

Sustainability Management Policy and Targets

Sustainability Management Policy

HARN and Subsidiaries are determined to operate and grow a sustainable business, covering all three dimensions: economy, society, and environment and support of the corporate vision “We are committed to be a leading provider of sustainable total engineering solutions that meet customer needs to improve quality of life, society, and environment” by integrate it into every process of business activities, under good governance principles and code of conduct, Considering the impacts on stakeholders along the value chain. The Sustainability Management Policy set to drive operations on sustainable development in line with for setting long-term operational goals. Following the policy’s content and performance effectiveness reviews, by the Board of Directors in 2023, it was confirmed that the policy continues to sustainability material topics thoroughly and communicated effectively throughout the organization.



Sustainability Management Targets

To ensure the business operation and good corporate governance, support of the corporate vision and business strategies as well as United Nations Sustainable Development Goals (UN SDGs) while responding to the global trend involving ESG issues, and reflect the aim of management important issues in sustainability in environmental, social and governance dimension, which have become more and more vital to stakeholders and business operations. HARN reviewed its sustainability management strategy implemented and identified a strategic plan and goals regarding ESG operations. Through one of the important goals of becoming carbon neutrality by the year 2040 and emission Net Zero by the year 2050, as detailed below:

Sustainability Issues



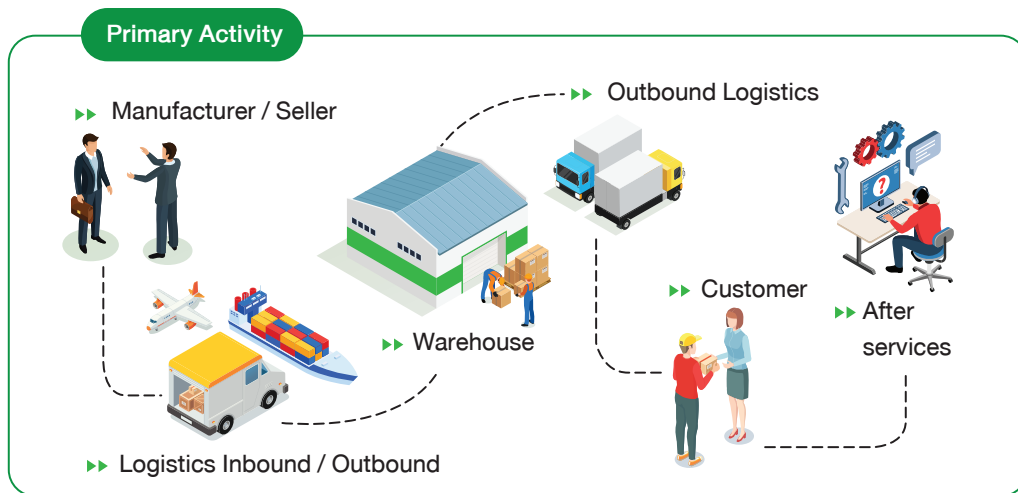
Impact Management to Stakeholders in the Business Value Chain

Business Value Chain

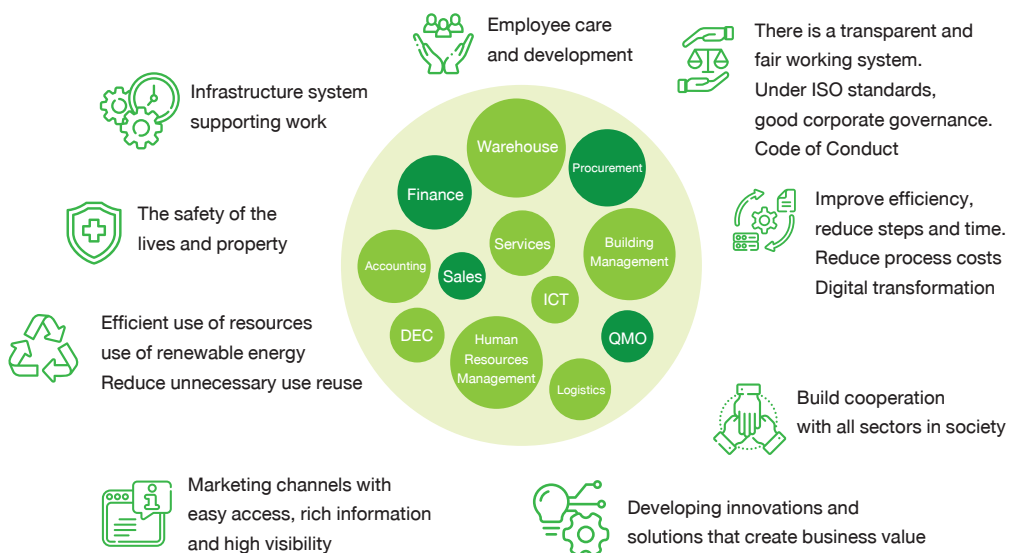
HARN has taken into account the utmost importance of the stakeholder management throughout the business value chain, covering those impacted by HARN’s business operation or have influences on the company from the past, present and into the future. Along with management with enterprise sustainability value chain, encompassing economic, social, environment, and human rights impact. The specifying its stakeholders involving in the business value chain, which starts from purchasing, transporting products into the warehouse, sale, until after-sales to evaluating impacts as shown in the diagram below:

Diagram the Business Value Chain

ALL IN HARN



Support Activity and Administration



Delivering products/ services that exceed customer expectations



Sustainable Growth of Business





Revenue/ Cash flow Statement






Return on Equity

Stakeholder Analysis from the Business Value Chain

To ensure our mission to balance all groups of stakeholders equally. HARN has analyzed the stakeholders in the business value chain. Into 7 main groups is executive and employee, customer, trade partners and/or creditors, competitor, Investor, public sector, community and regulatory, and society and environment, as well as determine the roles and responsibilities of internal organizational communication and information exchange to stakeholders continuously. To use in the analysis of stakeholders impacts, whether of operations, throughout value chain impacts on economic, social, environment and human rights aspect, as well identifying stakeholders', expectations, in order to identify work line's topics that align with organization, following guidelines:

<p>Employee and Executives</p>  <p>Promoting capability building professionally and ensuring that employees' well-being is level with other leading companies in order to strengthen employee engagement.</p>	Channels	<ul style="list-style-type: none"> Conference, LINE Official, company announcement, intranet, email, Digital Signage, direct communication from CEO to employees via Town Hall once a year
	Expectation	<ul style="list-style-type: none"> Treated equally fair, there is an opportunity to grow and progress It is safe and hygienic Have remuneration and welfare suitable
	Response operation	<ul style="list-style-type: none"> Promote participation and two-way communication in organization Promote safety at work There are channels for complaints or suggestions
	Performance	<ul style="list-style-type: none"> Labor problems or complaints equal to 0% Salary and other benefits compare results with the labor market every year <ul style="list-style-type: none"> Central Division In standard Sales Service Group Above average market 2 employee accidents from work compared to 240 employees to 0.80% The number of employees with the criteria metric is 100% Working satisfaction is 81.52%
<p>Customer</p>  <p>Ensuring customers satisfaction and loyalty by delivering world-class quality products and services at fair prices.</p>	Channels	<ul style="list-style-type: none"> Visits, LINE Official, FB, Website, Seminar
	Expectation	<ul style="list-style-type: none"> Deliver goods and services in accordance with the agreement. Employees have knowledge and understanding of products / services. Able to provide accurate helpful advice Obtaining on-time after-sales service Personal information security
	Response operation	<ul style="list-style-type: none"> Educate to customers/partners through the Knowledge Sharing Project and employee training
	Performance	<ul style="list-style-type: none"> Product / service complaints were 0.009% 108 employee sale and service training with average training of 20 hours Customer satisfaction is 93.88% 9 Knowledge Sharing Projects have been organized in Bangkok, its vicinity, and other provinces

<p>Trade partners and/or creditors</p> 	<p>Conducting fair business practice with all trade partners while promoting trust, good relationship, and cooperation to expand business capability and increase efficiency in long-term business partnerships.</p>	Channels	<ul style="list-style-type: none"> • Visits, websites, e-mails, conferences, seller evaluation
		Expectation	<ul style="list-style-type: none"> • Fair, follow the commercial terms • Have been aware of the problem and how to fix it honestly.
		Response operation	<ul style="list-style-type: none"> • Communicate news and a complete, timely trading policy • Visit and exchange information to improve collaboration
		Performance	<ul style="list-style-type: none"> • Vender evaluation twice a year • 13 field/assessment visits • Domestic Vender evaluation for the first half of the year and the second half of 2023 is 94.97% and 96.13% respectively. • Foreign Vender evaluation for the first half of the year and the second half of 2023 is 98.03% and 96.85% respectively.
<p>Competitor</p> 	<p>Complied with the rules of fair competition and treated business competitors fairly under the Competition Law Framework. Refrained from dishonesty or improperly seeking confidential information on business competitors.</p>	Channels	<ul style="list-style-type: none"> • Facebook, Website: www.harn.co.th
		Expectation	<ul style="list-style-type: none"> • Competition freely on the legal framework
		Response operation	<ul style="list-style-type: none"> • Not any seeking competitors' confidential information through dishonest
		Performance	<ul style="list-style-type: none"> • 1 complaint of infringement of competitor's property
<p>Investor</p> 	<p>Operating profitable businesses that lead to sustainable growth while generating optimal returns.</p>	Channels	<ul style="list-style-type: none"> • Shareholder meeting • Opportunity Day performance conference • Investor Relations Website • Company visit
		Expectation	<ul style="list-style-type: none"> • Sustainable business growth • Continuously receive returns • Business operations are transparent
		Response operation	<ul style="list-style-type: none"> • Increase growth channels and expand business to new potential markets • Have good corporate governance
		Performance	<ul style="list-style-type: none"> • Developing full range of solutions and services • Pay a dividend not less than 40% • CG Score "Excellent" level

<p>Government sector and regulatory agencies</p> 	<p>Support public sector policy, ensuring business to support economic growth of countries.</p>	<p>Channels</p>	<ul style="list-style-type: none"> • Website www.harn.co.th • Visiting the staff according to the notification • Monthly report submission
		<p>Expectation</p>	<ul style="list-style-type: none"> • Comply with all applicable laws, rules, regulations and regulations • Operate business responsibly and with transparency
		<p>Response operation</p>	<ul style="list-style-type: none"> • Review relevant laws, rules and regulations • Repeat operation test regular
		<p>Performance</p>	<ul style="list-style-type: none"> • There is no penalty for neglecting to comply with the law. • Become an affiliate Thailand Private Sector Collective Action Coalition Anti-Corruption (CAC) • No corruption, unethical, or unethical behavior. • CG Score “Excellent” level
<p>Community, Society and Environment</p> 	<p>Maintaining an excellent corporate standing in Thai society by exercising environmental stewardship of internationally standards and improving the quality of life for communities and societies.</p>	<p>Channels</p>	<ul style="list-style-type: none"> • Website: www.harn.co.th
		<p>Expectation</p>	<ul style="list-style-type: none"> • Conduct business to reduce the impact on the communities and the environment
		<p>Response operation</p>	<ul style="list-style-type: none"> • Promote natural resources protection activities/ campaigns and use resources wisely
		<p>Performance</p>	<ul style="list-style-type: none"> • Use renewable energy with solar panels, accounting for 25% of the total electricity used in 2023.