



TEXCHEM

TEXCHEM RESOURCES BHD
[Reg. No.: 197301002868 (16318-K)]

SUSTAINABILITY COMMITTEE

TERMS OF REFERENCE

1. Objective

The Sustainability Committee (“SC”) is set up to assist the Board of Directors (“Board”) of Texchem Resources Bhd (“Texchem” or “Company”) in fulfilling its responsibilities in overseeing the Sustainability or Environmental, Social and Governance (“ESG”) related framework, strategy, priorities, targets, policies and practices of Texchem Resources Bhd Group of Companies (“the Group”) so as to ensure that the initiatives undertaken by the Group pertaining to sustainability are aligned with, promote and encourage Group’s commitment towards sustainability.

2. Composition

- a) The Chairman of the SC shall be an independent director.
- b) The Secretary of the SC shall be the Sustainability Officer.

3. Meetings

The SC shall meet as and when necessary. The quorum for any meetings shall be two (2) members subject to any laws, guidelines or rules that may be imposed by Bursa Malaysia Securities Berhad (“Bursa”) and/or any other relevant authority(ies).

4. Duties and Responsibilities

The SC shall:

- a) report to the Board on the nature and extent of the functions performed by it and may make such recommendations to the Board on the Group’s ESG policies and matters as it may think fit.
- b) be responsible for ensuring that the Company discloses the Sustainability Statement for the financial year in its Annual Report, in accordance with the Listing Requirements and the Sustainability Reporting Guide issued by Bursa.
- c) review and recommend to the Board for approval on the Group’s ESG framework and strategy including related policies, targets, priorities and key performance indicators to measure the Group’s performance taking into account the environment in which the Group operates and the requirement of stakeholders.

- d) ensure that the Group's strategic plan supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability, human rights as well as climate-related risks and opportunities.
- e) provide oversight and monitor the execution and effectiveness of the Group's ESG framework and strategic sustainability goals to better understand and manage the Group's sustainability risks and opportunities.
- f) consider and recommend to the Board positioning on relevant emerging sustainability and climate-related issues, risks and opportunities.
- g) ensure that the Group's overall sustainability framework, strategies, priorities and targets as well as performance against these targets are effectively communicated to both internal and external stakeholders through appropriate means, such as engagements and disclosures.
- h) to carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.
- i) the Chairman shall attend the Annual General Meetings to answer any questions relating to the SC's activities.

5. Review of the Terms of Reference

The Terms of Reference shall be reviewed every 2 years and updated as and when necessary. The SC shall recommend any change to its Terms of Reference as the SC deems appropriate to the Board for approval.

This Terms of Reference was reviewed and adopted by the Board on 24 April 2025.