



## SUNWAY CONSTRUCTION GROUP BERHAD

---

# BOARD SUSTAINABILITY COMMITTEE

## TERMS OF REFERENCE

---

(As at 22 August 2024)



---

*This Terms of Reference is approved by the Board of Directors on 22 August 2024.*

## **1. INTRODUCTION**

1.1. The Board Sustainability Committee ("BSC or the Committee") is a committee of the Board of Directors ("the Board") of Sunway Construction Group Berhad ("the Group").

## **2. PURPOSE**

2.1. The BSC is established to assist the Board in fulfilling its responsibilities in overseeing the Group's sustainability strategies, objectives, policies and practices.

2.2. Sustainability areas under the purview of the BSC are as follows:

- a) Mitigation and adaptation to climate change
- b) Sustainability and climate change risks and opportunities
- c) Resource use and efficiency
- d) Waste management
- e) Biodiversity protection
- f) Safety and health
- g) Fair employment and labour practices
- h) Capacity building, diversity and inclusiveness
- i) Product stewardship and quality management
- j) Sustainable procurement practices
- k) Governance and ethics
- l) Community engagement and development
- m) Organisational innovation
- n) Other areas deemed material from time to time

### 3. DUTIES AND RESPONSIBILITIES

3.1. The BSC shall carry out the duties below:

- a) Assist the Board in overseeing matters pertaining to sustainability and climate change.
- b) Reports to the Board on the Group's sustainability agenda, climate change risk management, strategic direction and key initiatives on sustainable development.
- c) Oversee the Group's sustainability strategy, consider and approve proposals from Sustainability Working Team and recommend its adoption by the Board.
- d) Monitor the adequacy of resources allocated in achieving compliance with strategies, targets, policies and roadmap pertaining to the Group's sustainability agenda.
- e) Monitor and review the Group's key environmental, social and governance ("ESG") key performance indicators that are criteria for yearly appraisal and remuneration.
- f) Oversee the processes, standards and strategic directions designed to manage ESG risks, as well as identifying potential opportunities to enhance the Group's ESG adoption and adaptation.
- g) Consider and recommend to the Board on the Group's position pertaining to emerging sustainability issues.
- h) Consider any other matters relevant to sustainability or ESG matters that are referred to it by the Board.

### 4. COMPOSITION

4.1. The BSC members shall be appointed by the Board from amongst the Directors of the Group.

4.2. The BSC shall have at least three (3) members.

4.3. All members of the BSC, including the Chairman, shall hold office during their tenure as Directors of the Board.

4.4. The Secretary of the BSC shall be any persons as the Committee may appoint.

## **5. CHAIRMAN**

- 5.1. The Chairman of the BSC shall be elected from the members of the committee. The Chairman must be an Independent Non-Executive Director.

## **6. QUORUM**

- 6.1. Two (2) members shall form a quorum for BSC meetings.

## **7. MEETINGS**

- 7.1. The BSC shall meet at least twice a year and at any other times as may be necessary.
- 7.2. The meetings may be attended by representatives and any other invited persons as determined by the Chairman.
- 7.3. The Minutes of each meeting shall be tabled to the Board for notation.

## **8. REPORTING**

- 8.1. The BSC Chairman shall report to the Board on the Group's sustainability strategies, objectives, policies and practices.
- 8.2. The BSC shall make whatever recommendations to the Board it considers appropriate on any area within its remit where action or improvement is necessary.

## **9. OTHER MATTERS**

- 9.1. The BSC shall undertake such other functions as may be determined by the Board from time to time.
- 9.2. The BSC may delegate any action in support of its functions to a competent person, providing the terms of delegation are documented in the BSC's records.
- 9.3. The BSC shall make amendments to the terms of reference in such manner as the BSC shall decide with approval of the Board. The terms of reference shall be assessed, reviewed and updated where necessary, i.e., when there are changes to the Malaysian Code of Corporate Governance, Bursa Malaysia Listing Requirements or any other regulatory requirements. The terms of reference shall also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the BSC's role.