and challenge where necessary:
 - 10.2.1 the Strategy's ESG objectives to ensure they are robust, feasible, and engaging;
 - 10.2.2 the models adopted to engage with both internal and external stakeholders in the development and delivery of the Strategy and ensuring that these are suitable and robust;
 - 10.2.3 the materiality assessment undertaken in the development of the Strategy;
 - 10.2.4 all sustainability and ESG reporting to ensure this discloses comprehensive and accurate data, is presented in an engaging and informative format and is framed with a meaningful and engaging narrative; and
 - 10.2.5 the independent review and verification of ESG data from an independent third party.
- 10.3 The Committee shall support the Board to ensure they have a robust and up to date understanding of the Company's key stakeholders (including shareholders, employees, pensioners, customers and clients, shareholders, charity and education partners).
- 10.4 The Committee shall ensure that the Board maintains an up to date awareness of the Company's impact on the communities and environments it works with and alongside and its charitable support.
- 10.5 The Committee shall monitor culture and alignment with the Company's Purpose, Vision and Values.
- 10.6 The Committee shall monitor the development of employee diversity across the Company and it's leadership (save to the extent that the same falls within the remit of the Nomination Committee).
- 10.7 The Committee shall ensure that the Company adheres to all regulations and requirements relating to the recording and reporting of ESG performance including reporting against the recommendations of the Task Force on Climate Related Disclosure (TCFD).
- 10.8 The Committee shall ensure that the Strategy does not pose any material risk to the Company's financial performance, reputation or ability to undertake its commercial operations.

11. Reporting responsibilities

- 11.1 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities and any other issues on which the Board has requested the Committee's opinion.

11.2 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 available for Board discussion where necessary.

11.3 The Committee shall compile a report on its activities to be included in the Company's annual report.

12. Other matters

The Committee shall:

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

12.2 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;

12.3 give due consideration to laws and regulations and any other applicable rules, as appropriate;

12.4 work and liaise as necessary with all other Board Committees; and

12.5 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.

13. Authority

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