



**NATIONAL EXPRESS GROUP PLC**  
**SAFETY & ENVIRONMENT COMMITTEE**  
**OF THE BOARD**

**TERMS OF REFERENCE**

**Approved: 28 July 2020**

**SAFETY & ENVIRONMENT COMMITTEE – TERMS OF REFERENCE**

**Note:** References to: “Committee” shall mean the Safety & Environment Committee of the Board; “Board” shall mean the Board of Directors of the Company; “Company” shall mean National Express Group PLC; “Group” shall mean National Express Group PLC and its subsidiaries; “Directors” shall mean the Directors of the Company; “member of the Group’s Workforce” shall mean any employee or other member of the workforce of the Group; “Shareholders” shall mean the shareholders of the Company; and “Code” shall mean the most up-to-date version of the UK Corporate Governance Code.

**1 PURPOSE**

- 1.1 The primary function of the Committee is to have independent oversight of and provide feedback and direction to the Board in the following two main areas, recognising that the Committee has no executive powers and that the Group Chief Executive (supported by his executive and senior management team) is the Board’s nominated Director with ultimate responsibility for setting and implementing the Board agreed strategy and policy, together with annual plans, investments and priorities, in each of the two areas:
  - Safety – including the existence of appropriate strategies to mitigate safety risks, safety standards and policies, the operation and management of robust safety processes and procedures and an embedded safety culture led by management for the benefit of the Workforce, stakeholders including customers and passengers, and the public; and
  - Environment – including the existence of appropriate strategies to mitigate the environmental impact of the operation of the Group’s vehicles and sites, particularly with reference to the minimisation of greenhouse gas emissions, the efficient use of traction and other energy and the reduction in waste to landfill and water usage.
- 1.2 The secondary function of the Committee is to annually review the Group’s programmes, initiatives and activities aimed at promoting and enhancing the health and wellbeing of the Workforce.
- 1.3 In discharging its functions, the Committee shall also have regard to the duty of Committee members, as Directors, to promote the success of the Company for the benefit of its members in accordance with the provisions of Section 172 of the Companies Act 2006 and having regard, as appropriate, to the matters specifically referred to in paragraphs (a) to (f) of that Section.

**2 MEMBERSHIP**

- 2.1 The Committee is established under the Company’s Articles of Association as a committee of the Board and shall consist of all the Non-Executive Directors.
- 2.2 The Committee will, at least annually, review its composition and membership and make recommendations for change to the Board as it sees fit.

- 2.3 The Board shall appoint the Committee Chair, who shall be a Non-Executive Director. In the absence at any meeting of the Committee of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting.
- 2.4 Only members of the Committee have the right to attend Committee meetings. However, the Committee Chair will invite the Executive Directors to attend all meetings and may invite such other persons, including the Group Safety Director and the Group or Divisional Property Director(s) to attend all or part of any meeting.
- 2.5 The Company Secretary, or his or her nominee, shall be 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 issues.

### **3 MEETINGS**

- 3.1 Meetings and proceedings of the Committee shall be governed by the provisions of the Company's Articles of Association regulating the meetings and proceedings of the Board.
- 3.2 The Committee shall meet at least three times a year and otherwise as required. Meetings of the Committee shall be convened by the Company Secretary at the request of the Committee Chair or any other member of the Committee.
- 3.3 The quorum for meetings of the Committee shall be any two members present throughout the meeting in person or by telephone 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.
- 3.4 Notice of each meeting confirming the venue, time and date of the meeting, together with an agenda of items to be discussed and supporting papers, shall be circulated to all Committee members and any other person required to attend no later than five working days in advance of the meeting (except in exceptional or emergency circumstances or as the Committee members otherwise agree).

### **4 MINUTES OF MEETINGS**

- 4.1 The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- 4.2 Committee Chair approved draft minutes of Committee meetings shall be circulated promptly to all Committee members. Unless deemed inappropriate to do so by the Committee Chair, they shall also be circulated to the Executive Directors and other non-Director attendees.

### **5 ANNUAL GENERAL MEETING AND SHAREHOLDER RELATIONS**

- 5.1 The Committee Chair shall attend the Annual General Meeting to respond to any Shareholder questions on the Committee's activities.

- 5.2 The Committee Chair shall seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

## **6. AUTHORITY**

The Committee is authorised by the Board in the performance of its duties to:

- 6.1 conduct any activity within its Terms of Reference;
- 6.2 seek any information it requires from any member of the Group's Workforce in order to perform its duties and all members of the Group's Workforce shall be directed by management to co-operate with any request made by the Committee;
- 6.3 ask any member of the Group's Workforce, external adviser or other outsiders with relevant experience and expertise to attend a meeting of the Committee as and when required;
- 6.4 obtain, at the Company's expense, independent legal, safety, environmental or other professional advice on any matter it considers necessary; and
- 6.5 delegate any of its powers to one or more of its members.

## **7 DUTIES**

The Committee shall:

### **7.1 In respect of Safety matters:**

- 7.1.1 assess the Group's safety strategy and consider whether the Groups' safety objectives, targets, programmes and initiatives are being executed according to plan (including appropriate time, attention and investment) and that the results and return on investments are being delivered as expected;
- 7.1.2 review the safety performance of the Group, including receiving reports from management on all fatalities, serious injuries, serious incidents, SPADS, child check incidents etc, reviewing key safety performance indicators and ensuring that management learn lessons from accidents and incidents that they are being communicated to all Group companies;
- 7.1.3 provide oversight of the development and maintenance of a framework of Group safety policies and standards designed to effectively manage material corporate and individual safety risks and their potential impact on the Group;
- 7.1.4 monitor the implementation and operation of Group safety policies and standards, including by receiving reports from management on the same;
- 7.1.5 review the Group's compliance with all applicable and relevant legislation and regulations relating to safety matters and the Group's safety policies and standards, and monitor the resources required to achieving such compliance;
- 7.1.6 maintain an overview of developments in national and international legislation and regulation relating to safety matters and in best and emerging practice in the field of transport safety;

- 7.1.7 review and consider the findings of any internal or external investigation into any serious incident or accident and report and where appropriate make recommendations to the Board on the same;
- 7.1.8 review and consider the findings of any internal or external audit or assessment of the implementation progress, effectiveness, efficiency or cost of the Group's safety policies, standards, systems, practices, systems or culture, and report and where appropriate make recommendations to the Board on the same;
- 7.1.9 assess the strategies and action plans developed by management in response to the findings of any investigation or audit on safety matter and, where appropriate, make recommendations to the Board on the same;
- 7.1.10 visit Group operations on a regular basis (through the Chair or by members of the Committee individually and/or collectively) to undertake safety tours to better understand the safety risks facing the business and the actions being taken by local management and safety officers to address them;
- 7.1.11 monitor the Group's safety culture and whether management demonstrate ongoing commitment to safety leadership and whether the Workforce demonstrate behaviours that align with the Group's safety policies, standards and values; and
- 7.1.12 evaluate the quality and integrity of all safety matters being reported to the Committee before they are presented to the Board or presented externally, whether to Shareholders or other stakeholders.

**7.2 In respect of Environment matters:**

- 7.2.1 assess the Group's environmental strategy and objectives and consider whether the Group's environmental targets, programmes and initiatives are being executed according to plan (including appropriate time, attention and investment) and that the results and return on investments are being delivered as expected;
- 7.2.2 review the environmental performance of the Group, including by receiving reports from management on total energy use, greenhouse gas emissions, waste generation and water usage, and by reviewing such performance against key environmental performance indicators;
- 7.2.3 provide oversight of the development and maintenance of Group environmental policies and standards designed to mitigate environmental risks and their potential impact on the Group's business;
- 7.2.4 monitor the implementation and operation of Group environmental policies and standards, including by receiving reports from management on the same;
- 7.2.5 review the Group's compliance with all applicable and relevant legislation and regulations relating to environmental matters and the Group's environmental policies and standards, and monitor the resources required to achieving such compliance;
- 7.2.6 maintain an overview of developments in national and international legislation and regulation relating to environmental matters and in technical developments in the field of cleaner transport technology;

- 7.2.7 review and consider the findings of any internal or external investigation or inspection into the Group's practices that impact on the environment and/or on its culture regarding environmental concerns and report and where appropriate make recommendations to the Board on the same;
- 7.2.8 review and consider the findings of any internal or external audit or risk assessment into the implementation progress, effectiveness, efficiency or cost of the Group's environmental policies and standards, and where appropriate make recommendations to the Board on the same;
- 7.2.9 assess the strategies and action plans developed by management in response to the findings of any investigation, inspection, audit or risk assessment on environmental matters and, where appropriate, make recommendations to the Board on the same; and
- 7.2.10 evaluate the quality and integrity of all environmental matters being reported to the Committee before they are presented to the Board or presented externally, whether to Shareholders or other stakeholders.

**7.3 In respect of Health and Wellbeing matters:**

- 7.3.1 review annually the Group's programmes, initiatives and activities to enhance the health and wellbeing of members of the Workforce; and
- 7.3.2 evaluate the quality and integrity of all health and wellbeing information being reported to the Committee before it is presented to the Board or presented externally, whether to Shareholders or other stakeholders.

**8 Reporting Responsibilities**

- 8.1 The Committee shall receive a report at each meeting from both the Group Safety Director and the Group Property Director covering the period since the last meeting, dealing with safety and environmental matters, respectively. It shall also receive annually a report from the Group Safety Director on the Group's health and wellbeing programmes, initiatives and activities across the Group.
- 8.2 The Committee Chair shall report formally to the Board on its proceedings after each meeting, on all its other activities within its remit and on how the Committee has discharged its duties and responsibilities.
- 8.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where it considers action or improvement is needed.
- 8.4 The Committee shall produce a report to Shareholders, for approval by the Board, on its role and responsibilities and to be included in the Company's Annual Report covering the areas of safety, environment and health and wellbeing. This report shall include:
  - a statement about its activities;
  - information about the frequency of and attendance by members at Committee meetings held during the year; and

- all other information required to be disclosed in accordance with applicable and relevant laws and regulations and recommended to be disclosed by the Code.

8.5 The Committee shall make available to Shareholders these Terms of Reference by placing them on the Company's website.

**9 Other Matters**

The Committee shall:

- 9.1 consider the disclosures relating to the role of the Committee to be included in the Company's Annual Report;
- 9.2 consider other topics and review other disclosures or documents as determined by the Board from time to time;
- 9.3 have access to sufficient resources in order to carry out its duties, including to the Company Secretary for assistance as required;
- 9.4 be provided with appropriate and timely training, both in the form of an appropriate induction programme for new members and on an ongoing basis for all members;
- 9.5 ensure compliance with all applicable laws and regulations relating to matters within its remit including (without limit) the Companies Act 2006 (including relevant regulations made under that Act) and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules, and give due consideration to safety, environmental and corporate governance best practice, including any relevant provisions of the Code;
- 9.6 work and liaise as necessary with all other Board committees; and
- 9.7 on an annual basis, review and, if necessary, update its own Terms of Reference requesting Board approval for all proposed changes.