

**FORTERRA PLC**  
**RISK AND SUSTAINABILITY COMMITTEE**  
**TERMS OF REFERENCE**

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Members:	As per current membership schedule
Chairman:	As per current membership schedule
Attendees (as may be invited by the Committee):	Company Secretary Members of Executive Management as invited
Frequency of meetings:	At least four meetings per annum

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**1. CONSTITUTION AND ROLE**

- 1.1 The risk committee (the “**Committee**”) was constituted as a committee of the board of directors (the “**Board**”) of Forterra plc (the “**Company**”, together with its subsidiary undertakings, the “**Group**”) at a meeting of the Board held on 11 April 2016 in accordance with the articles of association of the Company. Effective from 1 January 2021 the Committee became the risk and sustainability committee in recognition of its wider sustainability remit.
- 1.2 The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.
- 1.3 The role of the Committee is to assist the board in fulfilling its oversight responsibilities by reviewing and monitoring, subject to overlap with the audit committee:
- (a) the Company’s attitude to and appetite for risk and its future risk strategy;
  - (b) the Company’s system of internal controls and risk management;
  - (c) the Company’s attitude and approach to Environmental, Social and Governance (“**ESG**”) matters and risks;
  - (d) Compliance with ESG reporting requirements under the Task Force on Climate-related Financial Disclosures (“**TCFD**”), Sustainability Accounting Standards Board (“**SASB**”) and other reporting protocols as appropriate;
  - (e) how health, safety and risk is reported both internally and externally; and
  - (f) the processes for compliance with applicable laws, regulations and ethical codes of practice.

## **2. MEMBERSHIP**

- 2.1 The risk committee (the “**Committee**”) of the board of directors (the “**Board**”) of Forterra plc (the “**Company**”, together with its subsidiary undertakings, the “**Group**”) shall be comprised of at least three members. Members of the Committee shall be appointed by the Board and shall be made up of the Chairman, at least two Independent Non-Executive Directors, the Chief Executive Officer, the Chief Financial Officer and other executives as determined by the Board.
- 2.2 Only members of the Committee have the right to attend and vote at meetings of the Committee. Other individuals such as the Company secretary and/or other representatives from the health, safety and risk management function of the Group will be invited to attend all or part of any meeting of the Committee as and when appropriate and necessary.
- 2.3 Appointments to the Committee shall be for a period of up to three years, extendable by no more than two additional three year periods.
- 2.4 The Board shall appoint the chair of the Committee. In the absence of the chair of the Committee and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

## **3. SECRETARY**

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

## **4. QUORUM**

The quorum necessary for the transaction of business shall be at least two members present in person or by an audio or video conference. 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.

## **5. FREQUENCY OF MEETINGS**

- 5.1 The Committee shall meet at least four times a year at appropriate intervals and such other times as the Board and/or the chairman of the Committee shall require.
- 5.2 Outside of the formal meeting programme, the chairman of the Committee and to a lesser extent, other Committee members will maintain a dialogue with key individuals involved in the Company’s health, safety and risk management.

## **6. NOTICE OF MEETINGS**

- 6.1 Meetings of the Committee shall be convened by the secretary of the Committee (a) in accordance with the agreed schedule of meetings of the Committee; or (b) at the request of any of its members.
- 6.2 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 and any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall, wherever practicable, be sent to Committee members and to other attendees as appropriate, at the same time.

6.3 Papers required by the Committee may be provided electronically.

## **7. MINUTES OF MEETINGS**

7.1 The secretary of the Committee shall minute the proceedings, decisions and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

7.2 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

7.3 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 it would be inappropriate to do so in the opinion of the chairman of the Committee.

## **8. ANNUAL GENERAL MEETING**

The chairman of the Committee should attend the annual general meeting of the Company prepared to answer any shareholder question on the Committee's activities.

## **9. DUTIES**

9.1 The Committee should carry out the duties below for the Company and other member of the Group, as appropriate.

9.2 The Committee shall:

- (a) consider the appropriate risk appetite for the Group across all major activities, taking into account the overall strategy of the Company, its future plans and other internal information, as well as the external environment, including economic, political and industry information;
- (b) consider all matters referred to the Committee by executives responsible for health, safety and risk management and any of its members and ensure that health, safety and risk management is properly considered in Board decisions;
- (c) give consideration to the health and safety culture present in the business;
- (d) liaise with executives responsible for the health and safety management and report to the Board on performance and issues in connection with health and safety policy;
- (e) consider whether health, safety, policies comply with UK health and safety best practice recommending improvements to the Board where appropriate;

- (f) review and discuss the effectiveness of the risk management process to determine whether all relevant risks are being identified, evaluated, monitored and managed appropriately;
- (g) review and discuss the effectiveness of the teams responsible for health, safety, risk and security including whether team members are adequately skilled and whether there are sufficient resources devoted to the health, safety, risk and security.
- (h) review the adequacy of the security processes put in place by the Group and report to the Board on such adequacy in the context of prevailing security conditions and experience;
- (i) defining the level of the Group's ambitions with regard to reducing its environmental impact and addressing climate risk;
- (j) overseeing the development of the Group's the sustainability policies covering both environmental and wider social (people) matters;
- (k) setting challenging environmental targets in order to meet the Group's goals and monitoring progress against these;
- (l) monitor the Group's reporting around ESG under TCFD, SASB and other protocols as appropriate;
- (m) ensuring that sustainability policy still satisfies its desired outcomes and evaluating management's performance in implementing policy and achievement against the targets set;
- (n) consider stakeholder feedback on ESG matters ensuring due consideration is given to stakeholder requirements when setting the Group's ESG ambitions;
- (o) remain abreast of developments in the ESG agenda and review peer group and best practice reporting in this area to ensure the Group's ambitions and reporting remain aligned with industry best practice;
- (p) review the Group risk register and consider its appropriateness and completeness;
- (q) give regular consideration to emergent risks which have the potential to impact the business in the future;
- (r) review mitigation actions being taken by the Group to address identified risks;
- (s) report on the Group risk register to the Board; and
- (t) update the Board on all risk and sustainability matters as an when appropriate.

## **10. REPORTING RESPONSIBILITIES**

- 10.1 The chairman of the Committee shall report formally to the Board orally or in writing on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

## **11. OTHER MATTERS**

- 11.1 The Committee shall, at least once a year, review its own performance, 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.
- 11.2 The Committee shall:
- (a) have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
  - (b) 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; and
  - (c) give due consideration to all applicable laws and regulations, in particular the directors duties contained in the Companies Act 2006, the provisions of the Governance Code and the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules, in each case, as appropriate.
  - (d) give due consideration to relevant laws and regulations

## **12. AUTHORITY**

The Committee is authorised to:

- (a) carry out all duties set out in these terms of reference, to have unrestricted access to the Group's documents and information;
- (b) seek any information it requires from any employee of the Group in order to perform its duties;
- (c) obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so, including the commissioning of any report;
- (d) call any employee of the Group to be questioned at a meeting of the Committee as and when required; and
- (e) have the right to publish in the Company's annual report details of any issue that cannot be resolved between the Committee and the Board.

Updated and adopted at the board meeting of the Company held on 9 December 2021.