

# REMGRO LIMITED

## STRATEGIC ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) COMMITTEE

### CHARTER

#### 1. Introduction

The Charter (the “Charter”) sets out the duties and responsibilities and governs the operation of the Strategic Environmental, Social and Governance (“ESG”) Committee (the “Committee”) of the Board of Directors (the “Board”) of Remgro. The Committee shall be a sub-committee of the Board.

#### 2. Purpose

The Committee shall undertake its responsibilities for Remgro Limited and, where relevant, for the individual investee companies forming part of the Remgro Group. Its purpose is to provide strategic direction and oversight in support of Remgro’s commitment to ESG and its ambition to achieve and be recognised for best practice in ESG and sustainability. Its remit shall include topics such as climate change impacts, energy and natural resources conservation, environmental and supply chain sustainability, human rights, diversity and inclusion, and other ESG issues that are or might become relevant and material to Remgro and its investee companies. The Committee will provide guidance to the Board on these ESG matters and perform an oversight role in shaping Remgro’s ESG strategy. It shall direct and oversee the work of the Operational ESG Committee which will report to the Board through this sub-committee.

#### 3. Membership and attendees

The Members and Chairperson of the Committee shall be appointed by the Remgro Board. The Committee shall consist of at least 3 non-executive directors recommended by the Board plus, *ex officio*, the Chair of the Operational ESG Committee and the Director Compliance and CSI. The Board shall appoint the Committee Chairman, who shall be a Non-Executive Director. The ESG Committee shall be supported as appropriate by a suitable ESG resource (to be appointed), who shall attend the meetings as a non-voting adviser. In addition, the Committee may invite other persons to attend any meeting of the Committee, or part thereof, as the Committee may reasonably deem necessary or desirable. The participation of independent advisers on a standing or as needed basis may be considered and approved by the Committee. The Board will ensure that the Committee has access to professional advice in order to perform its duties.

#### 4. Roles and Responsibilities

The role of this Board sub-committee is to provide oversight and guidance to the Remgro Board on the appropriateness, adequacy and effectiveness of Remgro’s vision, strategy, management approaches and disclosure, related to ESG. Specifically:

## **4.1 ESG Governance**

- Review the policies, frameworks, standards, and guidelines relevant to the Committee's scope.
- Monitor the appropriateness of ESG policies to support Remgro's ESG strategy and framework.
- Oversee the ESG linkages between the Board Committees e.g., Investment Committee, Audit and Risk Committee and the Social and Ethics Committee.
- Direct and guide the work of the Operational ESG Committee and receive its reports and recommendations.
- Consider material regulatory and voluntary developments, and industry standards in ESG.
- Oversee the process for selection and engagement of external assurance providers, review the findings of the external assurance providers and the associated management response.
- Report to the Board on matters discussed and circulate minutes to the Board.
- Oversee the integration of ESG policies into the business operations, the Charters of other Board Committees as well as Remgro's future development and strategy.
- Oversee the Group ESG investment philosophy, mandate, and screening process.
- Provide guidance on the adequacy of financial and human resources allocated to ESG issues.

## **4.2 ESG Strategy**

- Oversee the development of a Group strategy relating to ESG matters and ensure that this ESG strategy is embedded into the Group investment philosophy and mandate, in order to protect and enhance the Group's business activities, performance and reputation.
- Monitor the appropriateness of strategies for alignment with global and national climate change and ESG issues and in addressing material stakeholder ESG concerns.
- Monitor the integration of ESG matters into Remgro's strategy and its investment decision making.
- Oversee implementation of the strategy and any action plans that emanate from it, and review performance against agreed ESG targets and metrics. These ESG targets and metrics should inform the Remuneration and Nomination Committee when setting ESG targets relating to performance based Long Term Incentive (LTI) plans.

## **4.3 ESG Capacity and Competency**

- Assess the need for training and building of knowledge and competency within the Committee, the Board and within the organisation.
- Provide oversight on the adequacy of information provided to the Committee.
- Direct the Operational ESG Committee to ensure appropriate resources are available to execute the ESG strategy.

## **4.4 ESG Risk Management**

- Review the effectiveness of the processes and methodologies for identifying, assessing, and managing material risks and opportunities related to climate change and other ESG issues.
- Oversee the integration of risk management work with the Audit and Risk Committee, and into the wider Enterprise Risk Management process.
- Oversee the setting of the ESG risk appetite.

#### **4.5 ESG Targets and Metrics**

- Oversee the setting of the Group's long-term ambition level, the action plans to achieve these and the associated targets and metrics.
- Agree a schedule of ESG progress reporting against targets and metrics to the Board and this sub-committee as well as targets and metrics that will inform the basis of reporting to internal and external stakeholders.
- Oversee benchmarking against agreed key indices and rating agencies, industry trends and peer performance.

#### **4.6 ESG Reporting**

- Periodically review the reporting frameworks and standards used by Remgro.
- Review and recommend to the Board on the adequacy of the reporting of ESG issues in the internal reports and public disclosures, including the Annual Report and the Sustainable Development Report.
- Ensure that all stakeholders receive appropriate information about the Group's ESG activities.
- Ensure that the Chairman of this Committee or an alternative is available at Remgro's AGM to answer questions regarding ESG.

#### **5. Other Responsibilities**

The performance of the Strategic ESG Committee shall be reviewed periodically by the Board and the Strategic ESG Committee members, in conjunction with independent expertise when appropriate. They will further evaluate this Charter annually and recommend any changes it considers appropriate for the Board's approval.

#### **6. Authority and Powers**

The Committee will be supported in its work by the ESG Operational Committee, which shall report to it and be available to it as its key resource to prepare or implement its decisions.

The Committee is entitled to:

- Request from any Director or prescribed officer of the Company any information or explanation necessary for the performance of the Committee's functions;
- Request from any employee of the Company any information or explanation necessary for the performance of the Committee's functions;
- Attend any general Shareholders' meeting;
- Receive all notices of and other communications relating to any general Shareholders' meeting;
- Be heard at any general Shareholders' meeting on any part of the business of the meeting that concerns the Committee's functions;
- Recovery of all the expenses reasonably incurred by the Committee, including, if the Committee considers it appropriate, the costs or the fees of any external consultant or specialist engaged by the Committee in the performance of its functions;
- Access to Remgro's records, facilities, and any other resources necessary to discharge its duties and responsibilities;
- Form, and delegate authority to, sub-committees and may delegate authority to one or more designated members of the Committee; and
- Make recommendations to the Board that it deems appropriate on any area within the ambit of this Charter where action or improvement is required.

## **7. Meetings**

1. The Committee shall meet quarterly. Additional meetings may be requested by members of the Committee, the Board or the Operational ESG Committee as and when required, by providing to the Chairman and Secretariat the rationale for an additional meeting and its urgency. Meetings may dedicate time towards knowledge and capacity building;
2. The Committee secretary shall be the Company Secretary or a nominee;
3. If the appointed Chairperson of the Committee is absent from a meeting, the members present must elect one of the members present to act as chairperson;
4. A representative quorum for meetings is a minimum of 3 members, 2 of whom shall be Non-Executive Directors;
5. Committee members must attend all scheduled meetings of the Committee, including meetings called on an *ad hoc* basis for special matters, unless prior apology, with reasons, has been submitted to the Chairperson of the Committee or the Company Secretary;
6. Individuals in attendance at Committee meetings by invitation may participate in discussions but do not count towards the quorum for, and may not vote at, Committee meetings;
7. The Company Secretary may determine the manner and form of providing notice of the meetings of the Committee. The Committee must establish an annual work plan for each financial year to ensure that all the relevant matters are covered by the agendas of the meetings planned for the year. A detailed agenda, together with supporting documentation, must be circulated, at least 5 (five) business days prior to each meeting to the members of the Committee and other invitees;
8. Committee members must be fully prepared for Committee meetings to be able to provide appropriate and constructive input on matters for discussion; and
9. The minutes must be completed as soon as possible after the meeting and circulated to the Chairperson and members of the Committee for review thereof. The minutes must be formally approved by the Committee at its next scheduled meeting.

## **8. Approval of this Charter**

This Charter was approved by the Remgro Board on 25 November 2021.

This Charter shall be published on Remgro's website, or such other platforms or through media as is appropriate.