

Sustainability Management Policy and Targets

Sustainability Management Policy

With a strong commitment to operate and drive sustainable growth for the business, covering all 4 dimensions: economy, environment, society, and governance, to support its vision: “We strive to be the leader in providing comprehensive and sustainable engineering services that meet customer needs in developing the quality of life, society, and the environment.” This is integrated into every step of business operations, under the principles of corporate governance and code of conduct, while considering the impact on stakeholders as well as the value chain. Therefore, HARN has set its policy for sustainable organizational development based on two key business strategies: Business (B) and Sustainability (S) or B+S. This drives HARN’s sustainability efforts in each dimension, in alignment with long-term operational goals, and emphasizes readiness to address potential future crises. It also focuses on developing employees’ skill sets and integrating technology to improve work processes, enhancing the organization’s competitiveness for sustainable growth.

Following a review of the policy content and its operational effectiveness by the Board of Directors in 2024, improvements have been made in areas related to sustainable business operations, reflecting HARN’s sustainability efforts in each dimension. These are disclosed on the website www.ham.co.th and communicated with executives and employees across the organization.

Economic

- Monitor the development of sustainable engineering technologies related to improving the quality of life, society, and the environment, and select high-quality products suitable for the market to offer as services.
- Promote the use of digital technology to transform business operations, workflows, and services in order to improve work efficiency and enhance customer satisfaction.
- Place importance on the values, wisdom, and ideas of employees and executives, providing opportunities for research and the development of new innovations and out-of-the-box ideas that meet the needs of customers, society, and the environment. Human resources are considered the most valuable asset of the organization and must be well taken care.
- Emphasize the efficient use of human resources, optimizing workforce deployment through digital technology and automation systems as much as possible.

Environment

- Develop a new holistic economic model, adhering to the principles of a 3-dimensional economy, which includes a



bioeconomy system that focuses on the efficient use of biological resources, a circular economy system that considers the maximum reuse of materials, and a green economy system aimed at addressing pollution to reduce the environmental impact sustainably.

- Address climate change by striving to find business solutions that reduce greenhouse gas emissions and even capture these gases to prevent their release into the atmosphere. Create awareness and set an example of a lifestyle among employees and executives, to become a culture that minimizes greenhouse gas emissions. Develop greenhouse gas-related businesses as new, challenging ventures for the organization.
- Commit to carbon neutrality by 2040 and achieving net-zero greenhouse gas emissions by 2050. If possible, accelerate the process of achieving neutrality as quickly as possible, without delay, and use the knowledge gained to create new businesses.
- Promote environmentally responsible operations by managing environmental quality and biodiversity according to relevant laws and regulations. Invest in, develop, and improve environmental management systems, while seeking new measures and methods to enhance management efficiency and better control environmental quality. Innovate and explore ways to reduce the use of resources and energy, as well as minimize the release of pollutants, waste, and greenhouse gases, to prevent, control, and reduce environmental, community, and social impacts as much as possible.

Social

- Cultivate a volunteer culture to employees and executives by fostering a culture of “giving” to stakeholders and society without the expectation of receiving anything in return. Promote social and community responsibility by supporting public welfare activities for society and the environment, and encourage HARN employees to participate in social activities.
- Respect the value and equality of individuals, honor differences, listen to opinions transparently, treat workers equally and fairly, assign tasks according to their abilities, and provide appropriate compensation. Prohibit the use of illegal labor, including employees and workers of partners and/or stakeholders. Safeguard and protect the safety of employees and HARN’s property without infringing on the rights and safety of others, including the protection of personal rights, confidentiality of information, data disclosure, and use of personal data. Treat employees of HARN and partners equally, considering human rights principles across the entire supply chain.
- Create a positive work atmosphere and environment to ensure employee happiness and safety, and raise safety standards according to legal requirements. Set a work accident goal of “zero” and prohibit any operations without proper safety controls and safety equipment. Ensure appropriate and sufficient safety training related to the work.

Corporate Governance

- Promote good corporate governance to ensure that HARN can create added value for both itself and society in a sustainable way, so that all parties follow the same practices in line with the 5 basic principles of good corporate governance: Integrity, Fairness, Transparency, Responsibility, and Accountability.
- Promote and raise awareness of the importance of conducting business in strict adherence to laws, regulations, and guidelines relevant to business operations.
- Conduct business in compliance with laws relating to anti-corruption, both domestically and internationally, where HARN operates its business.
- Place importance on and engage stakeholders by being open to transparent and constructive feedback, treating everyone equally, and respecting differences.
- Encourage fair competition.
- Promote respect for property rights and avoid intellectual property infringement.
- Protect personal data and safeguard online privacy with modern technology and robust security systems.

Security

- Set a target to achieve zero work-related injuries and illnesses by developing, improving, and elevating occupational health and safety standards in accordance with legal requirements.
- Prohibit any activities that do not comply with safety control measures, including the absence of safety equipment and insufficient or inappropriate safety training, as well as the active involvement in cultivating a safety culture within the community and society on a consistent basis.

Tax Policy

HARN aims to be an organization with sustainable growth, responsible for taxes, and compliant with accounting standards and tax guidelines, following the practices below:

- Tax Structure: Avoid using fraudulent tax structures or those that are incorrect, or creating complexities for initial tax benefits and tax avoidance.
- Tax Incentives: Strive to utilize tax incentives in a legal and effective manner, in line with sustainable and appropriate business decisions, within the framework of the country’s tax policies.
- Tax Transparency: Report tax-related responsibilities to the government transparently, ensuring it is auditable.

Practice and Respect for Human Rights Policy

- HARN is committed to conducting business in accordance with the law and human rights principles, emphasizing respect for the rights, freedoms, and equality of individuals as guaranteed and protected by both Thai law and international law. Management and employees are required to uphold human rights principles, adhere to the rule of law, respect human dignity, rights, and freedoms, and treat all parties equally, following these practices:
- Promote and encourage the adherence to fundamental human rights principles and equality at all levels, regardless of nationality, race, skin color, gender, language, religion, political beliefs, or other beliefs, ethnicity, or social origin, property, birth, or any other status, which forms the basis of social coexistence.
- Support and respect the protection of human rights by regularly monitoring and ensuring that its business does not contribute to human rights violations, such as not supporting forced labor, opposing child labor, or any other actions that demonstrate disrespect for human rights principles or do not meet international human rights standards, rights, freedoms, and equality.
- Management and employees have the duty and responsibility to promote the rights of individuals wherever HARN or its subsidiaries operate, to ensuring that business activities do not involve or refrain from actions that violate human rights.

Information Disclosure

- Disclose the policy for sustainable organizational development, sustainability operations, and performance results in all dimensions, in accordance with the criteria and regulations of relevant agencies, as well as the United Nations' international standards, sufficiently, with transparency, and in a timely manner, to demonstrate the commitment and intention to develop the organization sustainably.
- Disclose the policy for sustainable organizational development to directors, management, employees, and stakeholders so they are informed and adhere to it in their work and business operations of HARN.

Practice and Follow-up Actions

The directors, executives, and employees at all levels have a responsibility to support, promote, and operate in accordance with sustainable organizational development policies, become an organizational culture, while considering balanced interests in economic, social, environmental, and corporate governance.

Sustainability Management Targets

HARN sets sustainable development goals that consider the impact of business operations, reflecting trends in Environment, Social, and Governance (ESG) aspects, both in the short and long term that is appropriate, to achieving carbon neutrality by 2040 and net-zero greenhouse gas emissions by 2050. Working Group on Sustainability is tasked with driving strategies and guiding operations to align with the framework in order to achieve HARN's sustainability goals and support the United Nations' Sustainable Development Goals (SDGs) as follows:

- Reduce electricity consumption by 30% by 2028 through the transition to renewable energy.
- Control fuel energy consumption, reducing by 5% per year by transitioning 60% of company vehicles to electric cars within 3 years and 100% within 5 years.
- Control the use of tap water, reducing by 3% per year through monitoring and managing water usage, and inspecting water-related equipment.
- Reduce the amount of non-hazardous waste, hazardous waste, and air pollution from HARN operations by 5% per year by applying the 3R principle: Reduce, Reuse, Recycle.
- Control the emission of greenhouse gases in Scope 1 and 2 by reducing by 5% per year, and reduce Scope 3 to net zero by 2050 through various projects and reducing the use of resources and energy that contribute to greenhouse gas emissions.

Promote Moral, Ethical, Social, and Environmental Responsibility











Raise awareness and instill good consciousness, support participation in social and environmental responsibility activities for directors, management, and employees by ensuring comprehensive communication and providing training on ethics, integrity, corporate governance principles in operations and business conduct, as well as social and environmental responsibility that significantly contributes to sustainability, making it a regular part of the organization's culture every year.

- Source products that replace current products with environmentally friendly alternatives, aiming for 25% of revenue by 2040.
- Support green projects or environmentally friendly initiatives, including renewable energy, at least once per year.
- Organize environmental activities for the community and society at least once per year.
- Provide environmental training for relevant employees and stakeholders in the value chain at least once per year.
- Manage the environment in compliance with legal requirements and other relevant regulations, ensuring zero violations of environmental laws and regulations.



Key Sustainability Issues of the Long-Term Plan 2028

HARN analyzed sustainability development issues covering various business activities and stakeholder expectations as follows:

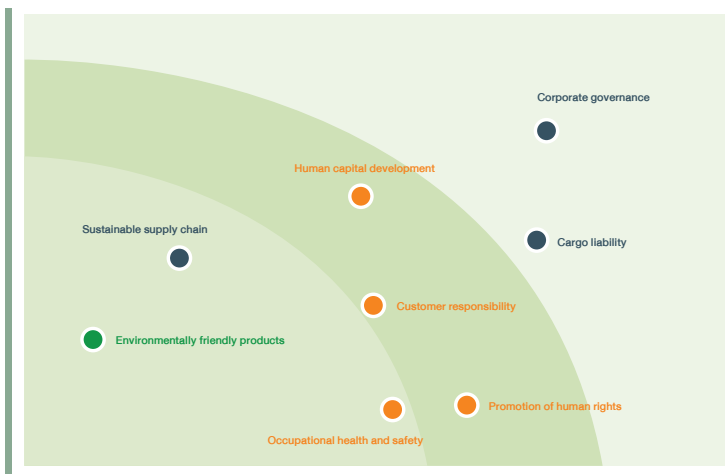
Key sustainable issues		Strategies	Drivers of success	Supporting Sustainable Goals
S (Sustainable)	B (Business)	E Economics	Smart & Lean <ul style="list-style-type: none"> Striving to the sustainable development of engineering systems to enhance the quality of life, society, and the environment. Elevating digital technology to enhance operational efficiency and customer service, fostering impressive customer experiences. Fostering competitiveness through intellectual capacity, preserving valuable personnel, and succession planning. Conserving manpower and resources, establishing efficient partnerships. Improving the efficiency of automated workflows. 	  
	E Environment	Go Green <ul style="list-style-type: none"> Developing an integrated economy, including the Bio Economy, Circular Economy and Green Economy Aiming for Carbon Neutrality by the year 2040 and achieving Net Zero greenhouse gas emissions by the year 2050 	  	
	S Social	Together <ul style="list-style-type: none"> Fostering a spirit of engaging in activities for the common good without seeking personal gain Enhancing relationships and participation with partners. Treating each other equally, showing respect for diversity, and embracing individual differences. 	 	
G Governance	Equability & Sufficiency <ul style="list-style-type: none"> Promoting good corporate governance to create sustainable value for oneself and society. Encouraging moderation, rationality, and resilience under conditions of knowledge and ethics. 	 		

Key Sustainability Assessment Results

Risk impact and key business opportunities

	Risk	Opportunities	
Inside - Out	<p>Environment</p> <ul style="list-style-type: none"> Waste of after-sales service The use of energy resources Greenhouse gas emissions 	<p>Economic</p> <ul style="list-style-type: none"> Using technology in the workflow Product and Service Responsibility (Product and Service Development) <p>Social</p> <ul style="list-style-type: none"> Safety of life and property Human Capital Development Health and Safety <p>Environment</p> <ul style="list-style-type: none"> The use of energy resources Greenhouse gas emissions 	Inside - Out
Outside - in	<p>Industry</p> <ul style="list-style-type: none"> Product price competition <p>Social</p> <ul style="list-style-type: none"> Changes in working methods Contractors and workers (lack of installation knowledge, lack of skilled labor) <p>Technological</p> <ul style="list-style-type: none"> Product and Service Technology <p>Economic</p> <ul style="list-style-type: none"> Product price competition Currency exchange rate <p>Environment</p> <ul style="list-style-type: none"> Interest in environmentally friendly products <p>Political</p> <ul style="list-style-type: none"> Geopolitical Conflict of Laws 	<p>Social</p> <ul style="list-style-type: none"> Contractors and workers (lack of installation knowledge, lack of skilled labor) <p>Environment</p> <ul style="list-style-type: none"> Climate change, pollution Interest in environmentally friendly products <p>Political</p> <ul style="list-style-type: none"> Commercial Tax Law 	Outside - in

HARN prioritizes sustainable development issues as follows:



Economic and Governance

- Sustainable supply chain
- Cargo liability
- Corporate governance

Social

- Human capital development
- Occupational health and safety
- Promotion of human rights
- Customer responsibility

Environment

- Environmentally friendly products

1.4 Summary of Sustainable Development Performance in 2024

Corporate Governance and Business Ethics (Target: 0 Cases)



0 Cases

Number of Complaints on Corporate Governance and Business Ethics Policy Violations.



0 Cases

Number of Corruption Complaints.



0 Cases

Number of Human Rights Violation Complaints.

Customer Aspect.

Target
<90%



94.19%

Customer Satisfaction.

Target
0.5%
of Sales Bills.



0.027%

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Number of Customer Complaints.

Employee Development Aspect.



83.49%

Employee Satisfaction and Organizational Commitment Average Target: Over **85%**



100%

Target: **100%** Implementation of the Talent Retention Plan.



Implementation of Employee Development Plan
Average Employee Training Hours: **25.72** hours per person per year.

Target: **100%** Implementation of the Plan
Employee Training Hours: At least 6 hours per person per year.

Employee Development Aspect.



0 Times.

Severe Illness and Work-Related Accident Statistics: **0**



3 Locations.

Support for Public Benefit Activities through Donations.



Involvement in Wildfire Reduction and Green Area Restoration.

Environmental Aspect.

Target for Greenhouse Gas Emissions:

328,483
tCo₂e



387,328
tCo₂e

Greenhouse Gas Emissions Volume.



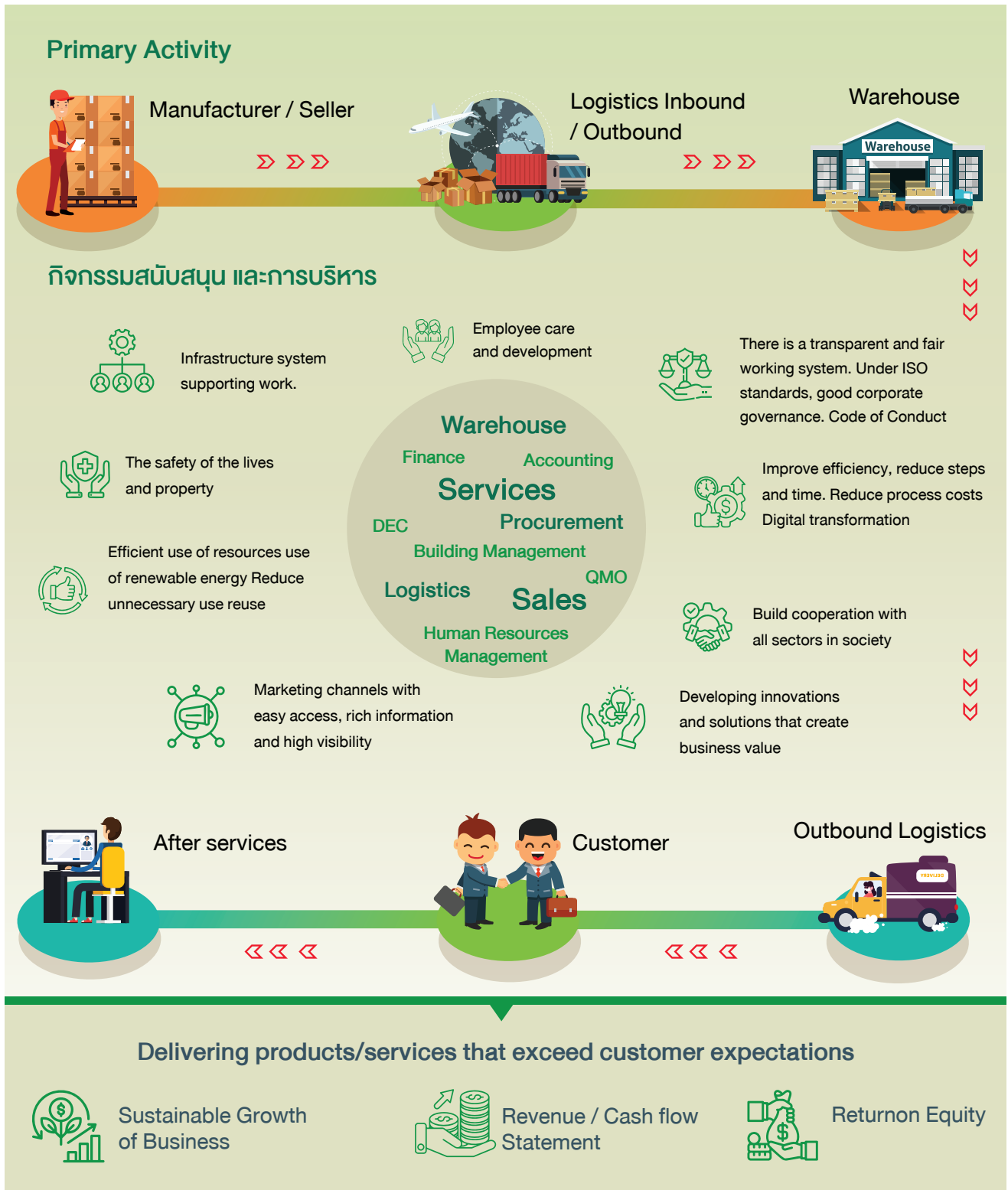
277,682 kWh.

Use of Renewable Energy from Solar Panels.

Impact Management to Stakeholders in the Business Value Chain

Business Value Chain

The directors, executives, and employees at all levels of HARN are responsible for supporting, promoting, and implementing work in alignment with the company's sustainable development policy until it is fully integrated into the corporate culture. Operations are carried out with consideration for a balanced approach to economic, social, environmental, and corporate governance benefits. HARN identified stakeholders by analyzing their involvement along the supply chain, take the principle of universal human rights seriously, ranging from crude procurement, inventory, marketing and sales, distribution and customer service as shown in the diagram below:










Stakeholder Analysis from the Business Value Chain

To ensure our mission to balance all groups of stakeholders equally, HARN analyzes and identifies key stakeholders across the entire value chain in the areas of economic, environmental, social, and corporate governance, with consideration for human rights principles. Emphasizing stakeholder engagement, both internal and external, HARN utilizes various communication channels to gather feedback, suggestions, and expectations from each stakeholder group. This process enables the company to establish appropriate action plans to effectively address these expectations.



Stakeholder participation

Stakeholder	Expect	Company's response to hope	Communication and Participation
Employee and Executives 	<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 	<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 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 No employee accidents from work 248 employees equal 0% The number of employees with the criteria metric is 100% Working satisfaction is 83.49% 	<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
Customer 	<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 	<ul style="list-style-type: none"> Educate to customers/partners through the Knowledge Sharing Project and employee training Product / service complaints were 0.027% 114 employee sale and service training with average training of 20.7 hours Customer satisfaction is 94.10% 8 Knowledge Sharing Projects have been organized in Bangkok, its vicinity, and other provinces 	<ul style="list-style-type: none"> Visits, LINE Official, FB, Website, Seminar

Stakeholder	Expect	Company's response to hope	Communication and Participation
Trade partners and/or creditors 	<ul style="list-style-type: none"> Fair, follow the commercial terms Have been aware of the problem and how to fix it honestly. 	<ul style="list-style-type: none"> Communicate news and a complete, timely trading policy Visit and exchange information to improve collaboration Vender evaluation 2 a year 12 field/assessment visits Domestic supplier evaluation results for 2024: 95.45% in the first half and 95.20% in the second half International supplier evaluation results for 2024: 96.04% in the first half and 97.47% in the second half 	<ul style="list-style-type: none"> Visits, websites, e-mails, conferences, seller evaluation
Competitor 	<ul style="list-style-type: none"> Competition freely on the legal framework 	<ul style="list-style-type: none"> Not any seeking competitors' confidential information through dishonest No complaint of infringement of competitor's property 	<ul style="list-style-type: none"> Facebook, Website: www.harn.co.th
Investor 	<ul style="list-style-type: none"> Sustainable business growth Continuously receive returns Business operations are transparent 	<ul style="list-style-type: none"> Increase growth channels and expand business to new potential markets Have good corporate governance Developing full range of solutions and services Pay a dividend not less than 40% CG Score "Excellent" level ESG Rating Score "A" level 	<ul style="list-style-type: none"> Shareholder meeting Opportunity Day performance conference Investor Relations Website Company visits
Government and regulatory agencies 	<ul style="list-style-type: none"> Comply with all applicable laws, rules, regulations and regulations. Operate business responsibly and with transparency. 	<ul style="list-style-type: none"> Review relevant laws, rules and regulations Repeat operation test regular 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 	<ul style="list-style-type: none"> Website www.harn.co.th Visiting the staff according to the notification Monthly report submission
Community, Social and Environment 	<ul style="list-style-type: none"> Conduct business to reduce the impact on the communities and the environment 	<ul style="list-style-type: none"> Promote natural resources protection activities/campaigns and use resources wisely Use renewable energy with solar panels, accounting for 41.92% of the total electricity used in 2024 	<ul style="list-style-type: none"> Website: www.harn.co.th