

## Hays plc

# ENVIRONMENT, SOCIAL AND GOVERNANCE COMMITTEE TERMS OF REFERENCE

The ESG Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of Hays plc (the “Company”) from which it derives its authority and to which it regularly reports.

### **Purpose**

To drive social value via development of the sustainability strategy in the address of material ESG issues as a responsible business and to provide oversight of the sustainability strategy and related responsible business practices, as well as the Company’s contribution to the societies where we operate, under the Company’s purpose.

### **Membership**

The majority of the members should be Independent Non-Executive Directors.

Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Global Head of People and Culture, the Group Head of Sustainability and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the Director still meets the criteria for membership of the Committee.

The Board shall appoint the Committee Chair who should be an independent Non-Executive Director. 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 from those who would qualify under these terms of reference to be appointed to that position by the board.

### **Secretary**

The Deputy Company Secretary or his or her nominee shall act as the Secretary of the Committee.

### **Quorum**

The quorum necessary for the transaction of business shall be three independent Non-Executive Directors.

### **Frequency of meetings**

The Committee shall meet at least three a year and otherwise as required.

### **Notice of meetings**

Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair.

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

**Minutes of meetings**

The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the board unless in the opinion of the Committee Chair it would be inappropriate to do so.

**Annual General Meeting**

The Committee Chair should attend the Annual General Meeting to answer any shareholder questions on the Committee’s activities.

**Duties**

- a. Oversee the development of, advise the Board regarding, and recommend for approval by the Board, the Company’s ESG strategy and related policies taking into account the Company’s strategy, material ESG issues, purpose and culture, stakeholder views and ensuring that standards of business behaviour are up to date and reflect the best practices of business in this area in order to support the company’s long-term sustainable success.
- b. Oversee the execution of ESG strategy and develop ESG targets and key performance indicators (and recommend for approval by the Board) and receive and review reports on progress towards the achievement of such targets and indicators.
- c. Oversee the company’s interactions with and responsibilities towards its stakeholders in relation to ESG-issues, most notably its employees, customers, suppliers, and the communities in which it operates. Support the board in monitoring the culture of the company, the safety and wellbeing of its workforce, and the adequacy of its supply chain controls in relation to modern slavery and human rights risk..
- d. Monitor the establishment of appropriate ESG-related policies, including codes of practice, and standards of business conduct. Where these exist, review their adequacy, ongoing relevant and effectiveness and that they are updated to remain in compliance with relevant national and international standards.
- e. Identify current and emerging ESG-related issues, standards, good practice, and regulatory or legislative developments, at the sectoral, national and international level. This includes sourcing or undertaking relevant training and development opportunities, both for the committee members and for company employees as appropriate. Evaluate which issues and developments are likely to impact the company’s strategy, operations and reputation. Determine, therefore, whether and how these should be reflected in the company’s ESG objectives, policies and reporting.
- f. Strengthen the consideration of sustainability in strategic decision making in terms of the opportunities and the mitigation of ESG related risks.

	Environment	Social	Governance
External matters	<p>Reviewing (and recommend to the Board for approval) the TCFD Disclosure</p> <p>Review scope of and monitor compliance with Group Environmental and Sustainability Policy</p>	<p>Workforce: safety, physical and mental wellbeing, workplace policies such as whistleblowing, diversity and inclusion initiatives, fair pay (including gender / ethnic pay gap reporting), professional development, company culture</p>	<p>Review (and recommend and changes to the Board for approval) relevant policies such as the following to ensure they remain in compliance with best practice and relevant regulation:</p> <ul style="list-style-type: none"> <li>• Health and Safety Policy</li> <li>• Modern Slavery Statement</li> </ul>

	Review progress to achieve Group's emission reduction targets	<p>Review of ESG remuneration targets</p> <p>Ensure the promotion of socially responsible values and standards that relate to the social and economic community in which the Company operates, in accordance with the Company's Sustainability Strategy</p> <p>Review the consideration and respect of human rights as relevant in the Hays' business context</p> <p>Suppliers: ethical procurement, modern slavery risk, human rights violations</p>	<ul style="list-style-type: none"> <li>• Supplier Code of Conduct</li> <li>• 'Helping you for Tomorrow' (volunteering) Policy</li> <li>• Environmental and Sustainability Policy</li> <li>• Board Diversity Policy</li> </ul> <p>Review relevant corporate memberships and associations such as with the UN Global Compact</p>
Internal matters		Receive reports on new and existing themes and issues that matter to our employees, clients and candidates	Receive reports on relevant benchmark performance including EcoVadis assessment and CDP Climate

**Reporting responsibilities**

The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

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

The Committee shall review the content, integrity and completeness of external statements and disclosures about ESG activity, targets and progress. Review ESG-related reporting prior to board approval, including the annual sustainability report (where one exists), information to be included in the annual report, and mandatory or voluntary disclosures in line with recommended practice and regulatory requirements. Evaluate the extent and effectiveness of external reporting on ESG performance and participation in external benchmarking indices.

The Committee shall review regularly the requirement for internal and/or external assurance of ESG-related matters, and as necessary, appoint external parties to provide assurance on relevant reporting. Review and approve the qualifications, independence, engagement, compensation and performance of the external party chosen to provide assurance on such reporting.

The Committee shall compile a report of its activities to be included in the Company's annual report, including identification of any external advisers.

**Collaboration with other committees**

Work and liaise as necessary with other board committees, ensuring the interaction between committees and with the board is reviewed regularly. This may include:

- Work in conjunction with the Remuneration Committee regarding appropriate ESG-related performance objectives and incentives for executive leaders, to ensure that ESG matters are appropriately considered when setting the overall remuneration policy.
- Work in conjunction with the Audit and Risk Committee to review regularly the requirement for internal and/or external assurance of ESG-related matters. Monitor the role and effectiveness of the internal audit function

with regards to assurance on ESG-related disclosures. As necessary, appoint external parties to provide assurance on relevant reporting.

- Work in conjunction with the Audit and Risk Committee to advise the board on the Company's appetite and tolerance with respect to environmental and social risk, to identify material ESG-related risks and to ensure these are appropriately captured in the company's risk profile and risk management framework.
- Work in conjunction with the Nomination Committee to support the oversight of a diverse pipeline for appointments at board level.

### **Other matters**

The Committee shall:

- have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required
- 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
- give due consideration to laws and regulations, the provisions of the Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate
- 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.

### **Authority**

The Committee is authorised by the Board to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.

March 2024