

## **TERMS OF REFERENCE OF THE SUSTAINABILITY COMMITTEE**

### **1.0 PURPOSE**

The primary objective of the Sustainability Committee (“SC”) is to assist the Board of Directors (“Board”) of S P Setia Berhad (“the Company”) in fulfilling its responsibilities in relation to the following:

(1) **Sustainability**

Overseeing the Sustainability or Environmental, Social and Governance (“ESG”) related framework, strategy, priorities, targets, policies and practices of the Company and its subsidiaries (“the Group”) so as to ensure that the initiatives undertaken by the Group pertaining to sustainability are aligned with, promote and encourage the Group’s commitment towards sustainability.

(2) **Annual Report**

Overseeing the preparation of the Annual Report including the quality and extent of reporting and disclosure, so as to ensure the Annual Report reflects the Company’s vision and strategy in engaging with its stakeholders.

### **2.0 COMPOSITION**

2.1 The members of the SC shall be appointed by the Board from among its members and:

- (i) shall comprise of at least 3 Non-Executive Directors of the Company; and
- (ii) a majority of its members must be Independent Directors of the Company.

2.2 The Chairman of the SC shall be appointed by the Board from among the members of the SC and shall be an Independent Director of the Company.

2.3 If for any reason the membership falls below 3 members, the Board shall within 1 month of the event, appoint such number of new member(s) as may be required to fulfill the minimum requirement.

### **3.0 REPORTING RESPONSIBILITIES**

3.1 The SC will report to the Board on the nature and extent of the functions performed by it and may make such recommendations to the Board on the Group’s ESG policies and matters as it may think fit.

**4.0 ATTENDANCE AT MEETINGS**

- 4.1 The SC may request members of management to participate in its meetings, as it may deem fit.
- 4.2 The company secretary shall be the secretary of the SC or failing which, a representative from the Group Secretariat Department of the Company.

**5.0 FREQUENCY OF MEETINGS**

- 5.1 The SC to convene its meeting at least 2 times a year and convene additional meetings as and when necessary. Notice of meetings shall be circulated to the members 5 working days in advance.
- 5.2 Upon the request of any member of SC, the Chairman of SC shall convene a special meeting to consider such other matters.
- 5.3 Decisions taken at any meeting shall be decided by a majority vote, each member having one vote and in the event of an equality of votes, the Chairman shall have a second or casting vote. If there are only 2 members present at a meeting, the Chairman shall not have a casting vote.

**6.0 QUORUM**

The quorum for any meeting shall be two (2) members which shall be Independent Non-Executive Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

**7.0 AUTHORITY**

- 7.1 The SC shall have the following authority as empowered by the Board:
- (i) Have the resources required to perform its duties.
  - (ii) Have full and unrestricted access to any information, records, properties and personnel within the Group.
  - (iii) Be able to obtain independent professional advisers or other advisers.
- 7.2 To engage outsiders with relevant experience and expertise if necessary.

**8.0 DUTIES**

8.1 The duties of the SC shall include:

**(A) With regard to Sustainability matters**

- (1) Review and recommend to the Board for approval the Group's ESG framework and strategy including related policies, targets, priorities and KPIs to measure the Group's performance taking into account the environment in which the Group operates and the requirement of all stakeholders.
- (2) Provide oversight and monitor the execution and effectiveness of the Group's ESG framework and strategy, and the Group's progress on its long-term sustainability and climate goals and targets, including progress in relation to sustainability material matters and achieving the net-zero commitment no later than 2050.
- (3) Review issues relating to sustainability arising from independent audits and assurance reports as well as any matters pertaining to sustainability highlighted by regulators or relevant consultants.
- (4) Receive half yearly update from Management on the progress towards achieving the Group's sustainability targets.
- (5) Review and recommend to the Board for approval the Sustainability Report for Annual Report to ensure that the Group's sustainability initiatives and outcomes are effectively communicated to investors and other stakeholders.

**(B) With regard to Annual Report matters**

- (1) Review and approve the design, concept and structure of the Annual Report and other related reports.
- (2) Review and approve the overall content of the Annual Report and ensure compliance with Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR") and adoption of integrated reporting based on globally recognized framework, as well as the applicable code of corporate governance in force at the material time.
- (3) Review and recommend for the Board's approval the other related Statements/Reports in the Annual Report as required by the MMLR, that are already not under the purview of the other Board Committees.
- (4) Review and recommend for the Board's approval additional disclosures to be made in the Annual Report.

**8. CIRCULAR RESOLUTION**

A resolution in writing signed by all members shall be valid and effectual as if it had been passed at a meeting of the SC. All such resolutions shall be described as "Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in the like form, each signed by one (1) or more members. The expressions "in writing" or "signed" include approval by legible confirmed transmission by facsimile or any other form of electronic communication.

**9. OTHERS**

- 9.1 The confirmed minutes of the meetings of SC shall be tabled at the Board Meeting of the Company.
- 9.2 The Chairman of the SC shall report to the Board after each meeting.