



**CERES POWER HOLDINGS PLC**  
**("the Company")**

**TERMS OF REFERENCE FOR THE**  
**ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") COMMITTEE**  
**(the "Committee")**

**1. Membership**

- 1.1 The Chair of the Committee shall be appointed by the Ceres Power Holdings plc Board (the "Board") and shall be an independent non-executive director. The Committee shall be made up of at least four members the majority of whom shall be independent non-executive directors.
- 1.2 Membership of the Committee shall be made up of three non-executive directors and the Chief Executive Officer. Senior management from the Company will be in regular attendance.
- 1.3 Any member of the Board of Directors, the Senior Management team or other individuals such as the employee representative in the form of the Chair of the employee group, Connect, other Company employees or external advisors may be invited to attend all or part of any meeting as and when appropriate.
- 1.4 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods.
- 1.5 In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

**2. Secretary**

The Company Secretary or their nominee shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to all matters.

**3. Quorum**

A quorum shall be any two members of the Committee.

**4. Frequency of meetings**

The Committee shall meet at least three times per annum and otherwise as required. Ad-hoc meetings may be held from time-to-time.

**5. Notice of meetings**

- 5.1 Meetings of the Committee shall be called by the Secretary of the Committee or at the request of the Committee Chair or any of its members.
- 5.2 Meetings may be held in person or virtually.
- 5.3 Unless otherwise agreed, papers shall be circulated at least five working days in advance of each meeting, including an agenda confirming the venue, time, and date together with the

matters to be discussed at the meeting. Any supporting papers shall be sent to each member of the Committee and to other attendees (as appropriate) at the same time.

## **6. Minutes of meeting**

- 6.1 The Secretary of the Committee shall minute the proceedings.
- 6.2 Draft minutes of Committee meetings shall be circulated to all members of the Committee. Once approved and on request, minutes should be circulated to the Board unless, exceptionally, it would be inappropriate to do so.

## **7. Engagement with Shareholders**

The Chair of the Committee will be available in person at the Annual General Meeting of the Company to answer shareholders' questions about the Committee's activities.

## **8. Role**

- 8.1 The Committee should carry out the duties below for the Company, as appropriate and in conjunction with the Operational ESG Committee.
- 8.2 The Committee shall consider any matters relating to the environmental and social activities of the Company and related governance activities and publications. It shall review the Sustainability Strategy, disclosures and reports and make recommendations to the Board. In addition, the Committee shall examine any other matters referred to it by the Board.
- 8.3 The duties of the ESG Committee are as follows:
  - a. To monitor the effectiveness and suitability of the Company's Sustainability Strategy in line with best practice and the appropriate international standards and guidelines;
  - b. To review and monitor progress against the Company's ESG Objectives;
  - c. To periodically review the Company's policies in relation to environmental and social activities applying best practice, regulatory developments, advice from third party advisers and peer group knowledge sharing;
  - d. To review and recommend to the Remuneration & Nomination Committee ESG related performance targets in relation to executive remuneration;
  - e. To monitor and recommend to the Audit & Risk Committee ESG specific risks which are incorporated into the corporate Risk Register;
  - f. To ensure the Company has a suitable framework for the submission, assessment and approval of discretionary and obligatory community, social, educational and charitable expenditures undertaken by the Company;
  - g. To approve and recommend to the Board the sustainability section of the Annual Report and ensure that it is a fair reflection of the Company's ESG approach, policies, systems and performance, is coherent and published in a timely manner;
  - h. To monitor the preparation of necessary disclosures, data and submissions in relation to such matters as TCFD (Task Force on Climate-Related Financial Disclosures), CDP (Carbon Disclosure Project) and any other environmental and social regulatory reporting requirements and make recommendations to the Board and Audit & Risk Committee as required;
  - i. To ensure that the Company's website communicates and reports its ESG approach and performance against objectives in a timely, complete and coherent manner;

- j. To oversee the internal ESG programmes of the Company, ensure co-ordination between internal and external activities and ensure that there are adequate resources to meet the ESG objectives;
- k. To monitor stakeholder engagement mechanisms in relation to social and environmental activities, and more broadly with employees through the Employee Engagement Director;
- l. To review matters relating to employee wellbeing and culture and recommend to the Board the Health & Safety Policy;
- m. To consider trends and best practice in relation to environmental and social issues; and
- n. To consider other matters as specified by the Board.

## **9. Reporting responsibilities**

- 9.1 The Chair shall report formally to the Board on its proceedings after each meeting (at least three times per year) on all matters within its duties and responsibilities.
- 9.2 The Committee shall compile a report to shareholders on its activities to be included in the Company's annual report.
- 9.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its jurisdiction where action or improvement is needed.

## **10. Other Matters**

The Committee shall:

- 10.1 have access to sufficient resources to carry out its duties, including access to other Company functions for assistance as required;
- 10.2 be provided with appropriate and timely training;
- 10.3 give due consideration to the relevant laws and regulations; and
- 10.4 at least annually, review these Terms of Reference and recommend any changes it considers necessary to the Board for approval.

## **11. Authority**

The Committee is authorised:

- 11.1 to seek any information it requires from any officer or employee of the Company in order to perform its duties and carry out its responsibilities;
- 11.2 to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference; and
- 11.3 to call any officer or employee to a meeting of the Committee as and when required.

**Approved by the Ceres Power Holdings plc Board on 26 September 2024.**