



SOUND PURPOSE

Driving Cause with Impact



PROGRESS ON
SUSTAINABILITY TARGETS



Our team is building a transformative sustainability platform that drives ESG performance across our business, allowing us to realize opportunities for the next generation and beyond.



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 Approach to Reporting

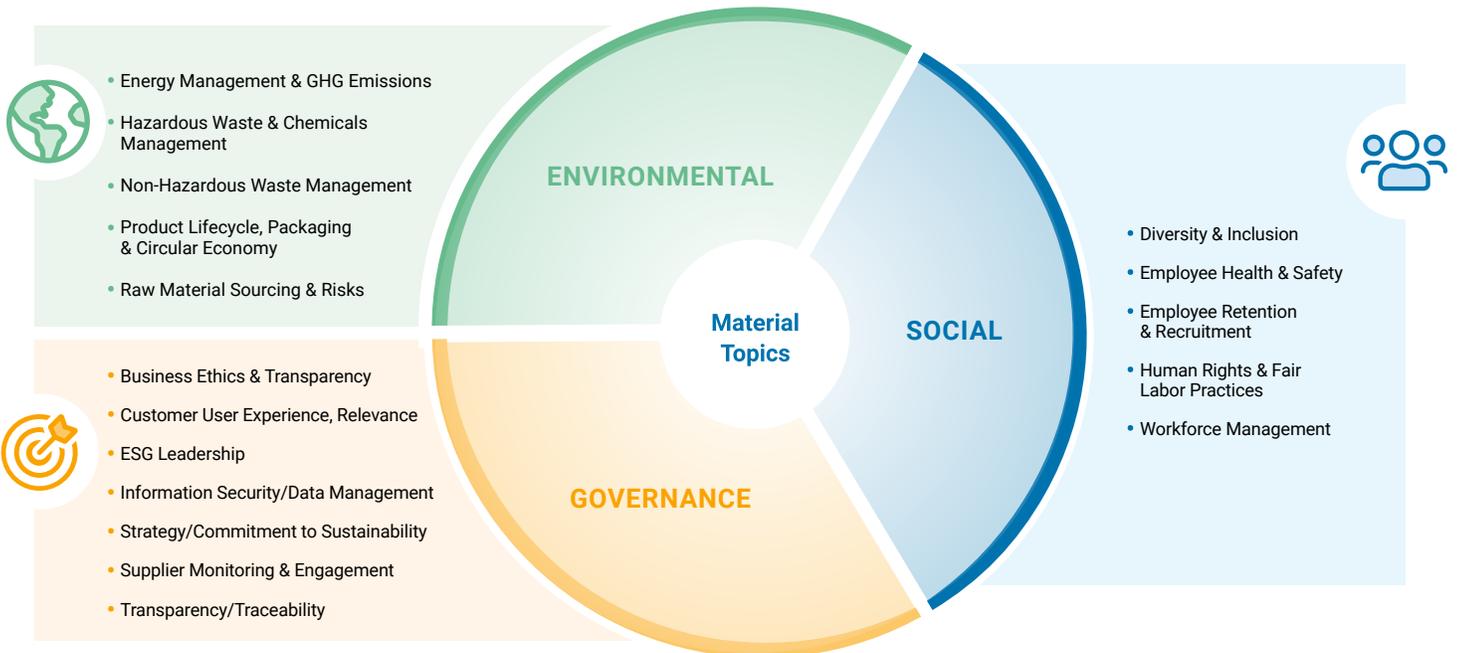
This Executive Summary highlights key initiatives from HARMAN’s most recent Sustainability Report, Sound Purpose: Driving Cause with Impact. The content of HARMAN’s reporting is guided by the results of our 2021 Materiality Assessment, which identified ESG topics that are relevant and important to HARMAN and its stakeholders. The results of the assessment identified 17 material topics for HARMAN.

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



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



PLANET

At HARMAN, we strive to enhance the social and environmental fabric of the communities and markets we serve through sustainable innovation and rich experiences. Through the creation of products and processes that have a lower environmental impact, we are building our legacy as a responsible and purpose-driven organization.

Carbon neutrality

HARMAN aspires to minimize the environmental impact of our products and operations. To do so, our teams analyze sustainability opportunities and progressively integrate environmentally sound practices across our organizational footprint. HARMAN is unified in action towards carbon neutrality by 2040 – 10 years ahead of the Paris Agreement.

	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

13% Reduction in Scopes 1 and 2

from 2019 to 2021

From our 2019 baseline year to 2021, our operational emissions decreased by approximately 13%. In 2021, we expanded our focus to increase renewable electricity procurement and improve data quality in scope 3, allowing us to better track and evaluate emissions hot spots in our value chain.

To reach our goal of carbon neutrality by 2040, we have developed interim climate targets to be achieved by 2025.

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



Focusing on renewable electricity

In 2021, our first on-site solar installation came online in Pune, India. The solar panel system can produce more than 3% of the Pune site's total annual energy consumption and saves 116 tons of greenhouse gas emissions, equal to the emissions produced after driving almost 1 million kilometers (over 621,000 miles) in a normal passenger car.

By 2025, HARMAN has pledged to source 100% renewable electricity across our global manufacturing footprint, in alignment with the RE100 Initiative, an organization of 400 ambitious and influential businesses driving corporate demand for 100% renewable electricity.

Sustainable products and packaging

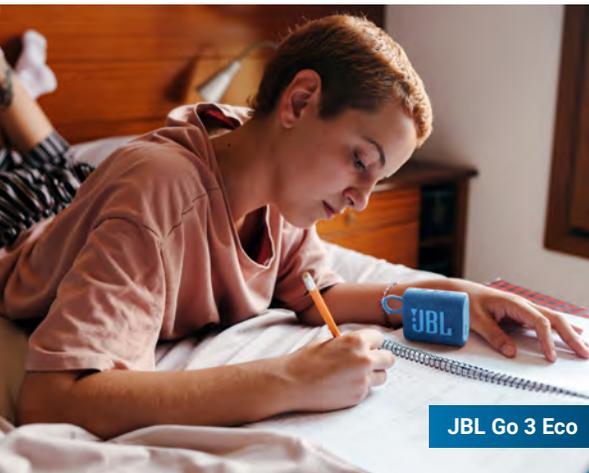
In 2021, HARMAN introduced sustainable packaging guidelines for all new products. We started with the Consumer Audio Group, which avoids the use of virgin plastic, whenever possible, with a preference for post-consumer recycled plastic and recyclable paper packaging. HARMAN is also optimizing packaging to the size of the product, which generates less waste and allows for more efficient shipping—reducing 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



JBL Go 3 Eco



JBL Clip 4 Eco

A look ahead: 2022 sustainable product launches

6 new products made from up to 90% post-consumer recycled plastic and up to 100% recycled fabric will reduce more than **4,440 tons of CO₂ per year**

30 new products launching with fully sustainable packaging

14 products to be certified under the EPA Energy Star™ Label

AMPLIFY PROGRESS

Transparent disclosure and supplier engagement

HARMAN's impact and sphere of influence expand far beyond our direct operations, opening a world of collaborative opportunity. Through cross-sector engagement, HARMAN leverages best practices from multiple industries to lead innovative and exciting new approaches to complex challenges.

Part of 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 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. 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.



“These top suppliers showed resilience and reinforced their commitment to pursuing sustainability and innovation. Through our strong relationships and collaboration, GM and our suppliers are poised to build a brighter future for generations to come.

—Shilpan Amin, GM Vice President, Global Purchasing and Supply Chain

PEOPLE

At HARMAN, one of our greatest organizational pillars is “winning through people”. By continuously bringing bold ideas, big-picture goals, and a diverse set of backgrounds and experience to the table, our employees allow us to deliver on our commitments to each other, our customers, our partners, and our communities.



DEVELOPING LEADERS WITHIN

In 2021, we celebrated the fifth anniversary of our leadership training program. 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 curriculum has 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. 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 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



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

Diversity Learning Journey

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 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
- **“Leading Inclusively”**, which teaches leadership tactics to encourage psychological safety and authenticity at work



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-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.



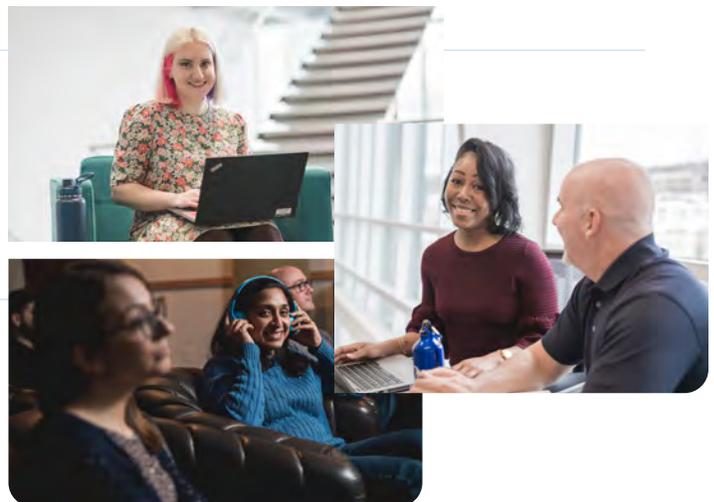
LIVING IN TUNE WITH HEALTH

HARMAN believes that every company has an opportunity, even an obligation, to support employee wellness, help build financial acumen, encourage career development, and prioritize a successful work-life balance. Sound Living, HARMAN's health and wellness program, provides a platform to deploy adopted policies and initiatives that respond to our employee's ever-changing personal and professional needs

Through Sound Living, HARMAN employees benefit from:

- Opportunities to earn up to \$800 in incentives, by completing a variety of wellness activities.
- HARMAN covers health benefits for full-time employees worldwide, depending on the level of government-provided coverage including the full cost of vision care, along with access to diabetes management programs, and Sleepio, a program designed to help employees improve sleep quality.

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.



- US-based employees are given 8 hours of annual paid time off to volunteer at an organization(s) of their choosing.
- Paid Parental Bonding Leave for birthing, adopting, and fostering parents.
- Paid annual floating holidays of choice for flexibility in team members' religious observances.

HARMAN formalized commitments to strengthen 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 HARMAN Flex is to increase employee productivity and motivation through the provision of consistent work-from-home practices across global operations.



PURPOSE

At HARMAN, our creative purpose is driven by our passion for music and technology.

Anchored by HARMAN Inspired, our global cause initiative, we foster purpose-driven partnerships to drive creativity and humanize tech. Through our philanthropic engagements, we seek to empower the next generation of leaders to cultivate deep connections with HARMAN technologies through unique and immersive experiences in audio, music, technology, and service.

CELEBRATING THE POWER OF MUSIC ON MAKE MUSIC DAY

Each year, June 21 marks the anniversary of our global music festival, Make Music Day. 2021 marked both the sixth anniversary of Make Music Day and the 75th anniversary of the JBL brand. To celebrate, thousands of HARMAN employees representing nine countries and 22 global 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.



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.





Inspiring Young Women in STEAM with 1,000 Dreams Fund

HARMAN has been working with 1,000 Dreams Fund (1DF) for five years to support its mission of providing greater access to educational opportunities so that all young women, especially those most in need, may fully realize their potential.

Each year, we support the New Face of Tech Challenge which utilizes digital and social media to invite young women to apply for a scholarship to support their interest in STEAM fields. Through photo and written applications, we see women who are pursuing careers in areas such as computer engineering, efficient tech and design, gaming, and machine learning to name a few.

2021 was the first year that we participated in 1DF's MentorHER Initiative, connecting HARMAN volunteers 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.

And finally, we hosted a live watch party hosted by JBL and 1DF, which presented viewers with access to candid conversations on the experiences of women in gaming. 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.

In 2021:

207 women applied for the scholarship

20 were awarded **\$1,500** grants to help to pursue their careers.



Supporting Tomorrow's Musicians with Music Will

Since 2014, HARMAN's partnership with Music Will (formerly Little Kids Rock) continues to evolve and flourish. Music Will, a web-based platform providing free virtual music lessons to underserved kids, currently serves 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 their programs adapted to changing conditions while prioritizing participant health and safety.

In 2021, HARMAN donated professional audio equipment to continue building HARMAN Inspired Music Classrooms in public schools, along with donating thousands of headphones to help students in underserved communities learn at home. As a result, Music Will's Jam Zone, a free music resource hosting song charts and video tutorials, saw a spike of over 60,000 users per month across 8 countries.

Through Music Will, HARMAN helped to provide:

- **46** professional development sessions for teachers across the country in 2021
- **300+** new teachers to our national program
- Access for an additional **75,000** students nationwide

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.



CONCLUDING THOUGHTS

HARMAN has come a long way in our journey toward creating a more sustainable future. We are excited and proud to share our successes thus far and welcome you to join us as we continue learning and driving our cause through purposeful impact.



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 & CEO

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