



CENSOF HOLDINGS BERHAD  
[Registration No. 200801026945 (828269-A)]

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**TERMS OF REFERENCE  
SUSTAINABILITY COMMITTEE**

Approved by Risk Management and Sustainability Committee on 26th February 2024

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## **Censof Holdings Berhad**

**[Registration No. 200801026945 (828269-A)]**

- *Terms of Reference of the Sustainability Committee*

### **1. Objectives**

1.1. The Sustainability Committee ("**SC**" or "**the Committee**") was formed by the Board of Directors ("**the Board**") of the Company to support the sustainability activities of the Group and report directly to Risk Management and Sustainability Committee ("**RMSC**"). Its primary function is to assist the RMSC in providing guideline, oversee, and enhance the Group's commitment to sustainability, aligning with our strategic goals and ensuring responsible practices in environmental, social, and economic dimensions.

### **2. Composition**

2.1. The Committee shall consist of:

(a) One (1) Executive Director from the Board of Censof Holdings Berhad ("**Censof Group**");

(b) Group Chief Finance Officer; and

(c) CEOs of active subsidiaries.

### **3. Quorum and Meeting Procedures**

3.1. The Executive Director shall be the Chairman of the Committee.

3.2. The Committee shall meet at least four (4) times in each financial year. More meetings may be conducted if necessary.

3.3. The quorum for a meeting of the Committee shall be five (5) members. In the absence of the Chairman, the members present shall elect a Chairman for the meeting among the members present.

3.4. The Group CFO of the Company or his/her representative shall act as the secretary of the Committee ("**the Secretary**"). The Secretary, in conjunction with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers, at least three (3) days prior to each meeting to the members of the Committee.

3.5. The Secretary shall also attend each Committee meeting and will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and other members of the RMSC.

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3.6. The Committee members may participate in a meeting by means of conference telephone, conference videophone 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.

3.7. The Committee may extend any invitation to any person to attend all or part of any meeting which it considers appropriate.

### **4. Reporting**

4.1. The Committee will report to the RMSC, identifying any matters within its remit in respect of which it considers an action or improvement is needed, and making recommendations as appropriate.

4.2. Minutes of each Committee meeting will be made available to the RMSC.

### **5. Advisers**

5.1. The Committee in consultation with RMSC is authorised by the Board to seek appropriate professional advice inside and outside the Group at the expense of the Company as and when it considers necessary in the discharge of its responsibilities.

### **6. Responsibilities and Duties**

6.1. The Committee shall assist the RMSC to meet its oversight responsibilities in relation to the Group's sustainability initiatives and performance. These terms of reference set out the role, scope and responsibilities of the Committee.

6.2. In fulfilling its primary objectives, the Committee shall undertake the following responsibilities and duties:-

(a) Develop the Group's sustainability policies, strategies and initiatives related to ESG matters and corporate responsibility.

(b) Responsible for the implementation of sustainable business policies and practices.

(c) Advise on the Group's sustainability report and any other specific reports (if any) prior to reporting to the RMSC and/or the Boards, as the case may be, including:

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- (i) changes or revisions to sustainability policies, standards and procedures, and its implementation.
  - (ii) assessment of risks and opportunities material to the achievement of sustainability by the Group and efforts to address the material issues.
- (d) Oversee subsidiaries' SBUs/departments/functions in ensuring the robustness of the system of sustainability management,
- (e) Review issues relating to sustainability arising from independent audits and assurance reports as well as any matters highlighted by the consultants (if any).
- (f) Consider and recommend to the RMSC positioning on relevant emerging sustainability issues.
- (g) The Committee shall set and review the goals and/or key performance indicators of the subsidiaries' CEOs that the Board(s) may establish from time to time for the Group's performance with respect to ESG matters and monitor the progress against those goals and/or key performance indicators.
- (h) ensure adequate infrastructure, resources and systems are in place for sustainability initiatives.
- (i) Prepare the Sustainability Statement of the Company for inclusion in the Annual Report and report the same to the RMSC in line with Bursa Malaysia Securities Berhad's Sustainability Reporting Guidelines (3<sup>rd</sup> edition).
- 6.2 The Chairman of the Committee shall engage on a continuous basis with Executive Directors, Senior Management, internal auditors and the external auditors in order to be kept informed of matters affecting the Group.

**7. Monitoring, Periodic Review and Disclosure**

- 7.1. The Committee shall recommend any changes to its terms of reference in such manner as the Committee deems appropriate to the RMSC for approval. The terms of reference shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code of Corporate Governance, Bursa Malaysia Listing Requirements or any other regulatory requirements. It should also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the Committee's role.

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- 7.2. Ensure that proper processes and procedures are in place to comply with all relevant laws, regulations and rules which could have a significant impact on the implementation of the sustainability within the Group.
- 7.3. The Terms of Reference should be disclosed on the Company's website.