



TERMS OF REFERENCE OF THE SUSTAINABILITY COMMITTEE

1. Name

The name of this Committee shall be called the Sustainability Committee.

2. Objectives

The principal objectives of the Sustainability Committee (the "Committee") are to assist the Board of Directors in discharging its statutory duties and oversight responsibilities relating to supporting and monitoring the sustainable development strategy of the Company's businesses covering economic, environmental and social aspects, including contribution to sustainability-related impacts in the course of the Company's operations, and to oversee the integrity of the Company's sustainability reporting and associated statements on matters within its Scope. The Scope of the Committee shall include, but shall not be limited to:-

- a) Company-wide occupational safety and health;
- b) Management of environmental matters:
 - i) Energy
 - ii) Greenhouse Gas (GHG) Emissions
 - iii) Water and Effluents
 - iv) Waste
 - v) Land use
 - vi) Biodiversity;
- c) Communities and social performance:
 - i) Human rights monitoring and management
 - ii) The economic and social development of the communities in which the Company operates, including employment, training and development, and local supply chain development
 - iii) Sustainable development issues as they relate to suppliers and supply chains, including child labour, human trafficking and modern slavery
 - iv) Community relations, including with indigenous peoples' policies
 - v) Diversity, inclusion and non-discrimination;
- d) determine and oversee the quality, adequacy and effectiveness of the Company's Sustainability related policies;
- e) ensure Sustainability disclosures and reporting comply with regulations and standards;
- f) as another peer to the whistleblowing or grievance mechanism policy and procedures;
- g) oversee the Company's Sustainability Team.

3. Composition

The Committee shall be appointed from amongst the Board and shall comprise no fewer than three (3) members.

At least one member of the Committee must have relevant skills, experience or qualifications, as determined by the Board, in sustainable development and sustainability related matters. No alternate director shall be appointed as a member of the Committee.



When the Company has the practice of appointing external assurance provider, a former key Sustainability engagement partner of the Company's external assurance provider firm is required to observe a cooling-off period of at least 2 years before he or she could be appointed as a member of the Committee.

The term of office and performance of the Committee and each of its members shall be reviewed by the Nomination Committee annually to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

The appointment of a Committee member shall automatically be terminated if the member ceases to be a Director for any reason whatsoever or as determined by the Board.

4. Chairman

The members of the Committee shall elect a Chairman from amongst their number who shall be an independent director and shall not be the Chairman of the Board.

The Chairman of the Committee shall report to the Board on any matter that should be brought to the Board's attention and provide recommendations of the Committee that require the Board's approval at the Board meeting.

In the absence of the Chairman of the Committee, the other members of the Committee shall amongst themselves elect a Chairman who must be an independent director to chair the meeting.

5. Retirement and Resignation

If any member of the Committee retires, re-designates, resigns, is deceased, or for any reason ceases to be a member or Chairman resulting in non-compliance with paragraph 3 above, the Board and the members of the Committee shall within three (3) months of the event appoint/elect such new member(s) or Chairman as may be required to fill the vacancy.

In the event the new Chairman is not appointed/elected within three (3) months, the Committee shall still proceed with the stipulated minimum number of meetings within the definite time whereby the notice shall be given by the Secretary.

6. Secretaries

The Company Secretaries shall be the Secretaries of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

7. Meetings

The Committee shall meet semi-annually or more frequently as deemed necessary, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.



Notice of Committee meetings shall be given by the Secretary to all the Committee members unless the Committee waives such requirement. Except in the case of an emergency, notice of every Committee meeting shall be given in writing.

The Committee members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

The Chairman of the Committee shall engage on a continuous basis with the Chairman of the Board, senior management, such as the Chief Financial Officer and the Head of the Sustainability Team, the internal auditors, and the external assurance provider (when applicable) in order to be kept informed of matters affecting the Company.

The Head of the Sustainability Team should normally attend Committee meetings. Other Board members, employees and/or external consultants may attend meetings upon the invitation of the Committee.

Upon the request of the external assurance provider (when applicable), the Chairman shall convene a meeting of the Committee to consider any matter the external assurance provider believe should be brought to the attention of the Board.

Any questions that arise at any meeting of the Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Committee shall have a second or casting vote.

For good governance, each member must attend at least 50% of the meetings held within the year, failing which Board Nomination Committee will decide on the member's disqualification.

8. Minutes

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Committee and also to the other members of the Board. The Committee Chairman shall report on the proceedings of each meeting to the Board.

The minutes of the Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

The Sustainability Committee members may inspect the minutes of the Sustainability Committee at the Registered Office or such other place as may be determined by the Sustainability Committee.

9. Quorum

The quorum for the Committee meeting shall be the majority of members present.



10. Circular Resolution

A resolution in writing signed by a majority of the Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted. Any such resolution may consist of several documents like forms each signed by one (1) or more Committee members. Any such document may be accepted as sufficiently signed by a Committee member if transmitted to the Company by either electrical or digital written message to include a signature of a Committee member.

11. Reporting

The Committee shall report to the Board of Directors, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at least once a year, but more frequently if it so wishes.

The Committee shall report to the Board of Directors on any specific matters referred to it by the Board for investigation and report.

The Committee will review and approve a summary report prepared by management (Sustainability Team) each year describing the Committee's work during that year and an annual plan for the upcoming year's activities, for inclusion in the Company's annual report.

The Chairman (or another Committee member nominated by the Chairman) will attend the annual general meeting of the Company to respond to any shareholder questions on the Committee's activities.

12. Authority

The Committee shall, in accordance with a procedure to be determined by the Board of Directors and at the expense of the Company,

- a) have explicit authority to investigate any activity within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the Committee;
- b) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the Sustainability Team, internal auditor and senior management of the Company;
- c) obtain, at the expense of the Company, other independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary;
- d) have direct communication channels with the Sustainability Team, internal auditors and person(s) carrying out the internal Sustainability function or activity (if any); and
- e) where the Committee is of the view that the matter they reported to the Board has not been satisfactorily resolved, resulting in a breach of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Committee shall promptly report such matter to Bursa Securities.



13. Duties and Responsibilities

The duties and responsibilities of the Committee are as follows:-

- a) To consider the appointment of the Sustainability Team, any related remunerations and any questions of resignation or dismissal including recommending the nomination of person(s);
- b) To establish policies governing the circumstances under which contracts for the provision of external Sustainability services can be entered into and procedures that must be followed by the external Sustainability services provider;
- c) To review with the Sustainability Team on:-
 - the Sustainability plan, its scope and nature;
 - the system of internal control;
 - the definition and achievement of the Company's annual Sustainability performance targets (SPTs)
 - the Sustainability report; and
 - the assistance given by the officers of the Company to external assurance providers, including any difficulties or disputes with the management encountered during the external assurance process
- d) To review the annual Sustainability report and Sustainability statement of the Company before the approval by the Board, focusing particularly on:-
 - changes in or implementation of major policy; and
 - compliance with applicable Sustainability standards and other regulatory requirements
- e) To review:-
 - Reports issued by the external Sustainability service providers and the implementation of Sustainability recommendations;
 - Reports issued by the external assurance providers;
 - Company-wide Sustainability-related data; and
 - The assistance given by the Sustainability Team to external Sustainability service providers and external assurance providers
- f) To perform the following, in relation to Sustainability Team:-
 - review the adequacy of the scope, functions, competency and resources of the Sustainability Team, and that it has the necessary authority to carry out its work;
 - review the Sustainability programme, processes, the results of the Sustainability programme, processes or investigation undertaken and whether or not appropriate actions are taken on the recommendations of the Sustainability Team;
 - review the Sustainability plan, consider the internal reports and findings of the Sustainability Team, internal auditors, fraud investigations and actions and steps taken by Management in response to Sustainability findings;
 - review any appraisal or assessment of the performance of members of the Sustainability Team
- g) To report its findings on material Sustainability matters to the Board
- h) To consider the major findings of internal investigations and management's response



- i) To monitor the integrity of the Company's Sustainability related data
- j) To review the independence and qualification of the Company's external assurance providers
- k) To monitor the Company's compliance with relevant laws, regulations and code of conduct
- l) To review the adequacy and effectiveness of risk management, internal control and governance systems
- m) To consider and examine such other matters as the Sustainability Committee considers appropriate
- n) To consider other matters as defined by the Board

14. Review and Approval

These terms of reference ("Terms of Reference") will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Committee's responsibilities.

Any amendment to the Terms of Reference can only be approved by the Board.

The written Terms of Reference should be made public in the Company's website.

This policy is dated 15 April 2024.

End of Policy



REVISION HISTORY AND APPROVAL

| Rev. | Issue/ Revision Date | Description of changes | Author | Approval Date |
|------|----------------------------|------------------------------------|--------------------------------------|------------------|
| 0 | 05.05.2022 | Established | Nicole Lee Y.L. (General Manager) | 05.05.2022 |
| 1 | 15.04.2024 | Change of company name and logo | Nicole Lee Y.L. (General Manager) | 15.04.2024 |