



HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED

SUSTAINABLE ORGANIZATIONAL DEVELOPMENT POLICY

Approved by the resolution of the Board of Directors at Meeting No. 2/2024 held on 27 March 2024.

With effect from 1 April 2024 onwards

and was reviewed by the Board of Directors at Meeting No. 2/2025 held on 24 March 2025.



Supporting Document			
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Revision History

Revision No.	Date	Description of Revision	Reason
Rev.0	12/11/2021	Prepared new documents and information.	To serve as a guideline for implementation.
Rev.1	1/4/2024	Revised to align with the Company's new vision and strategy.	To ensure consistency with the current information.



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Corporate Sustainable Development Policy

With a strong commitment to conducting operations and achieving sustainable business growth across the three dimensions economic, social, and environmental to support the vision, “We are committed to becoming a leader in comprehensive and sustainable engineering services that meet customer needs in enhancing quality of life, society, and the environment,” the Company integrates this commitment into every stage of its business operations under the principles of good corporate governance and ethical conduct, taking into consideration the impacts on stakeholders as well as throughout the value chain. Accordingly, the Company has established its Sustainable Development Policy based on two core business approaches: Business and Sustainability (S), or B+S, to drive sustainable development across four key dimensions—Economic, Environmental, Social, and Governance (ESG) in alignment with its long-term operational objectives.



Sustainable Development in the Economic Dimension

The Company is committed to maintaining its leadership in providing “sustainable solutions” in engineering systems by leveraging its expertise and knowledge in selecting quality products and developing advanced innovations to meet customer needs. The Company aims to enhance the quality and safety of consumers’ lives through high-quality products, modern technology, and sales and services that are prompt, timely, accurate, and cost-effective. In addition, the Company strives to strengthen flexibility and enhance competitiveness, promote fair trade practices, build trust and brand loyalty, and create long-term added value for the Company, while respecting property rights and refraining from infringing upon intellectual property rights.



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Procedures

1. Monitor developments in sustainable engineering technologies related to the improvement of quality of life, society, and the environment, and select high-quality products that are appropriate for the market to offer to customers.
2. Promote the adoption of digital technologies to transform business operations, work processes, and service delivery in order to enhance operational efficiency and improve customer satisfaction.
3. Place importance on the value, knowledge, and ideas of employees and executives by providing opportunities for research, innovation development, and out-of-the-box thinking that respond to the needs of customers, society, and the environment. The Company recognizes that its human resources are its most valuable asset and must be properly supported and well cared for.
4. Emphasize the efficient utilization of human resources by optimizing workforce deployment through the use of digital technologies and automation systems to the greatest extent possible.

Sustainable Development in the Environmental Dimension

Sustainable business operations require responsibility and careful consideration of the environmental impacts arising from business activities. Therefore, the Company has established comprehensive environmental management guidelines to reduce carbon emissions and enhance carbon sequestration, minimize energy and water consumption, and decrease waste generation. The Company is committed to managing the impacts of its operations on society and the environment, as well as the effects on other businesses arising from its procurement and sourcing processes. It also promotes the adoption of technology and innovation to continuously improve the efficiency of environmental, energy, water, and waste management systems throughout its business operations.

Procedures

1. Develop a new holistic economic model based on the integration of three economic dimensions: the Bioeconomy, which focuses on the efficient utilization of biological resources; the Circular Economy, which emphasizes maximizing the reuse and recycling of materials; and the Green Economy, which aims to address pollution and minimize environmental impacts in order to achieve long-term sustainability.



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2. Address climate change by committing to identify and implement business approaches that reduce greenhouse gas emissions and enhance carbon sequestration to prevent their release into the atmosphere. Foster awareness and set an example in the lifestyles of employees and executives so that reducing greenhouse gas emissions becomes part of the organizational culture. Develop greenhouse gas-related initiatives into new and challenging business opportunities for the Company.
3. Commit to achieving Carbon Neutrality by 2040 and Net Zero Greenhouse Gas Emissions by 2050. Where feasible, accelerate progress toward carbon neutrality as quickly as possible without delay, and leverage the knowledge gained to further develop new business opportunities.
4. Promote environmental responsibility by managing environmental quality and biodiversity in compliance with applicable laws and regulations. The Company shall invest in, develop, and continuously improve its environmental management systems, while seeking new measures and approaches to further enhance the effectiveness of environmental quality management and control. The Company shall also explore and implement methods to reduce the consumption of resources and energy, as well as to minimize emissions, waste, and greenhouse gases, in order to prevent, control, and mitigate environmental impacts on communities and society to the greatest extent possible.

Sustainable Development in the Social Dimension

Business operations involve stakeholders throughout every stage of the process, including employees, customers, trading partners and/or creditors, competitors, shareholders, government authorities, communities, and the environment. These stakeholders play a vital role in enabling the Company to operate successfully. Accordingly, the Company fosters close and collaborative relationships among individuals and organizations, encouraging mutual support through the sharing of ideas, joint planning, joint monitoring, collaborative implementation, and shared accountability, in order to achieve common business objectives.

Procedures

1. Cultivate a culture of volunteerism among employees and executives by fostering a spirit of “giving” to stakeholders and society without always expecting something in return. Promote corporate social responsibility by supporting public benefit activities for society and the environment, and encourage employees to actively participate in social initiatives.



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2. Respect human dignity and equality, value diversity, and maintain openness to transparent dialogue and differing opinions. Treat employees fairly and equitably, assign work in accordance with their capabilities, and provide appropriate compensation. Prohibit illegal labor practices, covering not only the Company's employees but also the employees of business partners and/or other stakeholders. Ensure the safety and protection of employees and the Company's assets without infringing upon the rights and safety of others. Safeguard personal rights, maintain the confidentiality of information, and ensure the proper disclosure and use of personal data. Respect rights and treat the Company's employees and business partners equally, with due regard to human rights principles throughout the supply chain.
3. Create a positive working atmosphere and environment to promote the happiness and safety of employees. Elevate safety standards in compliance with applicable legal requirements and set a target of "zero" workplace accidents. Prohibit any operations conducted without appropriate safety control measures and without proper safety equipment. Provide adequate and appropriate safety training relevant to job responsibilities.

Sustainable Development in the Governance Dimension

The Company establishes corporate governance principles and processes governing the relationships among the Board of Directors, management, employees, and shareholders in order to create long-term value for the Company and its shareholders. The Company also takes into account the expectations of all stakeholder groups involved in its business operations, adhering to five key principles of good corporate governance under the framework of REACT, as follows:

1. Responsibility: A sense of duty demonstrated through the dedicated and competent performance of responsibilities to the best of one's ability and with adequate efficiency, in order to achieve the highest benefit for the Company.
2. Equitable Treatment: The principle of equality, whereby all stakeholder groups are treated fairly and equitably, with integrity and a firm commitment to righteousness and fairness.
3. Accountability: The principle of responsibility to perform duties with due care and integrity, while being answerable for one's decisions and actions, as well as for those of others under one's supervision or responsibility.



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4. Creation of Long-Term Value: The principle of value creation, with a clear vision in business operations to enable the Company to generate long-term added value and achieve sustainable growth.
5. Transparency: The principle of transparency, whereby operations are conducted with honesty and integrity, supported by proper documentation and evidence, and are open to verification and audit.

Procedures

1. Promote good corporate governance to enable the Company to create sustainable value for both itself and society. Ensure that all parties adhere to a unified set of practices aligned with the five fundamental principles of good corporate governance: Integrity, Fairness, Transparency, Responsibility, and Accountability.
2. Promote and recognize the importance of conducting business in strict compliance with all applicable laws, regulations, and rules relevant to the Company's operations.
3. Conduct business in compliance with applicable anti-corruption laws and regulations, both domestically and in all countries where the Company operates.
4. Place importance on and encourage engagement with stakeholders by openly and transparently listening to their opinions in a constructive manner, treating all parties equally, and respecting differences.
5. Promote fair competition.
6. Promote respect for property rights and refrain from infringing upon intellectual property rights.
7. Protect personal data and safeguard online privacy through the use of modern technology and robust security systems.



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Information Disclosure

Disclose the Company's Sustainable Development Policy, sustainability performance information, and operational results across all dimensions—economic, social, and environmental—in accordance with the criteria and requirements of relevant authorities, as well as international standards and United Nations frameworks, in a sufficient, transparent, and timely manner. This is to demonstrate the Company's intention and commitment to sustainable development. The Company shall also communicate the Sustainable Development Policy to directors, executives, employees, and stakeholders to ensure their awareness and adherence in the course of their duties.

Promotion of Morality, Ethics, and Social and Environmental Responsibility

Raise awareness and instill a strong sense of responsibility by encouraging directors, executives, and employees to actively participate in social and environmental responsibility initiatives. Ensure comprehensive communication and provide regular training on morality, ethics, integrity, good corporate governance principles in operations and business conduct, and key social and environmental responsibilities that are material to sustainability. These efforts shall be conducted annually to embed such values as part of the Company's organizational culture.

Implementation Guidelines and Monitoring

Directors, executives, and employees at all levels have the duty to support, promote, and perform their responsibilities in alignment with the Company's Sustainable Development Policy until it becomes embedded as part of the organizational culture. Operations shall be conducted with due consideration for a balanced approach across economic, social, environmental, and governance dimensions. The policy shall be reviewed regularly at least once a year.