

SUSTAINABILITY GOVERNANCE STRUCTURE TERMS OF REFERENCE

1. ESTABLISHMENT AND OBJECTIVE

The Board of Directors (“**Board**”) of AGX Group Berhad (“**AGB**” or “**the Company**”) is committed to integrating sustainability across its operations and value chain, with a focus on Economic, Environmental, Social and Governance (“**EESG**”) matters. In fulfilling this commitment, the Company has established a Sustainability Working Group (“**SWG**”) to support the Board and the Group Chief Executive Officer (“**CEO**”), who serves as the Chairman of the SWG, in developing, implementing, and monitoring the Company’s sustainability strategies, initiatives, and performance.

The SWG is responsible for overseeing the effective management and execution of sustainability initiatives at the operational level, ensuring alignment with the Company’s corporate objectives, risk management framework, stakeholder expectations, and applicable regulatory requirements. The SWG, whose members are appointed with the approval of the Board, is accountable to the Board of AGB.

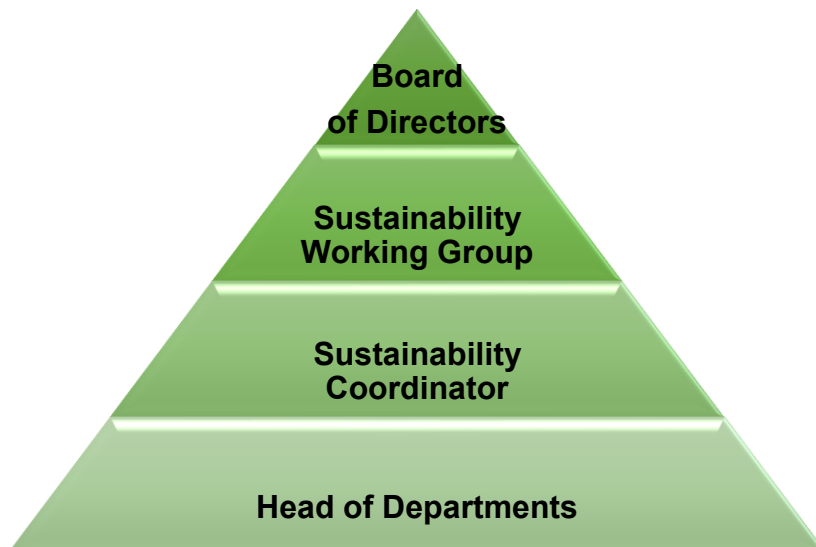
The Board retains overall responsibility for providing strategic oversight of the Company’s sustainability strategies, policies, and targets, as well as ensuring the credibility of sustainability reporting and disclosures.

This Sustainability Governance Structure Terms of Reference outlines the roles and responsibilities of the SWG and other relevant parties in managing material sustainability matters, including EESG-related topics pertinent to the Company.

2. SUSTAINABILITY GOVERNANCE STRUCTURE

The Board has overall strategic oversight of the sustainability governance structure and is supported by the Sustainability Coordinator and the SWG, which reports to and supports the Audit and Risk Management Committee in the discharge of its responsibilities.

AGX Group Berhad Sustainability Governance Structure



3. ROLES AND RESPONSIBILITIES

3.1. Key roles and responsibilities of the Board

i. **Strategic Oversight**

- Provides strategic oversight over the Company's sustainability agenda, practices, strategies, performance and material sustainability matters.

ii. **EESG & Climate Integration Approval**

- Approve the integration of EESG-related risks and opportunities, including climate-related considerations, into the Company's overall strategy and risk management framework.

iii. **Policy and Disclosure Approval**

- Review and approve sustainability policies, strategies, and material sustainability matters, including the annual Sustainability Statement as recommended by the SWG.

3.2 Key roles and responsibilities of the SWG

i. **Strategy Development & Policy Oversight**

- Develop, review, and recommend the Group's sustainability strategy, policies, initiatives, and targets to the Board and Group CEO, ensuring alignment with long-term value creation.

ii. **Implementation & Performance Monitoring**

- Oversee and assess the execution of sustainability initiatives, ensuring integration into business operations and tracking overall performance against approved objectives.

iii. **Risk & Opportunity Management (EESG & Climate)**

- Identify, assess, and manage sustainability, EESG, and climate-related risks and opportunities, including recommending appropriate mitigation actions.

iv. **Governance, Compliance & Advisory**

- Advise the Board and Group CEO on sustainability trends, developments, and emerging issues, while ensuring compliance with relevant regulations, guidelines, and frameworks (e.g., IFSB SR 1, Bursa Malaysia Sustainability Guidelines, SC NSRF).

v. **Stakeholder Engagement & Organisational Alignment**

- Drive internal engagement across senior management and workforce to embed sustainability culture, ensuring effective coordination across EESG pillars.

vi. Resources & Reporting

- Ensure adequate allocation of resources (human, financial, and systems) and review sustainability disclosures for annual reports, integrated reports, and other public communications for Board approval.

3.3 Key roles and responsibilities of the Sustainability Coordinator

i. EESG Data Management

- Compile and maintain annual data for all EESG metrics, ensuring accuracy and completeness for inclusion in the Annual Report.

ii. Implementation Support

- Support the SWG and Heads of Departments in the implementation of sustainability initiatives across the Group.

iii. Performance Monitoring & Compliance Support

- Monitor EESG performance and assist in ensuring compliance with sustainability policies and relevant regulatory requirements.

iv. Cross-Functional Coordination

- Coordinate sustainability activities across departments, business divisions, and countries to ensure effective and consistent execution of programmes.

v. External Liaison

- Serve as the key point of contact between the Company and external parties, including advisors and regulators, in relation to sustainability reporting and matters.

3.4 Key roles and responsibilities of the Head of Departments

i. Implementation & Monitoring

- Implement and monitor sustainability initiatives within day-to-day operations.

ii. Materiality Identification

- Identify and propose material sustainability matters relevant to the Company to the SWG.

iii. Data Tracking & Reporting

- Track and report EESG-related data to the SWG on a regular basis.

4. COMPOSITION, APPOINTMENT, CHAIRMAN AND SECRETARY

- i. The composition and appointment of SWG members shall be approved by the Board. The SWG may consist of up to five (5) members, taking into consideration their experience, expertise, and background in sustainability-related areas, including environmental and social matters, governance, risk management, compliance, stakeholder engagement, and relevant industry knowledge. The appointment process shall be formal and transparent.
- ii. The Chairman of the SWG shall be the Group CEO. The Chairman shall preside over meetings and ensure their effectiveness, serve as the primary liaison between the SWG and the Board, collaborate with members to set meeting agendas, represent the SWG in engagements with senior management and external stakeholders, and report to the Board on the SWG's activities, findings, and recommendations, including matters requiring the Board's approval.
- iii. In the absence of the Chairman, any member of the SWG who is deemed suitable may be appointed to chair the meeting.
- iv. The SWG may invite individuals with relevant expertise, including senior management, external advisors, or other stakeholders, to attend meetings as non-voting participants where necessary.
- v. The SWG shall periodically review its composition and structure to ensure it possesses the appropriate skills, diversity, and experience to effectively discharge its responsibilities.
- vi. The Secretary of the SWG shall be the Company Secretary or any other person recommended by the SWG and approved by the Board. The Secretary shall attend all meetings, record the proceedings, and ensure that minutes are properly documented and circulated.
- vii. Minutes of meetings shall be distributed to SWG members and shall be approved by the Chairman of the meeting at which the proceedings were held or by the Chairman of the subsequent meeting.

5. MEETINGS

- i. The SWG shall meet at least twice a year and convene additional meetings as and when required.
- ii. The quorum of the SWG meetings shall consist of at least two of SC members including the Chairman.
- iii. Any member of the SWG may participate in a meeting via telephone and video conferencing or by other modes of communication, in which event such member shall be deemed to be present at the meeting.
- iv. All SWG members and any persons required to attend will receive the notice and agenda of the meeting at least 7 days before each meeting.
- v. The meeting minutes shall be distributed to the members of the SWG following the Chairman's approval.

6. EVALUATION AND REPORTING





- i. The SWG shall conduct an annual self-assessment of its performance and report the results to the Board, together with any recommendations for improvement.
- ii. The SWG shall report its activities, findings, conclusions, and recommendations to the Group CEO and the Board after each meeting, or as required.
- iii. Any pertinent issues deemed to be of significant importance shall be escalated to the Group CEO and/or the Board for consideration at the discretion of the Chairman and members of the SWG.

REVIEW OF TERMS OF REFERENCE

The Sustainability Governance Structure Terms of Reference shall be reviewed periodically. Any revision or amendment to this Terms of Reference, as proposed by the SWG or any third party, shall first be presented to the Board for approval.

This TOR was approved and adopted by the Board on 17 April 2026.

APPENDIX

KEY PILLARS	 ECONOMIC	 ENVIRONMENTAL	 SOCIAL	 GOVERNANCE
Material ESG Matters	<ul style="list-style-type: none"> • Rate of local supplier 	<ul style="list-style-type: none"> • Resource Utilisation (including Energy Consumption, Water Management, Diesel and Biodiesel Fuel Consumption) • Carbon Emission 	<ul style="list-style-type: none"> • Health and Safety • Employment Diversity and Equal Opportunity • Community Contribution • Labour Practices and Standards 	<ul style="list-style-type: none"> • Ethics and Integrity • Managing Regulatory Compliance and Changes
Principles and Strategies	<p>Driving sustainable economic growth with focus on performance and resilience:</p> <ul style="list-style-type: none"> • Strengthening business resilience through strategic planning and operational efficiency; and • Supporting local economies by promoting inclusive growth and engaging local suppliers. 	<p>Committed to minimising environmental impact arising from the Group's operations.</p> <ul style="list-style-type: none"> • Integrate environmental considerations into our decision-making processes and actions; • Comply with relevant statutory and regulatory requirements in environmental-related matters; and • Prevent and mitigate environmental impacts through management of natural resources and implement initiatives to reduce wastage. 	<p>Manage the social impacts on society, employees and external stakeholders:</p> <ul style="list-style-type: none"> • Promote a safe working environment; • Compliance with Malaysian labour laws; • Employees receive equal access to training and development programmes as well as opportunities for career growth; • Maintain an inclusive and equal hiring opportunities in the workplace; and • Help those in the local community. 	<p>Dedicated to embedding sound governance practices that strengthen oversight, ethics, and compliance across the Group.</p> <ul style="list-style-type: none"> • Integrate governance, ethics, and compliance considerations into our decision-making processes and actions; • Comply with relevant statutory and regulatory requirements, codes of conduct, and industry best practices; and • Mitigate risks through effective risk management, internal controls and adopt leading corporate governance policies.