



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



1 PURPOSE

- 1.1 This Terms of Reference defines the scope of responsibilities, duties and authority of the Sustainability Committee (“SC” or “Committee”), established by the board of directors of Yinson Holdings Berhad (“YHB” or “Company”) [“Board”]. 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 (“YHB Group” or “Group”) 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 2017, Bursa Malaysia Securities Berhad Main Market Listing Requirements and other statutory and regulatory requirements.

2 OBJECTIVES

- 2.1 The principal objective of the SC as follows:
- 2.1.1 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;
 - 2.1.2 To oversee on behalf of the Board, management processes, standards and strategies designed to manage sustainability aspects and achieve compliance with social and environmental responsibilities and commitments;
 - 2.1.3 To support the Board to meet sustainability expectations of YHB Group’s various stakeholders; and
 - 2.1.4 To gear the Company towards qualifying for Sustainability Index in Malaysia and globally.

3 COMPOSITIONS

- 3.1 The SC members are appointed and/or dismissed by the Board.
- 3.2 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;
 - Head of Legal, Offshore Production;
 - Chief Executive Officer, Marine;
 - Chief Executive Officer, Renewables; and
 - Any other Head of Divisions and/or Senior Management staff of the Group.



- 3.3 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.
- 3.4 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.
- 3.5 The composition of the SC may be reviewed and revised by the Board from time to time, as it deems fit.

4 COMMITTEE CHAIRMAN

- 4.1 The SC Chairman shall be appointed and/or dismissed by the Board.
- 4.2 The following are the main duties and responsibilities of the SC Chairman:
- 4.2.1 Provide leadership to the SC and steer the SC through its decision making and business sustainability process;
 - 4.2.2 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;
 - 4.2.3 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;
 - 4.2.4 Provide guidance to the SC for effective discharging of its functions and responsibilities;
 - 4.2.5 Ensure all SC members participate in discussions to enable effective decision making;
 - 4.2.6 Invite members of the Sustainability Working Group, any senior officers of the Group or external professionals/consultants to attend any SC meeting as deemed fit, to provide detailed explanations or clarifications on any advice/issues in relation to the Group;
 - 4.2.7 Determine the agenda for meetings of the SC in conjunction with the Committee Secretary;
 - 4.2.8 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;
 - 4.2.9 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;
 - 4.2.10 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
 - 4.2.11 Act under delegation of the SC.



5 COMMITTEE SECRETARY

- 5.1 The Committee Secretary shall be appointed and/or dismissed by the SC.
- 5.2 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.

6 MEETINGS

- 6.1 SC meetings shall be convened at least twice a year or any interval at the discretion of the SC Chairman, subject to the availability of quorum. The quorum shall be two (2) SC members.
- 6.2 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.
- 6.3 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.
- 6.4 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.
- 6.5 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.
- 6.6 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.
- 6.7 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.
- 6.8 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 casting vote in the case of equality of votes.
- 6.9 Each individual SC Member shall abstain from deliberation and decision of any resolution which involving his own interest.
- 6.10 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.



7 FUNCTIONS OF SC

7.1 The main functions of the SC shall be as follows:

- 7.1.1 To define and set YHB Group's sustainability strategy, focus area, material issues;
- 7.1.2 To prioritise and approve projects to be in tandem with the Group's sustainability vision/strategy;
- 7.1.3 To recognise and determine the pillars of sustainability based on the materiality matrix of the Group;
- 7.1.4 To understand and categorise YHB Group's context in Environmental, Economic and Social (ESS) aspects;
- 7.1.5 To prioritise the sustainability issues based on materiality of sustainability themes/topics;
- 7.1.6 To oversee the monitoring, reporting and verification of the Sustainability Key Performance Indicators (KPI) of the YHB Group; and
- 7.1.7 To obtain constant updates and reports from the working group on the sustainability performance.

8. DUTY AND RESPONSIBILITIES OF SC

- 8.1 SC members are collectively responsible and accountable for the actions and decisions of the Committee, to ensure the Group is achieving its sustainability vision and complies with all its obligations to the Board.
- 8.2 SC shall in exercising its authority delegated by the Board conform to any regulations imposed by the Board and this Term of Reference.
- 8.3 The responsibilities of the SC shall include but not limited to the following:
 - 8.3.1 Implementation of the Group Sustainability Policies and Framework as approved by the Board
 - (a) 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.
 - (b) 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, market place, people and community in which it operates) are aligned with, promote and encourage the YHB Group's commitment towards sustainability.
 - (c) Oversee and ensure the effective implementation and managing of sustainability policies, strategies and practices throughout YHB Group.
 - (d) Oversee and ensure good sustainability management embeds sustainability elements into existing business practices with focus on value creation.



- (e) Consider and recommend to the Board positioning on relevant emerging sustainability issues and to identify and monitor significant movements on sustainability issues across the Group via materiality matrix.

8.3.2 Management of overall formulation, implementation and maintenance for the Group Business Sustainability Arrangement

- (a) Evaluate the sustainability issues and provide guidance to YHB Group on the improvement and enhancement of sustainability-related area.
- (b) Ensure 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 Group's Sustainability Principles.
- (c) Enhancing brand value and reputation by ensuring businesses are conducted in a sustainable and ethical manner and maintaining a social license to operate business.
- (d) Formulate, implement and monitor the Sustainability KPI of each business units within the YHB Group.

8.3.3 Stakeholders' Engagement

- (a) Define, coordinate and formulate communication strategies and mechanism to effectively promote and engage stakeholders on sustainability.

8.3.4 Other Matters

- (a) Provide the Board with assurance on the quality and technical content of the sustainability information used by the Board and of the sustainability information issued publicly by the YHB Group.
- (b) Perform delegations of authority and responsibilities of the SC as the SC deems appropriate and periodically review such delegations.
- (c) Update and report to the Board on the status of sustainability performance on bi-annual basis and as and when required.
- (d) Prepare Sustainability Statement/Report to be tabled to the Board for annual release to Shareholders of the Company.
- (e) Undertake any such other functions as may be determined by the Board from time to time

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

8.4.1 perform the activities required to discharge its responsibilities and make the relevant recommendations to the Board;

8.4.2 select, engage and obtain, at the cost of the Company, external or independent professional advice in discharging its duties, if necessary;



- 8.4.3 establish working group for the execution, monitoring and implementation of sustainability initiatives; and
- 8.4.4 have full and unrestricted access to information and personnel pertaining to the Company.
- 8.5 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.

9. SUSTAINABILITY STATEMENT/REPORTS

- 9.1 The Company is required under Practice Note 9 of the Main Market Listing Requirements, to issue a Sustainability Statement which contains information that is 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 set out in the Sustainability Reporting Guide.
- 9.2 In making the Sustainability Statement, the Company must include disclosures on the following:
 - (a) the governance structure in place to manage the EES risks and opportunities;
 - (b) the scope of the Sustainability Statement and basis for the scope;
 - (c) material sustainability matters and -
 - (i) how they are identified;
 - (ii) why they are important to the listed issuer; and
 - (iii) how they are managed including details on -
 - (aa) policies to manage these sustainability matters;
 - (bb) measures or actions taken to deal with these sustainability matters; and
 - (cc) indicators relevant to these sustainability matters which demonstrate how the listed issuer has performed in managing these sustainability matters.
- 9.3 The SC is responsible in preparation of the Sustainability Statement to be recommended to the Board for approval and release to shareholders of the Company.
- 9.4 The SC shall constantly be updated on any changes of requirement of reporting and gear towards the GRI Sustainability Reporting standards.

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 CIRCULAR RESOLUTIONS / EXTRACTS OF MINUTES OF MEETING

- 11.1 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.
- 11.2 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.

12 REVIEW AND REVISION OF THE TERMS OF REFERENCE

- 12.1 Any revision or amendment to this Terms of Reference as proposed by SC shall be presented to the Board for its approval.
- 12.2 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.