



## A.G. BARR p.l.c. (the "Company")

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") COMMITTEE

#### TERMS OF REFERENCE

#### 1. Purpose and definition of ESG matters

1.1. The ESG Committee (the "**Committee**") has been established by the board of directors of the Company (the "**Board**") for the purpose of assisting the Board in fulfilling its oversight responsibilities with respect to the Company's management of all relevant ESG matters.

1.2. References in these terms of reference to "ESG" and "ESG matters" include, but are not limited to, the following:

**1.2.1. Environmental:** the Group's impact on the natural environment and its response to climate change, including greenhouse gas emissions, energy consumption, generation and use of renewable energy, biodiversity and habitat, impact on water resources and deforestation, pollution, efficient use of resources, the reduction and management of waste, and the environmental impact of the Group's supply chain.

**1.2.2. Social:** the Group's interactions with employees, customers, suppliers, other stakeholders and the communities in which it operates and the role of the Group in society, including workplace policies, ethical / responsible sourcing, social aspects of the supply chain (including modern slavery), and engagement with and contribution to the broader community through social projects and charitable donations.

**1.2.3. Governance:** the ethical conduct of the Group's business, including its corporate governance framework, business ethics, policies and codes of conduct, the management of bribery and corruption, and the transparency of non financial reporting.

#### 2. Membership

2.1. Members of the Committee shall be appointed by the Board.

2.2. The Board shall appoint the Committee Chair, who shall be an independent non-executive director. The Chairman of the Board shall not be Chairman of the Committee.

- 2.3. The Committee shall comprise a Chair and at least two other members, one of whom shall be an independent non-executive director.
- 2.4. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed or ceases to be a member of the Board.
- 2.5. One of the members of the Committee shall be the secretary to the Committee.

### **3. Meetings**

- 3.1. The Committee shall meet at least twice each year and otherwise as required.
- 3.2. Only members of the Committee have the right to attend Committee meetings. Other individuals, including employees, non-executive directors and external advisers, may be invited to attend meetings as and when appropriate.
- 3.3. Meetings of the Committee may be called by the Secretary of the Committee at the request of the Committee Chair.
- 3.4. Unless otherwise agreed, notice of each meeting confirming the date, venue and time, together with an agenda of items and supporting papers, shall be provided to Committee members, and to other attendees as appropriate, at least three working days before the meeting.
- 3.5. The quorum necessary for the transaction of business shall be two members, one of whom shall be a non-executive director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members shall elect one of themselves to Chair the meeting. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 3.6. Members may participate in a meeting by means of a telephone or video conferencing facility.
- 3.7. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee and shall keep appropriate records, including those relating to the existence of any conflicts of interest. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Provided there is no conflict of interest, any other director may obtain copies of the minutes upon request to the Secretary.

### **4. Annual General Meeting**

- 4.1. The Chair of the Committee, or in their absence an appointed deputy, shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

### **5. Duties**

The Committee shall carry out the duties below for the Company and the group as a whole (the "**Group**"), as appropriate.

- 5.1. Receive regular reports from and oversee the ESG activities undertaken by the Group's Environmental Sustainability Steering Group, relevant operating

committees and appropriate executives, including but not limited those related to:

- 5.1.1. the effective management of the Group's ESG risks;
  - 5.1.2. ensuring compliance with relevant legal and regulatory requirements and industry standards and guidelines applicable to ESG matters;
  - 5.1.3. the development and maintenance of the Group's ESG Strategy;
  - 5.1.4. providing oversight of the effective implementation of the Group's ESG Strategy;
  - 5.1.5. reviewing and monitoring the Group's performance in relation to ESG matters against agreed KPIs;
  - 5.1.6. gathering and reviewing external insight which will inform the Group's ESG Strategy;
  - 5.1.7. supporting the development of the Group's ESG policies and procedures;
  - 5.1.8. supporting the development of the Group's ESG communications (internal and external); and
  - 5.1.9. reviewing the results of any reviews or independent audits of the Group's performance in relation to ESG matters and management's response in relation thereto.
- 5.2. Annually review the Group's ESG Strategy and recommend to the Board for approval.
- 5.3. Review and approve any material ESG market disclosures.
- 5.4. Oversee the Group's engagement with its key stakeholders on ESG matters, including employees via the workforce engagement director and the investment community.
- 5.5. **Reporting responsibilities**
- 5.5.1. The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
  - 5.5.2. The Committee shall make whatever recommendations to the Board it deems appropriate in respect of any matter within its remit.
  - 5.5.3. The Committee shall annually review and approve a report to shareholders on its activities to be included in the Company's Annual Report.
- 5.6. **Other matters**
- 5.6.1. The Committee shall:
    - i. have access to sufficient resources in order to carry out its duties;

- ii. be provided with appropriate training as required;
- iii. give due consideration to applicable laws, regulations, rules and codes, including the UK Corporate Governance Code and the Financial Conduct Authority's Listing, Prospectus, and Disclosure, Guidance and Transparency Rules; and
- iv. at least annually, review its own performance and terms of reference and recommend any necessary changes to the Board for approval.

## 5.7. **Authority**

### 5.7.1. The Committee is authorised:

- i. to seek any information it requires from any employee of the Group in order to perform its duties;
- ii. to investigate any matter within its terms of reference;
- iii. to commission or purchase any relevant reports, surveys or information which it deems necessary to fulfil its duties; and
- iv. to obtain, at the Group's expense, outside legal or other professional advice on any matter within its terms of reference.

*Approved by the Board on 28 May 2021*