

# **MDU RESOURCES GROUP, INC.**

## **BOARD OF DIRECTORS ENVIRONMENTAL AND SUSTAINABILITY COMMITTEE**

### **CHARTER**

#### Purpose

The Company's performance is affected by environmental and social sustainability matters. The Company's operational performance can affect the environment, and the health and safety of employees as well as other stakeholders in the areas we serve. To fulfill the Board's oversight responsibility, the Environmental and Sustainability Committee oversees and provides recommendations to management and the Board with respect to the Company's policies, strategies, public policy positions, programs, and performance related to environmental, health, safety and other social sustainability matters and related laws, regulations, and developments. As used in this Charter, "health" means the identification and control of risks arising from physical and other workplace hazards to establish and maintain a safe and healthy working environment. As used in this Charter, "social sustainability matters" means those strategically significant social, ecological, political or cultural issues that fundamentally affect the Company's business interests and long-term viability.

#### Authority and Responsibilities

The Environmental and Sustainability Committee shall:

1. Review the significant risks or exposures to the Company regarding environmental and social sustainability matters, including contingencies reported in the Company's public reports and financial filings, and steps taken by management to mitigate them.
2. Review the Company's environmental and social sustainability strategies, policies, processes, programs and performance, including key indicator results and trends and comparisons to industry trends and best practices.
3. Review current and emerging environmental and social sustainability matters and discuss with management actions taken by the Company in response thereto.
4. Review labor and human relations issues related to the Company's operations including employee recruitment and retention matters, wellness, gender pay equity, diversity, and inclusion.
5. Review any fatality, serious injury, or illness involving an employee, customer, contractor or third-party occurring in connection with the Company's operations, facilities or projects, and discuss management's response to such events.

6. Review any material noncompliance with environmental, health and safety laws and regulations, including any pending or threatened administrative, regulatory or judicial proceedings relating to such noncompliance, and discuss management's response to such noncompliance and proceedings.
7. Review the Company's efforts to advance progress on sustainable development (i.e. the integration of social, environmental and economic principles with the Company's strategy and operations) including climate change, greenhouse gas emissions management, energy, water, and waste management, product and service quality, reliability, customer care and satisfaction, public perception, and Company reputation.
8. Review methods to communicate the Company's environmental and social sustainability values and performance to the Company's stakeholders.
9. Consider and advise the compensation committee on the Company's performance with respect to incentive compensation metrics relating to environmental and social sustainability matters.
10. Report to, and as appropriate, advise and make recommendations to the Board on environmental and social sustainability matters affecting the Company.
11. Review the Company's environmental and social sustainability public disclosures brought to the Committee's attention by management.
12. Review stockholder proposals related to environmental and social sustainability matters and recommend, with input from management, responses by the Board to such proposals.
13. Review significant legislative, regulatory, political and social issues and trends that may affect the environmental, sustainability, health and safety management process and systems at the Company, its financial performance or public image, and management's response to such matters.
14. Annually review and assess the adequacy of this Charter and recommend any changes to the Board.

### Composition

The Environmental and Sustainability Committee is a standing committee of the Board. The Committee shall consist of not less than three members of the Board, each of whom satisfies the requirements for independence pursuant to the listing standards of the New York Stock Exchange. Committee members shall serve at the pleasure of the Board and for such term or terms as the Board may determine. The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to subcommittees of the Committee.

Resources

The Environmental and Sustainability Committee shall have the resources and appropriate funding, as determined by the Committee, to discharge its duties and responsibilities.

Date of Creation

May 8, 2019

Date Issued

May 8, 2019