



**WASCO BERHAD**  
[Registration No. 199901020946 (495846-A)]

**BOARD SUSTAINABILITY COMMITTEE**

**TERMS OF REFERENCE**

**1. Composition**

The Board Sustainability Committee (“BSC”) shall be chaired by an Independent Director and its members shall comprise exclusively of Non-Executive Directors, a majority of whom are independent.

The Chairman of the Board does not serve on the BSC to ensure check and balance as well as objective review by the Board. The Chairman of the Board shall not participate by way of invitation in the BSC meetings.

The BSC comprises of three (3) sub-committees, namely:-

- (i) Sustainability Steering Committee;
- (ii) Integrity Committee; and
- (iii) Risk Management Committee

**2. Quorum of Meetings**

The contemporaneous linking together by electronic telecommunication media or audio-visual communication or wireless application protocol (WAP) of a minimum of two (2) BSC members shall be deemed to constitute a meeting of the members wherever in the world they are on the day and time at which (using Malaysia time) the conference is held, as long as:

- (a) The quorum of members is met;
- (b) At the commencement of the meeting, each member acknowledges the presence thereof to all the other members taking part and such participation shall be deemed to be presence in person;
- (c) Each of the members taking part is able to be heard and hear each of the subject as hereinafter mentioned throughout the meeting;
- (d) None of the members present at the commencement of the meeting leaves the meeting by disconnecting the electronic communication media, but the meeting shall be deemed to have been conducted validly notwithstanding that the electronic communication media or wireless application protocol (WAP) used by any one or more of the members is accidentally disconnected during the meeting and provided that a quorum of members continues to be present and acts throughout during the period of disconnection. If at any time, a quorum of members is no longer present, the Chairman of the meeting shall declare that the meeting is adjourned but only after having given ample time for the relevant member(s) to re-join the meeting; and
- (e) All information and documents are made equally available to all participants prior to or during the meeting.

Any other person(s) may be invited by the BSC and/or the BSC Chairman from time to time to attend the BSC meeting.

**3. BSC Members**

The BSC members are as per Appendix 1 attached.

**4. Majority Decision**

All decisions of the BSC shall be decided on the votes of simple majority of the members present physically or virtually.

Any decision or recommendation made by the BSC shall be subject to the review and ultimate approval of the Company's Board of Directors.

**5. Casting Vote**

In the event of an equality of vote, the Chairman of the meeting shall have a casting vote.

**6. Frequency of Meetings**

The BSC shall meet at least twice (2) a year or at such other frequency as the Chairman may determine.

**7. Notice of Meetings**

Minimum seven (7) days or such shorter notice as the BSC may deem fit depending on the nature and prevailing circumstances at hand.

**8. Secretary**

The Group Company Secretary shall be the Secretary for the BSC. In the event the Group Company Secretary is unable to attend, an assistant or deputy Secretary(s) may be appointed for that specific meeting.

**9. Minutes of Meetings**

The Secretary (which expression shall include the assistant or deputy Secretary appointed under item 8) shall table the minutes of each BSC Meeting and shall circulate the same for each Member's record. The Chairman's confirmation of the Minutes shall be taken as a correct record of the proceedings thereat.

The Chairman shall report on the outcome or decision of each meeting to the Board.

**10. Resolution in Writing**

A resolution in writing, signed or assented to by a majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting of the committee duly convened.

Any such resolution may consist of several documents, in similar form and each document shall be signed or assented to by one or more members including via electronic mail or any of electronic approval or electronic signature via software, electronic devices or other means of communication apparatus or devices.

A copy of any such resolutions shall be forwarded or otherwise delivered to the Company Secretary and shall be recorded by the Company Secretary in the minutes book.

**11. Roles and Functions of the BSC**

The BSC assists the Board of Directors to fulfil its corporate governance and oversight responsibilities in relation to the relevant Acts, Laws, Requirements, Codes, Regulations and Policies governing the Company.

The BSC oversees the development and implementation of the Group's sustainability-related framework, anti-bribery and corruption compliance, risk management framework and its related policies.

The BSC investigates any matters within its terms of reference and as authorised by the Board, including seeking any information from any parties and to obtain outside legal or other independent professional advice at the Company's expense if the BSC considers necessary.

The BSC reports and updates the Board on matters and findings of the BSC and makes the necessary recommendations to the Board within its terms of reference or as authorised by the Board.

**12. Responsibilities and Duties**

The BSC undertakes oversight of the following:-

**12.1 Corporate Governance, Compliance, Regulatory, Tax and all relevant compliance matters of the Company**

- (a) Evaluate and monitor the Company's compliance with the relevant Acts, Laws, Requirements, Codes, Regulations and Policies governing the Company;
- (b) Review the assessment of the alignment to the relevant regulatory standards in the Company's systems, controls and conduct of business;
- (c) Receive and consider reports of non-compliance by the Company from the external service providers i.e. the auditors, legal advisors, agents, consultants and external parties with any relevant Acts, Laws, Requirements, Codes, Regulations and Policies governing the Company;
- (d) Ensure the Company's tax matters are managed in line with the relevant tax legislations and the Company's overall approach to governance and transparency while ensuring stakeholders interest are protected;
- (e) Review new legal, regulatory, tax and compliance requirements and standards;
- (f) Ensure the Board is informed of upcoming changes in corporate governance, regulations or compliance requirements and the needful plans are put in place to ensure that the Company is ready for the needful changes;
- (g) Provide oversight of the Company's relationships with its regulators; and
- (h) Assess and ensure that the Board and the Board Committees have adequate time, updated information and resources to fulfil their fiduciary duties towards the Company.

12.2 Anti-bribery and Corruption Compliance

- (a) oversight of development and implementation of the Group's Principles of Business Conduct, Anti-Bribery and Corruption Policy ("**ABC Policy**"), Anti-Bribery Management System ("**ABMS**"), Whistle Blowing Policy in relation to anti-bribery and corruption, whistle blowing and non-financial risks;
- (b) advise the Board and the Management on the anti-bribery and corruption, legislative and regulatory landscape to ensure compliance;
- (c) introduce any regulation which would enable the smooth administration and effective discharge of the Integrity Committee's duties and responsibilities;
- (d) review the adequacy of compliance programme of the Group and the implementation of the relevant anti-bribery and corruption control measures, including but not limited to, due diligence process, compliance checks and monitoring, as well as the authorities' raid procedures, to ensure ongoing awareness programme, communication, training and education on compliance disseminated to all employees, consultants, associates, suppliers and stakeholders of the Group;
- (e) review the ABMS from time to time to ensure that the Group is in compliance with the Malaysian Anti-Corruption Commission Act 2009, the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other legislative and reporting requirement;
- (f) identify the bribery and corruption risks which the Group might reasonably anticipate and furnish the bribery risk assessment and the report to the Board of any findings of the BSC;
- (g) inquire into any allegation of bribery or act of corruption and ensure appropriate actions are taken;
- (h) supervise, monitor and manage the complaints received pertaining to bribery, corruption, abuse of power, malpractice and violation of business conduct within the Group.
- (i) monitor and review the development and implementation of the anti-bribery and corruption, legislative and regulatory landscape by the Integrity Committee. The BSC to ensure that they are appropriate, effective, adequately enforced and conformance to the requirements of ISO37001:2016 standard; and
- (j) perform any other activities relating to anti-bribery and corruption, as authorised by the Board.

12.3 Risk Management and Internal Control

- (a) oversee, review and monitor the duties and responsibilities of the Risk Management Committee ("**RMC**");
- (b) assess the scope and effectiveness of the systems and processes established by the RMC;
- (c) identify, assess, manage and monitor areas of material business risks of the Group, financial and non-financial risks;

- (d) develop and ensure the systems and processes in identifying, assessing, treating, monitoring and reporting the business risks are continuously improved;
- (e) oversee the conduct, and review the results of the Group's risk assessment including the identification and reporting of critical risks;
- (f) conduct annual review and periodic testing of the Company's internal control and risk management framework.
- (g) advise the Board on the Group's current risk exposures and futures risk strategy based on its overall risk appetite;
- (h) recommend the risk policy including the setting of risk management authorities, limits and escalation procedures to the Board;
- (i) provide guidance and strategic direction to the business units on the adequacy and effectiveness of internal control systems for identification and mitigation of material business risks;
- (j) establish procedures in conjunction with the respective business units to ensure identification of and compliance with relevant laws, licensing and regulatory requirement;
- (k) liaise where necessary with the Legal and Internal Audit functions of the Group; and
- (l) undertake any other risk management tasks as may be delegated by the Board to the Committee.

#### 12.4 Sustainability

- (a) oversee, review and monitor the duties and responsibilities of the Sustainability Steering Committee ("SSC");
- (b) oversee the formulation of the Group's overall sustainability framework and strategies, including principles and policies which are aligned with related regulations and standards;
- (c) monitor the implementation of the Group's overall sustainability framework, principles, policies, initiatives, activities, strategies, and plan undertaken or implemented;
- (d) review and recommend to the Board the development and implementation of the Company's sustainability-related strategies, goals, initiatives, business plans and major action plans;
- (e) oversee the Group's responsibilities, on-going commitments and initiatives on its sustainability which encompasses the Economics, Environmental, Social and Governance ("EESG") to be in line with the Group's vision, mission and values;
- (f) review the relevant compliance with the regulatory and public commitments on sustainability matters and monitor the effectiveness of the risk management framework related to sustainability and EESG matters including risk appetites and risk policies;

- (g) review and consider other sustainability and EESG related matters referred by the Board.
- (h) ensure the EESG risks identified are incorporated into the risk register and the oversight of each significant risk is the responsibility of the Board;
- (i) consider and determine the Group's position on relevant emerging sustainability issues, and consider and recommend proposals, targets and commitments in connection thereto;
- (j) oversee and assess the Group's contribution to, impact on and role in environmental, climate change and society in countries where it operates;
- (k) facilitate the necessary sustainability reporting and disclosures as required by the relevant regulatory and government authorities including the Annual Report of the Company.
- (l) perform any other duties relating to the sustainability as may be required or authorised by the Board.

**13. Authority**

In executing and discharging its duties, the Committee has unlimited access to the Senior Management of the Group for assistance, information and advice as well as the following: -

- to seek any information, as may be required from any employees within the Group and external parties.
- To invite any employees or external parties to attend the Committee meeting as and when required.
- To obtain, at the Company's expense, outside legal or otherwise professional advice on any matters within its terms of reference where the Committee deems necessary or as and when required.

**14. Review of the Terms of Reference**

The BSC shall review the Terms of Reference from time to time to ensure its relevance and to consider any amendment/ improvement(s) thereto as and when the BSC deems necessary. Any variation/ amendment(s) to the Terms of Reference shall be recommended to the Board for endorsement and adoption.

(Adopted on 24 August 2023)

## **APPENDIX I**

### **BSC Members**

The BSC members shall comprise of the following persons:-

	<u>Designation</u>	<u>Directorship</u>
Lily Rozita Binti Mohamad Khairi	Chairman	Independent Non-Executive Director
Tan Sri Professor Lin See Yan	Member	Non-Independent Non-Executive Director
Datin Wan Daneena Liza Binti Wan Abdul Rahman	Member	Independent Non-Executive Director