



(Company No. 217120- W)

(Incorporated in Malaysia under the Companies Act, 2016)

TERMS OF REFERENCE FOR SUSTAINABILITY MANAGEMENT COMMITTEE

1.0 OBJECTIVES

The primary objective of the Sustainability Management Committee of the Board of Directors of Evergreen Fibreboard Berhad (“EFB”) is to assist the board in fulfilling its corporate governance oversight responsibilities on managing the Group’s Sustainability Plans focusing on the Economic, Environment and Social and Governance (“EESG”) to address the material sustainability matters of the group in a strategic manner.

2.0 COMPOSITION

2.1 Sustainability matters was firstly place under the purview of the Risk Management Committee by the board on August 2019 and on the 31st May 2023 Sustainability Management Committee (“SMC” or “the Committee”) was separated from Risk Management committee to stand by its own.

2.2 The election of the Committee’s Chairman and its Members is at the discretion of the Board Chairman. Member(s) of this Committee is not permitted to relinquish their membership in the Committee unless approved or directed by the Board Chairman.

3.0 QUORUM FOR MEETINGS

The quorum for meeting shall be at least half of the committee members being present for a meeting. The Chairman / Committee Members reserves the right to request the presence of any Executive Directors or Senior Management to attend a meeting if the need so arises in order for the Committee Members to perform their duties; and meetings shall be coordinated by the Company Secretary at the request of the Committee Chairman.

4.0 FREQUENCY OF MEETINGS

Meetings shall be held at least twice yearly. However, the Chairman may at any time at the requisition of the Committee Members or when the need arises, summon for a meeting of the Sustainability Management Committee.

5.0 AGENDA OF MEETINGS

Agenda for each Meeting will be set by Chairman together with the Company Secretary.

6.0 NOTICE OF MEETINGS

Notice of each meeting confirming the venue, time and date, together with an agenda of items and it’s supporting papers to be discussed, shall be forwarded to each member of the committee, no later than six (6) working days prior to meeting date.

7.0 MINUTES OF MEETINGS

7.1 The Company Secretary shall be secretary (the “Secretary”) of the Committee meetings and shall take minutes of all proceedings and resolutions, including the names of all attendees.

7.2 Draft minutes of each meeting shall be circulated within thirty (30) working days after conclusion of each meeting to all members for their comments. Once amended minutes is confirmed by all members, minutes will be recirculated to all and included in the meeting file in readiness to be approved by the Chairman.

7.3 The minutes of proceedings for all meeting shall be kept by the Company Secretary and shall be open to inspection to any stakeholders if required.

8.0 ROLE & RESPONSIBILITY OF THE COMMITTEE MEMBERS

Committee shall oversee the sustainability management framework, initiatives and ensure that the company/group's strategies promote sustainability in relation to economic, environment, social and governance matters by: -

8.1 making recommendation on business strategies on matters of sustainability;

8.2 monitoring the implementation of sustainability strategies as approved by the Board;

8.3 recommending sustainability-related policies for adoption and monitoring the implementation of the policies;

8.4 recommending to the Board for its approval sustainability matters identified as material;

8.5 overseeing the overall management of stakeholder engagement, including ensuring grievance mechanisms are in place;

8.6 by overseeing the preparation of sustainability disclosures as required by laws for recommendation to the Board for approval.

9.0 CHAIRMAN'S RESPONSIBILITIES

The Chairman shall: -

9.1 ensure that meetings are carried out in a timely and orderly manner and minutes of meetings are documented / distributed to all concern for timely action to be taken;

9.2. review, implement and ensure material sustainability matter are being identified and initiatives are put in place by the Management / Sustainability Management Working Committee ("SMWC") Members within the Group; and

9.3. Report to the Board on the outcome of meetings carried out / recommendations and should there be instance(s) or possible material sustainability matters in the group which needs the Board's immediate attention.

10.0 DUTIES AND RESPONSIBILITIES OF EACH COMMITTEE MEMBER

The principal duties and responsibilities of each Member are as follows: -

10.1 Participate an effective role and make recommendations for an effective meeting with regard to Sustainability matters;

10.2 Utilize the available resources and systems in place to effectively contribute to the objective of the committee; and

10.3 Attend Meetings on a timely manner to deliberate on related matters and to suggest on action or steps to be implemented to remedy any weakness in its sustainability plans for further improvement.

11.0 AUTHORITY OF COMMITTEE MEMBERS

All Members are empowered and granted the authority: -

11.1 to have all the necessary resources required to perform their duties;

11.2 to have access to any information pertaining to sustainability management working committee's activities of the Company / Group;

11.3 to form sub-committee or Working Group on Sustainability Management in order to discharge their responsibilities within the Company/Group as and when needed; and

11.4 to engage third party audit/consultant at the expense of the Company if the need arises to satisfy their doubts on matters pertaining to sustainability management in the group by merely informing the Chairman of the Committee & the Board of his/her intention or purpose.

12.0 ON SUSTAINABILITY MANAGEMENT ACTIVITIES

The Committee shall ensure compliance by the group in accordance with Paragraph 29, Part A of Appendix 9C of Bursa Malaysia Securities Berhad, as well as Practice Note 9 of the Listing Requirement ensure that the Sustainability Statement contains information that is balanced, comparable and meaningful based on the Sustainability Reporting Guide where: -

12.1 Sustainability Statement must include disclosures on the governance structure in place to manage the economic, environmental, social and governance matters of the group;

12.2 Sustainability Statement shall include the disclosures on the scope of the Sustainability Statement and basis for the scope; and

12.3 Sustainability Statement shall contain material sustainability matters pertaining to: -

- a) how they are identified;
- b) why they are important to the listed issuer; and
- c) how they are managed including details such as policies, measures or actions taken to deal with these sustainability matters; and
- d) indicators relevant to these sustainability matters which demonstrate how the listed issuer has performed in managing these sustainability matters.

Policy adopted in July 2017	- Effective: August 2017
Reviewed in September 2019	- Effective: October 2019
Reviewed in October 2022	- Effective: November 2022
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