



# **SUSTAINABILITY & HSEC COMMITTEE CHARTER**

## **CORPORATE GOVERNANCE**

***DRA Global Limited***

**ABN 75 622 581 935**

**DRA-00-CG-CH-004**

**Revision: 1**

**APPROVAL**

Name	Title	Signature	Date
<b>Peter Mansell</b>	Chairman of the Board <b>DRA Global Limited</b>		Approved by the Board on 2 April 2020

**REVISION RECORD**

Revision	Description	Date
1	Approved by the Board	2 April 2020

## ABBREVIATIONS

Terms	Definition
Committee	Sustainability, Health Safety, Environment and Community Committee
Board	DRA Global Limited Board
Company	DRA Global Limited
Group	DRA Global Limited and its subsidiaries
HSEC	Health, Safety, Environment and Community
CEO	Chief Executive Officer
CSO	Chief Sustainability Officer

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## 1 PURPOSE

The Sustainability and Health, Safety, Environment and Community Committee (**Committee**) is a committee of the Board. The Committee's role is to assist the Board to fulfil its responsibilities in relation to:

- health and safety;
- the environment;
- community relations;
- climate change;
- human rights; and
- security and emergency management.

This Charter details the functions and the manner in which the Committee will operate. In making decisions and recommendations, the Committee may take into account:

- these terms of reference;
- legal requirements, including the provisions and recommendations in applicable listing rules and standards of corporate governance applicable in each of the jurisdictions in which the Company is listed;
- key market trends and the broader external environment, in particular the existing and developing health, safety and environmental regulatory environment; and
- any other factors it deems relevant.

## 2 KEY RESPONSIBILITIES OF THE COMMITTEE

Specifically, the duties and responsibilities of the Committee are to review and report to, and where appropriate recommend for approval by, the Board on sustainability, health, safety, environment and community practices and compliance with relevant health, safety and environmental laws.

The Committee's responsibilities include:

### 2.1 Health, Safety, Environment and Community (HSEC) Framework and Compliance

- review and monitor the appropriateness and effectiveness of the Group's HSEC framework and strategies.
- review and approve the Group's HSEC Policy every two years.
- review of material HSE risks and processes to manage those risks.
- undertake reasonable steps in exercising due diligence to ensure the Group is meeting its HSEC regulatory compliance requirements.

### 2.2 Group HSEC Performance

- review and endorse to the Board for approval the Group's annual public HSEC targets.
- consider the reports provided by management regarding the effectiveness of HSEC systems, the outcomes of any independent assurance and audit process and industry best practice, including:
  - a. monitor, review and evaluate the HSEC performance of the Group against agreed targets;
  - b. reviewing reports and investigations on significant HSEC incidents, near-misses and enforcement actions, and monitor Management's recommendations for improvements following these incidents;
  - c. review the performance of the Chief Executive Officer (**CEO**) and Chief Sustainability Officer (**CSO**) (if any) in relation to the HSEC function;
  - d. recommend to the [People, Culture and Remuneration Committee], at the beginning of each financial year, appropriate key performance indicators for the HSEC component of the annual incentive plan for the CEO, CSO (if any) and the balance of the executive team; and
  - e. determine and refer to the [People, Culture and Remuneration Committee], at the end of each financial year, the outcome of its evaluation of the HSEC component of the annual incentive plan for the CEO, CSO and the balance of the executive team.

### 2.3 Sustainability and Climate Change Policies and Position Statements

- review and monitor the appropriateness and effectiveness of the Group's Sustainability framework and strategies. Including, initiatives designed to support the UN Global Compact Principles on sustainability and the minimisation of the Group's impact on the environment.
- review and approve the Group's Sustainability Policy every two years.
- monitor, review and evaluate the sustainability performance of the Group including significant non-compliances relating to environmental regulations.
- approve and monitor progress towards public position statements on sustainability targets, such as climate change and water security, in light of the risk profile set by the Board.

### 2.4 Sustainability and HSEC Reporting

- where the Company prepares a sustainability report in accordance with the Global Reporting Initiative (GRI) or other relevant framework, the Committee will:
  - a. review that report and recommend it to the Board for approval; and
  - b. make recommendations on specific actions or decisions the Board should consider in relation to that report.
- report to the Audit and Risk Committee on material Sustainability and HSEC risks identified or emerging and the outcomes of any evaluation of the HSEC management system.
- review and endorse to the Audit and Risk Committee the Sustainability and HSEC section of the annual internal audit plan.

### 2.5 Human Rights Oversight

- review and monitor key human rights issues and the Group's processes to support the UN Global Compact Principles on human rights.
- review and monitor the appropriateness of the process to prevent, mitigate and where appropriate, remedy modern slavery in operations and supply chains of the Group.

### 2.6 Security & Emergency Management Framework

- review and monitor the effectiveness of the security and emergency management framework.

## 3 MONITORING REDRESS OF INEFFECTIVE RESOURCES, PROCESSES AND PERFORMANCE

Reporting provided by management or independent third-party verification may indicate that the Group's resources, processes or performance with respect to Sustainability & HSEC have been found to be ineffective in a material respect or otherwise unsatisfactory in a material respect.

If that occurs, the Committee will, on the Board's behalf, monitor implementation of the steps recommended by management or the third party to seek to ensure that, in a timely manner, the resources, process or performance become effective or otherwise satisfactory.

## 4 SITE VISITS

While the Committee will rely primarily on reporting provided by management and independent third-party verification to carry out its role, Committee members will also participate in a program of site visits. The purpose of those visits is to increase Committee members' understanding of the health, safety and environmental risks faced by the Group and to further raise the profile of sustainability and HSEC values with employees on site and, in particular, with site management.

Site visits are a part of the Committee's due diligence system to assess the Groups HSEC Regulatory compliance.

Committee members generally do not represent themselves as experts in the fields of sustainability, health, safety, environment or risk management. As such it is not the responsibility of Committee members to conduct health, safety or environment risk reviews when visiting sites.

## 5 ACCESS TO INFORMATION AND INDEPENDENT ADVICE

The Committee shall have unrestricted access to Management and internal and external information to enable it to fulfil its functions appropriately.

The Committee is authorised to obtain any independent legal advice or other professional that it considers necessary to perform its role.

The Committee is a review and advice Committee and has no decision-making authority and holds no delegated authority from the Board.

## 6 MEMBERSHIP

The Committee shall comprise of a minimum of three Non-executive Directors. The members will be appointed by the Board.

Each member will be Non-Executive Director of the Board. A majority of the members will be independent Directors.

The Committee shall have a Chairperson appointed by the Board. The Committee Chairperson must be an independent Non-executive Director. The Chairperson of the full Board may not Chair the Committee.

Committee members should possess the appropriate skills and experience, and have an appropriate understanding of the industries in which the Company operates to enable the Committee to fulfil its functions appropriately. At least one member of the Committee should have experience in health, safety or environment matters.

The Company Secretary will be the secretary of the Committee.

## 7 MEETINGS

The Committee shall meet as often as required to undertake its role effectively, but as a minimum twice annually. Any committee member may call a meeting of the Committee.

The quorum necessary for the meeting will be two members. In the absence of the Chairperson, the Committee members will elect a member to act as Chair for that meeting.

The Committee may invite various persons to attend its meetings. The CEO and CSO (if any) are required to attend Committee meetings, except where the Chairperson of the Committee calls a meeting with the internal or external advisors or auditors and/or management.

The Committee may delegate to subcommittees of the Committee.

All Directors have a standing invitation to attend Committee meetings, receive copies of Committee meeting minutes, and have access to Committee papers.

The proceedings of all meetings shall have minutes taken and the minutes by the Company Secretary and those minutes will be approved the Committee Chairperson within one month of the meeting.

## 8 REPORTING

The Committee Chairperson, or his/her nominee, will report to the Board at the next Board meeting on any material matters arising out of the Committee meeting and make recommendations to the Board for decision.

The minutes and agenda of the prior Committee meeting will be included in the Board papers for the subsequent Board meeting.

All directors will be permitted, within the Board meeting, to request information of the Committee Chairperson or members of the Committee.

An annual plan will be developed for the Committee activities and reporting on progress against the annual plan will be provided to the Board.

## 9 REVIEWS

The overall performance of the Committee is to be reviewed at least every two years by:

- obtaining feedback from the Board, CEO, CSO, Chief Financial Officer, the Group General Counsel, Company Secretary, and any other appropriate internal and external persons; and
- the Chairperson of the Board assessing the contribution and performance of individual Committee members.

The Committee's Charter will be reviewed at least every two years and any amendments are to be approved by the Board.