

## Roles Toward Stakeholders

HARN accounts for all stakeholders' rights and interests by establishing guidelines for addressing the needs of each group in and outside the corporation, as well as its own responsibility for society and the environment. Stakeholders fall into 7 groups with a different mission targeted for each group in response to their different needs:

### Employee

Ensure that the Administrative allocates resources efficiently and efficiency while considering effects to the resource management and value chain to achieve goals and objectives sustainably. Also, to ensures has plans to develop information technology in organizational level that correlate to the needs of business continually, considering covering all dimensions in terms of increase business opportunities and development plans. Administer risks information technology along with cyber security to achieve objectives and main goals of the business.

In addition, in the year 2022, review the policy and and development plan of information technology in Digital Transformation 2022-2024 both hardware and software. Also, a goal of 100% achievement is set each year for all activities to increase competitiveness by using digital technology in accordance with the business operation strategy and response to cyber threats. The budget planning of Bath 11.55 million has already been approved by the Board of Directors.

The operating performance against cyber threats has been analyzed and resolved on cyber security flaws of the organization, with protection from external attacks through applications, use of the Virtual Private Network (VPN) system, external email authentication, restriction of access to harzadous sites, prevention against virus infection, backup data to avoid data damages in case of an emergency, and drills of emergency situation plans to deal with such events. Meanwhile, important resources are allocated as appropriate for the performance of operations.

#### Hardware Road map – 2022

1. Hardware Good Performance	Supply and modernize the deteriorated computer equipment and notebooks.	99.67%
2. License Software	Purchase and procure licensed software valid for the organization, while suspending illegal personal devices within the organization.	
3. Network and Security Good Performance	Open a VPN license for employees and optimize sufficient internet speed for overall use in the organization, including an effective protection against viruses and cyber threats from outside.	
4. Network Anywhere	Server on Cloud management, Employees use Wifi within the organization to support Digital Transformation	

#### Software Road map – 2022

Digital Tranformation Project	<ul style="list-style-type: none"> <li>• Manage the working processes in a digital form and improve the ERP system, including various programs to stably and accurately operate according to the process, with verifiability.</li> <li>• Develop processes, reduce costs, increase revenue, change the method of operations, upgrade business efficiency, and create a modern corporate image.</li> </ul>	100%
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### Customer

HARN divides its market into domestic and overseas, listens to customer needs and expectations to analyze them through assorted channels, including customer visits, seminars, opinion surveys and customers information via online channels which also provide information on state of other technology, future needs of customers for the design of products and services that match the needs and expectations of current and future customers.

Constantly, HARN developed added a new communication channel via LINE Official to ease contact to facilitate. In addition, seminars and communication were held online as well as communication with customers to provide useful information, knowledge, and forge good relations during the virus spread Covid-19.

HARN developed to foster relations with customers suiting each life-cycle of customers, designed to lead to repurchase and “word of mouth” to others, which form the ultimate goal. There is a customer satisfaction annual assessment system, featuring constant query development to allow survey outcomes to reflect current operations while extending future businesses more clearly. Customers’ satisfaction and dissatisfaction have been regularly compiled and analyzed so that may know trouble indicators and promptly resolve problems, thus preventing losses of customers or competitors’ intervention. Result of the customer satisfaction survey for the year 2022 has an overall average of 92.89 %

## Trade Partners and/or Creditors

HARN places great importance on treating business partners as partners who grow together with equality. On the principle of fair competition Transparency and respect for each other and establish good relationships cooperation with all partners. By established procurement procedures and strictly complies with them, has a selection process that requires business partners to meet certain qualifications. Criteria for assessing business partners’ capability have also been clearly set to ensure equality and transparency.

HARN professionally and disciplinary operates its businesses in accordance with agreements made with creditors. It strictly honors agreed conditions and guarantee terms while making full and interests and honestly submitting accurate financial status report to creditors on time. Should there be any failure to comply with the payment terms and conditions, HARN will inform creditors in advance and hold a discussion to solve the problem to prevent any possible damages.

To encourage trade partners and/or creditors conduct guidelines may be more in line with the sustainable business covering environmental issues, HARN has reviewed its policies and guidelines on promoting enhance the potential of partners and/or creditors subject to risk management processes and requirements according compliance its anti-corruption measures handbook. The factors for the drive are as follows:

(1) Send executives and employees to business training overseas to achieve a goal in “a leader of engineering solutions sustainably”. In 2022, HARN still uses via VDO Conference system in communicate with trade partners and/or creditors both domestic and abroad on the continuation of learning and development under the Circumstance of COVID-19.

(2) Promotes innovation as core value and publish to the public and a part of social responsibility through the Knowledge Sharing Project, with multi-channel communicate.

(3) Appoint Innovation Committees to promote innovative culture in the corporate to lead to new development and innovation for sustainability business consisting of optimizing with Digital Transformation, perspective design thinking and development of products and services, research, process improvement and cooperation with partners.

## Competitors

Business Competitors HARN complied with the rules of fair competition under the international rules of free competition Framework refrained from dishonesty or improperly seeking confidential information on business competitors. Also, refrained from defaming business competitors through slander and not defaming competitors using slander that may lead to reduction or limitation of trade competition, additionally, refrained from involving in any activities that may lead to set the limitation or reduction of business competition.

However, HARN not any advantage by seeking competitors’ confidential information through dishonest or improper means, and do not defaming competitors using slander that lead to reduction or limitation of trade competition, including no disputes with trade competition occurred.

## Investor

HARN remains committed to being an organization that contributes to the economic growth sustainable and improving the quality of life. Moreover, creating innovation and implementing technology in all sectors. Consider account the three aspects are Environmental, Social and Governance to be assure for the investor that HARN will be a company that operating returns business to sustainable growth.

HARN organizes various activities to provide information to shareholders, analysts, media and investors through online channels.

## Public sector

HARN supports the changes of government policies which adhere to economic development in line with social, community, and environmental development to ensure that HARN's business operations comply with laws, rules, regulations, announcements, and government orders that bind to such business operations. HARN tracks such changes of government policies and new legislations for the timely management and compliance with the laws among employees and operators at all levels.

## Community, Society and Environment

HARN define Occupational and Environment Policies and Rule to bolster quality of lives for the community, the society, and the environment. This considered as factors to ethically and transparently drive HARN's businesses. For Corporate Social Responsibility, HARN is determined to reduce risk and negative impact due to its operation. HARN also fosters good relationship. Therefore, implemented its social responsibility under frameworks for society, community and environment, it also focuses to reduce impacts of climate change and conserve the eco-system.

## Disclosure of Information and Transparency

Disclosure of information is a key index of operating transparency, a crucial factor for confidence among investors and stakeholders. HARN values accurate, precise disclosure of assorted information and creates numerous channels of disclosure so that all stakeholders can gain easy access to information. It promotes awareness among directors, executives and employees of the importance of information disclosure and transparent operations, and creates appropriate avenues for complaints while providing fair treatment to whistleblowers and those complained against as follows:

## Financial and Non-financial Reports

(1) Disseminated its information of HARN to shareholders, investors through the channel and media of the Stock Exchange of Thailand and on the website of HARN. Its information is also compiled in the Annual Disclosure Statement / the Annual Report (Form 56-1 One Report)

(2) Disclose information to investors and stakeholders on key matters that affects the price of HARN and decision making of investors and stakeholders, shall be accurate, complete, timely, reliable, transparent.

(3) Disclose financial information will be considered thoroughly with the stated aspects at minimum:

- The result of the assessment is sufficient for internal control.
- Independent Auditor's Report, internal control recommendations and other recommendations (if any).
- Comments of the Audit Committees.
- Relevant to main objectives, goals, strategies and policies of HARN.

(4) Disclose on Corporate Governance Policies and Principles, code of conduct, risk management policy, sustainability management policy, environment-occupational-health and safety policy, report results of implementation in compliance with such policies including also non-compliance cases together with reasons (if any) and climate change action report in the Annual Disclosure Statement / the Annual Report (Form 56-1 One Report) and on its website HARN.

(5) Prepares management discussion and analysis (MD&A) to support its disclosure of its quarterly financial statements when changes of Net Income or Net Profit is higher than 20% in the same quarter of last year so that investors access information on changes to HARN's financial status and operating performance in each quarter.

(6) Discloses in the annual audit fee and other service fees for the auditor. Which has been approved by the annual general meeting of shareholders.

(7) Discloses information on the roles and duties of the Board and Board-Committees, number of meetings and number of meetings attended by each director in the previous year, as well as opinions in relation to performance of duties and directorship training and development for directors, in the Annual Disclosure Statement / the Annual Report (Form 56-1 One Report).

(8) Discloses remuneration policy of directors and top executives of HARN, that reflects their duties and responsibilities, including types or nature of the remuneration, also remuneration for any directorship on the director of subsidiaries (if any) in Annual Report of HARN, in the Annual Disclosure Statement / the Annual Report (Form 56-1 One Report).

(9) Disclosure of the information concern one of the director in particular, that director should be aware of and able to reveal identity to ensure complete and proper compliance.

## The Use of Inside Information

HARN has defined policy and guidelines in according Corporate Governance Policies to ensure director, executives and employees on best practices on the use of inside information and guarding of confidential information, in its good Corporate Governance Policies and Principles. Employees HARN they must guard inside information or confidential information not yet publicly available and must not share with other parties inside information learned during the course of their duties or use it to seek profit in a fraudulent way, or to cause damage to HARN's interests.

In addition, HARN has a policy for the Board and Executives Including employees who are in a position to access to inside information to refrain from insider trading of HARN stocks within 30 days prior to the disclosure of quarterly and yearly financial statements to the public and until the period of 24 hours since disclosure to the public. Other than that, trading it normally, and requiring all directors and the first 4 top-ranking executives, including their spouses and children under the legal age, if trading HARN stock must report such trading to the Company Secretary at least 1 day in advance. And must report any changes in their HARN share ownership to report electronic the SEC under Article 59 of the Securities and Exchange Act B.E. 2535 (1992) and its amendments within three days of the date of trading, disposal, or receipt of such shares. HARN defines a policy of disclosing or reporting the trading, disposal, or receipt of such shares, changes in share ownership of the directors and the first 4 top-ranking executives to the quarterly Board meeting, contained in advance as a regular agenda item.

The company secretary will notify and a campaign against the use of insider information via e-mail to those involved to acknowledge them of the trading prohibition period and forbidding them to disclose such information to external parties or unrelated parties on a regular basis, so as to prevent insider trading. Including providing organizes E-Learning in HARN Academy system about the prevention of the use of inside information and prevention of conflicts of interest to educate directors, executives and all employees, with so test online every year.

## Conflicts of Interest

HARN requires information disclosure to prevent conflicts of interest and illegal, improper activities. Under the Board's spolicy, business decisions made aligning our practices with good governance principles. The Board of Directors has established policies and guidelines for conflicts of interest with under Corporate Governance, and Code of Conduct for the directors, executives and employees follow on the principle that any decision It must be done for the best interest of HARN only and it is the duty of directors, executives and employees at all levels to avoid financial involvement and/or relationships with other third parties. This will result in HARN losing interest or creating a conflict of loyalty or interest or hindering its effective operations. Those Director, Executives and Employee person with interests or related businesses which may require HARN s review and decisions must report their relationships and connection with potential conflicts of interest. Including is to disallow such connected directors and related executives from participating in the decision making and having no authority to approve for and involvement in such transactions.

(1) HARN has required all directors and the first 4 top-ranking executives and to disclose potential conflicts of interest when taking office for the first time. They also have to report any changes on their conflicts of interest regularly within February for every year. These include the disclosure of any suspected items of conflict of HARN's interests or any approvals. In such cases, there should be no principles, conditions, or special issues contrary to normal terms. Thus, this is considered as HARN's internal control process. In the meantime, the Audit Committee is required to oversee and resolve such conflicts of interest. HARN's secretary is to compile to check and manage conflicts of interest.

(2) HARN has required all directors and the first 4 top-ranking executives and to disclose the report of vested interest when taking office for the first time. They also have to report any changes on their conflicts of interest regularly within February for every year. The report can be used as basic information in supervising the interests of everyone, which should be delivered to HARN's secretary for collection, audit, and supervision on conflicts of interest. In 2022, there were no transactions with conflicts of interests among the directors and the first 4 top-ranking executives, as well as related individuals.

In addition, there is the E-Learning in HARN Academy system as learning media to prevent using insider information and avoiding conflicts of interest, while educating all directors, executives, and employees in line with online testing of their knowledge and understanding every year.

(3) Define at every board meeting, the Chairman reminds directors to conform to the policy on conflicts of interest on all agenda items, which requires those with vested interests to declare themselves to the meeting to abstain from voting or giving any views and minute recorder.

(4) The Audit Committee reviews related transactions and those with potential conflicts of interest that could undermine HARN's businesses to ensure conformance to the law and SET's criteria. All of which must be reported to the board for approval.

## Right of Shareholders

HARN has defined guidelines on the rights of shareholders and equitable and fair treatment, the good corporate governance policy has been established and participation support guidelines, communication with shareholders, shareholders' rights and equitable treatment of shareholders for directors, executives, and employees to comply with under Corporate Governance, and Code of Conduct.

## Anti-Corruption

HARN is committed to running its businesses with integrity, transparency, fairness and adherence to the CG code, and resisting all forms of fraud and corruption, direct or indirect. Relevant implementations and development as follow:

(1) In 2017, HARN enlisted in the declaration of intention to join Thailand Private Sector Collective Action Coalition against Corruption (CAC), an endeavor of the Thai Institute of Directors (IOD) and won approval, with effect from November 5, 2018. Before expiration of the three-year membership term, HARN applied for CAC recertification and on September 30, 2021, won approval the renewal of CAC membership for second term.

(2) Since 2018, HARN has begun enforcing Anti-Corruption Policies as part in Anti-Corruption Measures Handbook. The policies, revised in 2021, to be contain essential principles and guidelines embracing resistance to fraud, by defining as part of the way of Corporate Governance and Code of Conduct so that may observe the same standards and management approaches.

(3) HARN's Anti-Corruption Policy forbids HARN's director, executives and employees to carry out or participate in corrupt practices as well as all forms of bribery offer or acceptance direct and indirect. They must seriously observe the Anti-Corruption Policy, which covers various processes, including donation to charities, human resources administration, supply procurement, and internal control.

(4) Communication, training, and task highlights:

- Communicates its Anti-Corruption Policy and guidelines to its subsidiaries, associates, and other HARN-controlled companies, business partners, and stakeholders as well as the public through assorted channels including letters, e-mails, website, HARN intranet, signage and LINE Official so that all stakeholders may acknowledge and conform to guidelines.
- Communicates with its Director, Executives Employees and provides training to ensure their understanding of fraud anti-corruption measures, and disciplinary actions for non compliance. The training includes an orientation session, and HARN Academy E-learning etc.

(5) Oversight and monitoring of performance:

- The Board ensures that HARN commands an efficient system for anti-corruption to ensure that executives recognize and values anti-corruption and cultivates it as a corporate culture.

- The Audit Committee supervises internal control, financial reporting, and other procedures concerning anti-corruption measures, steers conformance to anti-corruption measures, and reviews applicable measures and internal control to ensure that the measures are adequate and effective. The reviews risk assessment and provides recommendations to the Board on suggested practices to mitigate such risks.
- The Audit Committee annually defines and reviews the Anti-Corruption Policy, provides recommendations and guidelines, monitors, and assesses performance, and steers and advocates risk management practices concerning anti-corruption and process-level corruption by assessing fraud and corruption risk and review anti-corruption measures for adequacy and suitability.
- Top Executives establish risk assessment for business processes that may lead to corrupt practices, review the suitability of processes and measures, and personify proper behavior as well as communicating it to all employees and related parties.
- Developed Risk & Control Self-Assessment for all units to apply as guidelines for assessing corruption risks in their respective business processes and for defining suitable internal control processes.
- The Quality Management Division inspect and monitors the use operational on process the Anti-Corruption measures and monthly report on compliance outcomes to the Chief Operating Officer, Chief Financial Officer and the management meeting.
- Internal Audit reviews items of potential the likelihood of corruption, and corporate efficiency for managing risks arising from corporate corruption and those at the operating level. Also reports to the Audit Committee and top executives when encountering items or actions that could undermine performance outcomes, including corruption.

Details of the information on Policy Anti-Corruption are shown in <https://www.harn.co.th/corporate-governance/corporate-governance-policy/>

## **Disciplinary Measures for Non-Compliance with Policies and Guidelines**

### **Measures, scope, and tools for whistleblower protection**

- HARN's human resources administration process echoes its commitment to anti-corruption measures. Although refusal to take part in corruption may deprive HARN of business opportunities, its policy is not to demote, punish, or harm those that do so.
- HARN's employees should not ignore actions in potential conflicts with anti-corruption measures. HARN has established channels for whistleblowing and protection of whistleblowers or those that need advice about conformance to anti-corruption measures.
- HARN has established whistleblowing on corruption, Code of Conduct and non-compliance with laws and corporate regulations to define applicable criteria and guidelines that are suitable and uniform throughout the corporation. Protective measures and fair treatment are in place for whistleblowers or those that provide information, to overcome corruption seriously, strictly, and more efficiently.

### **Punishment**

- HARN has established a suitable and fair process for punishing violators of anti-corruption measures. Any violation of this policy, direct or indirect, calls for disciplinary review under HARN's regulations, consisting of fact-finding, investigation, punishment, and appeal. They could also lead to punishment by law. Employees must therefore master and strictly conform to the Anti-Corruption Policy in every step of their work.