

THE CROWN ESTATE (“TCE”)

TERMS OF REFERENCE FOR THE SUSTAINABILITY COMMITTEE

1. ROLE

- 1.1 The role and purpose of the sustainability committee (“**Committee**”) is to ensure TCE exemplifies best practice in all matters related to sustainability and that this is embedded in the delivery of TCE’s strategy for value creation and aligned with its purpose.

2. DUTIES

- 2.1 The Committee shall :

- (a) oversee and advise the board on TCE’s strategies, targets, policies, procedures, performance and reporting related to sustainability, including commitments and progress to net zero, biodiversity and nature, diversity, equity and inclusion and well-being;
- (b) ensure TCE identifies and adopts global best practice (as appropriate) in relation to sustainability, including in relation to setting targets;
- (c) oversee the approach to sustainability, including performance measurement, reporting and transparency;
- (d) recommend for approval by the board TCE’s sustainability strategy, targets, policies, procedures and reporting;
- (e) consider external stakeholder perspective on sustainability;
- (f) oversee TCE’s efforts in and highlight opportunities for establishing better working relationships with key stakeholders, customers and suppliers on sustainability matters;
- (g) identify sustainability related risks and ensure they are incorporated into formal risk reporting;
- (h) promote knowledge sharing on sustainability within TCE;
- (i) monitor current trends and developments to identify emerging sustainability and ESG risks, applicable laws, rules, regulations and voluntary frameworks and initiatives of relevance to TCE and advise the board on implementing any consequent changes required to TCE’s strategies, targets, policies, procedures and reporting related to sustainability and ESG;
- (j) guide TCE’s sustainability communication strategy (both internal and external);
- (k) consider and review TCE’s sustainability and ESG ratings and accreditations;
- (l) oversee the delivery of regular and effective sustainability and ESG training throughout TCE at all levels; and

- (m) review, update and oversee TCE's policies and procedures, systems, and controls for collection, management and monitoring of sustainability and ESG information (including the information used to prepare sustainability and ESG-related statements and disclosures).

3. REPORTING RESPONSIBILITIES

3.1 The Committee shall :

- (a) report to the board on its proceedings after each meeting on all matters within its duties and responsibilities;
- (b) deliver a dedicated session on topics within its terms of reference as part of the board's annual strategy session;
- (c) support management in reporting to the board at least every six-months on progress made on sustainability, including well-being, diversity, equity and inclusion and performance against targets; and
- (d) prepare a formal report on its activities and how the Committee has discharged its responsibilities to be included in the annual report, which shall describe the work of the Committee by reference to these terms of reference and any applicable guidance or law.

4. MEMBERSHIP

- 4.1 The Committee shall have a minimum of three members. It is recognised that the number of members may fall below three for temporary periods due to departures pending new appointments. The board shall appoint members of the Committee, on the recommendation of the nomination committee, in consultation with the Committee chair.
- 4.2 Each Committee member shall be a Board Member and independent as determined by the board, at least one of whom shall have appropriate knowledge, skills and expertise regarding sustainability.
- 4.3 The chair of the board shall not chair the Committee.
- 4.4 The board shall appoint the chair of the Committee. In the absence of the Committee chair and/or an appointed deputy, the remaining members present at a Committee meeting shall elect one of their number present to chair the meeting.
- 4.5 The company secretary, or their nominee, shall act as the secretary of the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

5. QUORUM

- 5.1 The quorum necessary for the transaction of business at a Committee meeting shall be two members, present in person or by audio or video conference.

6. VOTING ARRANGEMENTS

- 6.1 In the event of disagreement, each Committee member shall have one vote and the Committee chair shall have a casting vote, provided that a member shall not be permitted to vote if the Committee member has a personal interest (either direct or indirect). Notwithstanding the foregoing, in the case of disagreement, the Committee chair may escalate a matter to the board.
- 6.2 A resolution in writing and signed (or approved by email) by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

7. ATTENDANCE

- 7.1 The Committee shall meet at least four times a year and otherwise as required at the request of the Committee chair.
- 7.2 Only members of the Committee have the right to attend and vote at Committee meetings. However, other individuals such as the Chief Executive, Executive Director – Purpose, Stakeholder and Sustainability, Head of Sustainability and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary and with the agreement of the Committee chair.
- 7.3 Outside of the formal meeting programme, the Committee chair shall maintain a dialogue with key individuals involved in TCE's governance and sustainability leadership, including the board chair, the Chief Executive, the Executive Director – Purpose, Stakeholder and Sustainability and Head of Sustainability.
- 7.4 Members of the Committee shall avoid being placed in a position of conflict of interest and will declare any actual or potential conflict to the Committee chair and secretary. Attendees will only be invited to attend Committee meetings if the Committee chair is satisfied that no conflict or perception of conflict may arise.

8. NOTICE OF MEETINGS

- 8.1 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, no later than five working days before the date of the meeting. Supporting

papers shall be sent to Committee members at the same time, but Committee papers may be forwarded at shorter notice with the approval of the Committee chair.

9. MINUTES OF MEETINGS

9.1 The secretary of the Committee, or their nominee, shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

9.2 Draft minutes of Committee meetings shall be agreed with the Committee chair and then be circulated promptly to all Committee members, unless in the Committee chair's opinion it would be inappropriate to do so. Once approved, minutes shall be made available to all other board members unless, exceptionally, it would be inappropriate to do so.

10. GENERAL MATTERS

10.1 The Committee shall:

- (a) have access to sufficient resources to carry out its duties, including access to the company secretary for assistance and advice, as required;
- (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- (c) give due consideration to laws and regulations, the provisions of the Corporate Governance Code and the framework agreement between TCE and HM Treasury;
- (d) liaise as necessary with all other board committees; and
- (e) periodically review its own performance and, at least annually review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval

11. AUTHORITY

11.1 The board authorises the Committee to:

- (a) have unrestricted access to TCE's documents and information and seek any information it requires from any employee of TCE to perform its duties;
- (b) obtain, at the TCE's expense, appropriate independent legal or professional advice on any matter within its terms of reference as it considers necessary; and
- (c) investigate any matters within its terms of reference.

11.2 The Committee has the delegated authority of the board in respect of the functions and powers set out in these terms of reference or as further specifically delegated by the board.

Approved by the board at the board meeting held on 22 March 2023.

Date of next review: March 2024