

# Safety, Health, Environment and Drinking Water Committee

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Terms of Reference

July 2020

## **SAFETY, HEALTH, ENVIRONMENT AND DRINKING WATER QUALITY COMMITTEE**

### **TERMS OF REFERENCE**

#### **1. MEMBERSHIP**

1.1 The committee shall comprise:

- (a) at least four members, at least three of whom shall be independent non-executive directors; and
- (b) a majority of Independent non-executive directors (including the chair of the committee).

1.2 Appointments to the committee shall be made by the board, on the recommendation of the nomination committee in consultation with the chair of the committee. The committee chair shall be an independent non-executive director.

1.3 Only members of the committee have the right to attend committee meetings. The directors of relevant business areas and the Head of Water Quality, Head of Safety, Health and Environment and Head of Legal Services may be invited to attend for all or part of any meeting of the committee.

#### **2. SECRETARY**

The company secretary or his or her nominee shall act as the secretary of the committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

#### **3. QUORUM**

The quorum necessary for the transaction of business shall be three at least one of whom shall be an independent non-executive director.

#### **4. MEETINGS**

The committee shall meet at least four times a year. Initially, the committee shall meet bi-monthly.

#### **5. NOTICE OF MEETINGS**

5.1 Meetings of the committee shall be called by the secretary of the committee at the request of the committee chair.

- 5.2 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 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.

## **6. MINUTES OF MEETINGS**

- 6.1 The secretary (or his or her nominee) shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.
- 6.2 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.

## **7. DUTIES**

- 7.1 The committee shall review and monitor health<sup>1</sup> and safety, environment, drinking water quality and personal security matters arising from the Company's activities and operations, including monitoring performance against targets.
- 7.2 The committee shall review and make recommendations to the Board on the strategic direction for effective safety, health, drinking water quality and environment management, and to communicate, promote and champion safety, health, drinking water quality and environmental issues.
- 7.3 The committee shall keep under review the adequacy of the framework of safety, health and environment policies and procedures within the Company (including training and competency assessment), and compliance with relevant health, safety, drinking water quality and environmental legislation.
- 7.4 The committee shall consider areas of corporate process and individual safety, health, drinking water quality and environment risk (including personal security related safety matters) and whether such risks are managed effectively and the methodology for measuring performance.
- 7.5 The committee shall review the scope and schedule of and results of safety, health, drinking water quality and environment audits on or relating to the effectiveness of the Company's safety, health, drinking water quality and environment policies and strategies.
- 7.6 The committee shall receive and review:
- 7.6.1 health, safety, drinking water quality and environment investigation reports (including reports of significant near misses); and

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<sup>1</sup> References to "health" includes the mental health and wellbeing of employees.

7.6.2 reports and audits from regulatory bodies in respect of these matters

and management's response thereto with a view to, where necessary, the making of recommendations to the Board in respect of the same.

7.7 The committee shall consider health, safety, drinking water quality and environmental issues that may have strategic business and reputational implications for the Company and, where necessary, recommend appropriate measures, responses and targets (including performance targets and KPIs for directors and senior managers).

## **8. REPORTING RESPONSIBILITIES**

8.1 The committee chair shall report to the board on its proceedings after each meeting on all matters within its duties and responsibilities.

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

8.3 The committee shall produce a report to be included in the Company's annual report about its activities.

## **9. OTHER MATTERS**

The committee shall:

9.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;

9.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;

9.3 give due consideration to laws and regulations, the Company's instrument of appointment, Ofwat's board leadership, transparency and governance principles, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate; and

9.4 review its terms of reference from time to time to ensure it is operating effectively and recommend any changes it considers necessary to the board for approval.

## 10. 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.

Approved by the Board on 28 July 2020