





# Sustainability Management Policy and Targets

## Sustainability Management Policy

HARN Engineering Solutions Public Company Limited (“HARN”), realizes the importance of operating the business according to sustainable development guidelines which cover all economic, social and environmental dimensions under good governance principles and code of conduct to become a leading provider of sustainable solutions for firefighting and safety engineering systems, cooling system, digital printing, and IoT systems in Thailand and neighboring countries. HARN therefore defines its commitment to sustainability as “Quality Living through Sustainable Engineering”, as well as the framework in vision, mission, and values based on risk factors and all stakeholders in HARN’s sustainability cycle. Such commitment and framework can be developed into HARN’s long-term sustainability strategy in four dimensions, namely SMART Business - SMART Technology - SMART People - Smart ESG through the involvement, confidence, and values to all stakeholders and related individuals by establishing HARN’s sustainability management policies and reviewing those policies annually in compliance with changing situations and important issues of the sustainable development organization. In 2022, it was found that the policies covered new issues consistent with the vision, mission, strategic plans, and business goals according to the complete sustainability guidelines, which have already been approved by the Board of Directors.

## Sustainability Management Targets (Economy, Society, Environment, Governance)

Sustainability management is part of HARN’s business strategy which focuses on transparency and sustainable business development to support vision, mission, strategic operations, and sustainability goals, including the environmental, social, and governance (ESG) trend to achieve a balance between the needs and expectations of all stakeholders. HARN has therefore reviewed and established its strategic plans and sustainability development goals to cover the ESG in 2022, towards operations the goals of becoming carbon neutrality by the year 2040 and emission Net Zero by the year 2050 for social and environmental responsibilities as follows:

Quality Living Through Sustainable Engineering			
SMART Business		SMART Technology	
	<p><b>Create good returns to shareholders and expand the business to continue to grow and sustainably</b></p> <ul style="list-style-type: none"> <li>• Maintain sales and net profit growth</li> <li>• Business expansion with new products or new distribution channels</li> <li>• Maintain financial status and performance results to be ready for business expansion</li> <li>• Continuously develop work systems and business management processes to achieve excellence</li> </ul>		<p><b>Improve competitiveness through the use of digital technology</b></p> <ul style="list-style-type: none"> <li>• Use advance information technology and management technology Digital Transformation</li> </ul>
SMART People		SMART ESG (Environment – Social – Governance)	
	<p><b>Create a happy, energetic and innovative work environment and is constantly evolving</b></p> <ul style="list-style-type: none"> <li>• Manage human resources to support the Company’s vision and stay competitive</li> <li>• Improve work satisfaction and employee engagement</li> <li>• Creating knowledge and a learning organization</li> </ul>		<p><b>Enhance the quality of life of all stakeholders. Under the operation that takes into account the environmental, social responsibility and good corporate governance</b></p> <ul style="list-style-type: none"> <li>• Operate business according to good corporate governance policy</li> <li>• Use resources efficiently</li> <li>• Adjust business processes to reduce environmental impact</li> <li>• Promote safety, occupational health and environment in every process</li> </ul>

# 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 HARN from the past, present and into the future. As a result, there is an emphasis on the value chain management's effectiveness by specifying its stakeholders involving in the business value chain, which starts from purchasing and transporting products into the warehouse to evaluating impacts 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 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 society and environment, as well as establishing communication channels and exchanging information with each group of stakeholders continuously. To find out their views and expectations from business operations. Also devises appropriate methods for regular stakeholder engagement, outbreak where is well aware that supports and viewpoints from all stakeholders will benefit HARN's business operation and sustainable development, Impacts and influence from one stakeholder to another into the following guidelines:


<p style="text-align: center;"><b>Employee</b></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>	<p>Channels</p>	<ul style="list-style-type: none"> <li>• Conference, LINE Official, company announcement, intranet, email, Digital Signage, direct communication from CEO to employees via Town Hall once a year</li> </ul>
	<p>Expectation</p>	<ul style="list-style-type: none"> <li>• Treated equally fair, there is an opportunity to grow and progress.</li> <li>• It is safe and hygienic.</li> <li>• have remuneration and welfare suitable</li> </ul>
	<p>Response operation</p>	<ul style="list-style-type: none"> <li>• Promote participation and two-way communication in organization</li> <li>• Promote safety at work</li> <li>• There are channels for complaints or suggestions</li> </ul>
	<p>Performance</p>	<ul style="list-style-type: none"> <li>• Labor problems or complaints equal to 0%</li> <li>• Salary and other benefits compare results with the labor market every               <ul style="list-style-type: none"> <li>- Central Division In standard Sales</li> <li>- Service Group Above average market</li> </ul> </li> <li>• Operational accidents equal to 0.40%</li> <li>• The number of employees with the criteria metric is 100%.</li> <li>• Working satisfaction is 80.54%</li> </ul>
<p style="text-align: center;"><b>Customer</b></p>  <p>Ensuring customers satisfaction and loyalty by delivering world-class quality products and services at fair prices.</p>	<p>Channels</p>	<ul style="list-style-type: none"> <li>• Visits, LINE Official, FB, Website, Seminar</li> </ul>
	<p>Expectation</p>	<ul style="list-style-type: none"> <li>• Deliver goods and services in accordance with the agreement.</li> <li>• Employees have knowledge and understanding of products / services. Able to provide accurate helpful advice</li> <li>• Obtaining on-time after-sales service</li> </ul>
	<p>Response operation</p>	<ul style="list-style-type: none"> <li>• Educate to customers/partners through the Knowledge Sharing Project</li> <li>• Employee training</li> </ul>
	<p>Performance</p>	<ul style="list-style-type: none"> <li>• Product / service complaints were 0.009%</li> <li>• The average number of employees who received product / service training is 1.7 hours.</li> <li>• Customer satisfaction is 91.04%</li> <li>• 15 Knowledge Sharing Projects have been organized in Bangkok, its vicinity, and other provinces.</li> </ul>

<p><b>Trade partners and/or creditors</b></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"> <li>• Visits, websites, e-mails, conferences, seller evaluation</li> </ul>
	Expectation	<ul style="list-style-type: none"> <li>• Fair, follow the commercial terms</li> <li>• Have been aware of the problem and how to fix it honestly.</li> </ul>
	Response operation	<ul style="list-style-type: none"> <li>• communicate news and a complete, timely trading policy</li> <li>• Visit and exchange information to improve collaboration</li> </ul>
	Performance	<ul style="list-style-type: none"> <li>• Vender evaluation twice a year</li> <li>• Domestic Vender evaluation for the first half of the year and the second half of 2022 is 98.00% and 97.20% respectively.</li> <li>• Foreign Vender evaluation for the first half of the year and the second half of 2022 is 95.52% and 97.77% respectively.</li> </ul>

<p><b>Competitor</b></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"> <li>• Facebook, Website: <a href="http://www.harn.co.th">www.harn.co.th</a></li> </ul>
	Expectation	<ul style="list-style-type: none"> <li>• Competition freely on the legal framework</li> </ul>
	Response operation	<ul style="list-style-type: none"> <li>• Not any seeking competitors' confidential information through dishonest</li> </ul>
	Performance	<ul style="list-style-type: none"> <li>• 1 complaint of infringement of competitor's property</li> </ul>

<p><b>Investor</b></p>  <p>Operating profitable businesses that lead to sustainable growth while generating optimal returns.</p>	Channels	<ul style="list-style-type: none"> <li>• Shareholder meeting</li> <li>• Opportunity Day performance conference</li> <li>• Investor Relations Website</li> </ul>
	Expectation	<ul style="list-style-type: none"> <li>• Sustainable business growth</li> <li>• Continuously receive returns</li> <li>• Business operations are transparent</li> </ul>
	Response operation	<ul style="list-style-type: none"> <li>• Increase growth channels and expand business to new potential markets</li> <li>• Have good corporate governance</li> </ul>
	Performance	<ul style="list-style-type: none"> <li>• Developing full range of solutions and services</li> <li>• Pay a dividend not less than 40%</li> <li>• CG Score "Excellent" level</li> </ul>

<p><b>Public sector</b></p>  <p>Support public sector policy, ensuring business to support economic growth of countries.</p>	Channels	<ul style="list-style-type: none"> <li>• Website <a href="http://www.harn.co.th">www.harn.co.th</a></li> <li>• Visiting the staff according to the notification</li> <li>• Monthly report submission</li> </ul>
	Expectation	<ul style="list-style-type: none"> <li>• Comply with all applicable laws, rules, regulations and regulations.</li> <li>• Operate business responsibly and with transparency.</li> </ul>
	Response operation	<ul style="list-style-type: none"> <li>• Review relevant laws, rules and regulations</li> <li>• Repeat operation test regular</li> </ul>
	Performance	<ul style="list-style-type: none"> <li>• There is no penalty for neglecting to comply with the law.</li> <li>• Become an affiliate Thailand Private Sector Collective Action Coalition Anti-Corruption (CAC)</li> <li>• CG Score "Excellent" level</li> </ul>

<p><b>Community, Society and Environment</b></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>	Channels	<ul style="list-style-type: none"> <li>• Website: <a href="http://www.harn.co.th">www.harn.co.th</a></li> </ul>
	Expectation	<ul style="list-style-type: none"> <li>• Conduct business to reduce the impact on the communities and the environment</li> </ul>
	Response operation	<ul style="list-style-type: none"> <li>• Promote natural resources protection activities/ campaigns and use resources wisely</li> </ul>
	Performance	<ul style="list-style-type: none"> <li>• Use renewable energy with solar panels, accounting for 26.30% of the total electricity used in 2022.</li> </ul>