

## **Network Rail Limited (“the Company”)**

### **Terms of Reference**

#### **for**

### **The Environment and Sustainability Committee (the “Committee”)**

#### **Purpose of the Committee**

1. The purpose of the Committee is to provide oversight for the Board of the environmental sustainability strategy as approved by the Board from time to time; and provide support and where appropriate, guidance to the executive leadership team (the “ELT”) in the implementation of the environmental sustainability strategy. The Committee ensures that the Company is keeping abreast of wider environmental issues as well as coordinating its programs with wider industry environmental initiatives.

#### **Role of the Committee**

2. The Committee is a sub-committee of the Board.
3. The Committee shall have no Board or executive powers with regard to any of its recommendations to the Board or the ELT. However, the Committee is authorised to review progress against the Company’s environmental sustainability strategy and to make recommendations regarding initiatives to progress the implementation of the strategy or to amend the strategy to the ELT and/or Board for consideration.
4. The activity of the Committee does not relieve the Board and the executive directors of their respective responsibilities for environmental sustainability matters. The Board shall retain responsibility for holding the ELT to account for matters relating to environmental sustainability.
5. The Committee may examine or comment on environmental sustainability matters (or any other related matters that are referred to it or as may appear to be necessary).

#### **Membership**

6. The members of the Committee shall be appointed by the Board and shall comprise at least three (3) non-executive directors of the Board of the Company. The Board shall

ensure that the Committee members possess diverse skills and expertise, including but not limited to those relevant to environmental sustainability.

7. The Board shall appoint one member of the Committee to be its chair and, subject to the periodic re-election of directors, shall determine the period for which the chair and other members of the Committee shall hold office.
8. The Committee may, if it deems it necessary, co-opt additional members to increase its diversity and expertise.
9. The Committee shall ensure that its members receive regular training and development to stay updated on the latest environmental sustainability practices and regulations.
10. The company secretary or their nominee shall act as secretary of the Committee (the “Secretary”).

#### **Attendees at Meetings of the Committee**

11. The chief executive of the Company, chief of staff, group safety, and engineering director – Technical Authority (or their nominee), chief environment and sustainability officer, principal planning and integration manager (Environment and Sustainability), head of communications (Business Partnering) and group commercial and procurement director shall normally attend meetings of the Committee by standing invitation of the Committee.
12. Representatives of the Department for Transport will have a standing invitation to attend meetings of the Committee. Representatives of other bodies such as the Rail Safety and Standards Board will be invited as appropriate.
13. Other members of the Board, and/or other senior executives of Network Rail may also attend meetings of the Committee by invitation by the Chair.

#### **Proceedings of the Environmental Sustainability Committee**

14. The Committee shall meet formally at least four times a year and otherwise on such occasions as the Board may request.
15. A meeting of the Committee may be convened by any of its members or the Secretary, the chief executive, the group safety and engineering director – Technical Authority if they consider it necessary.
16. The quorum for transaction of business by the Committee shall be any two members.

17. Recommendations to the Board and/or the ELT require the agreement of the majority of the members present.
18. Any conflicts of interest must be declared at the start of each meeting and managed in accordance with the Company's conflict of interest policy.
19. Notice of each meeting of the Committee (confirming the venue, date and time, and an agenda of business to be discussed) shall be sent to each member and any other invitees, not less than three working days before the meeting (unless determined otherwise by the chair).
20. The Secretary shall maintain the minutes of the Committee which shall be available to all members of the Board.

### **Committee evaluation**

21. The Committee shall conduct or arrange for an annual evaluation or review of:
  - a) the work of the Committee; and
  - b) these terms of reference and make any recommendations to the Board.
22. The Committee shall implement and align with recommendations of the Board resulting from the Board performance review(s).

### **Use of external advisers**

23. The Committee may, from time to time, at the Company's expense employ the services of external professional advisers and commission such reports or surveys as it deems necessary to fulfil its role. The Committee may ask such advisers to play a full and active part in committee meetings, but those advisers will not become members of the Committee.

### **Coordination with other Committees**

24. The Committee may examine any activity within its terms of reference and may invite any persons to its meetings, and is authorised to seek such information from Network Rail and its directors and employees (all employees being directed to co-operate with any such request by the Committee), as it deems necessary in order to fulfil its role. The Committee shall establish formal mechanisms for coordination with other committees, such as joint meetings or shared reports, to ensure comprehensive coverage of environmental sustainability matters.
25. In carrying out its duties the Committee notes that:

- a. The Safety, Health & Environmental Compliance Committee retains responsibility for (1) satisfying itself of the overall adequacy and effectiveness of the Company's systems, policies, and practices for managing compliance by the Network Rail group of companies with environmental legal and regulatory requirements, and (2) for promoting a culture of continuous improvement within the Network Rail group of companies in respect of compliance with environmental legal and regulatory requirements.
- b. The Audit & Risk Committee retains responsibility for the integrity of financial reporting by the Company, major subsidiary undertakings and the Network Rail group of companies as a whole.

### **Reporting**

- 26.** The Committee shall provide a report to the Board meeting following each Committee meeting.
- 27.** The Committee shall contribute and provide an annual report on its activities for the Company's annual report and accounts, including sponsoring a progress report on the sustainability strategy.

### **Other**

- 28.** The Committee shall consider any matter specifically referred to the Committee by the Board.

**Adopted by the Board of Network Rail Limited on 3 July 2025**