

Environment & Society Impact Committee

Terms of Reference

1. Purpose

- 1.1 The primary purpose of the Environment & Society Impact Committee (ESIC) is to maximise the positive environmental and societal impact (ES&I) of the Society consistent with its mission.

2. Membership

- 2.1 The ESIC shall comprise at least three members, at least two but no more than four of whom should be independent non-executive directors (NEDs) plus two members of the Senior Leadership Team. The Chair of the board may also serve on the committee as an additional member.
- 2.2 Members of the ESIC shall be appointed by the board on the recommendation of the Nominations & Governance Committee and in consultation with the chair of the ESIC. Appointments shall be for a period of up to three years, which may be extended for up to two additional three-year periods, provided the member continues to be independent.
- 2.4 Only members of the ESIC have the right to attend Committee meetings. However, the Chief Executive and other individuals may be invited to attend all or part of any meeting as and when appropriate.
- 2.5 The board shall appoint the ESIC chair. In the absence of the ESIC chair and/or an appointed deputy at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting.

3. Secretary

- 3.1 The Society secretary, or their nominee, shall act as the secretary of the ESIC and will ensure that the ESIC receives information and papers in a timely manner to enable full and proper consideration to be given to relevant issues.

4. Duties

The ESIC shall:

- 4.1 Provide input to the delivery of the 2030 Strategy and Annual Operating Plans in the areas of E&SI
- 4.2 Oversee activity in E&SI against the Society's 2030 Strategy, Annual Plan and Net Zero Plan including receiving relevant reports from the Senior Leadership Team.
- 4.3 Provide input to the Society's Lending Policy and other relevant policies from the perspective of environmental and societal impact.

- 4.4 Advise on external activity by the Society in areas of E&SI including, but not limited to, events, memberships, partnerships, donations, social media and marketing.
- 4.5 Where in the course of its duties the ESIC identifies new or changed risks in the ES&I domain it will ensure these are passed to the relevant risk committee.
- 4.6 To review ES&I sections of the Annual Report and Accounts prior to consolidation under the oversight of Audit and Compliance.
- 4.7 To be consulted or informed on any other regulatory or statutory submissions in ES&I area or approve said submissions if authority has been delegated to ESIC by the Board.
- 4.8 Oversee non-statutory or non-regulatory publications and submissions in the areas of ES&I delegated to by the Board.
- 4.9 Liaise with other committees where reports, submissions or activity span 2 or more areas of responsibility
- 4.10 Work and liaise as necessary with other board committees, ensuring the interaction between committees and with the board is reviewed regularly.

5. Decision Making/Quorum

- 5.1 The quorum necessary for the transaction of business shall be at least 2 NEDs and 2 Senior Leadership Team members.
- 5.2 Votes are passed with a simple majority. In the event of a tied vote the Chair has the deciding vote.

6. Frequency of Meetings

- 6.1 The Committee shall meet at least three times a year at appropriate times and otherwise as required.

7. Notice of Meetings

- 7.1 Meetings of the ESIC shall be called by the secretary of the Committee at the request of the ESIC chair or any of its members if they consider it necessary.
- 7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date of the meeting, together with an agenda of items to be discussed, shall be forwarded to each member of the ESIC and any other person required to attend no later than five working days before the date of the meeting. Supporting papers shall be sent to ESIC members and to other attendees, as appropriate, at the same time.

8. Minutes of Meetings

- 8.1 The secretary shall minute the proceedings and decisions of all ESIC meetings, including recording the names of those present and in attendance.
- 8.2 Draft minutes of ESC meetings shall be circulated to all members of the Committee. Once approved, minutes should be circulated to all members of the board unless, exceptionally, it would be inappropriate to do so.

9. Sub Committees

- 9.1 There are no sub-committees of the ESIC.

10. Engagement with Members

- 10.1 The chair of the ESIC should attend the annual general meeting to answer any member questions on the committee's activities. In addition, the ESIC chair should seek engagement with members on significant matters related to the committee's areas of responsibility.

11. Escalation

- 11.1 The ESIC may escalate any matter to the Board if it considers the matter requires consideration beyond the scope of authority delegated to it.

12. Reporting Responsibilities

- 12.1 The ESIC chair shall report formally to the board after each meeting on all matters within its duties and responsibilities.
- 12.2 The ESIC shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be made available for board discussion when necessary.
- 12.3 The ESIC shall provide a description of its work to be included in the Society's annual report.

13. Other Matters

The ESIC shall:

- 13.1 Have access to sufficient resources in order to carry out its duties, including access to the Society secretariat for advice and assistance as required.
- 13.2 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 13.3 Give due consideration to all relevant laws and regulations as appropriate.
- 13.4 Ensure that a periodic evaluation of the ESIC's performance is carried out.
- 13.5 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.

14. Effective Date

- 14.1 These Terms are effective from 21 April 2023. The terms may be updated at a subsequent Meeting.

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