



KUMPULAN PERANGSANG SELANGOR BERHAD (23723-K)

TERMS OF REFERENCE OF THE SUSTAINABILITY BOARD COMMITTEE

The Terms of Reference of the Sustainability Board Committee shall be as follows:

1.0 CONSTITUTION

The Committee shall be established by a resolution of the Board of Directors and shall be known as the Sustainability Board Committee (“Sustainability Committee” or “Committee”).

2.0 OBJECTIVE

- 2.1 The objective of the Committee is to assist the Company’s Board of Directors and management in addressing the Company and Group’s sustainability issues in three (3) major areas mainly:
- **Economics:** Organisation impact towards the economic conditions of stakeholders and on economic systems at local and international levels (better Corporate Governance & performance, better reputation, transparency and Risk Management)
 - **Environment:** Organisation impact towards the environment in which it operates (climate change, resource scarcity and pollution)
 - **Social:** Organisation impact towards social systems within which it operates (stakeholder responsibility, health & safety and human rights)
- 2.2 The Committee should address the Company and Group’s responsibilities sustainability as part of the Company and Group’s business goals to improve the quality of sustainability-related practices and reporting; meet stakeholders’ expectations; attract investments funds with a sustainability focus; and qualify for Financial Times Stock Exchange (FTSE4Good Bursa Malaysia Index) and other international sustainability indices.

- 2.3 In view that the Sustainability Board Committee roles and responsibilities falls within the Economics, Environment and Social matters, it is paramount that the Committee will oversees the related activities in addressing the Company and Group's sustainability issues in:
- 2.3.1 Reviewing and coordinating the sustainable development strategy of the Company;
 - 2.3.2 Developing and increase stakeholder awareness of the need and benefit of sustainable behavior and initiates change and continuous improvements;
 - 2.3.3 Identifying and assessing together with the Management of the Company, the significant economic, environmental and social to ensure the Company remain as a leading responsible company in the industry; and
 - 2.3.4 Providing suitable steps and appropriate information and controls to identify economic, environment and social risk to ensure the company business is conducted in responsible manner.

3.0 MEMBERSHIP

- 3.1 The members of the Sustainability Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall consist of not less than three (3) members.
- 3.2 The Chairman of the Sustainability Committee shall be appointed by the Board of Directors.
- 3.3 No alternate Directors of the Board shall be appointed as a member of the Committee.

4.0 MEETINGS AND QUORUM

- 4.1 The Meetings shall be held not less than twice a year. A member at any time and the Secretary shall on the requisition of a member summon a meeting of the Sustainability Committee.
- 4.2 Any three (3) members present shall constitute a quorum.
- 4.3 At all meetings of the Committee, the Chairman of the Committee, if present, shall preside. In the absence of the Committee's Chairman, the members present at the meeting shall elect one of their member to chair the meeting.

- 4.4 The Secretary of the Committee shall be appointed by the Committee members.
- 4.5 In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
- 4.6 No one other than the members of the Committee and the Secretary shall be entitled to be present at a meeting of the Committee.
- 4.7 At the invitation of the Committee, other Directors and employees of the Company, external advisers and other persons may be invited to attend for all or part of any meeting.
- 4.8 Any resolution in writing, signed or assented to by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held, and may consist of several documents in the like form, each signed by one or more members of the Committee.

5.0 RESPONSIBILITIES

Without limiting the generality of the Committee's objective, the Committee shall have the following responsibilities:

- 5.1 To approve annual sustainability strategies, material sustainability matters related policies and its goals or targets presented by Corporate Sustainability Champion.
- 5.2 To plan and proposed yearly budgets for Sustainability programmes for the Board of Directors approval.
- 5.3 To consider and approve proposals for Sustainability programmes subject to limit of authority delegated and approved by the Board of Directors.
- 5.4 To review programmes and implementation of Sustainability programmes for the Group.
- 5.5 To oversee stakeholder engagement, to ensure that all issues, grievances and suggestions raised are taken into consideration in managing sustainability matters.
- 5.6 To review and propose for Board of Director's approval the Sustainability Statement for inclusion in the Annual Report.
- 5.7 To review appropriate action is taken to ensure compliance and to correct non-compliance, with the Company's procedures, programmes, policies and practices relating to its responsibilities as a corporate citizen.

- 5.8 To review legal, regulatory and other matters relating to the Company and Group's responsibilities as a corporate citizen that may have a significant impact on the Company and Group in any manner and make recommendations with respect thereto. As part of these responsibilities, the Committee shall take steps to ensure that reasonable and adequate systems are in place to ensure the Company and Group's compliance with governmental regulations and Bursa Malaysia securities legislation relating to economics, environment and social matters.
- 5.9 To ensure that the Sustainability initiatives are integrated and applied consistently throughout the Company and Group.
- 5.10 To identify and recommend programme enhancements that will increase effectiveness and overall improvement in Company and Group performance and image.
- 5.11 To apprise the Board of Directors regularly of the accomplishments and issues/concerns related to the Sustainability programmes.
- 5.12 To redefine, in consultation with the Board of Directors, the roles, duties and responsibilities of the Committee in order to integrate the dynamic requirements of business and the future plans of the Company and Group, subject at all times to the principles of sound corporate governance.
- 5.13 To undertake special projects or activities which the Board of Directors or the Committee considers necessary, and perform other tasks or duties as may be requested or delegated by the Board of Directors.
- 5.14 To assist the Board of Directors in enabling the Company and Group to operate its business ethically, responsibly and sustainably.

6.0 AUTHORITY

- 6.1 The Committee is authorised to act in accordance within the scope of its responsibilities.
- 6.2 The Committee should be provided with sufficient resources to undertake its responsibilities.
- 6.3 The Committee is authorised to seek any information it requires from any Director or employee of the Company in order to perform its duties.