Wessex Water Services Limited
Corporate Responsibility Committee
Terms of Reference

1. Purpose

1.1 The Corporate Responsibility Committee is a Committee of the Board of Wessex Water Services Limited (the Company) from which it derives its authority and to which it reports.

1.2 The principal purpose of the Committee is to make recommendations to the Board about the Company’s corporate and social obligations to its employees and other stakeholders.

2. Composition and Procedure

2.1 Members of the Committee will comprise at least two Independent Non-Executive Directors as appointed by the Board from time to time. Two members present will constitute a quorum. The Board will appoint the chairman of the Committee.

2.2 Only members of the Committee have the right to attend Committee meetings. Other Executive and Non-Executive directors, senior management and external advisors may be invited to attend for all or part of any meeting as and when appropriate, particular care being taken to recognise and avoid any conflicts of interest.

2.3 Meetings will take place at least once a year and ‘as required’, as determined by the Chairman of the Committee. The Secretary or any member may also convene a meeting of the Committee at any time to discuss any matter falling within the Committee’s remit.

3. Secretary

3.1 The Company Secretary or his or her nominee will act as the Secretary to the Committee.

4. Notice of Meetings

4.1 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, will 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, unless agreed otherwise in advance. Supporting papers will be sent to Committee members and to other attendees as appropriate, at the same time.

4.2 Members may participate in a meeting by means of telephone, video conferencing facility or other suitable communicating equipment.

5. Minutes

5.1 The Secretary will minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
5.2 Minutes of Committee meetings will be circulated to all members of the Committee unless it would be inappropriate to do so.

6. **Duties of the Committee**

6.1 The responsibilities of the Committee will be to:

(a) define the Company’s corporate and social obligations and oversee its conduct in the context of those obligations;

(b) approve a strategy for discharging the Company’s corporate and social responsibilities;

(c) identify and monitor those external developments which are likely to have a significant influence on the Company’s reputation and/or its ability to conduct its business and review how best to protect that reputation or that ability;

(d) oversee the creation of appropriate policies and supporting measures including Business Ethics, Bribery & Corruption Prevention, Sustainability, Human Resources, Whistleblowing and Community Engagement;

(e) review the Company’s engagement with external stakeholders and other interested parties including supervision and review of its Customer Engagement Panels;

(f) ensure that appropriate communications policies are in place and working effectively to build and protect the Company’s reputation both internally and externally;

(g) review and sign off an annual report (to form part of the Annual Report);

(h) produce annually an action plan to include targets, proposed by executive management, to maintain the above policies; and

(i) undertake such initiatives as it deems appropriate in any area within its remit where action or improvement is needed.

6.2 To ensure:

(a) the development, review and promulgation of workplace polices and Codes of Conduct. In particular those concerning the provision of a healthy and safe working environment for employees and contractors and the Company’s people values, human rights and employee diversity;

(b) the promotion of environmental standards particularly those that relate to the activities of the Company that have the most significant environmental impacts in respect of energy management and climate change, water quality, resource productivity (including leakage and waste) and biodiversity and land use;

(c) the development of socially responsible values and standards that relate to the social and economic community in which the Company operates. Ensuring the Company can demonstrate that it lives through these values and can act responsibly in its engagement with all stakeholders in the community, locally and nationally; and
(d) the publication, internally and externally, of corporate responsibility performance and plans using the Company’s website, annual report and other such methods of communication as are considered necessary.

6.3 To regularly review performance measures and KPIs against agreed criteria and oversee any evaluation of activities within its terms of reference.

6.4 To approve performance measures and KPIs, their audit, verification and inclusion within the Annual Report.

7. **Reporting**

7.1 The Committee Chairman will report orally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. Drafts of Committee minutes will be sent to the Committee Chair. Once approved they will be circulated with papers for the next Board.

7.2 The Committee will make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

7.3 The Committee will approve the section of the Annual Report which deals with the activities of the Committee.

8. **Resources and Review**

8.1 The Committee will:

   (a) have access to sufficient resources in order to carry out its duties, including access to the Company Secretary and solicitors for assistance as required;

   (b) give due consideration to laws and regulations, the provisions of the Code;

   (c) oversee any investigation of activities which are within its terms of reference; and

   (d) arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

9. **Authority**

9.1 The Committee is authorised:

   (a) to seek any information it requires from any employee of the Company in order to perform its duties;

   (b) to obtain, at the Company’s expense, outside legal or other professional advice on any matter within its terms of reference. The appointment and performance of such advisors will be reviewed by the Committee on a regular basis and at least annually; and

   (c) to call any employee to be questioned at a meeting of the Committee as and when required.
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<th>Description of Change</th>
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<td>Board</td>
<td>February 2018</td>
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