

Factors That May Impact Future Operations

Factors on Environmental and Social Trends and Impacts

HARN frames and assesses material issues in Environmental, Social and Governance Dimension (ESG) that may impact the organization's performance and stakeholders. The process is informed by analysis of internal and external factors, impact analysis of its business on stakeholders throughout the value chain of all business units and divisions, Stakeholder Survey result, standards, regulations, guidelines, along with global trends, directions and risks. These materiality inputs are then incorporated in strategy formulation and risk assessment. In 2022, climate change remains one of the key materiality issues. Especially when Thailand aims to achieve net-zero greenhouse gas emissions by 2065 as a moral obligation under the United Nations Framework Convention on Climate Change at the 27th Conference of the Parties (COP 27) in the Arab Republic of Egypt, it is well aware that managing climate change is a crucial issue that presents both opportunities and challenges. To formulate strategic direction and risk management whilst seeking new business opportunities according to the direction of Thailand.

HARN has been determined to drive sustainability operations in line with strategic direction SMART ESG in dimension environment, on innovation development Bio Circular Green and, development commitment towards carbon neutrality and sustainable business conduct. Within year 2040, HARN target of emission Carbon Neutrality and within year 2050 target of emission Net Zero.

Financial Support to Subsidiaries

As of March 12, 2020, HARN has signed a loan agreement with Harn Vietnam Co., Ltd. (a subsidiaries in Vietnam, HARN holds 100% of share) in the amount of 200,000 US Dollars, with an interest rate of 6.15% per year, repayment deadline within one year, and later, on March 11, 2021 which was the expiration date of the agreement, HARN extended the said loan agreement with the subsidiaries for another 5 years, with the expiration of the agreement to be on March 11, 2026 and with the interest rate of 5.85% per year. Furthermore, HARN has allowed its subsidiary, Aiyaraharn Company Limited (in which HARN holds a 65% stake), to utilize bank guarantee letters and a credit limit from HARN as collateral for business purposes, up to a maximum limit of Baht 5 million.

Policy and Term of Trade Credit

HARN has credit management criteria in order to achieve appropriate risk management of HARN. Management policy concerning new customers is set starting from the customer selection process, credit analysis, debt collection and constant revision of loan provided to former customers.