



SKP RESOURCES BERHAD

Terms of Reference of The Sustainability Committee

Document Title:	Terms of Reference of The Sustainability Committee		
Ref No:	SKPRES/CO-G01		
Originator:	Corporate Office	Applicable To:	SKP Resources Berhad and its subsidiaries
Revision No:	New	Effective Date:	1 December 2023

1. Objective

A Sustainability Committee ("SC" or "Committee") is established as a committee of SKP Resources Berhad ("SKP" or "the Group") to assist the Board of Directors ("the Board") in overseeing the Group's overall sustainability agenda, including the sustainability framework, strategy, targets, policies and commitments as well as the integrity of sustainability reporting and disclosures on the material ESG topics.

The Terms of Reference ("TOR") outlines the roles and responsibilities of the SC in the management of material sustainability matters addressing ESG-related topics relevant to the Group.

2. Composition of members

The Board of Directors (the "Board") shall appoint the Sustainability Committee Members from amongst themselves, supported by the Sustainability Management Team ("SMT") and Sustainability Working Team ("SWT"). The SMT is chaired by the Sustainability Committee Chairman and is comprised of department heads of the Group.

3. Roles and Responsibilities of the Sustainability Committee

The duties and responsibilities of the Sustainability Committee are as follows:

Board of Directors:

- To oversee the implementation of the Group's sustainability policy, strategies, performance, and initiatives.
- To approve proposed material sustainability matters and endorse the materiality matrix proposed by the SMT.
- To approve sustainability disclosures and the annual Sustainability Statement proposed by the SMT.
- To oversee the integration of ESG-related risks and opportunities within the Group's strategy and risk management, including climate-related risks and opportunities.

Sustainability Management Team (“SMT”):

- To review and ensure that the Sustainability Report is prepared with reference to Bursa Malaysia Securities Berhad Main Market Listing Requirements prior to presentation to the Board for approval.
- To develop, recommend and advise the Board regarding sustainability strategies, policies and targets that are in line with the Group’s overall business strategy for approval.
- To strategically assess and manage the Group’s material sustainability matters, ESG- and climate-related risks and opportunities such as corporate governance and transparency, climate resilience and energy efficiency, occupational health and safety and other pertinent risks and opportunities.
- To oversee and monitor the implementation of sustainability initiatives and ongoing progress of sustainability strategies approved by the Board.
- To develop communication strategies and mechanisms to engage stakeholders on sustainability and periodically conduct materiality assessments to assess and identify stakeholders’ priorities.
- To endorse material matters and the materiality matrix prepared by the SWT.

Sustainability Working Team (“SWT”):

- To assist the SMT in coordinating and implementing the Group’s sustainability strategies and initiatives within day-to-day operations and reporting the progress and performance to the SMT.
- To compile and monitor ESG-related data and information for sustainability reporting to be reviewed and approved by the SMT.
- To identify and propose material sustainability matters relevant to the Group’s operations to the SMT based on stakeholders’ expectations.
- To engage with stakeholders regularly to understand and respond to their concerns and expectations.
- To oversee and monitor sustainability trends, climate-related issues and key sustainability risks and opportunities.

Chairman

In the absence of the Chairman, the meeting shall be chaired by any member of the SC who will act as a committee chair and who is deemed best suited to assist, attend and advise in addressing and resolving issues raised.

4. Meetings

The SC shall meet at least one time a year and at such other times as the Chairman of the Committee deems necessary. If a member is unable to be physically present, the member of the SC may participate in the meeting via telephone, video conferencing or by other modes of communication in which event such member shall be deemed to be present at the meeting.

All SC members and any persons required to attend will receive the notice and agenda of meeting at least 5 working days before each meeting.

5. Minutes

Minutes of each meeting shall be subjected to the Chairman's approval before distribution to the members of the SC.

6. Quorum

The quorum for the SC meetings shall consist of at least 50% of the Committee members being present including the Secretariat and Chairman.

7. Reporting

As a reporting procedure, the Committee shall report to the Board its conclusions and recommendations thereon after each SC meeting.

Any pertinent issues that are deemed to be of major importance should be referred to the Board for its consideration at the discretion of the Chairman and members of the SC.

The Committee shall be responsible for ensuring that the Company produces its Sustainability Report pursuant to the Listing Requirements, the Sustainability Reporting Guide and the Sustainability Toolkit issued by Bursa Malaysia Berhad.

8. Authority

The SC in performing its duties shall have the resources that are required to perform its duties and investigate any activity and perform its duties within its terms of reference. The SC may appoint additional independent professionals as advisers and service providers as appropriate, to participate in committee meetings to assist the SC in carrying out its responsibilities.

9. Review of Terms of Reference

The Committee's Terms of Reference shall be reviewed at least once every two years or as and when required. Any revision or amendment to this Terms of Reference, as proposed by the Committee or any third party, shall first be presented to the Board for its approval.

The SC shall perform at least annually a review and evaluation of its performance to ensure the continued effective execution of its roles and responsibilities as set forth in this Terms of Reference.