

Environmental, Social & Governance (ESG) Committee Terms of Reference – (November 2023)



1. MEMBERSHIP	
1.1	The Committee is a management Committee of the Furness Building Society which reports into the Executive Committee
1.2	Members of the Committee shall be appointed/ratified by the Executive Committee. The following shall be members of the Committee: <ol style="list-style-type: none"> 1. Director of Operational Resilience & Strategic Change (Chair) 2. Strategic Change Programme Manager 3. Company Secretary (Secretary) 4. Head of Customer Strategy 5. HR Associate 6. Head of IT 7. Risk Analytical Officer 8. Premises and Health & Safety Manager
1.3	Members of the Committee have the right to attend Committee meetings and the Chair can authorise attendance by deputies in a member’s absence. Other individuals such as other members of the Executive, Management team or members of departments where their input is relevant (such as ESG Champions) may be invited to attend as and when appropriate and necessary.
1.4	The membership of the Committee is reviewed annually by the Society’s Executive Committee
2. SECRETARY	
2.1	The Company Secretary or a nominated deputy shall act as Secretary of the Committee.
3. QUORUM	
3.1	The quorum necessary for the transaction of business shall be 3 members; at least 1 must be Director of Operational Resilience & Strategic Change, Strategic Change Programme Manager or Company Secretary. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in, or exercisable by the Committee
4. FREQUENCY OF MEETINGS	

4.1	The Committee shall meet as regularly as it shall deem necessary, but at least quarterly.
5. NOTICE OF MEETINGS	
5.1	Meetings of the Committee shall be called by the Chair at the request of any of its members, the Board of Directors, the Executive Committee, or at the request of External or Internal Auditors
5.2	A notice of each meeting confirming the venue (incl. any links to dial in virtually), time and date together with an agenda of items to be discussed and supporting papers shall be forwarded to each member of the Committee and any other person required to attend, generally no later than 2 working days before the date of the meeting
6. MINUTES OF MEETINGS	
6.1	The Secretary shall produce summarised minutes of the proceedings and any resolutions of all meetings of the Committee, including recording the names of those present and in attendance and any conflicts of interest divulged at the meeting.
6.2	Draft minutes of Committee meetings shall be circulated to all members of the Committee; additionally, these can be provided to the Executive Committee and members of the Board unless it would be inappropriate to do so
6.3	Final copies of the minutes of the meetings of the Committee should be maintained for the Society's records
7. DUTIES	
<p>The Committee is a decision body that will provide oversight, scrutiny and make recommendations regarding the Board approved ESG Strategy under its remit, delegated authority and mandate; authorised by the Executive Committee on behalf of the Board of Directors.</p> <p>The Committee shall carry out the following duties for the Society, subsidiary undertakings and Group as a whole, as deemed appropriate</p>	
7.1	Ensure that the Society has an adequate ESG Strategy that will deliver the short and long-term roadmap.
7.2	Budget Management and Accountability: Committee to oversee the budget authorised by the Board of Directors; ensuring prudent controls and monitoring are in place to safely deliver the agreed Strategy within budget.

7.3	Ensure that all policies and procedures across the Society align to the Board approved ESG principles.
7.4	Ensure any new regulations are considered into the Society's roadmap and adjust accordingly.
7.5	Ensure there is a process for new and on-going Projects to consider any/all aspects of ESG; particularly looking for tactical opportunities to improve our scope 1,2 or 3 baselines.
7.6	Review and consider on-going Projects, Regulations, Policies and any other work streams that are interdependent that are deemed appropriate or necessary to have oversight by this Committee.
7.7	Assess, consider and challenge on-going actions noted within the Board approved ESG Strategy.
7.8	Review and consider appropriate MI, including any relevant emerging risks.

8. REPORTING RESPONSIBILITIES

The Committee shall:

8.1	Regularly report to the Executive Committee.
8.2	Make whatever escalations and recommendations to the appropriate Committee(s) within the Group it deems appropriate on any area within its remit where action or improvement is needed.
8.3	Ensure there is appropriate availability of the Terms of Reference of the Committee to Members and staff.

9. AUTHORITY

The Committee is authorised to:

12.1	Approve pre-agreed spend on ESG activities as per the latest Board approved Strategy.
12.2	Approve any ESG activity which is cost neutral that aligns with the ESG principles within the latest Board approved ESG Strategy.

10. OTHER MATTERS

The Committee shall:

12.1	Have access to sufficient resources in order to carry out its duties
12.2	Oversee any investigation of activities which are within its Terms of Reference.

12.3

Arrange for periodic reviews of its own performance and, at least annually, review its Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Executive Committee for approval.