

## TERMS OF REFERENCE FOR THE SAFETY, HEALTH AND ENVIRONMENT COMMITTEE

**Committee Purpose: To ensure, on behalf of the Board, that the Company drives a proactive culture in relation to health, safety and wellbeing and environmental matters . Also to ensure that the Company implements and maintains effective systems and plans to ensure the health, safety and wellbeing of colleagues, contractors and the public and to minimise harm to the environment.**

| 1. Membership |   |
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| 1.1           | The Committee membership shall include at least two independent non-executive directors. Independent non-executive directors shall make up the majority of Committee members.   |
| 1.2           | Only members of the Committee have the right to attend Committee meetings. Others may attend the meetings by invitation.  |
| 1.3           | The Chair of the Committee shall be an independent non-executive director appointed by the Board. In the absence of the Committee Chair at a Committee meeting, the remaining members shall elect one of themselves to chair the meeting. |
| 2. Secretary  |   |
| 2.1           | The Company Secretary or his or her nominee shall act as the secretary of the Committee.  |
| 3. Quorum     |   |
| 3.1           | The quorum necessary for the transaction of business shall be two members.  |

## 4. Meetings

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| 4.1 | Meetings shall be held not less than three times a year and at such other times as the Chair of the Committee shall require.  |
| 4.2 | Meetings shall be called by the secretary of the Committee at the request of the Committee Chair.   |
| 4.3 | 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, any other person required to attend and all other Non-Executive Directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time. |

## 5. Reporting Responsibilities

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| 5.1 | The Committee Chair shall report formally to the Board on its proceedings after each meeting.   |
| 5.2 | The minutes of meetings shall be made available to all members of the Board, unless in the opinion of the Committee Chair it would be inappropriate to do so. |

## 6. Duties

### Leadership

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| 6.1 | <p>To consider the health, safety and wellbeing culture across the business to determine the extent to which the desired culture is embedded and approve and monitor actions to achieve continuous improvement.</p> <p>To ensure that there are effective 'downward' communications systems in place in relation to health, safety and wellbeing.</p> |
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| 6.2             | To consider the cultural approach to the environment across the business and whether the desired culture is embedded in decision making across the business, and approve and monitor actions to achieve continuous improvement.   |
| 6.3             | To provide advice to the Board on the perceived 'tone from the top' in relation to health, safety, wellbeing and environmental matters and suggest ways in which the Board may demonstrate visible leadership in this area.   |
| <b>Strategy</b> |   |
| 6.4             | To review and approve the health, safety and wellbeing strategy and annual plan, ensuring that it appropriately prioritises health, safety and wellbeing across the business, is adequately resourced and reflects the risk appetite set by the Board.  |
| 6.5             | To review the Health, Safety and Wellbeing Policy and Environmental Policy and make recommendations to the Board on their approval.   |
| 6.6             | To oversee the mechanisms in place in the business to identify, prepare for and implement new and changed legal requirements and to consider other external developments and events.  |
| <b>Risk</b>     |   |
| 6.7             | <p>To consider the short, medium and long-term risks relating to health, safety wellbeing and environmental incidents and ensure these are reflected in the group risk register, along with adequate mitigations to reduce the risks as far as reasonably practicable and in line with the risk appetite set by the Board.</p> <p>To participate in 'deep dives' in relation to specific health, safety, wellbeing and environmental risks as and when appropriate.</p> |

| <b>Performance</b> |   |
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| 6.8                | To receive regular updates on performance against the health, safety and wellbeing plan, including benchmarking information from across the sector and other relevant organisations and through the monitoring of both leading and lagging performance indicators.    |
| 6.9                | To receive details of any non-trivial incidents or near misses in relation to health, safety and wellbeing and the actions and consequences arising from these.<br><br>To receive and consider assurance that the Company is identifying and applying lessons learnt. |
| 6.10               | To receive regular updates on environmental performance, including in relation to statutory obligations and regulatory performance commitments, taking into account benchmarking information from across the sector and other relevant organisations.                 |
| 6.11               | To receive details of any potential Category 1 or Category 2 environmental incidents and the actions and consequences arising from these.<br><br>To receive and consider assurance that the Company is identifying and applying lessons learnt.                       |
| <b>Assurance</b>   |   |
| 6.12               | To keep under review relationships with third parties integral to health, safety and wellbeing risk management, to ensure the embedding of a 'One Yorkshire Water' approach to health and safety.   |
| 6.13               | To keep under review relationships with the Environment Agency, the Drinking Water Inspectorate and health and safety regulators to ensure professional co-operation is maintained.   |

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| 6.14                | <p>To review the adequacy of the health, safety, wellbeing and environmental risk management frameworks across the business, including compliance with relevant statutory and regulatory requirements, particularly with reference to risk assessments, method statements and workforce competency, and to ensure that this includes the maintenance of an auditable record of compliance.</p> <p>Assurance is to be given by the Committee to the Board in relation to the adequacy of the risk management framework.</p> |
| 6.15                | <p>To review the scope, schedule and findings from health, safety, wellbeing and environmental audits and other assurance programs, to review the proposed controls for adequacy and the mitigating actions for effectiveness, as well as monitoring the timely closure of high priority findings.</p>   |
| <b>7. Authority</b> |  |
| 7.1                 | <p>The Committee is authorised by the Board to investigate any activity within these Terms of Reference and to seek any information it requires.</p> <p>The Committee is also authorised to obtain, at the expense of the Company, independent legal, accounting or other professional advice on any matter it believes necessary.</p>   |