

ESG Committee Terms of Reference

Boohoo Group plc Dated 25 February 2022

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Boohoo Group Plc (Company)

ESG Committee Terms of Reference

1. Definitions

In these terms of reference:

Board	means the board of directors of the Company
Code	the Quoted Companies Alliance (QCA) Corporate Governance Code or such other corporate governance code adopted by the Company in accordance with the AIM Rules for Companies
Committee	means the ESG committee of the Board constituted at a meeting of the Board in accordance with the articles of association of the Company
ESG	References in these terms of reference to ESG matters, ESG activities and ESG are defined in the Appendix
Group	means the Company and its subsidiary undertakings from time to time

2 Introduction

The primary purpose of the Committee is to independently review, on behalf of the Board, management's actions to run the group as an environmentally and socially sustainable business, capable of generating long term value for its stakeholders. To perform his or her role effectively, each member of the Committee must be familiar with these terms of reference as well as the Company's business operations and risks both generally and in the retail sector.

3 Membership

- 3.1 The committee shall comprise at least three members, all of whom shall be independent non-executive directors. The committee shall include at least one member of the audit and remuneration committees. Members shall have appropriate knowledge, skills and expertise to fully understand ESG management and strategy. The Executive Director and Co-Founder, Carol Kane, may also serve on the Committee as an additional member.
- 3.2 Members of the committee shall be appointed by the Board on the recommendation of the nomination committee and in consultation with the chair of the ESG committee. Appointments shall be for a period of up to three years which may be extended for up to two additional three-year periods, provided the director still meets the criteria for membership of the committee.
- 3.3 Only members of the committee have the right to attend committee meetings. However, the Chief Executive Officer, Chief People Officer, Head of Communications, Head of Sustainability, and Head of Risk Management shall be expected to attend meetings of the committee on a regular basis. SMEs may be invited to attend all or part of any meeting at the request of the Chair. External stakeholders and experts may be invited to provide expertise and opinion including NGO's, civil society and community groups, customers and suppliers.
- 3.4 The Board shall appoint the committee chair. In the absence of the committee chair and/or an

appointed deputy at a committee meeting, the remaining members present shall elect one of themselves to chair the meeting.

4 Secretary

- 4.1 The Company secretary, or their 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 issues.

5 Quorum

The quorum necessary for the transaction of business shall be any two members of the Committee.

6 Voting arrangements

- 6.1 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.
- 6.2 Each member of the Committee shall disclose to the Committee:
- 6.2.1 any personal financial interest (other than as a shareholder) in any matter to be decided by the Committee; or
 - 6.2.2 any potential conflict of interest arising from a cross-directorship.
- 6.3 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.

- 6.4 Save where he has a personal interest, the chair of the Committee will have a casting vote.

7 Frequency of meetings

- 7.1 The Committee shall meet at least four times a year at appropriate times and otherwise as required.
- 7.2 Outside of the formal meeting programme, the chair of the Committee will maintain a dialogue with key individuals involved in the Company's governance, including the Chairman of the Board, Chief Executive Officer, Chief Finance Officer, Chief People Officer, Head of Communications, Head of Sustainability and Head of Risk Management and relevant external stakeholders.

8 Notice of meetings

- 8.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chair or any of its members.
- 8.2 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 and all other non-executive directors 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.

9 Minutes of meetings

- 9.1 The secretary of the Committee shall minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance, unless a conflict of interest exists.
- 9.2 The secretary of the Committee shall ascertain, at the beginning of each Committee meeting, the existence of any conflicts of interest and minute them accordingly.
- 9.3 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 a conflict of interest exists or, in the opinion of the chair of the Committee, it would otherwise be inappropriate to do so.

10 Engagement with shareholders

- 10.1 The Committee chair should attend the annual general meeting to answer any shareholder questions on the Committee's activities. In addition, the Committee chair should seek engagement with shareholders and other relevant stakeholders on significant matters related to the Committee's areas of responsibility.

11 Duties

The Committee operates under delegated authority from the Board. It shall carry out the duties below for the Company, major subsidiary undertakings and the Group as a whole, as appropriate.

The Committee shall:

ESG strategy, actions and goals

- 11.1 Advise the Board on the effectiveness of the Company's ESG strategy, clarity of the Company's purpose, the application of its values and its management of environmental and social risks and opportunities.
- 11.2 Monitor the Company's ESG performance and execution, ensuring that it addresses matters of material impact and is in alignment with accepted sectoral, national and international standards and any other applicable standards from time to time.
- 11.3 Oversee that appropriate objectives for ESG activities are in place and that key metrics are monitored and fairly reported.
- 11.4 Advise the Board on the appropriateness of ESG related policies, with consideration of their relevance, effectiveness and alignment with relevant national and international regulations, and public expectations, and are updated as necessary.
- 11.5 Receive updates and review current and emerging ESG trends, relevant international standards and legislative requirements; identify how these are likely to impact the strategy, operations, and reputation of the Company; and determine if and how these are incorporated into or reflected in the company's ESG policies and objectives.
- 11.6 Approve projects developed in response to the ESG strategy
- 11.7 Make recommendations to the Board on any of the matters listed above that the Committee considers appropriate.

Environment

- 11.8 Receive and review updates on the Company's progress towards achieving its targets regarding climate change, raw materials sourcing, waste management, circularity and other environmental impacts such as biodiversity, water, chemicals and microplastics;
- 2.1 Review management's approach to climate change management, the quantification and related targets set to achieve value chain decarbonisation in line with publicly stated commitments and the Paris Climate Agreement;
- 2.2 Review management of nature-based risks and related target setting across the value chain, including management of the impact of materials and sourcing, manufacturing, distribution, and customer use and behaviour.

Social

Suppliers

- 2.3 Receive and review reports from Internal Audit on the adequacy of testing and controls of the supply chain risk and compliance framework

Communities

- 2.4 Receive and review updates on the Groups social impact strategy and actions, ensuring focus on issues of most material impact and opportunity.
- 2.5 Review community investment programmes and employee volunteering and charitable giving programmes

People and Culture

- 2.6 Oversee action by management to engage the workforce and ensure the fitness and sustainability of the future workforce
- 2.7 Support and challenge the development of people and culture, policies and plans, including application of ethics and values, diversity, inclusion, accessibility, fair pay and reward policies
- 2.8 Oversee material updates to the Modern Slavery statement and Human Rights policy within own operations and through supply chain.

Customer

- 2.9 Oversee action by management to ensure the fair treatment of customers.

Governance

- 2.10 Review the governance and effectiveness of the integration of environmental and social impact into the Company's operations, policies, practices and product development.
- 2.11 Consider the application of the values and purpose of the Company in culture and decision making
- 2.12 Consider the ethical conduct of the Company and the effectiveness of the codes of conduct and application of the Company's values and purpose.
- 2.13 Oversee major internal and external ESG reporting as required, including information included in the annual report and submissions to external indices and benchmarks.
- 2.14 Review results of external assurance and fit with relevant ESG integrated reporting standards.
- 2.15 Advise the Board on appropriateness of executive and employee remuneration performance targets linked to ES criteria
- 2.16 Review the results of any reviews or independent audits of the Company's performance in regard to ESG matters and review any strategies and action plans developed by management in response to issues raised.
- 2.17 Engage with stakeholders to solicit external perspectives and challenge, using stakeholder option and insight to contribute to boardroom decision making.

3 Reporting responsibilities

- 3.1 The committee chair shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 3.2 The committee shall provide advice to the remuneration committee on any ESG metrics to be applied to performance objectives incorporated in the incentive structure for executive remuneration and make recommendations to the remuneration committee on clawback provisions.
- 3.3 The committee shall make whatever recommendations to the Board it deems

appropriate on any area within its remit where action or improvement is needed.

- 3.4 The committee shall compile a report of its activities to be included in the Company's annual report describing the work of the committee.

4 Other matters

- 4.1 The Committee shall:

- 4.1.1 have access to sufficient resources in order to carry out its duties, including access to the Company secretary for assistance as required;
- 4.1.2 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;
- 4.1.3 give due consideration to laws and regulations the provisions of the Code and the requirements of the London Stock Exchange's rules for AIM Companies as appropriate;
- 4.1.4 oversee any investigation of activities which are within its terms of reference;
- 4.1.5 work and liaise as necessary with all other Board committees taking particular account of the impact of ESG management and internal controls being delegated to different committees;
- 4.1.6 arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board;
- 4.1.7 consider any other matters as may be requested by the Board; and
- 4.1.8 ensure that these terms of reference are made available by placing them on the Company's website.

4.2 General duties

In carrying out his specific duties set out above, each member of the Committee should also consider his general duties as a director of the Company, including without limitation:

- 13.2.1 his duty to act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, having regard to all relevant factors;
- 13.2.2 his duty to exercise independent judgment;
- 13.2.3 his duty to exercise reasonable care, diligence and skill;
- 13.2.4 his duty to avoid conflicts of interest; and
- 13.2.5 his duty to act in accordance with the Company's constitution and only exercise his powers for the purposes for which they were conferred.

14 Authority

- 14.1 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.

- 14.2 The Committee is authorised by the Board to:

- 14.2.1 seek any information it requires from any employee or director of the Company in order to perform its duties and all such employees or directors will be directed to co-operate with any request made by the Committee;
- 14.2.2 exercise any activity within its terms of reference;

- 14.2.3 obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter it believes necessary to do so within its terms of reference; and
- 14.2.4 call any employee to be questioned at a meeting of the Committee as and when required.

Appendix

Environmental: The company's impact (directly and indirectly, through its value chain) on the natural environment; management of climate change risks and opportunities; oversight of nature based impact; biodiversity and habitat; impact on water resources and deforestation; pollution; resources efficiency, and the reduction and management of waste; the environmental impact of the Group's supply chain and customer behaviour; and oversight of climate and nature related disclosures.

Social: The Company's impact on its employees, suppliers, customers, communities, and society at large, both through its direct operations and indirectly through its value chain; charitable contribution and volunteering; workplace policies including human rights, pay and professional development, health and well-being, and diversity and inclusion.

Governance: The ethical conduct of the Group including its business ethics, application of the Group's purpose and values, compliance policies, codes of conduct; counterparty due diligence and on-boarding policies and procedures; the management of bribery, corruption, modern slavery and human rights risks; ethical procurement and oversight of supply chain strategy and management; how effectively the Group integrates environmental, social and longer term economic risks and opportunities into practices, processes and culture.