

Yorkshire Building Society

Board Environmental and Social Purpose Committee Terms of Reference

Role	<p>The Environmental and Social Purpose Committee ('the Committee') is a committee of the Board of Yorkshire Building Society, from which it derives its authority. Its role is to provide ongoing oversight of the Society's environmental and social purpose agenda, ensuring regulatory compliance and supporting the success, including the long-term success, of the Society.</p> <p>The Board may determine that any matter delegated to the Committee by these terms be considered, reviewed, overseen, approved or otherwise dealt with (as appropriate) by the Board itself.</p> <p>In providing oversight of the responsibilities in these terms of reference, the Committee will have regard to the interests of the Society's stakeholders and, in respect of customers and members, shall (where appropriate) consider whether the Society as a whole is delivering good customer outcomes.</p>
Membership	<p>The Committee will comprise at least 3 members, all of which shall be independent Non-Executive Directors.</p> <p>Members of the Committee will collectively add appropriate knowledge, expertise and professional experience concerning environmental sustainability, regulatory compliance and strategy conception and execution.</p> <p>Appointments to the Committee are made by the Board on the recommendation of the Board Governance and Nominations Committee, in consultation with the Committee Chair, based on the criteria for membership and will be reviewed at least annually.</p>
Chair	<p>The Board will appoint the Committee Chair who will be an independent Non-Executive Director.</p> <p>In the absence of the Chair, or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.</p>
Secretary	<p>The Secretary of the Committee will be agreed between the Chair of the Committee and the Group Secretary. The Secretary of the Committee shall record the proceedings and decisions of the Committee meetings, and the minutes shall be circulated to all members of the Committee and attendees, as appropriate.</p>
Attendees	<p>Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, Chief Financial Officer and Chief Strategy and Sustainability Officer may be invited to attend for all or part of any meeting, as and when appropriate. The Chair of the Board will be invited to attend each meeting of the Committee except where a conflict of interest may arise.</p>
Frequency	<p>The Committee will normally meet a minimum of three times a year and otherwise as required. Meetings of the Committee shall be called by the Secretary of the Committee or the Group Secretary at the request of any of its members.</p>
Quorum	<p>The quorum necessary for the transaction of business will be:</p> <ul style="list-style-type: none"> ▪ Two members if the number of members who constitute the Committee is three. ▪ Three Members if the number of members who constitute the Committee is four or more. <p>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.</p> <p>In the event of equal votes, the Chair of the Committee shall have a casting vote.</p>
Written Resolutions	<p>Written Resolutions must be undertaken in accordance with the requirements set out in the Society's Rules with written consent required from all Committee members for approval.</p>
Mandate	<p>The Committee is authorised to:</p> <ol style="list-style-type: none"> 1. Seek any information it requires from any employee of the Society in order to perform its duties; 2. Obtain, at the Society's expense, any outside legal or other professional advice on any matters within its terms of reference; 3. Call any employee to attend a meeting of the Committee as and when required; and 4. Have the right to publish in the Society's Annual Report details of any issues that cannot be resolved between the Committee and the Board. <p>The Committee may delegate any or all of its powers and authority as it sees fit, including to a sub-Committee, in relation to any specific issues and subject to reporting back to the Committee.</p> <p>The Committee is required to exercise independent judgement when evaluating the advice of external third parties and when receiving views from Executive Directors, Chief Officers and other Senior Managers.</p> <p>The Committee Chair and the Society Secretary are authorised by the Board to review and approve any non-material change required to be made to the Committee's Terms of Reference. Any such change should be reported to the Board.</p>

Responsibilities	<p>The Committee will carry out the duties below for the Society, and the Group as a whole, as appropriate. The Committee will support the Board, where appropriate and required, in fulfilling the Board’s duty to i. be accountable to members of the Society, and ii. ensure the short and long-term interests of members are balanced.</p> <p>1. Duties</p> <p>1.1 Review at regular intervals and at least once a year, the outcomes of the Society’s environmental and social purpose work as demonstrated across all activities, and regularly review progress against any measurable objectives that the Board has set in respect of this strategy.</p> <p>1.2 Review and oversee the execution of the Society’s environmental sustainability strategy.</p> <p>1.3 Oversee progress on broader environmental themes such as biodiversity, forests, and water.</p> <p>1.4 Monitor emerging environmental issues that require Board level oversight and/or external stakeholder engagement.</p> <p>1.5 Review and oversee the programme of work targeted at taking actions to embed purpose across the Group and its operations, example of topics include, but are not limited to:</p> <ul style="list-style-type: none"> (i) How purpose is increasingly embedded in the Group’s decision-making; (ii) Role of the YBS brand in activating the Group’s purpose; and (iii) Community engagement and communications. <p>1.6 Agree and oversee delivery of high impact, purpose-driven activity embedded in business strategies and owned by the business units. Conduct deep dives into current priority areas and escalate for review and discussion to the Board for approval as appropriate.</p> <p>1.7 Receive and review regular business updates and reports across the Group on performance against its strategy in relation to environmental and social purpose matters and how these relate to Group Purpose, as well as its Sustainable Finance and ESG Reporting Frameworks and review progress accordingly.</p> <p>1.8 Monitor and receive updates on developments, emerging best practice and regulatory changes in relation to environmental and social purpose matters and how these relate to Group Purpose, matters which impact the business of the Group and its environmental and social purpose strategy, as well as the implementation of this strategy.</p> <p>1.9 Review the Group’s ESG ratings to identify any gaps or areas for improvement in the Group’s Environmental & Social initiatives.</p> <p>1.10 Work and liaise, as necessary, with other committees of the Board. In particular, the Committee shall:</p> <ul style="list-style-type: none"> (i) Provide input to the Audit Committee on any matters that may be relevant to Sustainability and TCFD/ISSB disclosures/reporting and at the request of the Audit Committee, provide any support required in assessing the adequacy of the Group’s Sustainable Finance and ESG Reporting Frameworks; (ii) Review the content and approach of the Group’s annual Sustainability Report (or any future iteration) and mandatory environmental disclosures, ensuring consistency in the use of messaging and focus on key environmental and social purpose-related issues. The Committee will recommend the approval of the relevant environmental and social purpose sections and commentary, and the Board Governance and Nominations Committee will recommend the approval of the appropriate governance sections for inclusion in the Sustainability Report to the Audit Committee. The Audit Committee will recommend for approval the Sustainability Report to the Board. The respective committees will liaise and convene as appropriate to manage to approval process of the Sustainability Report. (iii) Review and Recommend to the Audit Committee the Board Environmental and Social Purpose Committee Report. (iv) Notify the Board Risk Committee of any matters within the Committee’s remit that may require consideration in relation to Environmental Risk, Conduct Risk and/or Legal Risk as defined in the Enterprise Risk Management Framework and/or in relation any matters within the Committee’s remit that may be relevant in the context of the Reputation Risk Management Framework; and (v) At the request of the Remuneration Committee, provide input as required to assist in its deliberations in relation to environmental and social purpose matters and how these relate to Group Purpose under its responsibility. <p>2. Recommendations to the Board</p> <p>2.1 Support and make recommendations to the Board in its oversight of the environmental and social purpose agenda, relating to the services and products provided to members and customers and the Group’s own business activities.</p> <p>2.2 Support the Board in monitoring the implementation of the Society’s environmental and social purpose agenda and, if appropriate, make recommendations to the Board as to how to further develop these strategies.</p> <p>2.3 Review and make recommendations to the Board on the suitability of the Society’s environmental and social purpose agenda, position statements, frameworks, ambitions, metrics, and targets.</p>
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Sub Committees	None
Date of Approval	25 March 2026 (Board)