

IPB Sustainability Committee
Terms of Reference
Effective 20 July 2023

Versions History

Date	Owner	Version	Approver	Description
July 2022	Ger Mulvaney, Acting Company Secretary	V1.0	IPB Board	Annual Review
July 2023	Ger Mulvaney, Acting Company Secretary	V1.1	IPB Board	Annual Review

Next Review	July 2024
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1. Purpose

1.1. The Sustainability Committee is an IPB Insurance ('IPB') Board Sub-Committee with responsibility delegated to it for supporting the Board and advising it on meeting oversight responsibilities for IPB's Sustainability Strategy whilst the Board cannot abrogate responsibility.

2. Membership

2.1. The Board shall appoint the Committee Chair and Committee Members on the REMCO's recommendation via its responsibility for setting and revoking terms with appointments informed per individual's skills, knowledge and experience and ability to commit appropriate time to appointments together with the annual Board, Committee and Director Performance Evaluation Exercise outputs, generally with a 3 year duration subject to annual review and renewal at the Board's absolute discretion with an appropriate frequency considering the balance of experience and independence sought.

2.2. An Independent Non-Executive Director ('INED') or a Non-Executive Director ('NED') shall be appointed per point 2.1 hereof as the Committee Chair and if absent Members shall elect an INED or NED Member as an alternate for the absence duration.

2.3. The Committee shall comprise of a minimum of 3 Members, with the number of Members sufficient to handle the nature, scale, and complexity of its business. The Committee shall be composed of a combination of INEDs and NEDs, along with the CEO and Finance Director. The Committee shall have relevant knowledge and understanding of Sustainability and ESG (Environmental, Social, Governance) matters.

2.4. Although key Sub-Committee cross-committee membership should be encouraged, the REMCO and Board shall manage this to ensure no one individual exercises excessive influence or control.

2.5. Per IPB's Business Code of Conduct (which incorporates Director conflict of interest provisions), should a reasonably perceived or actual conflict of interest of significance to the Committee's work arise or within the individual Directors personal circumstances, this must be declared by the effected Director to the Committee Chair, Board Chair and Company Secretary so this can be recorded, and resolution sought. Should the conflict be ongoing in nature, the REMCO and Board may consider changing the Committee's composition to address any such conflict. Should the conflict involve the Committee Chair or Board Chair, the declaration should be made to an alternate Director nominated by the Company Secretary.

3. Secretary

3.1. The Company Secretary or the Committee Chair's nominee shall act as Secretary.

4. Meetings and Reporting Procedures

4.1 Agendas clearly detailing items for consideration, the date, time and venue of a Meeting, preceding Meeting Minutes and supporting material shall be circulated electronically to all Members 7 calendar days in advance of proceedings taking place.

4.2 The Committee shall meet at least quarterly as appropriate and otherwise as required and the Committee Chair shall convene a Meeting on any Member's request, subject to

satisfaction of the quorum of 3 Members, only 1 of whom can be an Executive Director. Failing meeting of quorum, the Members shall nominate an INED or NED to attend as an alternate with Board approval in support of such. Decisions are to be made by majority vote with the Committee Chair or their alternate having the casting vote. All Members shall be eligible to vote unless a reasonably perceived conflict exists wherein those conflicted shall not participate in decision or discussion with conflicts issues managed by the Company Secretary per S2.5 hereof and recorded in the Meeting Minutes and referred for Board decision to overcome any quorum concerns.

4.3 Members shall attend proceedings regularly and in person where possible or participate via video/teleconference or communicate perspective via email/ phone to the Company Secretary for confirmation of communication if physical presence is not possible due to circumstances beyond their control (e.g., in illness) with participation and vote eligibility recorded. The Board, in consultation with the REMCO, shall replace a Member determined as unable to provide sufficient time to attend over the medium to long term with an appointee with appropriate availability, skills, knowledge and experience.

4.4 Meetings shall be attended by the Committee with the Company Secretary, Board Chair, Observers, CEO, Finance Director ('FD') and business representatives inter alia the Director of Risk & Compliance ('DORC'), Head of Sustainability, Director of Underwriting (DOU), Head of Investments (HOI), Head of IT(HOIT), and external advisors as requested by the Chair invited as appropriate with attendances managed by invitation and informed per potential for contribution in the Committee's interests and independence. The Committee Chair and Members, in consultation with the Committee Chair and Company Secretary, may invite any officer or employee, external advisor or others to attend all or part of Meetings, whilst Members shall have access to the Board Chairperson, Board and Management, maintain dialogue with key individuals involved in IPB's governance, inter alia the Board Chair, CEO, Company Secretary, FD, DOR&C, External Audit Lead and Head of Internal Audit and have authority to seek any information and call any employee to address proceedings as required.

4.5 Draft Minutes recording date, time, location, attendee and absentee details, key discussions, deliberations, dissensions and decision outcomes and actions to evidence appropriate Committee attention shall issue to all Members for approval promptly following proceedings and thereafter to the Board, and operations shall correspond with ensuring independence and Board reporting on activities, decisions and recommendations on areas in the Committee's remit requiring enhancement with the Committee Chair reporting to the Board on proceedings after each Meeting. An annual account of Committee activities shall feature in IPB's Stakeholder and Annual Report with the Committee Chair representing its activities at General Meetings.

5. Resources

5.1. The Company Secretary shall arrange induction for new Members covering the Committee's role and commitment requirements and support accessibility to training on matters within the Committee's remit and securing of (at IPB's expense) independent legal, accounting or other professional advice as required by Directors to support discharge of their duties.

6. Role and Responsibilities

6.1. Strategy

6.1.1 Set the tone for and develop the Company's Sustainability ambitions and strategy.

6.1.2 Ensure that the Company's Sustainability Strategy has a balanced focus on Environmental, Social and Governance aspects.

6.2 Monitor

6.2.1 Review and monitor the progress in implementing the IPB Sustainability Strategy

6.2.2 Monitor the effectiveness of each of the Company's Sustainability Strategy implementation workstreams (on a quarterly basis):

- Operations
- Member/Customer/Product
- Investment

6.2.3 Review and approve sustainability-related policies and procedures as and when required.

6.3 Education and Training

6.3.1 Monitor how sustainability-related education and training is rolled out to enhance understanding and awareness of sustainability issues and their potential impacts on the organisation.

6.4 Risk Management

6.4.1 Identify and assess sustainability-related risks and opportunities. Evaluate potential environmental and social impacts, such as climate change risks, supply chain vulnerabilities, and community relations, and develop strategies/policies to mitigate these risks.

6.5 Performance Monitoring

6.5.1 Monitor and review sustainability performance against key performance indicators (KPIs) and metrics to measure progress towards sustainability goals.

6.5.2 Monitor and review performance against the ESG Evaluation Score and report recommendations.

6.6 Member Engagement

6.6.1 Facilitate engagement with Members (e.g., IPB Local Authority Member Sustainability Forum), and stakeholders such as employees, suppliers and communities to ensure that sustainability-related concerns and feedback are considered and integrated into decision-making processes.

6.7 Regulatory Reporting and Disclosure

6.7.1 Oversees non-financial sustainability reporting and disclosure practices to ensure accurate and transparent reporting of sustainability performance to stakeholders, including compliance with relevant reporting frameworks.

6.8 **Other:** The Committee shall undertake any other related duties directed by the Board.

7. Committee Effectiveness

7.1 The Committee shall undertake a documented review of its performance, effectiveness and the appropriateness of its Terms of Reference at least annually and per IPB's policies and procedures with interpretation or prior Committee or Board approval requirement queries to issue to the Company Secretary prior to acting and Committee and Board recommendations on identified enhancements to inform approval of revised Terms of Reference for publication on IPB's website and issuing for Management implementation.