



**TERMS OF REFERENCE OF THE SUSTAINABILITY COMMITTEE
RENEUCO BERHAD**

(Formerly known as KPower Berhad)
Registration No. 199701003731 (419227-X)

DULY APPROVED AND ADOPTED BY THE BOARD OF DIRECTORS OF RENEUCO BERHAD (FORMERLY KNOWN AS KPOWER BERHAD) AT THE BOARD OF DIRECTORS' MEETING HELD ON 17 OCTOBER 2022

TERMS OF REFERENCE OF THE SUSTAINABILITY COMMITTEE

1. SUSTAINABILITY COMMITTEE

1.1 Policy

This Sustainability Committee's Terms of Reference ("TOR" or the "Terms of Reference") sets out towards the establishment of a Sustainability Committee, and the delegation of responsibilities to such committee, as at the date hereof.

1.2 Objectives

1.2.1 The principal objectives of the Sustainability Committee ("Committee") are to assist the Board in discharging its statutory duties and oversight responsibilities relating to supporting and monitoring the sustainable development strategy of Reneuco Berhad and its subsidiaries (the "Group") businesses covering economic, environmental and social aspects, including contribution to sustainability-related impacts in the course of the Group's operations, and to oversee the integrity of the Group's sustainability reporting and associated statements on matters within its Scope.

1.2.2 The Scope of the Committee shall include, but shall not be limited to, material matters such as:

- (i) Group-wide occupational safety and health;
- (ii) Management of environmental matters:
 - a. Energy;
 - b. Greenhouse Gas (GHG) Emissions;
 - c. Water and Effluents;
 - d. Waste;
 - e. Land use; and
 - f. Biodiversity.
- (iii) Communities and social performance:
 - a. Human rights monitoring and management;
 - b. The economic and social development of the communities in which the Group operates, including employment, training and development, and local supply chain development;
 - c. Sustainable development issues as they relate to suppliers and supply chains, including child labour, human trafficking and modern slavery;
 - d. Community relations, including with indigenous peoples' policies; and
 - e. Diversity, inclusion and non-discrimination.

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- (iv) Determine and oversee the quality, adequacy and effectiveness of the Group's Sustainability related policies;
- (v) Ensure Sustainability disclosures and reporting comply with regulations and standards; and
- (vi) Oversee the Group's Sustainability Unit and Sustainability Working Group.

1.3 Membership

- 1.3.1 The Committee shall be appointed from amongst the Board and senior management and shall comprise no fewer than three (3) members.
- 1.3.2 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.
- 1.3.3 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.

1.4 Chairman

The members of the Sustainability Committee shall elect a Chairman from among their members.

In the absent of the Chairman of the Sustainability Committee, the other members of the Committee shall amongst themselves elect a Chairman to chair the meeting.

1.5 Secretary

The Company Secretary or the representative from Sustainability Unit shall be the Secretary of the Sustainability Committee.

He/She shall record the attendance of all members and invitees and take minutes to record the proceedings of every meeting of the Nomination Committee. All minutes of meetings shall be circulated to every member of the Committee and the Board.

1.6 Authority

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

- a. have authority to inquire any activity within its terms of reference;
- b. have full and unrestricted access to all information and documents/resources which are required to perform its duties as well as to the Sustainability Unit, internal auditor and senior management of the Group;

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- c. obtain, at the expense of the Group, other independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary; and
- d. have direct communication channels with the Sustainability Unit, internal auditors and person(s) carrying out the internal Sustainability function or activity (if any).

1.7 Roles and Responsibilities

The roles and responsibilities of the Committee are as follows:

- a. 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;
- b. To review with the Sustainability Unit on:
 - the Sustainability plan, its scope and nature;
 - the system of internal control;
 - the definition and achievement of the Group's annual Sustainability Performance Targets (SPTs)
 - the Sustainability Report; and
 - the assistance given by the officers of the Group to external assurance providers, including any difficulties or disputes with the management encountered during the external assurance process.
- c. To review the annual Sustainability Report and Sustainability Statement of the Group 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.
- d. To review:
 - Reports issued by the external Sustainability service providers and the implementation of Sustainability recommendations;
 - Reports issued by the external assurance providers;
 - Group-wide Sustainability-related data; and
 - The assistance given by the Sustainability Unit to external Sustainability service providers and external assurance providers.
- e. To perform the following, in relation to Sustainability Unit:
 - review the adequacy of the scope, functions, competency and resources of the Sustainability Unit, and that it has the necessary authority to carry out its work;

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- 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 Unit; and
 - review the Sustainability plan, consider the internal reports and findings of the Sustainability Unit, internal auditors, fraud investigations and actions and steps taken by Management in response to Sustainability findings.
- f. To report its findings on material Sustainability matters to the Board;
- g. To consider the major findings of internal investigations and management's response;
- h. To monitor the integrity of the Group's Sustainability related data;
- i. To review the independence and qualification of the Group's external assurance providers;
- j. To monitor the Group's compliance with relevant laws, regulations and code of conduct, pertinent to Sustainability materials;
- k. To review the adequacy and effectiveness of risk management, internal, control and governance systems;
- l. To consider and examine such other matters as the Sustainability Committee considers appropriate; and
- m. To consider other matters as defined by the Board.

1.8 Quorum for meetings

The quorum for the Committee meeting shall be two (2) members present.

The members of the Sustainability Committee may participate in a meeting by means of a conference call, conference video call 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.

1.9 Frequency of Meetings

The Committee shall meet at least once (1) a year. However, additional meetings may be called at any time at the Sustainability Committee Chairman's discretion.

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1.10 Proceedings of Meetings

A member may at any time and the Secretary shall on the requisition of a member summon a meeting of the Sustainability Committee by giving the members at least five (5) business days' notice thereof unless such requirement is waived.

The members of the Sustainability Committee may participate in a meeting by means of a conference call, conference video call 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.

A representative of the Sustainability Unit should normally attend Committee meetings. Other Board members, employees and/or external consultants may attend meetings upon the invitation of the Committee.

All decisions shall be decided on a show of hands by a majority of votes.

A resolution in writing signed and approved by a majority of the Sustainability Committee and who is sufficient to form a quorum shall be as valid and effective as if it had been passed at a meeting of the Sustainability Committee duly called and constituted.

The resolution may consist of several documents in like form, each signed by one (1) or more Committee members. Such document may be accepted as sufficiently signed by a Committee member if it is transmitted to the Company by facsimile or other electrical or digital written message, which include a signature of the said Committee member.

1.11 Review of the Terms of Reference

Any amendment to this term of reference to be approved by the Board. These terms of references will be reviewed and updated, when necessary, in accordance with the needs of the Group and any new regulations that may have an impact on the discharge of the Committee's responsibilities.

1.12 Published on the Website

The written terms of references should be made public on the Company's website.