



YINSON HOLDINGS BERHAD

Sustainability Committee

TERMS OF REFERENCE

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Revision Details

Rev. No.	Section	Details
01	All	Sustainability Committee Terms of Reference created
02	1, 7, 10 & 11	Amendments to terminology
03	Overall 3.2 & 6.1	<ul style="list-style-type: none">▪ Adoption of new template▪ Insertion of “Chief Executive Officer, Renewables” in the composition of SC under Section 3.2▪ Amendment to requirement of quorum
04	All	<ul style="list-style-type: none">▪ Formatting changes covering addition of abbreviations and definitions as well as restructuring of sections, and removal of redundant items for conciseness▪ Enhancements per recommendations of TCFD, specifically on additions of “climate-related risks and opportunities” as well as on management of sustainability-related working groups



ABBREVIATIONS AND DEFINITIONS

The Definitions below are the Yinson Holdings Berhad standard for all managed documents.

CIMS	Corporate Information Management System
YHB/Company	Yinson Holdings Berhad
MDR	Master Document Register
MS	Management System
CR	Change Request (Normally refers to a Form)
CDC	Corporate Document Controller
EDMS	Electronic Document Management System
Managed Document	Any document critical to the delivery of your products and/or services is controlled. This ensures that everyone in the organization is using the most recent (and correct) instructions, keeping the correct records, understanding the policies and procedures that allow YHB to operate.
Management System	The system used to manage the documents that require control, management and security.
Board	Board of Directors
SC/Committee	Sustainability Committee
EES	Economic, environment and social
ESG	Environment, social and governance
KPIs	Key performance indicators
Group	Yinson Holdings Berhad and its subsidiaries
TCFD	Task Force on Climate-related Financial Disclosures



1 DOCUMENT SCOPE AND OBJECTIVE

- 1.1 This Terms of Reference defines the scope of responsibilities, duties and authority of the Committee, established by the Board of directors of Yinson Holdings Berhad. It provides the framework for governance of the SC, for the effective functioning of the Board to meet the needs of YHB and to reflect the objectives and culture of YHB and its subsidiaries pertaining to sustainability of the Group.
- 1.2 This Terms of Reference is guided by the best practices in the Malaysian Code on Corporate Governance 2021, Bursa Malaysia Securities Berhad Main Market Listing Requirements and other statutory and regulatory requirements.

2 PURPOSE OF THE COMMITTEE

- 2.1 The principal objective of the SC is as follows:
- i. To support and advice the Board in relation to embedding sustainability principles and practices throughout YHB Group's overall business strategies, policies, processes and practices to ensure the continuity of YHB Group;
 - ii. To oversee and manage on behalf of the Board strategies, policies, management processes and standards for the achievement of all YHB's sustainability goals, covering those related to climate as well as any other ESG aspects;
 - iii. To continuously drive sustainability performance of YHB against any sustainability-related assessment tools used locally and internationally, covering ESG Ratings, ESG Indexes, etc;
 - iv. To support the Board to meet sustainability and climate-related expectations of YHB Group's various stakeholders;
 - v. To inform and update the Board on key sustainability and climate-related risks and opportunities; and
 - vi. To manage any sustainability-related working groups that may be formed in the course of business.

3 OBJECTIVES OF THE COMMITTEE

- 3.1 To define and set YHB Group's sustainability and climate-related strategy, focus area, and material issues based on internal and external expectations on ESG aspects;
- 3.2 To prioritise and approve projects in tandem with the Group's sustainability and climate-related goals as well as Materiality Matrix;
- 3.3 To ensure Group sustainability strategies are guided by the Group's Materiality Matrix and any other relevant sources;
- 3.4 To understand and categorise YHB Group's context in EES aspects;
- 3.5 To identify projects to be undertaken to achieve the Group's sustainability and climate-related goals;
- 3.6 To ensure the Board is updated on key developments of any and all sustainability and climate-related strategies and action plans



- 3.7 To oversee the monitoring, reporting, and verification of sustainability and climate-related KPIs of YHB Group; and
- 3.8 To obtain and assess updates and reports from the Corporate Sustainability function or any related personnel/working groups on sustainability and climate-related performance.

4 COMPOSITION OF THE COMMITTEE

- 4.1 The SC members are appointed and/or dismissed by the Board.
- 4.2 The SC shall comprise of:
- Group Chief Executive Officer – SC Chairman;
 - Group Chief Strategy Officer;
 - Chief Executive Officer, Offshore Production;
 - Chief Operating Officer, Offshore Production;
 - General Counsel, Group Legal;
 - Chief Executive Officer, Marine;
 - Chief Executive Officer, Renewables; and
 - Any other Head of Divisions and/or Senior Management staff of the Group.
- 4.3 The minimum number of Committee members shall be five (5). In cases where the minimum number of the Committee cannot be satisfied, the Committee shall review and recommend to the Board for approval any remedial action, including, but not limited to the appointment of another Senior Management staff to fill up vacancies in the Committee or reduce the minimum number requirements.
- 4.4 SC member shall ipso facto cease as a member, if he ceased to be a staff of the Group or the Group's affiliates. SC member may relinquish his membership in the Committee with prior written notice to the Board, informing the Committee Secretary, and may continue to serve as Senior Management staff of the Company/Group.
- 4.5 The composition of the SC may be reviewed and revised by the Board from time to time, as it deems fit.

5 COMMITTEE CHAIRMAN

- 5.1 The SC Chairman shall be appointed and/or dismissed by the Board.
- 5.2 The following are the main duties and responsibilities of the SC Chairman:
- i. Provide leadership to the SC and steer the SC through its decision making and business sustainability process;
 - ii. Organise and present the agenda for SC meetings based on input from SC members and ensure that all relevant issues are discussed in the meeting;
 - iii. Provide a reasonable time for discussion of any matter at SC meetings and ensure that consensus is reached on every resolution and where considered necessary, call for a vote and the decision will be made by a simple majority. Dissenting opinions should be recorded in the minutes of meeting;
 - iv. Provide guidance to the SC for effective discharging of its functions and responsibilities;
 - v. Ensure all SC members participate in discussions to enable effective decision making;



- vi. Invite any non-SC members such as those related to the operationalisation of sustainability-related tasks and programmes as deemed fit to provide updates, detailed explanations or clarifications
- vii. Determine the agenda for meetings of the SC in conjunction with the Committee Secretary;
- viii. Chair meetings of the SC and take reasonable steps for the proper functioning of the SC including the proper conduct of meetings and an appropriate level of discussion;
- ix. Take reasonable steps regarding the adequate flow of relevant information to the SC and Board and to advise the Board on the SC's recommendations on matters falling within the scope of the SC's responsibilities;
- x. Review the minutes of meetings of the SC for circulation to and approval of Committee members and ensure proper execution of decisions made by the Committee; and
- xi. Act under delegation of the SC.

6 RESPONSIBILITIES OF THE COMMITTEE

- 6.1 SC members are collectively responsible and accountable for the actions and decisions of the Committee to ensure the Group achieves its sustainability goals and complies with all its obligations to the Board.
- 6.2 SC shall in exercising its authority delegated by the Board conform to any regulations imposed by the Board and this Term of Reference.
- 6.3 The responsibilities of the SC shall include, but are not limited to, the following:
 - Implementation of the Group Sustainability Policies and Framework as approved by the Board
 - i. Develop the Group's vision and mission, policies and framework, principles and practices pertaining to sustainability and operational excellence on a world-wide basis, as agreed by the Board and monitor the subsequent implementation thereof as approved by the Board.
 - ii. Provide oversight and input to Management to ensure that the YHB Group's strategies, goals and principles pertaining to sustainability and operational excellence (i.e. in respect of the environment, climate, market place, people and community in which it operates) are aligned, promote and encourage the YHB Group's commitment towards sustainability.
 - iii. Oversee and ensure effective implementation and managing of sustainability and climate-related policies, strategies and procedures throughout YHB Group.
 - iv. Oversee and ensure good sustainability management embeds sustainability elements into existing business practices with focusing on value creation.
 - v. Consider and recommend to the Board positioning on relevant emerging sustainability and climate-related issues, risks, and opportunities.
 - vi. Identify and monitor significant movements on sustainability and climate-related trends across the Group via Materiality Matrix.
 - Stakeholders' Engagement
 - i. Define, coordinate and formulate communication strategies and mechanism to effectively promote and engage stakeholders on sustainability and climate-related agenda, including the creation and review of a Materiality Matrix at regular intervals to



ensure concerns of internal and external stakeholders are captured for strategic considerations for the Group.

- Other Matters
 - i. Provide the Board with assurance on the quality and technical content of the sustainability and climate-related information used by the Board and of the sustainability information issued publicly by the YHB Group.
 - ii. Perform delegations of authority and responsibilities of the SC as the SC deems appropriate and periodically review such delegations.
 - iii. Update and report to the Board on the status of sustainability and climate-related performance on bi-annual basis and/or as and when required.
 - iv. Prepare Sustainability Statement/Report to be tabled to the Board for annual release to Shareholders of the Company.
 - v. Evaluate the sustainability issues and provide guidance to YHB Group on the improvement and enhancement of sustainability-related area.
 - vi. Enhancing brand value and reputation by ensuring businesses are conducted in a sustainable and ethical manner and maintaining a social license to operate business.
 - vii. Formulate, implement and monitor the Sustainability KPI of each business units within the YHB Group based on industry standards and best practices.
 - viii. Manage dedicated working groups relating to sustainability and climate-related risks and opportunities through, among others, engaging in deliberation, providing guidance, and receiving feedback.
 - ix. Inform the Board every quarter and/or as when required on the status of sustainability and climate-related performance with regards to identified issues, risks and opportunities;
 - x. Monitor relevant laws, regulations and trends relating to sustainability and climate change, providing guidance and recommendations for action plans where applicable.

6.4 The Board has authorised the Committee, within the scope of its duties and responsibilities set out in this Terms of Reference, to:

- Perform the activities required to discharge its responsibilities and make the relevant recommendations to the Board;
- Select, engage and obtain, at the cost of the Company, external or independent professional advice in discharging its duties, if necessary;
- Establish a working group for the execution, monitoring, and implementation of sustainability and climate-related initiatives; and
- Have full and unrestricted access to information and personnel of the Company.

6.5 The Committee shall be obliged to make recommendations to the Board for its consideration and implementation on matters beyond its authorities and shall not have the delegated power from the Board to implement its recommendations without prior approval of the Board.

6.6 The Committee may choose to perform delegations of authority and responsibilities of the SC as the SC deems appropriate and periodically review such delegations.



7 PREPARATION OF SUSTAINABILITY STATEMENTS/REPORTS

- 7.1 The Company is required to issue a Sustainability Statement under Practice Note 9 of the Main Market Listing Requirements (Part III: Sustainability Statement) updated as at 31 December 2017. The required content shall be balanced, comparable and meaningful by referring to the Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad. In identifying the material economic, environmental, and social risks and opportunities, the Company should consider the themes and recommendations set out in the Sustainability Reporting Guide.
- 7.2 In making the Sustainability Statement, the Company must include disclosures on the following:
- The governance structure in place to manage EESG risks and opportunities;
 - the scope of the Sustainability Statement and basis for the scope;
 - material sustainability matters and how they are identified;
 - why they are important to the listed issuer; and
 - how they are managed including details on –
 - i. policies to address these sustainability matters;
 - ii. measures or actions taken to deal with these sustainability matters; and
 - iii. indicators relevant to these sustainability matters which demonstrate how the listed issuer has performed in managing these sustainability matters.
- 7.3 The Company shall strive to report as per international best practices of sustainability reporting, such as the GRI Standards at a minimum. The requirements from Bursa Malaysia Securities Berhad as 7.2 above is not required to be complied should the GRI Standards be adopted for sustainability reporting purposes.
- 7.4 The SC is responsible for preparing the Sustainability Statement to be recommended to the Board for approval and release to shareholders of the Company.
- 7.5 The SC shall constantly be updated on any changes of requirement of reporting and gear towards any prevailing best practices in sustainability reporting.

8 COMMITTEE MEETINGS

- 8.1 SC meetings shall be convened at least on quarterly basis or any interval at the discretion of the SC Chairman, subject to the availability of quorum. The quorum shall be three (3) SC members.
- 8.2 Ad-hoc or special meetings may be called by any SC member at any time, at the discretion of the SC Chairman as deemed fit and expedient for the dispatch of business based on this Terms of Reference and subject to the availability of quorum.
- 8.3 The SC Chairman shall be the chair at the SC meeting. In the absence of the SC Chairman, any person nominated by the SC Chairman or Committee members could appoint amongst themselves a chairman to chair the particular meeting.
- 8.4 The SC Chairman, or the Committee members with the approval from the SC Chairman, may invite any person to attend the Committee meetings, where considered appropriate and relevant to the agenda discussed, but not necessarily for the full duration of the meeting.
- 8.5 The notices of meeting together with the relevant papers shall be circulated to all members of the Committee at least three (3) days prior to each Committee meeting.



- 8.6 The members of the SC may participate in a meeting of the SC from separate locations by means of telephone/video conference or other communication equipment which allows those participating to hear each other and shall be entitled to vote or counted in the quorum accordingly.
- 8.7 In exceptional circumstances, the meeting may be held through email exchange, provided at least two-third or nearest to two-third of the members, if the number is not a multiple of three, take part to the email exchange and voting is carried out electronically.
- 8.8 Decisions at the SC meeting shall be passed by a simple majority of all SC members' presence at the meeting. In the event a member is unable to attend the meeting and has indicated his vote before the meeting, his vote will be counted and effective. The chairman of the meeting has the final casting vote in the case of equality of votes.
- 8.9 Each individual SC Member shall abstain from deliberation and decision of any resolution which involving his own interest.
- 8.10 The Committee Secretary shall record the proceedings of the Committee meetings. The minutes of SC meetings shall be confirmed and signed by the chairman of the meeting at the next succeeding SC meeting and kept at the Company's office under the custody of the Committee Secretary. The minutes of the SC meetings shall be available for inspection by the members of the SC, the Board and any other person deemed appropriate by the SC Chairman.

9 THE COMMITTEE SECRETARY

9.1 RESPONSIBILITIES

- i. The Committee Secretary shall be appointed and/or dismissed by the SC.
- ii. The Committee Secretary is responsible for the issuance of notice of the meeting in consultation with/at the instruction of the SC Chairman. The Committee Secretary or his representative shall be present to record proceedings of Committee meetings and ensure that all decisions made by the SC are properly documented and filed.

9.2 CIRCULAR RESOLUTIONS/ EXTRACTIONS OF MINUTES OF MEETINGS

- i. A resolution in writing signed by a majority of SC members and for the time being entitled to receive notice of a meeting of SC shall be as valid and effectual as if it had been passed at a meeting of the SC duly convened. Any such resolution shall be described as "Sustainability Committee's Written Resolutions" and may consist of several documents substantially the same; each signed by one or more SC members and shall constitute one document in those terms. The expressions "in writing", "written" or "signed" include approval by legible confirmed transmission via facsimile, telex, cable, telegram, or other forms of electronic communications.
- ii. A document purporting to be a copy of resolution of the SC or an extract from the minutes of a meeting of the SC which is certified by any two of the SC members or one of the SC members and the Committee Secretary shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the SC.



10 COMMITTEE ETHICS AND PROCEDURES

- 10.1 The Committee members shall safeguard all internal Committee communications and treat them as strictly private and confidential, and for the use of Committee members only.
- 10.2 The Committee may be required to check references and consult selected third party sources on a confidential basis before making its final recommendations. The Committee shall work diligently with the members of the Board in discharging its responsibilities and adhere to the Code of Ethics/Conduct of the Company.

11 REVIEW AND REVISION OF THE TERMS OF REFERENCE

- 11.1 Any revision or amendment to this Terms of Reference as proposed by SC shall be presented to the Board for its approval.
- 11.2 Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.