



Supporting Document

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As the Company operates a trading business, in addition to selecting quality products, a key success factor is having operational systems and services that effectively respond to customers' needs as they evolve with economic conditions, technology, and other environmental factors. The Company recognizes that employees are the core driving force behind organizational success and sustainable growth. Along the path toward these goals, employees must be competent, ethical, and engaged. Therefore, it is the Company's important mission to foster these qualities in order to achieve the intended success.

Definitions

- "Company" means Harn Engineering Solutions Public Company Limited or its subsidiaries.
- "Subsidiary" means a company in which Harn Engineering Solutions Public Company Limited holds more than 50% of the shares and has management control.
- "Employee" means all employees of the Company who perform duties under an employment contract in any position.
- "Business Partner" means suppliers of goods and services, including contractors for labor and services.
- "Young Worker" means a worker who is under 18 years of age but above the minimum legal working age.
- "Forced Labor" means work or service performed involuntarily by a person through coercion, threat, intimidation, punishment, or any form of compulsion, resulting in the person working unwillingly or under conditions in which resistance is not possible.

Human Resource Management Policy

The Company is committed to fostering a positive and engaging work environment that encourages enthusiasm, initiative, and continuous development among competent and knowledgeable personnel, based on principles of integrity, fairness, positive mindset, and professional accountability. The Company has established the following policies and practices:

1. Respect for Human Rights

- Child Labor

The Company shall not employ or support child labour (No Child Labour). No person under 18 years of age shall be employed or engaged in the Company's operations. During recruitment, all applicants must present government-issued identification, such as a passport, national ID card, and/or work permit, for verification of age and legal eligibility to work.



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- **Pregnant Employees**

The Company shall not assign pregnant employees to work that is hazardous to health or physical condition as prescribed by law. Pregnant employees shall be assigned to safe work or environments that do not endanger maternal health. The Company shall not terminate employment, demote, or reduce benefits due to pregnancy.

- **Forced Labor**

The Company shall not engage in or support any form of forced or compulsory labor (No Forced and Compulsory Labor). The Company shall not demand money or property, nor retain personal documents such as passports, identification cards, or work permits from employees, except where legally permitted.

- **Harassment or Abuse**

The Company promotes an equitable workplace in which individuals treat each other with respect and dignity. Any form of intimidation, harassment, or abuse—whether physical or psychological—through words, gestures, physical contact, or other means is prohibited. The Company provides grievance mechanisms to investigate behavior, and where violations are found, disciplinary action shall be imposed in accordance with the Company's work regulations.

- **Non-Discrimination**

- The Company recognizes the importance of human dignity and equality and promotes adherence to fundamental human rights and equal opportunity. Discrimination in employment, remuneration, welfare, development and training, promotion, disciplinary action, termination, or retirement based on personal characteristics—such as nationality, race, skin color, age, gender, language, religion, marital status, sexual orientation, political belief, ethnicity, property, social status, or other personal attributes—is not supported.
- The Company supports and respects the protection of human rights and shall regularly ensure that its business operations are not involved in human rights violations, including forced labour or child labour.
- The Company does not permit any behavior indicating harassment, discrimination, or intimidation.

- **Freedom of Association and Collective Bargaining**

- The Company shall respect employees' rights to form or join associations in any lawful manner that does not cause harm to the Company, employees, or the community, including participation in lawful collective bargaining processes.



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- The Company shall respect employees' freedom of expression, including the right to express opinions without interference and to receive information through various channels. The Company shall provide communication channels for stakeholders to express opinions freely.
- The Company shall arrange for the election of employee representatives in the form of a Welfare Committee in accordance with the Labor Protection Act B.E. 2541 (1998). The Welfare Committee shall oversee employee welfare and act as a representative body to receive complaints and work jointly with management representatives to resolve issues and improve matters in a lawful and constructive manner. The Company shall not obstruct or penalize employees for such participation, and outcomes shall be communicated to employees through appropriate channels.

2. Fair Labor Practices

- Strict compliance with applicable laws and regulations relating to employees
- Provision of a safe and healthy working environment to protect employees' life and property
- Respectful and courteous treatment of employees, recognizing individuality and human dignity
- Provision of fair and equitable remuneration to employees
- Fair consideration in appointments, transfers, rewards, and disciplinary actions, based on employees' knowledge, competence, and suitability
- Emphasis on employee capability development, with equal and continuous opportunities for all
- Avoidance of any unfair practices that may affect job security or cause intimidation or psychological pressure
- Employees have the right to file complaints if they believe they have not received fair treatment, through established systems and procedures
- Equal and impartial consideration of opinions and suggestions from employees at all levels

4. To enhance and develop employees' capabilities and competencies, and to support the Company's culture and values in alignment with its goals, strategies, and growth direction.

5. To adhere to the Company's corporate governance policy framework, business ethics, anti-corruption policy, and other applicable policies, and to appropriately apply them to human resource management functions, including recruitment, performance evaluation, remuneration, training and development, and promotion.



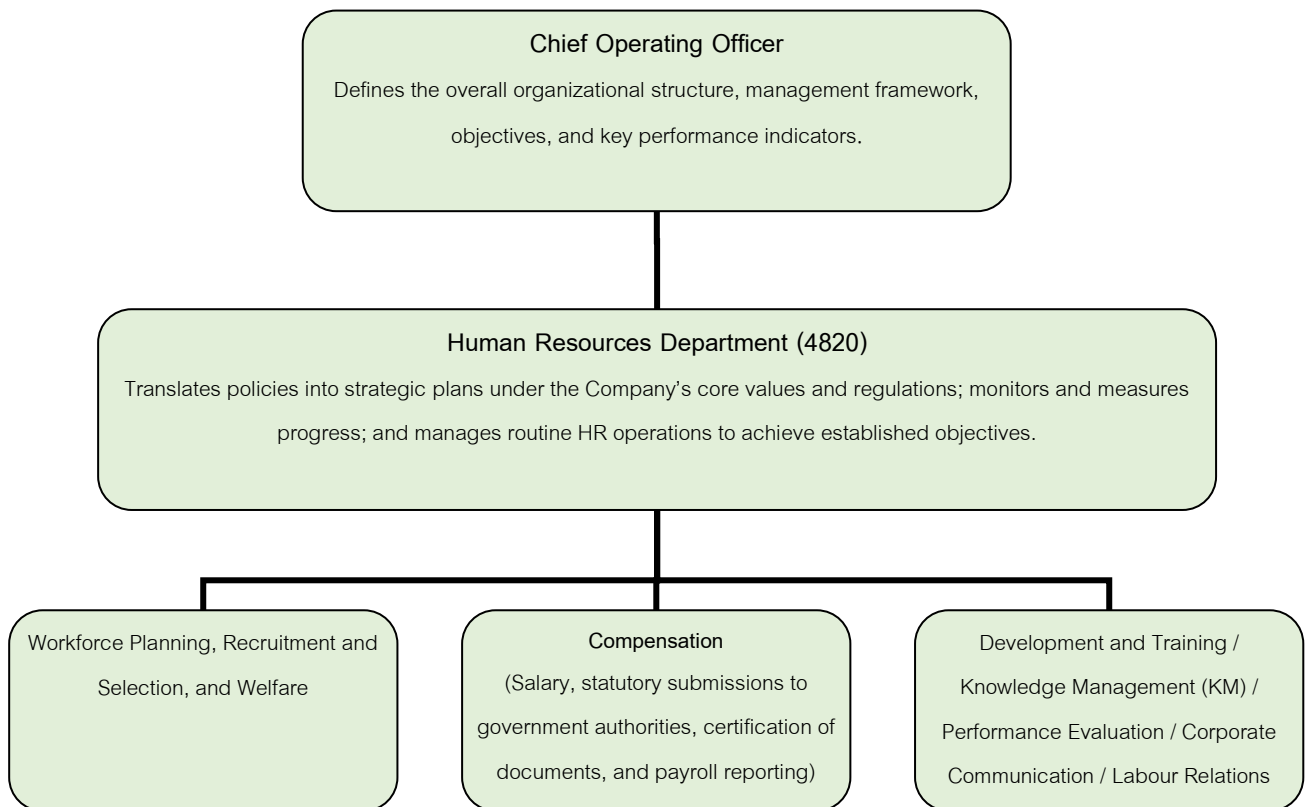
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- 6. All executives are responsible for managing human resources within their respective lines, divisions, and departments in accordance with the Company's policies and management guidelines.
- 7. To apply information technology in the development of various human resource management functions.

Human Resource Management Policy Framework and Core Processes

The Company has summarized its key human resource functions as a framework for various management activities as follows:



1) Workforce Planning

To ensure that the Company has sufficient manpower in both quantity and required competencies to support business operations in the present and future.

- 1.1 Establish an overall organizational structure and line hierarchy down to the departmental level, enabling clear identification of job types and functions, so that the Company can design management processes aligned with authority, reporting lines, and manpower levels. The organizational structure shall be determined based on internal and external factors of each business line.



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1.2 Review the workforce plan on an annual basis, taking into consideration the following:

- Time means the period required to prepare manpower readiness, and whether there is sufficient time to develop existing employees to meet requirements. If not, external recruitment of suitably skilled personnel should be undertaken immediately, while continuing to develop new employees for the future.
- Cost Ratio refers to whether personnel budgets and related resources are adequate, including work tools, technology, software, machinery, and other necessary resources.

2) Recruitment and Hiring

Recruitment and hiring are critical functions and represent the first step toward organizational success. The Company aims to attract a sufficient number of qualified candidates possessing the competencies required for each role and to conduct selection based on clear and fair criteria in order to obtain the most suitable individuals or groups to join the organization. The Company has established the following framework:

- 2.1 Establish clear recruitment and hiring procedures, including defined selection criteria.
- 2.2 Hiring decisions shall follow the Company's prescribed approval processes and criteria, selecting candidates with the knowledge, skills, abilities, and suitability for the position, while considering recruitment-related costs, including selection, training, salary, and benefits associated with the role.
- 2.3 Consider the advantages and disadvantages of internal and external recruitment sources, recognizing that each source has different benefits and limitations, and determine suitability in terms of the quality and quantity of personnel required, including costs, timelines, and employee development opportunities.
- 2.4 Recruitment and selection shall be conducted transparently, impartially, and fairly, to attract external candidates who possess knowledge, capability, development potential, and interest in joining the Company.

3) Performance Evaluation

Performance evaluation is a key process that drives the organization toward achieving its established business objectives. It serves to cascade organizational requirements into individual employee performance goals and functions as a management tool enabling supervisors to assess each individual's performance and competencies. It also promotes participation between supervisors and employees in jointly setting work goals and key performance indicators (KPIs), fostering cooperation and positive relationships that contribute to organizational success.



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- 3.1 The performance evaluation system shall be clear, concrete, and measurable in assessing individual achievement, and the criteria shall be communicated to all employees.
- 3.2 The system shall align with and support the organization’s primary objectives by translating them into individual work goals through personal work plans or individual performance targets.
- 3.3 All functional directors shall review the appropriateness of performance indicators annually.
- 3.4 Performance indicators shall be categorized into three types, with appropriate weighting applied in evaluation, as detailed below:

Types of Performance Indicators (KPI)

- 1. KPI = Key Performance Indicator – Evaluation based on the employee’s performance score.
- 2. API = Appraisal Indicator – Evaluation conducted by the supervisor.
- 3. ATI = Attendance Indicator – Scoring based on working hours and leave records.

The Company has established weighting for each type of performance indicator, which is currently applied as a performance measurement tool for each position, as follows:

Summary of Performance Indicator Evaluation Weighting

	Type of Performance Indicator	Evaluation Weighting	
		Employee Level	Manager Level and Above
1	KPI (Key Performance Indicator)	50	70
2	API (Appraisal Indicator)	30	30
3	ATI (Attendance Indicator)	20	-
	Full Score	100	100

3.5 Utilization of Performance Evaluation Results

- To consider appropriate employee remuneration, such as salary adjustments or other forms of compensation
- To assess suitability for job roles, including improvement, development and training, or reassignment to ensure appropriateness and effective performance
- To consider employee promotion or position changes, as performance evaluation reflects work effectiveness and serves as a basis for merit consideration
- To determine training and development needs, as evaluation results indicate areas requiring further development



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- To support various management functions, such as ensuring fairness and resolving internal conflicts, thereby fostering a positive work environment and strengthening the Company's overall capability

4) Compensation and Welfare

The Company's remuneration policy applies to all employees to attract, develop, and retain high-performing and motivated personnel in a competitive labor market. Employees shall be offered remuneration at appropriate levels.

4.1 Establish salary structures for benchmarking to serve as criteria for determining remuneration for both new and existing employees, with annual reviews to ensure alignment with labor market conditions, taking into account the Company's ability to pay.

4.2 Remuneration shall comprise salary, wages, and other income, with clear payment regulations:

- Salary shall be determined based on each employee's role and position, including professional experience, responsibilities, job complexity, and domestic market conditions.
- Annual bonus shall be performance-based to motivate and reward employees who achieve established targets and shall depend on the Company's annual performance.
- Welfare and benefits shall be provided in accordance with employees' employment contracts and the Company's welfare policy.

5) Human Resource Development

The Company shall continuously develop the capabilities, knowledge, and competencies of employees at all levels in alignment with their positions, to meet business needs and prepare for domestic and international business expansion, consistent with the Company's current and future strategies and business direction. The focus areas are as follows:

5.1 Supervisors are responsible for assessing employees' performance gaps, potential, and competencies, and for determining improvement and gap-reduction approaches to enhance performance, using the following methods:

5.1.1 Learning through work, such as on-the-job training, coaching and mentoring systems, counseling, and job assignments

5.1.2 Self-development, including self-learning, job rotation, and pursuing higher education

5.1.3 Internal training programs, categorized as follows:



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- **For management-level employees**

The Company provides executive development through advanced management programs to enhance leadership skills together with new knowledge to strengthen management expertise and effectiveness, and to prepare for future promotion or role changes in line with career progression.

- **For operational-level employees**

The Company develops operational employees through functional training programs to enhance job-related skills and competencies and improve work efficiency, such as risk management, financial and accounting standards, legal knowledge, computer and technology skills, marketing and sales skills, IT and ISO standards, administrative management, and occupational safety.

- **For all employees**

The Company develops all employees through core competency training programs to ensure that all personnel perform in alignment with the organizational culture and achieve optimal effectiveness, such as new employee orientation, effective communication, and organizational culture development.

5.1.4 External Training

The Company supports executives and employees in attending training programs provided by reputable institutions or organizations, including experts both domestically and internationally, to further enhance individual knowledge and competencies and to exchange ideas and new perspectives with other organizations, subject to the approved budget.

5.2 Career Development Planning

5.2.1 The Company shall use individual performance evaluation results to identify areas of underperformance and analyze each employee's strengths, weaknesses, and development needs, and prepare individual development plans for the following year.

5.2.2 Career development planning shall consider core competencies required for all employees, managerial competencies for executives, and professional expertise in specific fields, to analyze and establish individual capability development plans and career paths.



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5.3 Retention of High-Potential Employees and Succession Planning

- 5.3.1 The Company has a policy to retain high-performing and high-potential employees by establishing programs and/or tools for human resource management and development, and by preparing career progression plans in accordance with the development approaches under Item 5.1.
- 5.3.2 The Human Resources Department shall monitor each function to prepare succession plans at least one year in advance for positions approaching retirement.
- 5.3.3 The Company shall establish succession plans for personnel, particularly senior management from director level and above, to ensure readiness of qualified successors for vacant positions or future business expansion, and shall continuously report progress to the Board of Directors.

6) Knowledge Development and Management within the Organization

To support long-term personnel development, which contributes to organizational success and value creation, the Company utilizes information technology systems to enhance the efficiency of human resource management and development. The Company has initiated a Knowledge Management (KM) program to promote systematic management of organizational knowledge in order to sustainably support business objectives.

- 6.1 The Human Resources Department shall be responsible for collecting and maintaining knowledge data.
- 6.2 Designated representatives from each function shall be responsible for capturing and compiling knowledge gained from work experience, project learning, past issues and solutions, knowledge-sharing meetings and exchanges, as well as standards, training, education, academic conferences, and knowledge obtained from customers and business partners, for consolidation and dissemination to relevant employees through training and knowledge-sharing activities.

7) Labor Relations Management

The Company promotes various activities to foster positive relationships and mutual understanding between management and employees, enabling conflicts to be resolved promptly and to the satisfaction of all parties, while jointly creating and sharing benefits appropriately. The Company shall undertake the following:

- 7.1 Promote and maintain a good quality of work life for all employees.
- 7.2 Comply with labour laws and government-prescribed practices and encourage employees to do likewise.
- 7.3 Fully comply with employment contracts and conditions of employment and support employees in adhering to them.



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- 7.4 Provide training and development to enhance knowledge and work capability, through both in-house training and external training programs appropriate to employees at all levels.
- 7.5 Establish appropriate work discipline and apply disciplinary measures fairly, allowing all concerned parties the opportunity to present and examine facts fully.
- 7.6 Establish effective and appropriate grievance procedures and resolution processes, and encourage employees to utilize such channels when work-related grievances arise, with management expediting resolution of the issues and their causes.
- 7.7 Provide, maintain, and improve workplaces to ensure safety, hygiene, and suitability for employees' duties, including safe machinery, equipment, work methods, and provision of appropriate personal protective equipment.
- 7.8 Promote consultation between employees and supervisors, and develop supervisors at all levels to serve as effective advisors to employees.

8) Human Resource Management and Development through Information Technology

To ensure that human resource information is accurate and complete, enabling effective utilization across various functions and reducing operational errors, the Company applies information systems in human resource management as follows:

- 8.1 The Company utilizes the following HR information systems:
- Central Database – Maintains employees' personal data, employment history, and related records, enabling other systems to access shared information.
 - Time Attendance System – Captures data from time-recording devices and compares it with employees' normal work schedules, generating reports on discrepancies such as absence, lateness, leave, and overtime.
 - Payroll System – Supports management of salaries, remuneration, and taxes, with automated calculations.
 - Performance Evaluation System – Establishes evaluation standards and records, calculates, and summarizes personnel evaluation results for salary adjustments and promotions.
 - Training and Development System – Supports personnel development planning.
 - Welfare System – Records and manages data relating to employee welfare, such as medical expenses and leave benefits.
- 8.2 Communicate necessary analytical results to executives across functions to support management decision-making.