

Balfour Beatty plc

("Company")

Safety & Sustainability Committee ("Committee")

TERMS OF REFERENCE

1 Membership

1.1 The Committee shall be appointed by the Board on the recommendation of the Nomination Committee and in consultation with the Chair of the Committee and its membership shall be as set out in the Board Committee Membership Schedule (as amended from time to time).

1.2 The Committee shall comprise of the Group Chief Executive and at least two Non-Executive Directors as determined by the Board from time to time. The Committee shall be chaired by a Non-Executive Director, as determined by the Board.

1.3 Other Board members and employees may attend if invited by the Chair of the Committee.

2 Secretary

The Secretary of the Company (or their nominee) will act as the Secretary of the Committee.

3 Quorum

The quorum necessary for the transaction of business shall be two members of the Committee, at least one being a Non-Executive Director.

4 Frequency of Meetings

Meetings shall be held not less than three times each year and at such other times as the Chair of the Committee shall deem necessary. If possible, meetings shall be held in conjunction with meetings of the Audit & Risk Committee, with whom the Committee shall closely liaise.

5 Notice of Meetings

5.1 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.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be provided to each member of the Committee and any person invited or required to attend no fewer than three working days (if

practicable) prior to the date of the meeting. Supporting papers shall be sent to members of the Committee and to other attendees as appropriate, at the same time.

6 **Minutes of Meetings**

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
- 6.2 The Secretary shall ascertain at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The Chair shall ensure that, in the event of any conflicts of interest being noted, appropriate control measures are taken in the way such conflicts are managed at that meeting.
- 6.3 Minutes of Committee meetings shall be circulated to the Committee and to all members of the Board unless a conflict of interest exists.

7 **Annual General Meeting**

The Chair of the Committee shall attend the Annual General Meeting of the Company and shall respond to any shareholder questions on the Committee's activities and responsibilities.

8 **Duties**

The Committee's duties are to review the strategies, policies and performance of the Group in relation to health, safety and the environment and sustainability, and to drive improvement in these areas as appropriate. Specifically, the Committee will, on behalf of the Board:

8.1 **Health & Safety**

- 8.1.1 Receive and review regular business reports across the Group on performance and key issues in relation to safety;
- 8.1.2 Receive a detailed assessment of any fatalities in the Group and be kept informed of the circumstances and root causes of the incident, together with any actions being taken as a result.
- 8.1.3 Review key issues relating to "high potential incidents", and any other leading or lagging indicators and any actions being taken as a result.
- 8.1.4 Review the Group's strategies, policies and procedure in relation to safety.
- 8.1.5 Review and approve any Group targets or key performance indicators in relation to safety, and monitor performance against such targets.
- 8.1.6 Monitor the resources applied by the Group in relation to safety, and where appropriate instruct and receive reports from independent advisers.
- 8.1.7 Review the main risks faced by the Group in relation to safety.

8.1.8 Receive reports as appropriate on forthcoming legislation and other regulations, the programmes and initiatives of competitors and of leading companies in other sectors, in relation to health & safety.

8.1.9 In relation to health, to review the Group's policies and performance in relation to occupational health.

8.2 **Environment & Sustainability**

8.2.1 Review the environmental impact and sustainability of the Group's operations, and the strategies and policies of the Group. In doing so, considering the Board's duty to have regard to the impact of the Company's operations on the community and the environment as well as the Company's other stakeholders, when promoting the success of the Company.

8.2.2 Review the sustainability performance of the Group, including but not limited to in relation to energy and carbon emissions, materials and waste management and social and community matters.

8.3 **General**

8.3.1 The Chair of the Committee shall be informed immediately of any fatalities or significant pollution incidents in the Group, and of the process for investigating these.

8.3.2 The Committee will receive monthly health & safety reports generated by the Group and may call upon business leaders and their staff to attend meetings to discuss specific issues or incidents as appropriate.

8.3.3 Members of the Committee will, where practicable, attend not less than two site visits a year for the purpose of deepening members' understanding of safety issues, and demonstrating leadership in relation to health, safety and environmental issues.

9. **Reporting Procedures**

9.1 The Chair of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

9.2 The Committee will at least once each year review its own performance, constitution and its terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board.

10 **Authority**

10.1 The Committee is authorised by the Board to:

10.1.1 investigate, or cause to be investigated, any activity within the terms of reference;

- 10.1.2 seek any information it requires from any employee of the Company in order to perform its duties, with an obligation on all employees of the Company to co-operate with any request made by the Committee;
 - 10.1.3 obtain external professional services, funded by the Company, on any matters it considers appropriate to its terms of reference and invite such or other advisors to attend meetings as it deems necessary;
 - 10.1.4 meet for dispatch of its business, adjourn and otherwise regulate its meetings as it sees fit;
 - 10.1.5 delegate any of its duties as is appropriate to such persons or person as it thinks fit;
 - 10.1.6 ensure appropriate induction for new members to provide an understanding of the role of the Committee, including its terms of reference and the expected time commitment by members; and,
 - 10.1.7 avail itself of training it considers appropriate to ensure members have sufficient understanding of the business of the Company and the environment in which it operates, and also to ensure that members are kept up to date with relevant accounting, regulatory and legal developments.
- 10.2 The Committee will be provided with sufficient resources to undertake its duties.