



JENTAYU SUSTAINABLES BERHAD
Registration No. 197501000834 (22146-T)

TERMS OF REFERENCE
OF
BOARD SUSTAINABILITY COMMITTEE

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1. INTRODUCTION

The Board Sustainability Committee (“BSC”) is established by the Board of Directors (“Board”) of Jentayu Sustainable Berhad (“JSB” or “Company”) to oversee and guide the integration of sustainability principles and practices into the Company’s overall strategy and operations.

2. OBJECTIVES

2.1 Sustainability

To oversee on behalf of the Board, the management strategies, and processes design to manage sustainability-related risk and opportunities, including Environmental, Social and Governance (ESG) related framework, priorities, targets, policies and practices of the company and its subsidiaries (“Group”) to ensure that the initiatives undertaken, pertaining to sustainability are aligned with, promotes, and encourage the commitment towards sustainability.

The committee shall have oversight of sustainable development responsibilities of the company and support the Board in setting high-level direction and strategic focus on sustainable business model.

2.2 Sustainability Report

To oversee the preparation of the Sustainability Report (“SR”) including the quality and extent of reporting and disclosure, to ensure the Sustainability Report reflects the Company’s vision and strategy in engaging with its stakeholders.

3. SCOPE

The BSC shall have oversight of sustainable development responsibilities in the following areas:

- Advises the Board and Senior Management on strategic sustainability directions and talent requirements.
- Ensures the adoption of sustainability-related policies and standards.
- Recommends the Sustainability Report for approval by the Board.
- Periodically reviews the alignment of sustainability strategies and Key Performance Indicators (KPI) with the Group’s strategic objectives including but not limited to the identified material matters:
 - Producing energy that works with nature including the management of its greenhouse gas emissions from all its businesses and operations.

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- Protect nature e.g. environmental protection and ecosystem services (E.g., Reforestation)
 - Contribute to the local communities: Welfare and socio-economic advancement of the local communities.
 - Lead with responsible governance.
 - Protect our people: Human rights including safeguarding the wellbeing of our workforce.
 - Sustain economic contribution: Long term sustainability of business operations from the above perspectives.
- Any other sustainability areas that shall be determined by the BSC and JSB from time to time.

4. COMPOSITION

The members of the BSC shall be appointed by the Board from among its directors and:

- Shall comprise of at least three (3) Independent and Non-Executive Directors of the company.
- The actual number of BSC members may be determined by the Board from time to time.
- The Chairman of the BSC shall be appointed by the Board from amongst the members of the BSC.
- The duration of appointments will be for a continuous term, unless determine otherwise by the Board.

5. REPORTING PROCEDURES

The BSC 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 investment policies and matters as it may think fit.

6. ATTENDANCE AT MEETINGS

The BSC may request members of management to participate in its meetings, as it may deem fit.

The company secretary shall be the secretary of the BSC or failing which, a representative from the Group Secretariat Department of the Company. The secretary shall record the minutes of the committee proceedings and circulate them to the committee members.

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7. FREQUENCY OF MEETINGS

The BSC 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.

Upon the request of any member of BSC, the Chairman of BSC shall convene a special meeting to consider such other matters.

BSC shall have full discretion to invite any Director and management personnel to attend its meetings.

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.

Meetings of BSC may be conducted by means of telephone conference, video conference or any other form of audio or audio-visual instantaneous communication and the participation in the meeting pursuant to this provision shall constitute presence in person at such meetings.

8. 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.

9. AUTHORITY

The BSC shall have the following authority as empowered by the Board:

- (a) Have the resources required to perform its duties.
- (b) Have full and unrestricted access to any information, records, properties, and personnel within the Group.
- (c) Be able to obtain independent professional advisers or other advisers.
- (d) To engage outsiders with relevant experience and expertise if necessary.

10. DUTIES

The duties of the BSC shall include:

(A) With regards to Sustainability matters

- (a) Approve the Group's ESG framework and strategy including related 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.

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- (b) Align projects to the goals of the Malaysian National Energy Transition Roadmap 2050, Sabah Energy Roadmap, Hala Tuju Sabah Maju Jaya 2021-2025 and other Malaysian national or sub-national policies.
- (c) 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.
- (d) Receive half yearly update from Management on the progress towards achieving the Group's sustainability targets.
- (e) Review and recommend to the Board for approval the Sustainability Report to ensure that the Group's sustainability story is effectively communicated to investors and other stakeholders.
- (f) Assess and monitor related ESG-related risk and opportunities, providing guidance on risk mitigation strategies and resilience building.
- (g) Ensure the Company's compliance with relevant ESG laws, regulations, and industry standards.
- (h) Encourage and guide the Company in adopting innovation and sustainable practices, staying abreast of industry best practices.

(B) With regards to Sustainability Report matters

- (a) Review and approve the design, concept and structure of the Sustainability Report and other related reports.
- (b) Review and approve the overall content of the Sustainability Report and ensure compliance with Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR"), as well as the applicable code of corporate governance in force at the material time.
- (c) Review and recommend for the Board's approval the other related Statements/Reports in the Sustainability Report as required by the Main Market Listing Requirements, that are already not under the purview of the other Board Committees.
- (d) Review and recommend for the Board's approval additional disclosures to be made in the Sustainability Report.

11. 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 BSC. 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

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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.

12. OTHERS

The confirmed minutes of the meetings of BSC shall be tabled at the Board Meeting of the Company.

The Chairman of the BSC shall report to the Board after each meeting.

13. REVIEW OF THE TERMS OF REFERENCE

The adequacy of these Terms of Reference shall be reviewed on a periodic basis or as and when necessary. Any proposed changes to the Terms of Reference shall be approved by the Board.