

**TERMS OF REFERENCE  
BOARD SUSTAINABILITY COMMITTEE**

**AXIATA GROUP BERHAD  
(242188-H)**

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**TERMS OF REFERENCE OF BOARD SUSTAINABILITY COMMITTEE**

**1.0 OBJECTIVE OF THE BOARD SUSTAINABILITY COMMITTEE (“BSC”)**

1.1 The objective of the BSC is to oversee, consider, deliberate and resolve matters relating to Sustainability Practices and Annual Report preparation as follows :-

**A) Sustainability Practices**

To oversee Axiata Group Berhad (“**Axiata**” or “**the Group**”)’s sustainability or interchangeably, Environmental, Social and Governance (“**ESG**”) (which includes climate-related risks and opportunities) related framework, strategy, external commitments, policies and practices as well as performances against such matters including any external ESG ratings or assessments.

**B) Annual Report**

To oversee the preparation of the Annual Report (“**AR**”) and ensure on behalf of the Board of Directors of Axiata (“**Board**”) that the quality of reporting, level of disclosure, design and structure of the AR reflects Axiata’s vision and strategy in engaging with its stakeholders.

**2.0 COMPOSITION OF THE BSC**

2.1 The BSC shall comprise of no fewer than three (3) members.

2.2 The BSC members shall be appointed by the Board.

2.3 The Board shall also appoint amongst the members of the BSC, the Chairman of the BSC. In the absence of the Chairman, the remaining members present shall elect one of themselves to chair the BSC meeting.

**3.0 SECRETARY OF THE BSC**

3.1 The Secretary of the BSC shall be such person as determined by the BSC.

3.2 The Secretary shall:

- a) Plan and arrange meetings of the BSC either on a scheduled basis or as required;
- b) Ensure that the BSC receives information and papers in a timely manner to enable full and proper consideration to be given to the issues;
- c) Prepare the minutes of the BSC meetings and record the conclusions of the BSC in discharging its duties and responsibilities;

- d) Circulate the minutes of the BSC meetings promptly to all members of the BSC and ensure timely report of BSC meetings is made available to the Board; and
- e) Ensure that the minutes of the BSC meetings are properly kept and produced for inspection if required.

#### **4.0 MEETING GUIDELINES OF THE BSC**

##### **4.1 Quorum**

- 4.4.1 In order to form a quorum, a minimum of two (2) members must be present.
- 4.4.2 All decisions of the BSC shall be by way of consensus. Where only two (2) members are competent to vote on the question in issue, and there is equality in vote, the resolution shall be deemed not to have been passed, whereupon the question in issue shall be tabled at the next BSC meeting or referred to the Board, whichever is more expedient. Further, should there be any questions or unresolved issues, the matter shall be referred to the Board.

##### **4.2 Meetings**

- 4.2.1 The BSC shall meet at least twice a year or as and when required with a meeting to precede each update of matters made to the Board. Additional meetings shall be held as and when the BSC or the Chairman of the BSC shall decide. The BSC meetings shall be governed by the provisions of Axiata's Constitution relating to Board meetings unless otherwise provided for in this Terms of Reference. The BSC may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.
- 4.2.2 A member of BSC may participate in a meeting of BSC by means of a telephone conference or video conference or any other means of audio-visual or electronic communications and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- 4.2.3 The notice and agenda for each BSC meeting shall be sent to all members of the BSC and any other persons who may be required to attend.
- 4.2.4 The Chairman of the BSC shall report to the Board on its proceedings on all matters within its duties and responsibilities that should be brought to the Board's attention and provide recommendations of the BSC that require the Board's approval at the Board meeting.
- 4.2.5 The BSC shall have the authority to regulate its proceedings, including the right to request other individuals across Axiata and external parties to attend all or part of any BSC meetings as and when appropriate and necessary.

##### **4.3 BSC Circular Resolution**

Decision of the BSC made by Circular Resolution shall be valid provided it is approved by all Members.

## 5.0 ROLE OF THE BSC

5.1 The role of the BSC is to do as follows:

### A) Sustainability Practices

- i) Approve Axiata's ESG framework and strategy including related targets, external commitments and KPIs to measure the Group's performance and the internal and external recognition of its ESG performance.
- ii) Provide oversight and monitor the execution of Axiata's ESG framework and strategy, and the Group's progress on its long-term sustainability and climate goals and targets, including progress in relation to sustainability material matters and achieving the net-zero commitment no later than 2050.
- iii) Provide guidance and oversight, and if required recommend to the Board, proposals by the Management on key policies, programmes and any partners required to implement the ESG framework and strategy.
- iv) Provide advice and direction to the Group's Management on :-
  - **Organisational/strategic alignment:** Bringing to life Axiata's aspiration of Advancing Asia and supporting the Group's and Operating Companies' corporate strategy through the ESG framework and strategy as well as management of material matters;
  - **ESG overall:** Implementation of the ESG framework and strategy, the opportunities and risks to the Group's operations and reputation; and
  - **Climate change:** Implementation of the net-zero carbon roadmap to achieve commitment of net-zero no later than 2050, and deliver intermediate targets, consistent science-based approach.
- v) Receive updates at least twice a year or as and when required, on ESG matters including the progress of implementation and performance of the ESG framework and strategy.
- vi) Review external sustainability and climate-related reporting and disclosure, sustainability statement in the Annual Report and the annual Sustainability and National Contribution Report.
- vii) That the foregoing complies with the relevant provisions of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") as well as the applicable code of corporate governance in force at the material times.

**B) Annual Report Preparation**

- i) Review and approve the design, concept and structure of the AR and other related reports.
- ii) Review and approve the overall content of the AR and ensure compliance with the MMLR of Bursa Securities , as well as the applicable code of corporate governance in force at the material times.
- iii) Review and recommend for the Board's approval the related Statements in the AR as required by the MMLR, some of which may require prior review by the Board Audit Committee or other Board Committee of Axiata.
- iv) Review and recommend for the Board's approval additional disclosures to be made in the AR taking into account the Company and Group's position at any particular time and set the best disclosure framework to reflect the performance and image of the Company which is vital to the shareholders and stakeholders who are the ultimate recipients of the AR.

5.2 Consider other matters as prescribed to the BSC by the Board.

5.3 In carrying out its responsibilities, the BSC's policies and procedures remain flexible to changes in circumstances and conditions that are in compliance with legal and regulatory requirements.

**6.0 POWERS AND AUTHORITY OF THE BSC**

6.1 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 Axiata:-

- a) Have the resources which are required to perform its duties;
- b) Have full, free and unrestricted access to any information, records, properties and personnel of Axiata and of any other companies within the Axiata Group;
- c) To appoint external counsels or other advisers and approve the terms and conditions of the appointment and obtain independent professional or other advice and services and to invite outsiders with relevant experience to attend BSC meetings (if required) and to brief the BSC thereof if the BSC considers this as necessary; and
- d) Access to the advice and services of the Secretary and other functions within Axiata.

## 7.0 REVIEW & EVALUATION PROCEDURES OF THE BSC

The BSC shall at least annually perform a review and an evaluation of its performance to ensure that it is meeting its responsibilities as set forth in this Terms of Reference. The review shall specially include consideration of the following:

- a) Frequency and timeliness of the BSC meetings.
- b) Adequacy and quality of information and materials provided to the BSC.
- c) Effectiveness of the BSC in carrying out the duties as set out in this Terms of Reference.
- d) Contribution of individual BSC member.
- e) Appropriateness and adequacy of this Terms of Reference. The BSC shall recommend to the Board such changes to this Terms of Reference in such manner as the BSC deems appropriate.

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