

Kier Group plc (the “Company”)
Environment, Social and Governance 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 oversee the strategy for environmental, social and governance (ESG) matters, including the implementation of that strategy by management, to review the Group’s exposure to ESG risks and monitor performance against ESG targets.

Membership

Members of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee and shall be made up of at least three (3) members, the majority of whom shall be independent non-executive directors.

The Chair of the Committee will be appointed by the Board. In the absence of the Committee Chair the remaining members present shall elect one of themselves to chair the meeting.

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

Meetings

The Committee shall meet at least three (3) times per annum at appropriate times in the reporting and audit cycle and at such other times as it sees fit. The quorum for meetings of the Committee shall be two (2) members. Only members of the Committee have the right to attend Committee meetings. However, other persons such as the Chair of the Board and Executive Directors of the Company may be invited to attend from time to time. Other executives responsible for the ESG strategy including: sustainability and environmental, health and safety, community, Human Resources, governance (including internal and external auditors), corporate compliance, legal, supply chain, customers, procurement and resource efficiency may also be invited as appropriate.

Notice of meetings

Meetings of the Committee shall be called by the Secretary of the Committee at the request of any of its members. Notice of each meeting confirming the venue, time and date of the meeting, an agenda of items to be discussed at the meeting and supporting papers shall be sent to each member of the Committee and any other person required to attend at least three (3) business days in advance of the meeting.

Minutes of Meetings

The Secretary shall minute the proceedings and decisions of all meetings of the Committee.

Engagement with shareholders

The Chair of the Committee will 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 shall carry out the following duties:

to review the policies, management, initiatives and performance of the Group in the following areas:

- **Environment:** including: emissions to air, water and land; energy management; climate change and carbon management; waste, recycling and resource productivity; natural capital stewardship; biodiversity; and compliance with environmental regulation.
- **Social:** including:
 - People:** including: safety, health and wellbeing issues;
 - Community:** including: community engagement policies; community investment and benefits; education; volunteering; and partnerships.
 - Suppliers and Customers:** including payment policies, supply chain management, customer satisfaction and, where appropriate, the Environment, People and Governance practices of key suppliers and contractors.
- **Governance:** including: UK Corporate Governance Code matters, corporate policies relating to responsible and ethical business practice, including Code of Conduct, (except policies relating to whistleblowing, fraud, anti-bribery and the acceptance of gifts, hospitality and other benefits, which are considered by the Risk Management and Audit Committee (RMaC)).

The Committee shall keep under review the extent and effectiveness of the Company's external reporting of sustainability performance, and its participation in relevant external benchmarking indices.

Reporting Responsibilities

The Chair of the Committee shall formally report to the Board on the Committee's proceedings after each Committee meeting.

The Committee will advise the RMaC of any material non-financial risks identified and any business ethics issues identified which are relevant to the role of the RMaC.

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

The Committee shall compile a report on how it has discharged its responsibilities to be included as a separate section in the Company's annual report to shareholders.

Other matters

The Committee shall:

- Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required and, at the Committee's discretion, seeking advice from external consultants;
- have access to training to assist members of the Committee to discharge their obligations, both in the form of an induction programme for new members and on an ongoing basis for all members;
- give due consideration to the provisions of the UK Corporate Governance Code and published guidance, the FRC's Guidance on Board Effectiveness, the UK Listing Authority's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules and any other applicable laws, regulations and guidance;

- Work and liaise, as necessary, with other Board committees, ensuring the interaction between committees and the Board is reviewed regularly.
- Oversee any investigation of activities which are within its terms of reference and consider other topics, as determined by the Board from time to time; and
- 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.

Authority

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

Last updated: August 2021