



IOI GROUP

IOI CORPORATION BERHAD
Company No. 196901000607 (9027-W)

Terms of Reference **Board Sustainability Committee**

1. Introduction

These Terms of Reference defines the purpose, authority and responsibility of Board Sustainability Committee (“BSC” or the “Committee”) of IOI Corporation Berhad (“IOI Corp” or the “Company”).

2. Objective

The objective of the Committee is to oversee, on behalf of the Board of Directors of IOI Corp (the “Board”), the management strategies and processes designed to manage sustainability-related risks and opportunities, including climate change to ensure that the initiatives undertaken by the IOI Corp and its subsidiaries (collectively, “IOI Group”) pertaining to sustainability are aligned with and promote IOI Group’s Sustainable Palm Oil Policy and commitment towards sustainability.

The Committee shall have oversight of sustainable development responsibilities of IOI Group and support the Board in setting high-level direction and strategic focus on sustainable business models within IOI Group.

3. Scope

The Committee, through the Group Sustainability Steering Committee, shall have oversight of sustainable development responsibilities in the following areas:-

- Environment protection including No Deforestation, No New Planting on Peat, No Social Exploitation (NDPE) and protection of biodiversity and ecosystem services.
- Climate change especially in the management of its greenhouse gas (GHG) emission from all its businesses and operations.
- Human rights including safeguarding the wellbeing of our workforce.
- Safety and health.
- Free, prior and informed consent (FPIC) rights of the local communities.
- Welfare and socio-economic advancement of the wider communities.
- Circularity including the efficient utilisation of resources.
- Long term sustainability of business operations from the above perspectives.

4. Relationship with the Audit and Risk Management Committee (“ARMC”)

The Committee assists the ARMC by focusing on the sustainability-related risk management activities of IOI Group while the ARMC will continue to oversee all the other risk management activities of IOI Group.

5. Membership

The members of the Committee shall be appointed by the Board from amongst the Directors and shall consist of no fewer than three (3) members.



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6. Chairman and Secretary

The Chairman of the Committee shall be elected by its members and shall be independent.

The Company Secretary shall be the Secretary of the Committee. The Secretary of the Committee shall attend all Committee meetings and minute the proceedings thereof including providing an attendance record of individual members present at all meetings.

7. Meetings

The Committee shall meet not less than two (2) times a year. The Committee may also meet on such other occasions as deemed necessary by the Chairman.

The quorum shall be two (2) members, including at least one (1) Independent Director. If the Chairman of the Committee is not present within fifteen (15) minutes from the appointed time of the meeting, the members present may elect one (1) of their members, who must be independent, to chair the meeting.

The Committee shall have full discretion to invite any Director or management personnel to attend its meetings.

Meetings of the Committee may be conducted by means of telephone conference, video conference or any other form of audio or audio-visual instantaneous communication and the participation in the meeting pursuant to this provision shall constitute presence in person at such meeting.

The minutes of all Committee meetings shall be signed by the BSC Chairman or Chairman of the meeting and shall be conclusive evidence of any meeting conducted as aforesaid.

8. Duties and Responsibilities

The duties and responsibilities of the BSC shall include, but are not limited to, the following:-

- (a) Policies and standards
 - Review and recommend to the Board for adoption policies and standards relevant to the Committee's scope.
- (b) Management processes and resources
 - Assess the adequacy of IOI Corp's Sustainability Framework.
 - Oversee management processes designed to ensure compliance with the policies that fall within the Committee's scope.
 - Review the allocation of resources to ensure adherence and achievement of the policies and standards within the Committee's scope.
- (c) Risk management
 - Review the findings of the semi-annual risk management reports from IOI Corp's operating divisions which pertain to the Committee's scope.
 - Review significant commercial decisions by the Company which are likely to impact the implementation of the Company's Sustainable Palm Oil Policy.
- (d) Grievance Mechanism
 - Ensure the governance of IOI Group's Grievance Mechanism and monitor the important matters handled under the Grievance Mechanism.

(e) Sustainability Report

- Review and ensure the consistency and connectivity of sustainability-related disclosures in the Annual Sustainability Report and other public disclosures prior to its submission to the Board for approval.

9. Reporting Procedures

The Committee will report to the Board on sustainability assurance activities, including compliance, risk management and any major initiatives, as well as financial impacts of material climate-related affecting IOI Group.

The Committee will review and approve a summary presentation prepared by each business division each year describing the sustainability work during the year and an annual plan for the upcoming year's activities, for inclusion in IOI Corp's Annual Sustainability Report.

10. Authority and Powers

The Committee has the delegated authority of the Board in respect of the functions and powers in these Terms of Reference. The Committee may establish committees such as the Group Sustainability Steering Committee or working groups such as the Task Force for Climate-Related Financial Disclosures which may comprise members from outside IOI Group to assist the Committee in carrying out its duties and responsibilities effectively.

In carrying out its duties and responsibilities, the BSC shall have the following powers and authority, in accordance with the procedures to be determined by the Board and at the cost of the Company, have the resources which are required to perform its duties:-

- Have full, free and unrestricted access to IOI Group's information, records and resources as it may reasonably require, including access to any employee or management personnel.
- Seek the advice of IOI Group's external auditors, solicitors or such other independent advisers, consultants or specialists as to any matter pertaining to the powers or responsibilities of the Committee, where the Chairman considers such advice necessary or appropriate.

11. Remuneration

Having regard to the functions performed by members of the Committee in addition to their functions as Directors in relation to the activities of the Committee and pursuant to the specific power conferred upon the Board by the Constitution of the Company, members of the Committee may be paid such special remuneration in respect of their appointment as shall be fixed by the Board.

Such special remuneration shall be in addition to the annual fees payable to Directors.

12. Review

The adequacy of these Terms of Reference shall be reviewed on a periodic basis or as and when necessary. Any proposed changes to the Terms of Reference shall be approved by the Board.

These Terms of Reference are approved by the Board of Directors and adopted by the Board Sustainability Committee on 22 June 2023.