



Board ESG Oversight Charter Template

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1. Purpose

The purpose of this Charter is to define the responsibilities, authority, and composition of the **[Board of Directors / Nominating and Governance Committee / Sustainability Committee]** (the "Committee") concerning the oversight of the Company's Environmental, Social, and Governance (ESG) strategy, performance, and related risks. The Committee acts on behalf of the Board to ensure that ESG matters material to the Company's long-term value creation are appropriately governed and managed.

2. Membership and Structure

2.1 Composition: The Committee shall consist of at least [Number, e.g., three] directors, each of whom must be an independent director as defined by [Specify: Exchange Rules, e.g., NYSE, NASDAQ]. Members shall be appointed by the Board of Directors.

2.2 Chair: The Chair of the Committee shall be appointed by the Board of Directors and shall be responsible for scheduling meetings, preparing agendas, and reporting the Committee's findings to the full Board.

2.3 Resources: The Committee shall have the authority to engage, at the Company's expense, independent counsel, consultants, or other advisors as it deems necessary to carry out its duties.

3. Scope of Responsibilities

The Committee's responsibilities include oversight, review, and guidance of management's activities, and **do not** include the day-to-day execution of ESG programs, which remains the responsibility of management.

A. Strategy and Oversight (Governance Focus)

1. **Strategy Review:** Review and provide guidance on the Company's overall ESG strategy, ensuring it is integrated with the core business strategy and aligned with long-term financial performance and stakeholder interests.
2. **Goal Setting:** Review and recommend to the Board specific, measurable, and time-bound ESG goals and targets (e.g., net-zero commitments, diversity targets) proposed by management.
3. **Policy Approval:** Review and approve significant corporate policies related to ESG, such as the Code of Conduct, Human Rights Policy, and Anti-Corruption Policy.
4. **Management Performance:** Review management's performance and accountability in achieving approved ESG goals and managing associated risks.

B. Environmental (E) Oversight



1. **Climate Risk:** Oversee management's identification, assessment, and mitigation of climate-related risks and opportunities (both physical and transition risks), consistent with frameworks like the TCFD (Task Force on Climate-Related Financial Disclosures).
2. **Emissions and Resource Management:** Review key environmental metrics, including GHG emissions (Scope 1, 2, and material Scope 3), energy consumption, water usage, and waste management performance.
3. **Environmental Compliance:** Oversee management's efforts to ensure compliance with relevant environmental laws and regulations globally.

C. Social (S) Oversight

1. **Human Capital:** Review policies and performance related to human capital management, including employee recruitment, retention, engagement, diversity, equity, and inclusion (DEI) initiatives.
2. **Labor Practices:** Monitor the Company's adherence to international labor standards, including the prohibition of forced and child labor, and review policies related to fair wages, working conditions, and freedom of association throughout the value chain.
3. **Health and Safety:** Review corporate-level policies and performance regarding employee and contractor health and safety, including key incident metrics.
4. **Supply Chain Due Diligence:** Oversee the integrity and effectiveness of the Company's supply chain sustainability program, including risk identification and auditing processes (related to the Supplier ESG Screening Checklist).

4. Reporting and Disclosure

1. **Internal Reporting:** Report regularly (at least [Number] times per year) to the full Board of Directors on the Committee's activities, findings, and recommendations regarding ESG matters.
2. **External Reporting:** Review and advise on the Company's public ESG and sustainability disclosures, including the Annual Report, Sustainability Report, CDP submissions, and other regulatory filings to ensure accuracy, transparency, and alignment with reporting standards (e.g., GRI, SASB, IFRS S1/S2).
3. **Stakeholder Engagement:** Receive and review reports from management regarding significant engagement with external stakeholders (investors, NGOs, regulators) on material ESG issues.

5. Meetings

5.1 Frequency: The Committee shall meet as often as circumstances require, but no less than [Number, e.g., four] times per year.

5.2 Agenda: The agenda for each meeting shall be prepared by the Chair, in consultation with management, and distributed to all members in advance.

5.3 Minutes: The Committee shall maintain written minutes of its meetings, which shall be reviewed and approved by the Committee and circulated to the full Board of Directors.