

# ESG, Risk and Safety Committee Charter

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## 1. Purpose

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This Charter outlines the roles, responsibilities and composition of the ESG and Risk Committee (Committee) of the Board of Directors of CCL (Board) and the way it discharges its responsibilities for CCL and the Group.

## 2. Scope

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Cromwell believes that sustained corporate and investor value requires an ongoing commitment to responding to environmental, social and governance (ESG) issues, effectively managing risk and providing safe communities and workplaces for the people who use them.

The Committee's scope is to support the Board in ensuring objective, non-executive oversight of the development and implementation of the Group's ESG, risk management and health, safety and wellness objectives.

## 3. Responsibilities

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### 3.1 ESG

The Committee is responsible for assisting the Board in:

- a) reviewing the Group strategy with respect to sustainability and ESG matters (including climate-related, biodiversity, water management and human rights matters) (ESG Strategy);
- b) considering and monitoring policies, practices, and disclosures that align with the ESG Strategy;
- c) developing, implementing, and monitoring initiatives based on the ESG Strategy,
- d) reviewing measurable objectives and targets against the ESG Strategy and determining their appropriateness;
- e) monitoring the level of performance and achievements of objectives and targets by the Group;
- f) ensuring that there is an appropriate system of governance and controls over ESG related data to ensure integrity and accuracy;
- g) reviewing and recommending to the Board for approval the Sustainability Report (or equivalent), and other related information regarding sustainability matters, including targets and results;
- h) recommending specific actions and decisions the Board should consider in relation to the Sustainability Report and other public disclosures;
- i) reviewing public positions on key sustainability issues and non-financial governance issues considering the risk appetite set by the Board;

- j) reviewing and recommending to the Board for approval of the Group's Modern Slavery Statement and overseeing the measurement and reporting of modern slavery risk in the Group's operations and supply chains;
- k) overseeing communications with employees, investors and stakeholders with respect to ESG matters;
- l) monitoring and assessing developments relating to, and improving the Group's understanding of ESG matters, and disclosing ESG matters to internal and external stakeholders efficiently and in a timely manner.

### 3.2 Risk management

- a) agreeing and recommending for Board approval, the Enterprise Risk Management Policy and Enterprise Risk Management Framework and ensuring that the risk management framework is appropriate for the Group;
- b) reviewing and updating the Board's risk appetite for material risk areas;
- c) regularly reviewing and updating the Group's risk profile against the agreed risk appetite and risk management framework via management reports;
- d) monitoring the effectiveness of risk frameworks in supporting business performance and the Group's risk appetite;
- e) overseeing the establishment and implementation of risk management and internal compliance and control systems and ensuring there is a mechanism for assessing the efficiency and effectiveness of those systems at least annually;
- f) assessing the Group's risk culture, by maintaining a dialogue with management with the objective of having a view on the health of the Group's risk culture, and to report any significant issues or concerns to the Board.
- g) approving and recommending to the Board for adoption policies and procedures on risk oversight and management to establish an effective and efficient system for:
  - identifying, assessing, monitoring and managing risk; and
  - disclosing any material change to the risk profile;
- h) ensuring the risk management system considers all material risks, including risks arising from:
  - implementing strategies (strategic risk);
  - operations or external events (operational risk);
  - legal and regulatory compliance (legal risk);
  - changes in community expectation of corporate behaviour (reputation risk);
  - a counterparty's financial obligations within a contract (credit risk);
  - changes in financial and physical market prices (market risk);
  - being unable to fund operations or convert assets into cash (liquidity risk); and
  - contemporary and emerging risks such as conduct risk, digital disruption, cybersecurity, privacy and data breaches, and sustainability and climate change.
- i) receiving reports from management of any actual or suspected fraud, theft or other breach of internal controls and the 'lessons learned';

- j) assessing if management has controls in place for unusual transactions and any potential transactions that may carry more than an acceptable degree of risk.

### 3.3 Disclosure and reporting

- a) ensuring management establishes a comprehensive process to capture information that must be disclosed to ASX;
- b) reviewing management's processes for ensuring and monitoring compliance with laws, regulations and other requirements relating to the external reporting of financial and non-financial information (including, among other things, preliminary announcements, interim reporting, open or one-on-one briefings and continuous disclosure);
- c) assessing management's processes for ensuring non-financial information in documents (both public and internal) does not conflict inappropriately with financial reports and other documents;
- d) assessing internal control systems relating to the release of potentially adverse information; and
- e) reviewing for completeness and accuracy the reporting of corporate governance practices in accordance with the ASX Listing Rules.

### 3.4 Compliance assurance, internal risk control testing

The Committee is responsible for:

- a) ensuring the external auditor does not provide compliance assurance and internal risk control testing services;
- b) overseeing the scope of the compliance assurance and internal risk control testing programme;
- c) reviewing and approving the scope of the compliance assurance and internal risk control testing programme;
- d) monitoring the progress of the programme and considering the implications of the findings for the control environment;
- e) monitoring and reporting to the Board on management's responsiveness to compliance assurance and internal risk control testing findings and recommendations; and
- f) receiving and reviewing the compliance assurance and internal risk control testing reports, including reviews of the adequacy of processes for risk management, internal control and governance.

### 3.5 Health, Safety and Wellness

The Committee's role relating to in relation to health, safety and wellness of people is to assist the Board in fulfilling its responsibilities, and to also assist the Board to ensure that Cromwell:

- a) has appropriate systems, policies and frameworks in place to comply with all relevant health and safety legislation;
- b) monitors Cromwell's safety performance;
- c) regularly reviews and updates policies and frameworks for health and safety compliance;

- d) allocates appropriate resources to ensure that the Group's health and safety obligations are discharged.

### 3.6 Other responsibilities

The Committee is responsible for:

- a) overseeing the implementation of Cromwell Property Group's code of conduct, assessing compliance with it and receiving reports from management of any material breaches of the Code of Conduct or material incidents under the Whistleblower Protection Policy;
- b) reporting to the Board on any industry development affecting the control environment; and
- c) receiving reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks.

## 4. Committee composition

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- a) The Committee must comprise:
  - i) at least three Cromwell Directors. These Directors must, between them, have the requisite expertise and understanding of the industry(ies) in which Cromwell Property Group operates to meet the Committee's objectives; and
  - ii) a majority of independent Cromwell Directors.
- b) The Committee will appoint its Chair. The Chair of the Committee must be an independent Cromwell Director and may not be the Chair of the Cromwell Board.
- c) The Committee will appoint a secretary.
- d) The Cromwell Board decides appointments (when applicable), rotations and resignations within the Committee having regard to the ASX Listing Rules, the Corporations Act and each Company's constitution.

## 5. Committee meetings

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- a) The Committee will meet often enough to undertake its role effectively. As a general rule, the Committee will meet at least three times per year. Additional meetings will be held as the work of the Committee demands.
- b) A quorum for a Committee meeting is two Committee members.
- c) Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically present in the same place. A member who is not physically present but participating by technological means is taken to be present.
- d) The Committee may pass or approve a resolution without holding a meeting in accordance with the procedures (so far as they are appropriate) in section 248A of the Corporations Act.

- e) The Committee may invite other persons it regards appropriate to attend Committee meetings.

## **6. Minutes of Committee meetings**

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- a) The Committee must keep minutes of its meetings.
- b) Minutes of each Committee meeting must be included in the papers for the next Board meeting after the Committee has approved those minutes.
- c) Minutes, agenda and supporting papers are available to Directors upon request to the Committee secretary, except if a conflict of interest exists.

## **7. Reporting to the Board**

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The Committee Chair must report the Committee's findings to the next Board meeting after each meeting of the Committee.

## **8. Access to information and independent advice**

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- a) The Committee has access to any information it considers necessary to fulfil its responsibilities.
- b) The Committee has access to:
  - i) management to seek explanations and information; and
  - ii) auditors to seek explanations and information from them, without management being present.
- c) The Committee may seek professional advice from employees of Cromwell Property Group and any independent professional advice from appropriate external advisors, at Cromwell Property Group's cost. The Committee may meet with these external advisors without management being present.

## **9. Review and changes to this Charter**

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- a) This Charter was adopted by the ESG and Risk Committee on 6 October 2022 and approved by the Board on 16 November 2022 (effective 1 July 2022).
- b) The Committee will review this Charter annually or as often as it considers necessary and make recommendations to the Board for any changes.
- c) The Board may change this Charter at any time by resolution.

## 10. Glossary

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Term	Meaning
Cromwell or Group	Cromwell Property Group (Cromwell or Group), which comprises Cromwell Corporation Limited (CCL) and the Cromwell Diversified Property Trust (Trust) (the responsible entity of which is Cromwell Property Securities Limited (CPS)), and subsidiaries of those entities. The units in the Trust are stapled to ordinary shares in CCL and trade jointly on the Australian Securities Exchange (ASX) as Cromwell Property Group stapled securities (ASX:CMW).