



**YORKSHIRE WATER SERVICES LIMITED**

**TERMS OF REFERENCE FOR THE**

**SOCIAL VALUE COMMITTEE**

**Committee Purpose: To provide the opportunity for greater Board level focus on our social purpose and public accountability, as well as consideration of our social, natural and intellectual capitals.**

<b>1. Membership</b>	
1.1	The Committee membership shall include at least two independent non-executive directors.
1.2	Only members of the Committee have the right to attend Committee meetings. Others may attend the meetings by invitation.
1.3	The Chair of the Committee shall be an independent non-executive director appointed by the Board. In the absence of the Committee Chair at a Committee meeting, the remaining members shall elect one of themselves to chair the meeting.
<b>2. Secretary</b>	
2.1	The Company Secretary or his or her nominee shall act as the secretary of the Committee.
<b>3. Quorum</b>	
3.1	The quorum necessary for the transaction of business shall be two members.

## 4. Meetings

4.1	Meetings shall be held not less than three times a year and at such other times as the Chair of the Committee shall require.
4.2	Meetings shall be called by the secretary of the Committee at the request of the Committee Chair.
4.3	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.

## 5. Reporting Responsibilities

5.1	The Committee Chair shall report formally to the Board on its proceedings after each meeting.
5.2	The minutes of meetings shall be circulated to all members of the Board, unless in the opinion of the Committee Chair it would be inappropriate to do so.

## 6. Duties

### Social Purpose and Public Accountability

6.1	To review the strategic direction and key strategic milestones of the Company as they are developed to ensure that these demonstrate leading social purpose and public accountability, and provide assurance to the Board in relation to the social value considerations in price reviews, the annual Business Plan, the Strategic Direction Statement and other key strategic documents.
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6.2	To consider the short, medium and long-term risks and opportunities that the Company may face in relation to social purpose, public accountability, social capital and natural capital and ensure these are reflected in the group risk register, along with adequate mitigations and an appropriate risk appetite that aligns with the risk appetite set by the Board.
6.3	To review the vehicles that support the social purpose of Yorkshire Water and the networks in which Yorkshire Water participates – such as the anchor networks – including land, the Colleague Engagement Forum, the Customer Forum and customer engagement – to understand the effectiveness of the relationships in these networks and the impact Yorkshire Water has as a result.
6.4	To challenge the executive where performance, targets, strategies and programmes could be altered to improve the impact on the social purpose and public accountability of Yorkshire Water, whilst balancing risks and opportunities across the Six Capitals.
6.5	To review the suite of external publications that cover the social purpose of the business and demonstrate public accountability to ensure it is appropriate and that these present a fair reflection of performance.
<b>Natural, Social and Intellectual Capital</b>	
6.6	<p>To receive deep dives on the natural, social and intellectual capitals to ensure these are growing, have appropriate resource and are creating additional value for the business. These will cover:</p> <ul style="list-style-type: none"> <li>▪ Social Capital – stakeholder relationships, customer sentiment, customers in vulnerability, community engagement, the education programme, the affordability of bills and the cost of bad debt.</li> <li>▪ Natural Capital – land, carbon, bio-diversity, rivers and coasts improved, environmental strategy, water efficiency, climate change and pollution incidents.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Intellectual Capital – research and innovation.</li> </ul> <p>Strategies in relation to these capitals will be brought to the Committee for information and appropriate challenge once developed by the executive. Strategies which form a material part of the overall business strategy will require presentation to the Board for approval.</p>
6.7	To review appropriate measures for the natural, social and intellectual capitals and regularly monitor performance for each through Six Capitals reporting, including pollution incidents and the actions taken to prevent recurrence.
6.8	To review relevant innovation and research activity, including new and innovative measures, that could move the Company forward through the next Price Review.
<b>7. Authority</b>	
7.1	<p>The Committee is authorised by the Board to investigate any activity within these Terms of Reference and to seek any information it requires.</p> <p>The Committee is also authorised to obtain, at the expense of the Company, independent legal, accounting or other professional advice on any matter it believes necessary.</p>