

## **BOARD OF DIRECTORS SUSTAINABILITY COMMITTEE TERMS OF REFERENCE**

### **1. Purpose and Scope**

Smart Solar Technologies R&D Production Inc. (Smart) supports the country's high value-added production with technologies and products offered in the field of green energy. Smart aims to lead the renewable energy sector nationally and internationally by offering innovative solutions to its corporate and individual stakeholders. In this context, the Sustainability Committee (the "Committee") was established on April 7, 2022, under the Board of Directors to define Smart's vision and strategy in environmental, social, and corporate governance (ESG) areas and to implement, monitor, audit, review, and improve policies, targets, and practices in sustainability. Additionally, as of August 2022, the "Sustainability Management System Project" was initiated to define roles and responsibilities related to sustainability within the organization and to structure sustainability efforts as a management system to ensure continuous improvement among employees and stakeholders.

### **2. Committee Structure**

The Committee is established and authorized by the approval of the Board of Directors. Initially, the Committee consists of three members of the Board, with an independent Board member with sustainability experience serving as Chair. Smart is working with an internationally experienced organization to establish a sustainability management system. Following the project, the Committee will be expanded to include participants from relevant departments. One of the Committee members serves as the Committee secretary.

In addition to these permanent members, representatives, managers, or employees from other departments may be invited as "temporary members" based on the topics on the agenda. Representatives of the company's audit and consulting firms or external stakeholders may also be invited to meetings as "advisory members" when necessary to provide information and opinions.

### **3. Working Principles of the Committee**

The Sustainability Committee meets at least four times a year and whenever necessary. The Chair convenes the meetings and determines the agenda. Meetings are held with the participation of at least the simple majority of Committee members. Decisions regarding the company's sustainability goals are made by an absolute majority of votes. In the event of a tie, the proposal is re-discussed at the next Committee meeting. If the tie persists in the second meeting, the proposal is considered rejected. The Committee can also make decisions unanimously without holding a meeting. The Committee secretary records the decisions made during the meetings and maintains the minutes. The Chair reports the decisions to the Board of Directors, and decisions requiring approval are submitted to the Board for ratification.

### **4. Duties and Responsibilities of the Committee**

The production and use of solar energy are critical to contributing to the Sustainable Development Goals (SDGs), fulfilling the obligations under the Paris Agreement, and achieving the 2050 Net Zero Emissions target. Smart aims to support the country's low-carbon energy transition by producing energy with high technology while also developing permanent and long-term strategies to address environmental and social challenges. In this context, the duties and responsibilities of the Smart Sustainability Committee are as follows:

- Preparing the sustainability roadmap and coordinating the Sustainability Management System Project.

- Conducting studies to integrate sustainability into business practices and developing projects accordingly.
- Identifying priority areas for sustainability and setting short-, medium-, and long-term targets and policies.
- Following national and international developments in sustainability closely.
- Identifying risks in environmental, social, and corporate governance areas and proactively managing them in cooperation with other relevant departments.
- Monitoring the progress of the sustainability roadmap and practices, setting performance indicators, and tracking their achievement.
- Implementing projects to reduce carbon emissions in business processes in the fight against climate change.
- Regularly reviewing, improving, and developing sustainability targets, policies, practices, and management systems and submitting them to the Board for approval for public disclosure in the annual reports.
- Informing all employees about the company's sustainability strategy and targets and ensuring their adoption.
- Engaging all stakeholders in the company's sustainability strategy, policies, and practices.
- Submitting proposals to the Board for capital investment projects to enhance sustainability performance.
- Making decisions on national and international memberships and collaborations that support the company's sustainability strategy and targets, obtaining ratings from international rating agencies, and coordinating other reporting activities.
- Establishing and coordinating Working Groups under the Committee to support the management of sustainability activities.
- Ensuring compliance with the Sustainability Principles Compliance Framework announced by the Capital Markets Board (CMB) and preparing reports required by the Capital Markets Legislation for public disclosure, submitting them to the Board for approval.

##### **5. Effective Date**

This regulation on the Sustainability Committee's Terms of Reference and any amendments thereto shall enter into force upon the approval of the Board of Directors.