

## **Kier Group plc (the “Company”)**

### **Safety, Health and Environment Committee (the “Committee”)**

#### **Terms of Reference**

##### **Role**

The role of the Committee is to assist the board of directors of the Company (the “Board”) to:

- on behalf of the Board, ensure that management develops the Group’s strategy or strategies with respect to safety, health and environmental (“SHE”) matters and monitor the implementation of such strategy;
- review the Group’s exposure to SHE risks and monitor the Group’s performance against SHE targets; and
- encourage management commitment and accountability with respect to managing the Group’s SHE risks.

##### **Membership/Secretary**

The Committee will consist of a minimum of three (3) members appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the Chair of the Committee. All members of the Committee will be independent non-executive directors of the Company.

The Chair of the Committee will be appointed by the Board from amongst the members of the Committee. In the absence of the Chair of the Committee and/or an appointed deputy, the remaining members present will elect one of themselves to chair the relevant meeting.

The Company Secretary or his or her nominee will act as the secretary of the Committee.

##### **Meetings**

The Committee will meet four (4) times per annum and at such other times as it sees fit. The quorum for meetings of the Committee will be two (2) members.

Only members of the Committee will have the right to attend Committee meetings. However, the Chief Executive and the Group Director of Safety, Health and Environment (the “Group SHE Director”) are invited and expected to attend the meetings, unless they are notified to the contrary. Other executive and non-executive directors of the Company, including the Chair of the Board, are invited to attend all or part of any meeting as and when considered appropriate.

##### **Notice of meetings**

Meetings of the Committee will be called by the secretary of the Committee at the request of any of its members or the Group SHE Director if (s)he considers it necessary.

Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, will be forwarded to each member of the Committee and any other person required to attend in advance of the meeting (in sufficient time to enable consideration of the issues).

##### **Minutes of meetings**

The secretary will minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance.

##### **Engagement with shareholders**

The Chair of the Committee should attend the annual general meeting of the Company to answer shareholder questions on the Committee’s activities. In addition, the Chair of the Committee should seek engagement with shareholders on significant matters related to the Committee’s areas of responsibility.

## Duties

The Committee should carry out the duties detailed below for the Company, major subsidiary undertakings of the Company and the Group as a whole, as appropriate. The Committee will carry out the following duties:

### Safety

The Committee's duties with regard to safety will include:

- on behalf of the Board, approving the Group's strategy with respect to safety matters relevant to, or affecting, the Group;
- reviewing and approving relevant key performance indicators relating to such matters and monitoring performance against them;
- receiving and reviewing regular reports from the business on the key issues relating to safety and the business' performance in managing the risks associated with it;
- reviewing key issues arising from "high potential" incidents; and
- in the event of a serious injury or fatality or a material incident involving the Group's operations which gives rise to a risk that the safety of third parties will be compromised, (i) being kept informed of the circumstances of the incident and the measures being taken after the event, (ii) receiving and reviewing the final or interim reports relating to the relevant incident and (iii) liaising with management to ensure that all material actions required by such report(s) are appropriately implemented in a timely manner.

### Health

The Committee's duties with regard to health will include:

- on behalf of the Board, approving the Group's strategy with respect to the impact of the Group's operations on the health of its employees and any other relevant stakeholders;
- reviewing and approving relevant key performance indicators relating to such matters and monitoring performance against them; and
- where considered appropriate, reviewing management's action plans with respect to either specific or general health issues relevant to, or affecting, the Group.

### Environment

The Committee's duties with regard to environmental issues will include:

- on behalf of the Board, approving the Group's strategy with respect to the impact of the Group's operations on the environment;
- reviewing and approving relevant key performance indicators relating to such matters and monitoring performance against them; and
- in the event of a material environmental incident relating to the Group's operations, (i) being kept informed of the circumstances of the incident and the measures being taken after the event, (ii) receiving and reviewing the final or interim reports relating to the relevant incident and (iii) liaising with management to ensure that all material actions required by such report(s) are appropriately implemented in a timely manner.

## SHE strategy, risk and compliance

The Committee will receive reports which provide details of:

- the Group's current SHE performance;
- the key SHE risks and compliance issues faced by the Group; and
- material regulatory investigations (whether by the Health and Safety Executive, the Environment Agency or any other regulatory body) or material proceedings relating to SHE matters, in either case which involve the Group.

### Chair of the Committee

The Chair of the Committee or, in his or her absence, another member of the Committee will:

- be notified immediately of any serious incidents or fatalities occurring in connection with or as a result of the Group's operations;
- be informed by either the Chief Executive or the Group SHE Director as to who is investigating any such serious incidents or fatalities; and
- be sent the reports produced by the Group SHE Director relating to any such serious incidents or fatalities.

### Visible leadership tours

In consultation with members of the Committee, the Group SHE Director will propose and organise visible leadership tours for members of the Committee to the Group's sites.

### Reporting responsibilities

The Chair of the Committee will report to the Board after each Committee meeting.

The Committee shall produce a report, to be included in the Company's annual report, describing its activities during the preceding financial year.

### Other matters

The Committee will:

- have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- have access to training to assist members of the Committee to discharge their obligations;
- give due consideration to laws and regulations and any other applicable rules, as appropriate;
- arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval; and
- assist the Remuneration Committee and the Board with respect to the setting of any annual bonus targets which relate to SHE performance.

### Authority

The Committee is authorised by the Board to obtain, at the Company's expense, legal or other professional advice on any matter within its terms of reference; and to request that any employee attends or presents at a meeting of the Committee.

**Last updated: August 2020**