



# Thames Water Utilities Limited

## Health, Safety, Environment and Sustainability Committee Terms of Reference

June 2024

These Terms of Reference set out the specific responsibilities delegated by the Board to the Health, Safety, Environment and Sustainability Committee (the "Committee") of Thames Water Utilities Limited (the "Company") and detail the manner in which the Committee will operate.

## 1. Overview

1.1 The objective of the Committee is the provision of oversight and effective governance over:

- Health, safety and wellbeing across the Company;
- Sustainability Strategy and its implementation in line with the purpose, values and strategy of the Company and Sustainability Performance including broader stakeholder and employee engagement to include;
  - Biodiversity impact and progress;
  - Climate adaptation and Net Zero Carbon ambitions, targets and compliance;
- Compliance with relevant statutory and regulatory obligations;
- Environmental Strategy; and
- Vulnerability Strategy.

## 2. Membership

2.1 The Committee shall comprise at least three independent non-executive directors and up to two non-executive directors,

2.2 Members of the Committee shall be appointed by the Board, on recommendation of the Nomination Committee.

2.3 The Board shall appoint the Committee Chair who must 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.

2.4 The Committee may invite any persons (including the CEO, CFO, Director of Health, Safety and Welfare and other employees responsible for the implementation of the Sustainability strategy and external advisers) to attend any meetings or parts of meetings.

2.5 Each member of the Committee shall be entitled to one vote.

2.6 The Chair of the Committee shall not be entitled to a second or casting vote in the case of an equality of votes on any matter.

## 3 Secretary

3.1 The Company Secretary or their nominee shall act as the Secretary of the Committee.

3.2 The Secretary shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to all such matters.

## 4 Quorum

4.1 The quorum for Committee meetings shall be three members, one of whom must be an independent non-executive director.

## 5 Meetings

5.1 The Committee shall meet at least 4 times a year.

- 5.2 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of any of its members.
- 5.3 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 in electronic form 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. Relevant supporting papers shall be sent to Committee members and other attendees at the same time.
- 5.4 The attendance of any non-Committee person at the meeting shall be at the invitation of the Committee Chair.

## 6 Minutes of Meetings

- 6.1 The Secretary shall minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance and the existence of any conflicts of interest.
- 6.2 Draft minutes of the Committee meetings shall be agreed with the Committee Chair and then circulated to all members of the Committee and once agreed, to all members of the Board.

## 7 Annual General Meeting

- 7.1 The Chair of the Committee shall attend the Annual General Meeting, in the event that such a meeting is held, and be prepared to respond to any shareholder questions on the Committee's activities.

## 8 Duties

The duties of the Committee shall include:

- 8.1 Oversight, periodic review and assessment of the Company's Health, Safety & Wellbeing policies (including in respect of physical security), strategy, procedures, risks, to ensure all Company activities and those of the supply chain, are managed in accordance with the Company's risk framework for customers, members of the public, stakeholders, partners and colleagues.
- 8.2 Responsibility for the review and oversight of significant health and safety incidents, investigations or audits.
- 8.3 Oversight, review and assessment of the Company's sustainability performance and standards, ensuring compliance with statutory and regulatory requirements and that risks are adequately managed, reported and mitigated in line with the Company's risk framework.
- 8.4 As part of the Sustainability Strategy, the review and assessment of any environmental sustainability incidents and respective investigations.
- 8.5 The periodic review of Climate adaptation, Net Zero Carbon activity and energy reduction, generation and consumption.
- 8.6 Review of Occupational Health and Wellbeing.

- 8.7 Review, and make a recommendation to the Board to approve the annual Sustainability Report, the Modern Slavery Act Statement and Gender Pay Gap Report and any other public documents to be approved for disclosure concerning sustainability related matters.
- 8.8 Review and monitor progress of the Sustainability Strategy and consider whether there should be any changes, including to the targets detailed in the Sustainability Strategy and make a recommendation to the Board for approval of any changes to the Sustainability Strategy.
- 8.9 Review the annual Sustainability Materiality Assessment and Annual Sustainability Performance Targets
- 8.10 The Committee shall:
- receive regular updates on the progress and implementation of the Sustainability Policy and Strategy.
  - carry out regular deep dives into the priority areas of the Sustainability Strategy;
  - receive updates on and review (on an ongoing basis) the Company's external sustainability ratings and accreditations;
  - receive updates on (and review on an ongoing basis) sustainability reporting requirements and changes to government strategy, policies and laws impacting sustainability;
  - monitor external trends, developments and emerging best practices that may affect the Company's reputation or sustainability and ESG strategy, objectives and targets;
  - monitor the level of resource, competence and commitment applied to the management of sustainability and ESG issues; and
  - receive relevant sustainability audit findings and details of sustainability related assurance activity.
- 8.11 The Committee shall, where requested by the Board, take any other action in connection with sustainability on behalf of the Board; and
- 8.12 The Committee shall work and liaise as necessary with all other committees, ensuring the interaction amongst committees and with the Board is regularly reviewed.

## 9 Reporting

- 9.1 The Committee shall report, through the Committee Chair, on its activities and how it has discharged its responsibilities to the Board after each Committee meeting.
- 9.2 The Committee shall produce a report to be included in the Company's Annual Report.

## 10 Authority and Legal Advice

The Committee is authorised to:

- 10.1 Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for advice and assistance as required.
- 10.2 Obtain, at the company's expense, independent legal, accounting or other professional advice on any matter if it believes it necessary to do so.

- 10.3 Undertake any other duties as requested by the Board from time to time and to investigate any activities it deems necessary to carry out its duties and to seek information from any employee.
- 10.4 Give due consideration to all relevant laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of any other applicable rules, as appropriate.

## 11 Terms of Reference and Performance

The Committee is authorised to:

- 11.1 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.
- 11.2 Ensure that a periodic evaluation of the Committee's performance is carried out.
- 11.3 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.

### Version Control

Version	Date Approved	Comments
1.0	March 2019	Approved by TWUL Board
2.0	March 2022	Approved by TWUL Board (formatted onto new template. Minor amendments).
3.0	June 2023	Approved by TWUL Board
4.0	March 2024	Approved by TWUL Board including Committee name change subject to further amendments being reviewed by the HSES (review completed June 2024).

