

ESG Committee terms of reference



Solid State Plc – ESG Committee terms of reference

Constitution

The Board hereby resolves to establish an Environmental Social Governance (ESG) Committee, to be known as the ESG Committee. The ESG Committee will assist the Board in forming the Group's ESG Strategy which is an integral part of the Group's overall business planning, strategy and culture. In addition, the committee will support the delivery and execution of the Group's ESG Strategy as part of the day to day running of the Group's businesses. Furthermore, the committee will also provide reporting to the Group board to support it in fulfilling its oversight responsibilities.

Purpose

The purpose of the ESG Committee is to assist the Board in promoting the long-term sustainable success of Solid State plc with regard to ESG matters.

In these terms of reference "ESG matters" or "ESG" refers to the following areas:

Environmental:

The Company's impact on the environment including;

- ☒ greenhouse gas emissions,
- ☒ efficient use of resources, and
- ☒ the environmental impact of the Group's supply chain.

Underpinned by the Group's environmental commitment strapline to "reduce consumption and reduce waste"

Social,

the Company's responsibilities towards:

- ☒ Employees, including workplace policies concerning safety and wellbeing, engagement, diversity and inclusion and other relevant standards.
- ☒ Engagement with the local communities in which the Company operates.
- ☒ Customers and other stakeholders, and the application of human rights to such stakeholder groups and the Company's operations.

Governance:

the conduct of the Company's business including;

- ☒ Corporate governance.
- ☒ Business ethics.
- ☒ Anti-bribery and corruption programme.
- ☒ Commercial and product governance.
- ☒ Data privacy and security.

Membership

The ESG Committee members shall be appointed by the Executive Directors and ratified by the Group Board.

Members of the ESG Committee shall be leaders of the Company or Group Subsidiary Companies, complemented by employees from across the Group with a passion for delivery of the ESG commitments.

The committee members will be from across group and with cross discipline skills. Including representation from HR, IT, Marketing, Investor Relations, Operations, Compliance, Quality, and Health & Safety. The ESG Committee as members will be approved by the Chair of the ESG Committee. A quorum shall be four members.

The Executive Sponsor of the ESG Committee shall be the Chief Financial Officer as the Executive Director leading ESG and the Committee will be Chaired by the Group Compliance Officer.

Secretary

The secretary of the company will be available to be the secretary of the ESG Committee should it be required by the Chair.

Attendance at meetings

A schedule of meeting dates and a programme of activities shall be agreed each year by the Committee.

Meetings of the Committee shall be called by the Secretary of the Committee at the request of any member of the committee.

The Committee may ask any Director who is not a member of the Committee and any senior manager of the Group to attend meetings of the Committee either regularly or by invitation. Such invitees shall have no right of attendance.

Frequency of meetings

Meetings shall be held not less than four times a year.

Annual General Meeting

The Executive Sponsor of the Committee shall attend the Group Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

Authority

The Committee is authorised by the Board to:

- ☒ seek any information it requires from any employee of the Company in order to perform its duties.
- ☒ The Committee shall oversee, on behalf of the Board, any investigations concerning matters detailed in these Terms of Reference.
- ☒ In connection with its duties and at the Company's expense, the Committee may obtain professional advice on any matters covered by these Terms of Reference.

Duties

- ☒ Assist the Board in overseeing the development of the Group's ESG strategy and monitoring its performance in relation to ESG matters.
- ☒ Review the effectiveness of risk management and internal control policies where relevant to ESG matters.
- ☒ Oversee and support stakeholder engagement on ESG matters.
- ☒ Review, prior to approval by the Board, the ESG matters to be presented in the Company's annual report and monitor the integrity of these reports.
- ☒ Oversee and monitor the Group's progress against its net zero ambitions.
- ☒ Assist the Board and senior management engagement with the Company's workforce, with the aim of strengthening the 'employee voice' in the boardroom and developing a better understanding of employee views.
- ☒ Agree a programme of workforce engagement to be undertaken either by individual members of the Committee or collectively, ensuring that the agreed approach to such engagement delivers meaningful, regular dialogue with employees. In turn, the Committee shall help to ensure that the views of the workforce are represented in discussions and decision-making by the Board.
- ☒ Review the operation and efficacy of the mechanisms in place for employees to obtain advice or raise and report concerns, in confidence, where there may be potential improprieties. This includes the operation of the Company's Ethics policy.
- ☒ Review regularly the requirement for external assurance of ESG matters and as may be deemed necessary, appoint external third-parties to carry out assurance of the effectiveness of ESG related policies, processes and initiatives and the accuracy of the reporting of ESG matters.

Reporting

- ☒ The Secretary shall circulate any formal minutes of meetings of the Committee to all members of the Executive Board.
- ☒ The Committee shall annually review its terms of reference and its own effectiveness and recommend any necessary changes to the Board.
- ☒ The Executive Sponsor shall attend the AGM and shall answer questions, through the Chair of the Board, on the ESG Committee's activities and their responsibilities.

Other matters

The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary as required.

The Committee shall give due consideration to laws and regulations, the provisions of the QCA Corporate Governance Code and other applicable regulations as appropriate.

The Committee shall, on a regular basis, 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.

The Committee shall make available these Terms of Reference to shareholders through the Company website.

John Macmichael
CEO

Terms of reference approved by the Board of Directors on 1 April 2026.



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