



SOUND PURPOSE

Driving Cause with Impact



SUSTAINABILITY REPORT

A Message from our President and CEO

Never has there been a time in history when purpose-driven innovation is so critical to a business's long-term success. With this in mind, I am proud to share our most recent Sustainability Report, Sound Purpose: Driving Cause with Impact, which highlights stories of social and environmental progress we have made over the past two years. Our team is building a transformative sustainability platform that drives environmental, social, and corporate governance (ESG) performance across our business, allowing us to realize opportunities for the next generation and beyond. Our purpose-driven culture is evident in the strides we have made toward formalizing our environmental commitments and establishing meaningful partnerships that support the communities where we live and work. Our Sound Purpose platform is how we bring that to life through our work in three strategic areas: Planet, People, and Purpose.

To create meaningful progress, HARMAN is taking systematic action to formalize our processes for measuring and monitoring our impact across all dimensions of ESG. Our commitment to growth through sustainable and responsible actions is one of the seven strategic business pillars that are foundational to everything we do. With this purpose in mind, we take actions to drive impact throughout our business – from redesigning our products to reduce environmental impact to supporting local communities through strategic partnerships and employee activism. We have also worked diligently over the past year

to identify key areas of improvement and better align with our customers and other stakeholders to make progress toward shared goals and priorities. This includes pledging to reach carbon neutrality by 2040, which has positive implications for the health of our planet and our people.

I am proud to lead an organization that prioritizes integrity and innovates with intention. Since the founding of our company in the 1950s, we have been unwavering in this commitment, creating a legacy of brands and products that touch people's daily lives. We take this responsibility very seriously and are uniquely poised to lead the sustainable transformation of the industries and markets we serve. After more than 70 years of doing business, we know both innovation and adaptation are critical to navigating emerging challenges and disruptions. Our ability to address those challenges with agility and resilience allows us to continue providing the best, connected experiences for our customers, wherever they may be, for generations to come.

We thank you for supporting us on this journey to Drive Cause with Impact as we continue to fulfill our mission to create connected experiences through excellence in products and services. We look forward to advancing our Sound Purpose together.



Michael Mauser

President and Chief Executive Officer



Our purpose-driven culture is evident in the strides we have made towards formalizing our environmental commitments and establishing meaningful partnerships that help support the communities where we live and work.



About HARMAN

HARMAN International designs and engineers connected car systems, audio and visual products, enterprise automation solutions, and services supporting the Internet of Things. We serve automakers, consumers, and enterprises worldwide. The HARMAN suite of brands includes AKG®, Harman Kardon®, Infinity®, JBL®, Lexicon®, Mark Levinson®, and Revel®.

HARMAN International is a wholly-owned subsidiary of Samsung Electronics Co., Ltd.

About This Report

Sound Purpose: Driving Cause with Impact represents the sixth iteration of our bi-annual sustainability report, demonstrating over a decade of commitment to transparent disclosure related to our performance on environmental, social, and governance issues.

This report has been prepared in accordance with GRI Standards (2016). HARMAN's Materiality Assessment and guidance from the Sustainability Accounting Standards Board (SASB) informed our core options and content selection. Reported metrics and performance indices are based on data from January through December 2021.

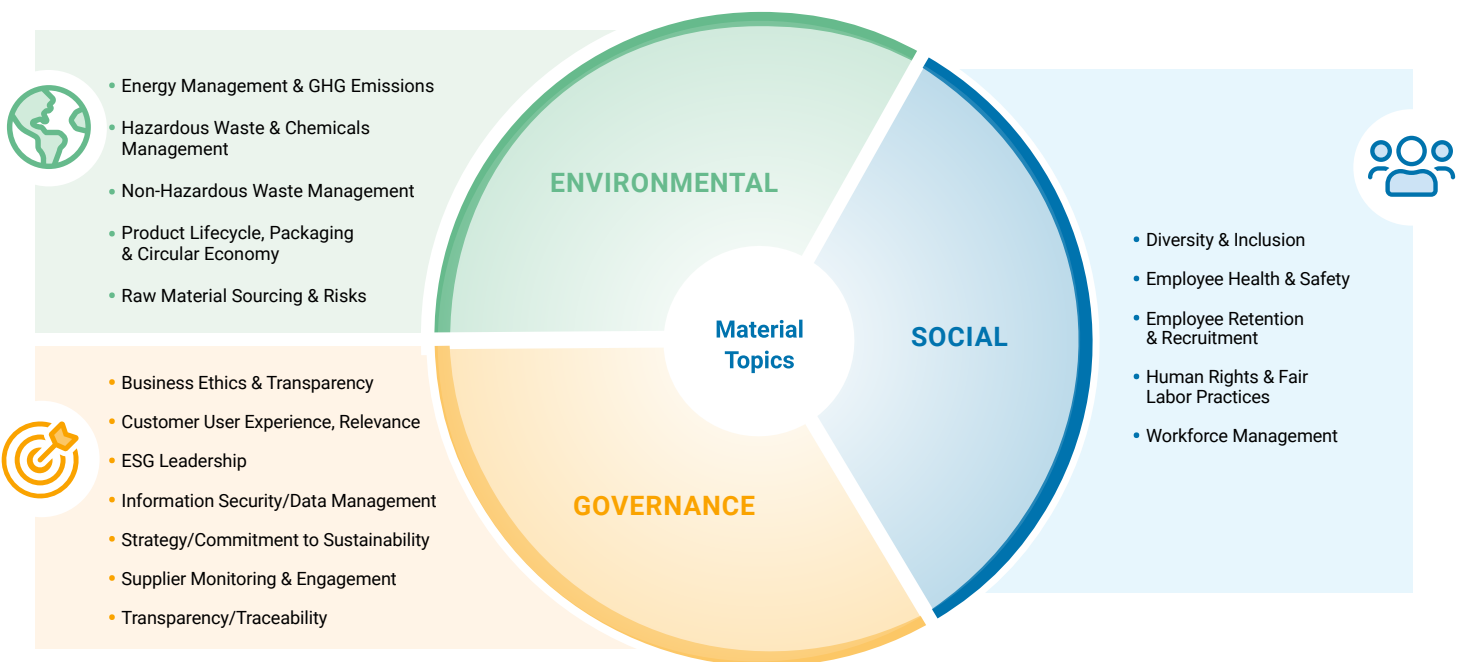
This reporting approach is intended to expand upon data reported in HARMAN's 2020 Corporate Citizenship report. In some cases, the scope of reporting takes a more forward-looking approach on topics that are of specific importance; however, all data is representative of CY2021.

Our Approach to Reporting

In 2021, HARMAN conducted a Materiality Assessment to identify ESG topics that are relevant and important to HARMAN and its stakeholders. The results of the assessment identified 17 material topics for HARMAN, which were used to guide the content of this report. A full overview can be found in the Materiality Download.

[For HARMAN's 2021 GRI and SASB reporting, click here](#) >

[For more information on HARMAN's materiality assessment process and outcomes, click here.](#) >



Environment

Our Decarbonization Strategy

Climate Targets

Climate change is one of the most critical challenges of our time. HARMAN leadership has made a concerted effort to integrate climate priorities into strategic decision-making. We are united in action and direction by our Climate Targets. These targets represent our vision for progress and help guide action within all our divisions and businesses.

With support from HARMAN's ESG Committee, in 2021, HARMAN committed to achieving carbon neutrality across scopes 1, 2, and 3 by 2040 – 10 years ahead of the Paris Agreement.

The Climate Pledge brings together world-leading companies, organizations, and partners to accelerate collaborative action to reduce carbon emissions.

[For more information on HARMAN's public commitment to reaching carbon neutrality, click here.](#) 

This is our most ambitious commitment yet. Our decarbonization roadmap focuses first on improvements in operational efficiency, including waste reduction initiatives and increasing procurement of renewable electricity.




We all share the same world, and we share a common future – I'm proud of the remarkable progress our team continues to make driving HARMAN's environmental sustainability strategy which fosters positive impact across the communities and markets where we live and serve.

—Tom Mooney, HARMAN International Senior Director, Government Affairs and Sustainability


Carbon neutrality by 2040

Science Based Target (SBTi) in development for validation by 2025 

Zero Waste to Landfill in manufacturing operations by 2025 

15% reduction in electricity consumption in operations by 2025 

100% of electricity across the global manufacturing footprint to be sourced from renewables by 2025 

30% reduction in scope 1, 2, and 3 emissions by 2025 

We have developed interim climate targets to guide our effort against our long-term carbon neutrality commitment. We aim to have our target validated by the Science Based Targets initiative (SBTi) by 2025.

The Science Based Targets initiative (SBTi) is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). The SBTi defines and promotes best practices in emissions reductions and net-zero targets in line with climate science. As of January 2021, over 1,000+ companies have set targets through the SBTi, representing nearly 20% of total global market capitalization.

Climate Action

Our ambitious climate targets are illustrative of HARMAN’s commitment to long-term sustainability objectives. We recognize the role we play in the transformation of the industries we serve and the mitigation of potential adverse environmental and social impacts related to business operations. HARMAN has made positive changes to reduce our environmental footprint, and in the past several years we have accelerated our efforts.

Greenhouse Gas Emissions and Energy Management

To drive action towards our carbon neutral goal, we are focusing first on measuring and tracking progress on our operational fuel and electricity usage (scopes 1 and 2), where we have the most immediate impact.

	CY2021	CY2019
Scope 1 (metric tons CO ₂ e)	9,952	8,568
Scope 2 Location-based (metric tons CO ₂ e)	55,343	66,860
Scope 2 Market-based (metric tons CO ₂ e)	59,407	74,892
Total Scope 1 + Scope 2 Location-based (metric tons CO₂e)	65,295	75,428

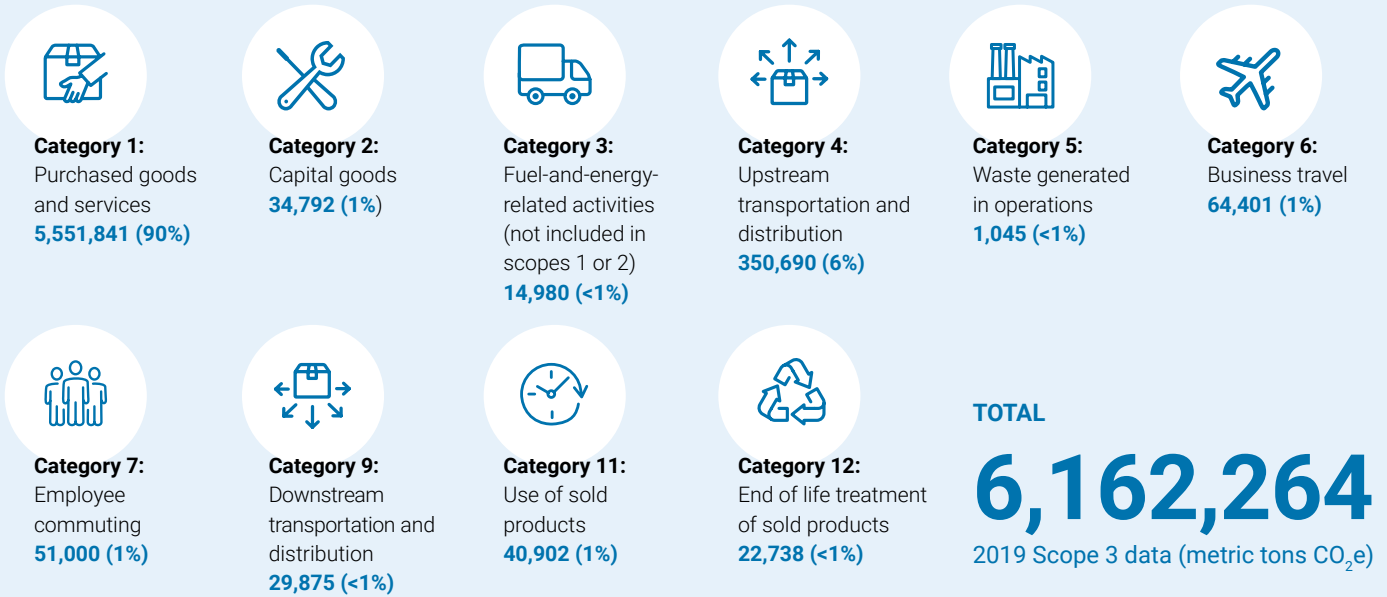
From 2019 to 2021, our operational emissions decreased by approximately 13%. Members of our manufacturing teams in our factories globally have been instrumental in reducing our impact. We have successfully completed multiple energy efficiency projects in 2021, including lighting system improvements and air compressor and HVAC chiller upgrades. We are in the process of implementing additional improvements, including the installation of sub-metering systems at our facility in Hungary, which will allow for better monitoring and control of energy consumption.



We are also focusing on renewable electricity to reduce our operational emissions. In 2021, our first on-site solar installation came online in Pune, India. The installation is anticipated to produce around 163,200 kWh annually. In addition to the environmental benefit of renewable electricity, the Pune installation affords our site with increased energy independence, bolstering resiliency in a climate-uncertain future. By 2025, HARMAN has committed to sourcing 100% renewable electricity across our entire global manufacturing footprint, aligned with our RE100 targets.

As we continue assessing near-term emissions reduction goals, we are investigating decarbonization opportunities within our supply chain. This year, HARMAN completed a scope 3 screening using 2019 emissions data. This modeling project has helped us to better understand HARMAN’s impact beyond our own operations. It has also helped to identify emissions hot spots in our supply chain and provide a complete baseline for measuring the impact of supply chain decarbonization initiatives over time. Emissions reduction efforts within our supply chain will require strong supplier partnerships and large-scale innovation, some of which are already underway (see more in our section on “Collaboration”, pages 19-20).

Scope 3 Screening Exercise



Product Sustainability

Beyond HARMAN’s organizational carbon footprint, we understand that product design and development choices also have environmental impacts. We are evaluating product-level improvements across the entire life cycle, including product packaging, transportation, use, and end-of-life options. We are fine-tuning our creation and delivery processes to reduce product-level emissions while continuing to excel in performance and quality.

Sustainable Packaging

In 2021, we launched our sustainable packaging initiative, which introduced sustainable packaging guidelines for all new products. We started with the Consumer Audio Group. These guidelines include the avoidance of virgin plastic, whenever possible, with a preference for post-consumer recycled plastic and recyclable paper packaging. HARMAN is also optimizing packaging to the size of the product. Right-sized packaging will generate less waste and allow for more efficient shipping, which ultimately reduces fuel consumption and CO₂ emissions. We support efforts to shift toward more sustainable packaging through our membership in the Sustainable Packaging Coalition (SPC).



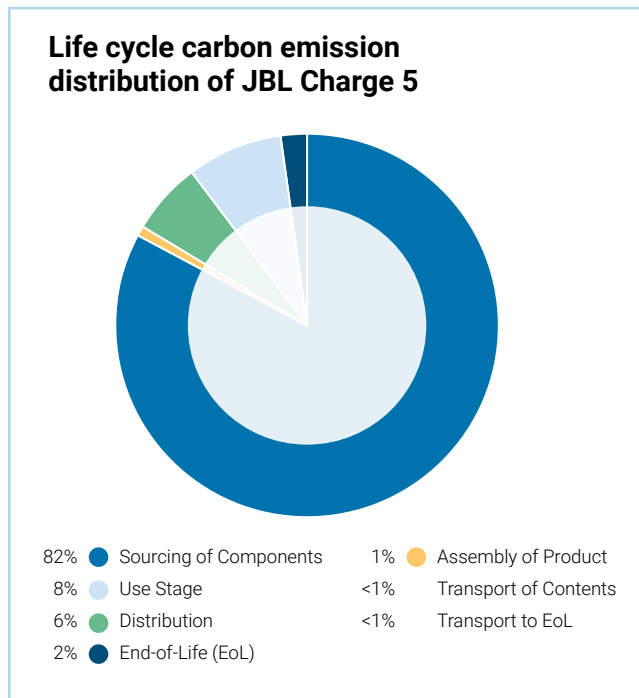
Charge 5, Xtreme 3, Wave Series packaging volume reduced by over 50%



Flip 6 recyclable packaging, soy ink printing, recycled plastic hanger

Product Life Cycle Analysis

Packaging is only one aspect of a product’s environmental impact. Measuring the impact of each stage in a product’s journey is known as a life cycle assessment (LCA). Through LCA analysis completed in 2021, we found roughly 80% of the carbon footprint associated with our JBL Charge 5 was driven by emissions from raw material extraction for plastic and metal components. We will continue efforts to integrate more sustainable materials into our product offerings, building off previous successes like the JBL Flip 5 Eco edition, HARMAN’s first portable Bluetooth speaker made from 90% recycled plastic.



We also look to reduce our footprint through material reductions. We have begun an initiative to eliminate non-essential power cords with our products. In addition, to further reduce the environmental footprint of each product, HARMAN is investing in circular economies of scale by making products that last longer, can be more easily repaired, and can be disassembled for appropriate recycling and disposal (see more in our section on “Collaboration”, pages 19-20).

Material Health and Chemical Management

Given the close connection between planetary health and human health, HARMAN considers LCA results alongside material health screening data. Comprehensive material health screening, or evaluating material ingredients at the chemical level, supplements HARMAN’s efforts to reduce potentially harmful ingredients (also known as Substances of Very High Concern) in products beyond legal compliance requirements.

As a result of material health screening, the Consumer Audio Group coordinated a shift from polyvinyl chloride (PVC) to a thermoplastic elastomer material for charging cords in the EU. PVC contains chemical ingredients with potential health concerns. HARMAN’s focus on material health is another way we prioritize the safety of customers, team members, and the planet.



Launched in 2021, InfinitiLab is a power accessory brand that delivers sustainable charging devices that empower consumers to stay connected through technology at home, work, and on the go. All of InfinitiLab portfolio products are made from 90% recycled plastic and include wall chargers, power banks, wireless stands, and a speakerphone for crystal-clear calling. Packaging is right-sized to the product and is made from plastic-free materials printed on Forest Stewardship Council (FSC) certified paper with soy-based ink. Cables are woven from recycled polyester yarn and the InstantConnect cable is made from PVC-free materials with a TPE protection layer.

Hazardous Waste Management

Only a small percent of HARMAN's waste is classified as hazardous and it is HARMAN's practice to comply with all international, national, and local regulations pertaining to hazardous waste. In addition to beyond compliance material health screening, HARMAN manages restricted substances through our Material Compliance Management system. This system ensures all material data is uploaded to the International Material Data System for consistent oversight. Our established Chemical Administration program prioritizes the elimination of substances listed in the Restriction of Hazardous Substances (RoHS) directive. We currently use no substances considered High Risk to the environment or the health of our employees.

Water and Non-Hazardous Waste Management

HARMAN's manufacturing processes are not water intensive. However, we still strive to improve water efficiency and identify water recycling opportunities. From 2019 to 2021, we reduced water usage by about 8%.

Responsible waste management is another important focus area for HARMAN as we work to reduce our impact. HARMAN manufacturing sites have committed to zero waste to landfill targets by 2025. To proactively work towards this goal, HARMAN employees are implementing waste reduction initiatives, promoting recycling, implementing co-processing for energy generation (incineration), and composting organic waste.



Currently, 9 of 10 manufacturing sites have waste diversion* rates above 80%. Across all sites, our total waste diversion from landfill was 91% in 2021.



*HARMAN's waste diversion metric captures waste streams that do not enter landfills, but are instead disposed of through recycling, reuse, recovery, compost, or incineration.

A Note on the Circular Economy: Waste reduction is a key aspect of HARMAN's approach toward creating a more circular economy. Efforts to reduce or divert waste, especially by recycling materials back into our processes during manufacturing, work to close the loop. For example, in 2021, HARMAN's Queretaro, Mexico facility worked with Queretaro's Sustainable Development Secretariat (SEDESU) in the delivery of a Circular Economy initiative. This initiative furthered HARMAN's engagement with twelve local suppliers through the development and execution of energy reduction projects and waste minimization efforts. The Circular Economy joint initiative in Queretaro resulted in a waste reduction of 152.6 metric tonnes/year and 847,791 kWh in annual energy savings.



Inspiring the Next Generation

At HARMAN, our creative purpose is driven by our passion for music and technology. We innovate to deliver world-class audio experiences to our business partners and customers. Beyond our business commitments, we lead philanthropic initiatives to inspire a shared enthusiasm for music and encourage social connection across demographics, in education, and within our communities at large.



Our global cause initiative, HARMAN Inspired, supports purpose-driven partnerships that foster skilled talent for the workforce of tomorrow.

Critical to our mission, HARMAN Inspired utilizes a Science, Technology, Engineering, Arts, and Mathematics-centered (STEAM) approach in our global initiatives to drive creativity and humanize tech, empowering the next generation of leaders to develop deep connections with HARMAN technologies through unique and immersive experiences in music, technology, and service. Below are a few ongoing and new partnerships that we're proud to highlight from 2021.

Enriching Partnerships Through Experiences

Inspiring Young Women in STEAM with 1,000 Dreams Fund

HARMAN understands the necessity of offering ongoing support to grow the pool of women entering STEAM fields. Since 2017, our longstanding partnership with 1,000 Dreams Fund (1DF) has granted scholarships to young women in tech across the United States through sponsorship of the multi-year New Face of Tech Scholarship. Furthermore, in 2021, HARMAN joined both 1DF's MentorHER Initiative, hosted a Women in Gaming discussion, and created the JBL Quantum Changemakers Challenge, demonstrating further commitment to mentorship and the professional advancement of women.

Celebrating its fifth year, HARMAN and 1DF continued the New Face of Tech Challenge, awarding twenty women \$1,500 scholarships, JBL products, and mentorship from HARMAN executives. With over 207 applicants, winners were selected via selfie photo challenge, sharing why they are the "New Face of Tech".



Through MentorHER, fifteen HARMAN mentors volunteered to connect with college or graduate students for 1:1 virtual mentoring sessions, further reinforcing the idea that even a small amount of time can make a big impact.



I enjoyed learning about my mentor and her work in human voice design. My biggest takeaway was that her struggle in STEM and my struggle were both very similar. She guided me and explained that people need to have an acceptance to rejection and keep working on what we love most to prove to the world our capabilities.

—2021 MentorHER mentee



JBL's Quantum Changemakers event, a live watch party hosted by JBL and 1DF, presented viewers with access to candid conversations on the experiences of women in gaming with top streamers and content creators. The highlight of the watch party was the presentation of the JBL Quantum Grant to 30 recipients, chosen based on their "dream career in gaming" submission. JBL Ambassador, Candace Parker, was on hand to congratulate the winners, each of whom received a \$1,500 microgrant to support their career aspirations, a JBL Quantum ONE gaming headset for the ultimate competitive advantage, and virtual mentorship opportunities with the panelists.



Supporting Tomorrow's Musicians with Music Will

Since 2014, HARMAN's partnership with Music Will (formerly known as Little Kids Rock) continues to evolve and flourish, currently serving more than 525,000 students in 500 school districts across 49 states. During the pandemic, HARMAN and Music Will developed strategies for innovative distance-learning solutions to ensure that the program could continue and adapt to changing conditions, prioritizing participant health and safety.

HARMAN and Music Will donated thousands of headphones to help students in underserved communities learn at home, all while continuing to build HARMAN Inspired Music Classrooms with donated professional audio equipment. Powered by HARMAN, Music Will's Jam Zone saw a spike of over 60,000 users per month, offering free interactive at-home music lessons across 8 countries.

In addition, some of our 2021 program highlights include:

- 46 professional development sessions for teachers across the country, including adding 300+ new teachers to our national program to reach an additional 75,000 students nationwide
- Video essay contest, songwriting exhibition, and virtual modern band summit

Our focus on music education honors our legacy as a leader in premium audio equipment and gives meaning to our technology, proving that even in times of crisis, music is the lifeblood of our culture.



Your relentless support of teachers and students is what keeps us going. We could not imagine navigating through this new 'normal' without you

—Music Will Teacher



Spreading the Unifying Power of Music on Make Music Day

Each year, June 21 marks the anniversary of our annual global music festival, Make Music Day. Celebrating the 6th Anniversary of Make Music Day, 2021 also marked JBL's 75th Anniversary as thousands of employees representing nine countries and 22 HARMAN locations connected virtually for music trivia contests, musical performances, and unique volunteering events.

Employee Virtual Jam Session: In 2021, HARMAN teams hosted our first virtual Jam Session featuring 68 musical performances by more than 80 employees from around the globe. From solo acoustic performances to highly produced band concerts, our jam session provided a platform for HARMAN team members to connect, share their talents, and be inspired.

Celebrations Abroad: HARMAN India employees gathered virtually to participate in Music Mystic, an hour-long event where more than 50 employees performed their favorite genre of music to celebrate Make Music Day. In other countries, HARMAN employees joined the fun with a multi-genre venue celebration, including the "Guess the Musical Instrument" employee contest, and a children's artwork fair. In Hungary, employees organized Make Music Day quizzes for their employees, where winners received celebratory JBL swag.



Committing to Our Planet, People, and Performance on Earth Day

To honor Earth Day in 2021, HARMAN Inspired created the 21-Day Challenge, challenging employees to identify 21 new ways that they can help conserve resources and reduce their carbon footprint.

HARMAN INSPIRED EARTH DAY 2021: 21-DAY CHALLENGE

07 Get your coffee in a reusable cup	08 Use a paper straw instead of a plastic straw	09 Use your own cutlery when ordering take-away on a delivery app	10 Carry your own take-away containers	11 Make your own compost at home	12 Pick a reusable drink bottle
13 Make your own personal care products	14 Switch to bar soap instead of liquid soap	15 Buy from sustainable brands	16 Recycle your old mobile phone	17 Choose plastic-free produce	
18 Try reusable food wrap	19 Don't waste food - freeze or eat	20 Choose a recycled plastic phone case	21 Choose pencils over pens	22 Watch a documentary with family about Earth	
23 Take your own bread bag to the bakery	24 Bring your own cloth produce bags to the supermarket	25 Make a donation to charity	26 Plant a vegetable garden at home	27 Keep a water feeder for birds this summer	

New Partnerships to Foster Connection

REACH's Happy Mama Platform to Improve Maternity Care

HARMAN's Digital Transformation Solutions (DTS) business unit launched a collaboration with REACH, the creators of the Happy Mama platform, to support expectant and new mothers with the first-ever biopsychosocial wellness platform for maternity care. REACH – a global social impact organization – and DTS align with the mission of improving the overall health experience for patients and providers throughout pre- and post-natal care. This comprehensive digital therapeutic solution encourages improved communication as well as better self-care and access to community and services.

“We are pleased to contribute to the capabilities and portfolio of REACH in diligently working towards digital health equity through our digitally enabled, consumer-centered healthcare solution. REACH's Happy Mama solution is expected to transform the delivery of virtual maternal care, helping keep mothers and their unborn children safe.

—David Owens, HARMAN International Senior Vice President, Digital Transformation Solutions

JBL® Launches Mentor Program for HBCU Students

JBL launched its newest program in January 2021 focused on highlighting diversity as a core cultural tenant. Working alongside Culture Creators, a media art collective whose goal is to amplify individuals' contributions to influencing black culture, HARMAN hosted a series of exclusive presentations through JBL Campus SoundSessions.



“The different perspectives really will help me when it's my time to sit at the table.

—Shydea Blaine, student at Howard University and \$5,000 Scholarship winner

HARMAN led 115 HBCU (Historically Black Colleges and Universities) students representing 40 institutes through a curated set of six intimate, educational conversations with JBL executives and influential music industry speakers, such as Quincy Jones and Whitney Gayle-Benta of Spotify. HARMAN provided students a unique platform to ask questions and hear personal stories of growth and challenges, expanding their professional network with mentors within their communities. Students learned the ins and outs of working behind the scenes in the music and audio industries, gaining the tools necessary to elevate their careers path through VIP access to hiring managers. At the end of the program, HARMAN awarded \$50,000 in scholarships to four winners of a business case study competition and offered two summer internships.

THE NUMBERS

6	31	40	115	254
Sessions	Speakers	Colleges & Universities	VIP Students	Students Applied

CULTURE CREATORS & JBL
PRESENT
SOUNDSSESSIONS
AND \$50K IN SCHOLARSHIPS FOR HBCU STUDENTS

Exclusively for 100 HBCU students selected to meet with JBL executives, music, marketing, and engineering leaders.

Registration is open now at JBLCAMPUS.COM

Social Responsibility at Queretaro

Trailblazing the HARMAN Inspired mission, the Queretaro team in Mexico developed The Social Responsibility Model, an initiative evolved from the unique needs of the site and its community.

The Social Responsibility Model prioritizes initiatives associated with education, diversity, equity and inclusion, namely:

- The formation of the local chapter of the HARMAN Women's Network (HWN) to create a culture of inclusion and women's career empowerment. HWN is a team of over 100 employees, both women and men, who have worked as volunteers and raised thousands of dollars through various fundraisers and events for the local women's shelter for victims of domestic violence.
- An ongoing partnership with the Lazos Foundation to reinforce the commitment to local youth and education programs. HARMAN has contributed mentorship, volunteer hours, and monetary contributions, which include both academic scholarships and funding for school supplies for over 100 local children from low-income families.



The Queretaro facility received multiple certifications, badges, and awards as a result of its successful social responsibility program including:

- The Federal Distinctive "Family Responsible Company" Award granted by the Ministry of Labor in Mexico
- Federal Work and Social Provision Department Gold Medal
- The Mexican Center for Philanthropy's Socially Responsible Company (SRC) Badge
- Association for Standardization Bronze Certification
- Instituto Mexicano de Seguro Social (IMSS) Healthcare System Health Security Badge
- Expansión Magazine's Top Companies

A Look Ahead

As our programs and partnerships continue to evolve, HARMAN is focused on furthering meaningful experiences promoting STEAM education, development, and impact.

With our long and successful history in audio and technology innovation, HARMAN and our employees believe in the inspirational power of music and STEAM education. Our team members will continue to partner with organizations to unlock the potential of future generations, all through the foothold of HARMAN's embedded sustainability commitments.

COVID-19 Response

In response to challenges related to the COVID-19 pandemic, HARMAN global teams spearheaded a variety of initiatives to keep our employees safe while continuing to deliver on business commitments. With creativity and dedication, the talented HARMAN team was able to navigate challenges through our global cause platform, HARMAN Inspired. As a purpose-driven leader in creating experiences, we identified unique ways to provide safe opportunities for HARMAN team members while at work and at home. These include:

- **COVID-19 Family Kits:** All HARMAN employees in our Queretaro and Juarez, Mexico facilities regularly receive family care kits, comprised of disinfecting supplies and personal protective equipment, and other useful items to encourage pandemic safety.
- **COVID-19 Vaccination Support:** HARMAN launched several vaccination campaigns to generate awareness and encourage employees and their families to get vaccinated for COVID-19. In addition, HARMAN facilities in Mexico, India, and Hungary hosted routine vaccination clinics, which offer the convenience of vaccinations on HARMAN premises. High levels of employee COVID-19 vaccinations have been achieved at all HARMAN locations.
- **COVID Care in India:** Quick to respond to employee needs, HARMAN created a 40-person team of volunteers to help distribute verified information and advice regarding COVID care. Volunteers collaborated with a local NGO, Caregiver Saathi, in establishing a 24/7 COVID-19 helpline. Through this helpline, HARMAN team members had around-the-clock access to current information related to hospital beds, oxygen providers, COVID testing information, and other critical resources.
- **HARMAN AccuAlertMe:** HARMAN's Digital Transformation Services business unit developed a mobile app called AccuAlertMe to provide options for automated and real-time contact tracing in workplaces for both employees and visitors. First-of-its-kind, this software won the team NASSCOM Engineering & Innovation Excellence's Social Impact Solution of the Year award.

Giving Back, with Purpose

Giving back to the communities where we live and work is a foundational pillar of HARMAN Inspired. Employees grow deeper connections while enriching people’s lives through local volunteer engagements. Here are a few highlights from 2021 of volunteerism around the world.

Impact-Driven Volunteerism Around the World

HARMAN’s commitment to connecting the world around us goes beyond innovative technological solutions in our product offerings. In 2021, despite challenges related to the pandemic, our global teams contributed to local needs through hands-on service and support to non-profit organizations.



Continuing Support in Brazil

The “Adopt a Child” Christmas campaign focuses on toy donations for children staying in the local Nascero Shelter, along with a bottle cap program benefitting children receiving therapy at the Kinder Institution by providing musical instruments.

Additionally, employees in our Nova Santa Rita facilities supported COVID relief efforts by manufacturing face shields and donating other basic health and hygiene products to medical facilities in the area.

Year-Round Activism in Northridge, California

With an active volunteer community, HARMAN’s employees in Southern California participated in the 5K Funk Run benefiting the Silverlake Conservatory of Music, a nonprofit dedicated to dynamic music education for all. In addition, for the 18th year, HARMAN donated audio, sound, and lighting equipment, as well as prizes for the Santa Clarita Relay for Life.



Annual Outreach in the San Fernando Valley

HARMAN’s warehouse in Pacoima serves as a central hub for the Valley Food Bank, collecting, processing, and distributing surplus food at no charge to a network of food pantries, rescue missions, and other non-profit organizations. HARMAN employees joined forces with the food bank for the 7th year to provide hot nutritious meals and food baskets to the hungry and homeless in Southern California.

Corporate Philanthropy

Mark Levinson Supports Restaurants During Pandemic

A legendary brand of HARMAN, Mark Levinson donated \$25,000 to support the James Beard Foundation's Open for Good Campaign. The Campaign showcases the brand's belief in the healing power of food and music through capacity-building engagements with independent restaurants that encourage resilient pandemic recovery.



Aiding Independent Venues through #SaveOurStages

JBL's unwavering support for independent venues prompted various initiatives through the National Independent Venue Association's (NIVA) #SaveOurStage campaign.

To support the reopening of music venues, JBL donated a portion of sales on JBL.com during the summer of 2021, aimed at encouraging legislators to provide aid and infrastructure to help independent venues survive. JBL also made a product donation valued at \$100,000 to #SaveOurStages, benefitting affected workers and musicians impacted by the pandemic who have played an important role in embracing and cultivating local talent and culture through music.

Further supporting independent artists and musicians across America, HARMAN's JBL brand also sponsored pop-up concerts in cities across the U.S., benefitting performers challenged by pandemic lockdowns and limited work opportunities.

Additional Giving and Initiatives

HARMAN is proud to drive a positive impact in the communities we love and live in. Additional highlights from 2021 include:

- Charity Miles helps HARMAN employees turn every mile they walk, run, and bike (or otherwise move) into money for charity through a movement tracking app. Kicked off in December 2021, we've seen an 11-fold increase in employee participation, with over 620 employees supporting over 48 different charities.
- HARMAN donated JBL Flip 5 and Tuner 2 speakers to frontline workers at Hospital De Clinicas de Porto Alegre in Brazil to recognize their brave efforts in light of COVID-19.

Our Employees

HARMAN’s workforce reflects the diversity of the world in which we operate, and we are committed to making every employee feel valued, empowered, and involved. We drive this ethos from the top and proactively adapt our corporate approach to provide a healthy, safe, and inclusive workplace so each and every one of our employees can thrive.

Developing Leaders Within

Learning never stops at HARMAN and the following programs continuously engage our employees through technical, business, and professional development, while inspiring collaboration and cultivating curiosity across regions, business units, and levels.

HARMAN University

In 2021, we celebrated the fifth anniversary of our leadership training program, HARMAN University. HARMAN University is a comprehensive online and location-based hybrid learning curriculum and resource, offering customizable training sessions and professional development programs for all employees.

Our programs have evolved to provide the critical modern skills that are necessary for our employees to thrive in their careers. In 2021, more than 8,000 employees participated in 70+ courses from HARMAN University. Virtual and in-person courses feature topical themes like Creativity, Learning to Learn, and Responding to Change, as well as Time Management in a Hybrid Workplace and Building Your DE&I Muscle.

We are proud to showcase programs kicked off in 2021 through HARMAN University.



Product Management Academy:

In 2021, we partnered with Cornell University’s eCornell unit to launch the Product Management Academy aimed at helping HARMAN managers strengthen their skills and take charge of their careers.

HARMAN University Alumni Network

HARMAN University’s Leadership Alumni Program connects HARMAN University graduates, utilizing personal experience to fuel strategic learning, promote leadership culture, and foster innovation peer-to-peer. The program has three parts:

- 1. Continue to Learn** – Employees can build their leadership capabilities through Masterclasses and Leadership forums.
- 2. Connect to Others** - Employees connect with leaders across departments and divisions to unlock synergies through Harvest sessions and Jam sessions.
- 3. Pay it Forward** – Graduates nurture the next generation of leaders through Peer Learning Coaches, participation in panel discussions, and mentoring.



HARMAN Be Brilliant Rewards

HARMAN employees that drive progress and go above and beyond are rewarded for their successes through the Be Brilliant program. We routinely publicly recognize employees for their performance, including actions impacting environmental sustainability such as air emissions, energy and water consumption, and waste reduction. Since kicking off the program in 2017, HARMAN has recognized 11,092 employees with rewards totaling over \$1,275,000 (USD).



BLUE Program

Since its launch in 2019, over 400 global employees graduated from our Business Leadership United for Engineers (BLUE) program. Designed specifically for engineers, this 18-month program builds communication skills outside of the conventional engineering environment, increasing business acumen to better engage with customers and drive business excellence.



Leadership Experience Acceleration Program (LEAP)

LEAP, a two-year program where participants rotate through three different HARMAN teams in their career field, is designed to help early career professionals gain critical business skills and grow their internal network. Spanning all divisions, LEAP challenges participants to high-impact projects and assignments, including an international location placement for a 6-month period. More than 60 HARMAN employees have participated in the LEAP program since 2018, representing team members from India, Mexico, Netherlands, Hungary, Germany, the United States of America, and Romania.

Employee Retention and Recruitment

HARMAN believes that every company has an opportunity, even an obligation, to encourage the retention and career development of their employees. Through the promotion of work-life balance and equitable pay practices, HARMAN has adopted policies and initiatives to respond to our employee’s ever-changing personal and professional needs.



Living In Tune With Health

HARMAN offers a broad range of benefit options designed to support employee wellness, help build financial acumen, inspire continuous learning, and encourage a successful work-life balance.

Sound Living, HARMAN’s health and wellness program, works by giving our employees opportunities to reduce their healthcare costs by earning incentives, totaling up to \$800, by completing a variety of well-being activities.

For full-time employees worldwide, HARMAN covers the major share of the cost for standard health benefits – depending on the level of government-provided coverage - including items like paying the full cost of vision care, along with access to a Diabetes Management Program and Sleepio, a program designed to improve sleep. To complement the medical plans, HARMAN provides additional support, information, and coaching on healthcare questions and issues through Sound Living. In 2021, our US benefits and Human Resources teams spearheaded new benefits including a \$10,000

reimbursement through the Adoption Assistance Program for adoptive parents, fertility benefits for women including cryopreservation, and coverage for gender-affirming surgery and voice therapy for transgender team members.

HARMAN also encourages giving back on company time, allowing US-based employees 8 hours of paid time off annually to volunteer at an organization(s) of their choosing.

HARMAN global teams have received accolades for their commitment to responsible business practices, including several notable awards within HARMAN countries of operation. In 2021, HARMAN’s Mexico teams were recognized with distinction for the following:

- **Federal Distinctive “Family Responsible Company” Award**
- **Federal Work and Social Provision Department Gold Medal**
- **Mexican Center for Philanthropy’s Socially Responsible Company**

Embracing a Work-Life Balance

HARMAN encourages work-life balance through a variety of programs that address commitments associated with changing life stages and personal milestones. For families, HARMAN is proud to offer Paid Parental Bonding Leave for all new birthing, adopting, and fostering parents. To ensure that team members observe religious holidays aligned with their values, HARMAN provides floating holidays for paid time off on dates that employees self-select. Understanding work-life balance is ever evolving, HARMAN also offers balancing services like helping find child or elder care, pet care, and college planning.

HARMAN formalized commitments to strengthening flexible working arrangements through HARMAN Flex, a work-from-home policy during the ongoing COVID-19

pandemic. Answering calls from our employees for increased workplace flexibility, the intent of this policy is to ensure consistent work-from-home practices globally, increasing productivity and motivation of employees in the new culture of work.

Recruitment

HARMAN promotes career development of our employees through HARMAN University and mentorship glide paths such as the HARMAN University Alumni Network. We also prioritize diverse and inclusive hiring practices for those positions which cannot be fulfilled internally.

[A full overview of our employee hiring and turnover metrics for 2021 can be found in the 2021 GRI Index.](#)



Diversity, Equity, and Inclusion

As a global organization, Diversity, Equity, and Inclusion (DE&I) is built into HARMAN's core values, driven from the top and embedded throughout day-to-day operations. We believe a diverse workforce fosters an ongoing culture of uniqueness that spurs innovative thinking that directly correlates with corporate growth. HARMAN has DE&I ambitions and is committed to reporting progress and demonstrating improvement and advancement toward a more equitable and inclusive team. Our GRI Index details HARMAN's complete employee DE&I breakdown.

DE&I Learning Journey

Through HARMAN University, the DE&I Learning Journey provides an educational platform to deliver curriculum allowing Leaders, Human Resources, and employees to understand the DE&I foundational concepts and promote a culture of inclusion across HARMAN. During 2021 we had more than 197 graduates of the program who completed DE&I learning tracks such as *"Hi to Hire"*, which applies principles of equality to our hiring process; *"Minus the Bias"*, which explores the efficacy of unconscious bias training and related best practices; and *"Leading Inclusively"*, which teaches leadership tactics to encourage psychological safety and authenticity at work.

Women in Tech

At HARMAN, we know that a diverse, equitable, and inclusive culture drives better results. We are better together, and we need everyone to be part of this journey. We have a responsibility to shift the trajectory of women entering our industry and support those who do. We are proud of our female representation throughout HARMAN but know we can do better. Not only through recruitment, but through fostering a supportive and inclusive environment, can we ensure the long-term success of all our employees.

With more than 100 employees, both men and women, the HARMAN Women's Network (HWN) is our largest global Employee Resource Group and has provided a valuable roadmap for engaging HARMAN employees from other communities to form more Employee Resource Groups (ERGs).

Through local HWN Chapter Leaders and Corporate sponsors, we have hosted International Women's Day campaigns on #BreaktheBias, panels on supporting and celebrating parents and caregivers, and have worked to connect women within HARMAN to support their return from maternity leave with a mentorship program that connects female engineers who've successfully balanced work and home commitments with being new mothers.



#HARMANPRIDE



We are dedicated to making every employee feel welcomed, valued, and empowered. We value a diverse and inclusive culture, but in order to make this possible we need everyone to be on board. Together we can drive the change we want to see.



—Lorena Loya, HARMAN International Vice President of Diversity, Equity, & Inclusion

Employee-Led Activism

With more than 30,000 global employees, our HARMAN family represents the diversity of the world that we live in. Through our robust DE&I annual programming, we regularly host panel discussions and live events and share internal content to celebrate Hispanic Heritage Month, Neurodiversity Awareness Week, Coming Out Day, Asian/Pacific American (AAPI) Heritage Month, and Black History Month – to name a few.

With a newly appointed, VP of Diversity, Equity, and Inclusion on our HR Leadership Team, we continue to work to establish meaningful goals to increase and improve the diversity of our global workforce. We look forward to continued success in this area.

Employee Health and Safety

HARMAN drives health and safety efforts through a comprehensive environment, health, safety, and security (EHSS) management system and our Occupational Health, Safety, Environmental, and Energy Policy. All employees, no matter their function or location, are provided with a safe and environmentally sound working environment through a broad range of initiatives:

Employee Protection & Well-being: HARMAN is committed to a workplace free of known hazards, to prevent injuries and deterioration of health, following recognized ISO guidelines. A full list of certified sites can be found in the GRI Index.

Compliance: HARMAN is committed to implementing processes that ensure compliance with all applicable country, state, and local laws, and conformance to all other applicable requirements.

Communication: Our Occupational Health, Safety, Environmental, and Energy commitments are communicated to employees, and client suppliers, and available to the public upon request.

Continuous Improvement: HARMAN is committed to continuous review of objectives and targets to evolve our policies and practices, with the consultation and participation of employees and other stakeholders.

In line with our “Consumer Experiences. Automotive Grade” philosophy, the automotive teams at HARMAN have taken safety one step further, brilliantly integrating safety features into every cutting-edge technology and solution they offer.

Ethics and Transparency

HARMAN requires ethical behavior and transparency from both our employees and our supply chain. Each decision we make has ripple effects, so we must carefully consider every action to ensure consistency with our Employee Code of Conduct and shared values. HARMAN integrates checks and balances through an internal decision tree, while also encouraging employees to speak up and report wrongdoings via a Whistleblower Hotline, open-door policy, and HARMAN Legal or HR Professional connection.

Value Chain Engagement

Throughout our value chain, we are making strides to build multi-stakeholder partnerships and innovate around end-of-life initiatives for our customers.

Supply Chain Management

A safe and responsible supply chain is imperative for the health of our employees, workers, and the environment. HARMAN communicates sustainability performance expectations to suppliers through our supplier sustainability engagement program, Amplify Progress, which was formally launched in 2021. HARMAN's Supplier Code of Conduct is also available [on our website](#).

Human Rights and Fair Labor Practices

Our labor and human rights management approach is guided by policies that apply to HARMAN employees, suppliers, and sub-suppliers. The policies prohibit the use of forced or compulsory labor, child labor, and participation in human trafficking. At HARMAN we have a zero-tolerance approach to modern slavery and are fully committed to preventing slavery and human trafficking in our operations and supply chain.

Responsible Minerals Sourcing

HARMAN is committed to sound ethical practices. As part of this effort, HARMAN is working to increase supply chain transparency with the aim of avoiding sourcing from conflict countries and zones. HARMAN relies on supplier collaboration to reach conflict-free status and expects that suppliers establish their own conflict mineral policy, perform due diligence within their supply chains, and complete HARMAN's conflict minerals survey. HARMAN is dedicated to embedding social responsibility into our global supply chains, which we support through our participation in the Responsible Business Alliance (RBA).

We understand the value of transparency with our customers on the sources and impacts of our product materials. Our products contain tantalum, tin, tungsten, and gold, and we survey our global supply chain for conflict minerals to reasonably assure that our products are conflict-free. We do

not source directly from smelters or mines. Our suppliers are expected, at a minimum, to disclose smelter information annually through the completion of the conflict minerals reporting template (CMRT) developed by The Responsible Minerals Initiative.

Resilient Supply Chain

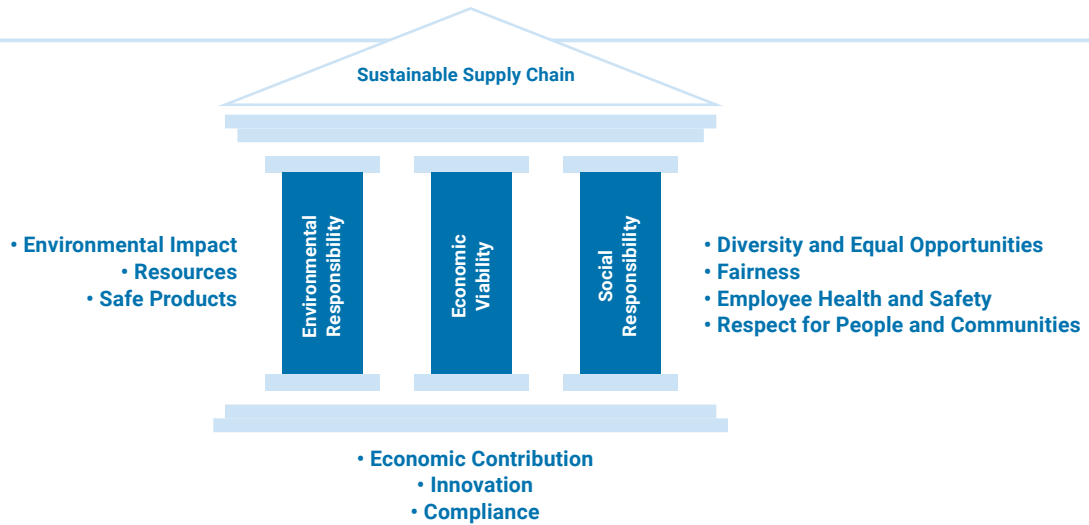


HARMAN Employee Spotlight: Lily Guo, VP of Global Operations, Lifestyle Consumer Audio:

As a senior operations executive at HARMAN, Lily Guo champions strategic initiatives that maximize HARMAN's supply chain efficiencies to deliver its products, technologies, and innovations worldwide. Over the last few years, Lily has been an effective leader through unprecedented challenges, including supply chain disruptions due to COVID-19 and the emergence of a global semiconductor shortage. Her ability to optimize the company's supply chain processes by remaining forward-looking prepares her team well for unique challenges that lie ahead, especially in a climate-uncertain future.

Supply Chain Transparency

HARMAN’s supplier requirements are outlined in our Supply Chain Sustainability Policy, which affirms our commitment to sustainable procurement and engagement with suppliers on issues related to diversity, equity, and inclusion. The policy is built on three pillars that support a sustainable future in our supply chain and position HARMAN to continue to meet the demand for exceptional products.



We ask suppliers to self-assess performance on various practices related to corporate social responsibility (CSR). Our Supply Chain Risk Management team uses the CSR Self-Assessment Questionnaire to collect, evaluate, and score sustainability information from suppliers across industries.

We piloted an expansion of supplier questionnaires in 2021, engaging around 300 suppliers (representing 75% of suppliers by total procurement spend) via an internal CSR Sustainability Survey. The results of the survey will be used to identify risks and inform our strategy to reduce our scope 3 emissions.

Our efforts thus far represent our evolved strategy related to Supplier Monitoring and Engagement, which allows us to make informed decisions using environmental, health, and safety criteria. We are also better able to identify key areas where further education and partnerships are needed. In this way, we are working to ensure a resilient supply chain, based on transparency and collaboration.

Collaboration

HARMAN’s products span many different industries including automotive, electronics, consumer products, and more. There are unique examples of collaboration in all areas and lessons to learn from each sector as we pursue a lower carbon and more equitable future.

External Engagement and Partnership

Being a good value chain steward involves transparent reporting and disclosure of key ESG issues relevant to our customers and other stakeholders. HARMAN is an annual respondent to CDP as well as Walmart’s Project Gigaton, which recognized HARMAN for “Sparkling Change” in 2021. HARMAN also responds to the EcoVadis business ratings, and in 2021, HARMAN received a Silver Rating, meaning our performance was within the top 25 best companies in our peer group. HARMAN has also been recognized by General Motors as a Top Supplier for two consecutive years (2020, 2021) for displaying outstanding achievement across certain key priorities including sustainability and innovation.

Product End-of-Life Innovation

End-of-life initiatives are becoming imperative in the electronics industry as we work to close the loop and recycle precious materials. HARMAN is making a concerted effort to empower end-users to give our products a second life and extend the useful life of our products.

Take-back & Recycling Schemes

Giving products a second life through take-back and recycling schemes reduces the amount of waste landfilled and supports the circular economy. HARMAN is collaborating with various national product stewardship programs to continue to expand product takeback opportunities.

In the United States, HARMAN is a Steward with the Call2Recycle® program focused on the takeback and recovery of batteries and power banks. Useable metals are extracted and recovered to be recycled into new products. For more information and drop-off locations, visit <https://www.call2recycle.org/>.

In Brazil, HARMAN consumer electronics and speakers can be recycled through the Green Eletron program. The program provides collection/drop-off points throughout Brazil at retail and other locations. The program coordinates environmentally appropriate final destinations for the e-waste. For more information, visit <https://greeneletron.org.br/blog/>.

Other initiatives to expand existing take-back and recycling programs are already underway. Launching in 2022, HARMAN is collaborating with Homeboy Electronics and Call2Recycle® in the development of a program for the InfinityLab line of products to provide certified mail-in recycling for electronics at the product end-of-life. HARMAN is investigating other opportunities to develop take-back/circularity programs in other global locations to reduce the impact of e-waste on the environment.

Refurbishment

HARMAN is exploring the potential for refurbishment programs to extend the useful life of our products, particularly within the Consumer Audio Group. This is a dimension of sustainability that we plan to continue monitoring, as it has important implications for consumer experience and product environmental impact and allows our team to stay ahead of emerging waste-related legislation.

In Closing

Through our Sound Purpose, HARMAN has come a long way in our journey toward creating a more sustainable future. We are excited and proud to share the impact that we have made and what we have learned along the way. Through ambitious climate targets, emissions reduction initiatives, the use of more sustainable packaging and renewable electricity, as well as diverse and sustainable supply chain practices, HARMAN envisions a future that is brighter for all.



Meeting the challenges of tomorrow means taking action today. At HARMAN, we pledge to build our future on a foundation that thrives sustainably and is responsibly rooted in our Sound Purpose.

—Michael Mauser, HARMAN International President and CEO

All external requests for additional information should be sent to: OneHarmanESG@harman.com.