

TERMS OF REFERENCE OF THE SUSTAINABILITY COMMITTEE OF IBSTOCK PLC

1. Role

The primary role of the Sustainability Committee is to assist the Board in:

- i. reviewing the strategies, policies and performance of the Company in relation to environmental, social and governance matters and suggesting ways to drive improvement in these areas as appropriate;
- ii. understanding the Company's impact on the environment;
- iii. understanding the Company's social impact;
- iv. ensuring that the Board is aware of the processes and mechanisms used by the Company to engage with key stakeholders on sustainability matters; and
- v. ensuring that appropriate frameworks are put in place to establish and maintain good governance of the Group's operations in ESG matters.

2. Duties

The Committee shall carry out the duties below in respect of the Company, its major operating subsidiaries and the Group as a whole, as appropriate. In carrying out these duties, the members of the Committee must comply with their duty under section 172 of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, whilst having regard to the interests of employees, stakeholders and other matters as required by section 172.

Specifically, the Committee will, on behalf of the Board:

- i. oversee the Group's overall approach to ESG issues through the development of a corporate ESG strategy and ensure it is in alignment with the corporate strategy, purpose and values;
- ii. develop and recommend to the Board, ESG targets and key performance indicators and receive and review reports on progress towards the achievement of such targets and indicators on a regular basis;
- iii. monitor the operation of the Company's processes and mechanisms for building relationships with employees (including the mechanism to engage with employees as set out in provision 5 of the Corporate Governance Code), customers, suppliers and other key stakeholders (as identified by the Board) and understand their views;
- iv. understand the impact of the Company's operations on the environment particularly those that relate to those activities with the most significant environmental impacts including energy usage, use of water, resource productivity and biodiversity and land use;
- v. monitor the operation of the Company's Health & Safety systems and practices as necessary;
- vi. oversee the promotion of socially responsible values and standards that relate to the social and economic community in which the Company operates;
- vii. oversee and review the charitable activities of the Company;
- viii. in conjunction with the Nomination Committee, monitor the development of the diversity of the Company as a whole, and ensure the promotion of an inclusive culture;

- ix. consider and monitor, as necessary, any other matters linked to the Group's corporate sustainability strategy, including Modern Slavery;
- x. work with the Remuneration Committee in assessing actual performance relative to the ESG performance condition in the Long Term Incentive Plan;
- xi. oversee Company disclosures of ESG matters in the Annual Report and Accounts and any other information to be provided to third parties including investors, proxy agencies and advisory bodies; and
- xii. whatever it deems appropriate on any area within its remit where action or improvement is needed.

3. General

The Committee will:

- i. report formally and regularly to the board on how its duties have been discharged and, as part of the satisfaction of its role and duties, request and receive reports from the following committees as necessary:
 - a. Sustainability Working Group
 - b. Health & Safety Steering Group
 - c. Any other Board or Management that is deemed appropriate.
- ii. review annually the Committee's effectiveness and terms of reference and recommend any changes to the terms of reference for approval by the Board;
- iii. produce a report to be included in the Company's annual report and accounts;
- iv. consider appropriate training for any members of the Committee; and
- v. give due regard to applicable laws, regulations, codes and any other rules.

The Committee may delegate any or all of its powers and authorities set out in these terms of reference to a sub-committee of the Sustainability Committee.

The following governance matters are dealt with in the Sustainability Committee's governance protocols included as an appendix to these terms of reference:

- Membership and quorum;
- Secretary, notice of meetings and minutes of meetings;
- Frequency of meetings and attendees;
- Information and advice.

Appendix: Governance Protocols

Constitution	<ul style="list-style-type: none"> The Board of Directors (the "Board") has established a Committee of the Board, by resolution of the Board, henceforth known as the Sustainability Committee (the "Committee").
Membership, quorum and voting	<ul style="list-style-type: none"> The Committee shall have a minimum of three members. Members shall be appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the Sustainability Committee Chair. The Committee shall comprise of the Chief Executive Officer and two non-executive directors. The Sustainability Committee Chair shall be appointed by the Board and should attend the annual general meeting. Each member of the Committee shall have one vote. A quorum shall be two members. Any member of the Board is welcome to attend on notification to the Chair of the Committee.
Secretary, notice of meetings and minutes	<ul style="list-style-type: none"> The Group Company Secretary, or his or her nominee, shall act as the secretary. Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chair of the Committee or any of its members. At least five working days' notice will be given of all meetings unless all members agree to shorter notice. The secretary will minute the proceedings of each meeting, which will be circulated to all members unless the Sustainability Committee Chair considers this inappropriate.
Frequency of meetings and attendees	<ul style="list-style-type: none"> The Committee shall meet at least four times a year. If possible, meetings shall be scheduled on the same day as the Audit Committee, with whom the Committee shall closely liaise. Only members of the Committee are entitled to attend and vote at meetings. The Sustainability Committee Chair may invite any employee or third party to attend any meeting of the Committee.
Information and advice	<p>The Committee is authorised to:</p> <ul style="list-style-type: none"> Investigate any activity within its terms of reference; Seek any information it requires from any employee of the Company in order to perform its duties; Obtain at the Company's expense, independent legal or other professional advice on any matter it believes necessary to do so; and Call any employee to attend and answer questions at any meeting of the Committee.

Approved and adopted by the Board of Directors on 22 April 2021.

Reviewed and approved by the Board of Directors on 16 December 2021.

Reviewed by the ESG Committee on 14 December 2022, and approved by the Board of Directors on 15 December 2022.

Reviewed by the ESG Committee on 13 December 2023, and approved by the Board of Directors on 14 December 2023.

Updated 21 August 2024.