

GRAINGER PLC (Grainger or The Company)

RESPONSIBLE BUSINESS COMMITTEE (Committee)

TERMS OF REFERENCE

Terms of Reference

The UK Corporate Governance Code (**Code**) published by the Financial Reporting Council (**FRC**) in January 2024 provides that:

“A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society”. (Principle A)

“The board should ensure that workforce policies and practices are consistent with the company’s values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.” (Principle E)

A copy of the Code is available at [UK Corporate Governance Code 2024](#). Copies of the Code together with associated guidance can also be from the Company Secretary.

1 Membership

- 1.1 The Committee shall be made up of at least three members, all of whom shall, in the opinion of the Board, be independent non-executive directors. All appointments to the Committee shall be made by the Board.
- 1.2 The Board shall appoint the Committee Chair and the Chair of the Board shall not be a member of the Committee. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
- 1.3 Where any matter to be considered by the Committee concerns one of the Committee members, that Committee member shall be replaced for the purposes of that discussion by another independent non-executive director selected by the Committee Chair (unless the matter concerns the Committee Chair, in which case the replacement shall be selected by the remaining Committee members).
- 1.4 Appointments to the Committee shall be for a period the Board shall determine from time to time, provided that the majority of the Committee members remain independent and continue to meet the criteria for membership.

2 Secretary

- 2.1 The Company Secretary or their nominee shall act as the secretary of the Committee and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

3 Quorum

- 3.1 The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretion vested in or exercisable by the Committee.

4 Frequency of meetings

- 4.1 The Committee shall meet at least twice a year and at such other times as the Chair of the Committee or the members of the Committee shall require.

5 Attendance at meetings

- 5.1 Except as otherwise provided, no one other than Committee members shall be entitled to attend Committee meetings, and the Committee shall have the discretion to decide who, other than its members, shall attend its meetings.
- 5.2 As and when appropriate and necessary, the Chair of the Board (if not a member of the Committee), other non-executive directors (if not a member of the Committee), the CEO, the Company Secretary, the Chief People Officer, the Director of Corporate Affairs, the Chair of the ED&I Network or other persons, and external advisers may attend meetings at the invitation of the Committee.

6 Voting

- 6.1 Decisions of the Committee will be made by majority vote. Each member of the Committee shall have one vote which may be cast on matters considered at the meeting.
- 6.2 If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly, has a personal interest, that member shall not be permitted to vote at the meeting.
- 6.3 In the event of any equality of votes, save where they have a personal interest, the Chair of the Committee will have a second or casting vote.

7 Notice of meetings

- 7.1 Meetings of the Committee shall be called by the Secretary at the request of the Committee Chair.
- 7.2 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 and any other person required to attend, no later than three working days before the date of the meeting. Any supporting papers shall be sent to Committee members and to other attendees (as appropriate), at the same time.
- 7.3 Meetings may, particularly if required on short notice, be held by telephone or any other method of communication approved by the Committee Chair.

8 Minutes of meetings

- 8.1 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 8.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all the members of the Board, unless in the opinion of the Committee Chair it would be inappropriate to do so.

9 Engagement with shareholders

- 9.1 The Committee Chair shall attend the annual general meeting and be available to respond to any shareholder questions on the Committee's activities. In addition, the Committee Chair shall seek shareholder engagement with shareholders on significant matters related to the Committee's areas of responsibility.

10 Duties

10.1 The Committee shall:

- a) agree and review the Company's long-term targets in respect of responsibility and measure progress against the company's sustainability strategy, commitments and targets;
- b) monitor the areas and activities likely to impact Grainger's performance and reputation as a responsible business;
- c) be responsible for assisting the Committee Chair with gathering the views of the workforce, as recommended by the Code. The Committee Chair will have ultimate responsibility as the designated director for this purpose;
- d) review ESG/sustainability related disclosures as directed by the Board from time to time, and report the same to the Audit Committee;
- e) to advise and support the Remuneration Committee in respect of setting targets, objectives, metrics and/or measures in respect of those components of managements' remuneration that (from time to time) are relevant to the business of the Committee, including (but not limited to) climate change, environmental (including water and bio diversity), social, sustainability, employee engagement and equality, diversity and inclusion (ED&I);
- f) review and approve policies relevant to the business of the Committee;
- g) monitor engagement with those stakeholders of the Company relevant to the business of the Committee and ensure that their views are considered and understood by the Board, including consideration of environmental, social and community matters and employee engagement;
- h) review and approve the corporate responsibility/sustainability section and responsibility/sustainability disclosures (including but not limited to climate, environmental, social and employee disclosures, contained in the annual report and accounts and other external disclosures);
- i) monitor the Company's relationships with charitable partners and other charitable and employee volunteering activities;
- j) receive updates on the work of employee working groups including in respect to diversity and inclusion initiatives and feedback from employee surveys;
- k) give oversight to any other sustainability, community, stakeholder or other corporate responsibility initiatives and matters as delegated to it by the Board;
- l) oversee the Company's sustainability, corporate responsibility and community initiatives, and make recommendations to management for further improvements;
- m) oversee and monitor the development and implementation of the Company's environmental and climate change agenda and in particular its net zero carbon transition plan; and
- n) monitor the development and implementation of the Company's ED&I strategy and associated plans and commitments.

11 Reporting responsibilities

- 11.1 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3 The Committee shall produce a report to be included in the Company's annual report about its activities, giving due consideration to laws, regulations and any published guidelines or recommendations regarding responsibility/sustainability, environmental, social and community matters and employee engagement including but not limited to the provisions of the Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules, and any other applicable rules, as appropriate.

12 Other matters

- 12.1 The Committee shall:
- a) have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required;
 - b) 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; and
 - c) at least once a year, review its 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.

13 Authority

- 13.1 The Committee is authorised by the Board to:
- a) undertake any activity relevant to its terms of reference;
 - b) seek any information it requires from any employee of the Company in order to perform its duties, and request the attendance of any employee to be questioned at a meeting of the Committee as and when required; and
 - c) obtain, at the Company's expense, outside legal or other independent professional advice, at the Company's expense, on any matter within its terms of reference, and seek the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Document Approval

Reviewed by the Responsible Business Committee on 29 September 2025 and approved by the Board on 30 September 2025 with effect from 1 October 2025.