

Sustainability Management Social

Social Policy and Practice

1) Human Resource Sustainability

Since HARN conducts a trading business, not only the selection of quality products, but also the existing work systems and services which efficiently meet the changing of customers' demands due to economic conditions, technology or other factors are key to success. HARN realizes that employees are crucial to driving the organization towards success and sustainable growth. However, to achieve that goal, the employees need to be smart, good and happy. The significant HARN missions to drive success as intended are to strengthen and develop employees to be ready in three areas: SMART PRO, the preparedness of competence and skills; SMART Care, the preparedness of physical and mental aspects; and SMART Learning, the preparedness of acquiring digital technology through the human resources administration policy of HARN which designates to "be determined to create a working atmosphere to be happy, enthusiastic, with initiative and also the development to be well-rounded employees on the principles of accuracy, justice, positivity and professional responsibility." There are five practical guidelines as follow;

1. Human rights respect
2. Fair treatment of employees
3. Strengthen and develop employees' capability; support culture and values of HARN in line with the goals, strategies and direction of business expansion.
4. All executives are responsible for human resource management in accordance with the policy and management guidelines of HARN.
5. Enable information technology to develop human resources in various fields.

Human rights respect

- Has guidelines to promote and motivates the practice based on the principle of basic human rights and equality by disregarding the differences between nationalities, race, skin color, sex, language, religions, political or any other beliefs, ethnicity or social background, wealth, birth or social status.
- Supports and respects the protection of human rights by regularly inspecting its own business so that it does not involve with activities which violates the human rights, for example, not supporting forced labor, or opposing to child labor
- Respects the opinions of the employees which cover the freedom of opinions that is free from outside influences, obtaining information or ideas from various Medias, including providing the communication to freely listen to the opinions of the stakeholders.

Fair treatment of employees

In the year 2021, HARN did not violate the laws regarding labor, consumers, employment, trade competition, environment, the practice guidelines are as follows;

- Strictly comply with the laws and regulations which relate to the employees.
- Provide a good working atmosphere that is safe to the lives and assets of the employees.
- Treat the employees gently, respect their individuality and human dignity.
- Fair remunerations for employees.
- The promotion, relocation, including rewards and disciplinary actions are conducted fairly by considering the knowledge, capabilities and suitability of the employees as the standard.
- Emphasizes on the skills development of the employees by providing regular opportunities and equally.
- Avoid any unfair actions which may affect the stability of the employees' jobs or threaten and create stress to the employees.
- Employees have the rights to appeal when they are treated unfairly according to the process and system in place.
- Listen to suggestions and opinions of the employees from all levels equally and fairly.

2) Community & Social Sustainability

In the course of business operation, HARN is committed business to fair with Guidelines for management according to moral, ethical administration, creating management credibility. HARN promotes fair competition to motivate innovations and improvement of products and services, which will in turn contribute to economic growth and better standard of living in the long run. In addition, HARN also promotes social responsibility in all stages of business chain, takes responsibility for its actions which may affect the society and the environment, and the effect on other businesses due to its procurement activities, in order to avoid or minimize the negative impact, as well as respects the rights in properties and commits no violation of intellectual property, the following guidelines:

Promote fair competition

- Undertake the business activities in compliance with the law and competition regulations, and cooperate with the government authorities.
- Establish the procedure and measure preventing the involvement in or conspiracy with the behavior against fair competition.
- Ensure the employees be aware of fair competition and compliance with applicable competition law.
- Promote fair competition and activities, and support anti-monopoly and anti-dumping.
- Pay attention to social context and not take advantage of natural or social conditions, such as poverty, to unfairly create competitive advantages.

Promote social responsibility in value chain

- Define social and environmental measures in the policy and procedures for procurement and distribution.
- Encourage other relevant companies to accept and apply the similar policy in order to prevent unfair competition.
- Actively participate in elevating awareness of the principles and issues relating to CSR activities in which takes part.
- Promote fair treatment to one another throughout the value chain, both in terms of costs and benefits of implementing CSR activities; that is to say, improve the capability to achieve the CSR targets in all operations of the value chains including appropriate procurement such as creating guarantee for fair price with adequate lead delivery time and an established trade agreement.

Promote respect for assets rights

- Appropriately check to ensure that is legally allowed to use and grant the right to use a certain property.
- Not participate in any activity violating other person's properties, for example, inappropriately using advantageous marketing position, producing fake products, and intellectual property infringement.
- Fairly pay for the use or acquisition of a certain property.

HARN allows for reporting of any possible offence or filing any complaint of any breach of law or ethics through chairman of Audit Committee. HARN has an established procedure for actions to be taken after getting the report of such issue. The reported matter shall be investigated and then submitted to the Board's.

In addition, HARN also sets a practice guideline for the directors, top executives and employees, including code of ethics and accountability for the stakeholders. The guideline is aimed at creating behavioral standard for the operation of such personnel on an integrity basis. It is also a guideline for the Board members, top executives, and employee's organization-wide to be aware and follow. In this regard, HARN has set a process to monitor such performance on a regular basis.

Responsibility to Consumers

HARN aims to be the leader in services with the Sustainable Solutions' of the engineering system by utilizing the knowledge in products selection and innovations which responds to the customers' demands in order to increase the quality and the safety of the consumers with high quality products, modern technologies, sales and services that are fast, accurate and worth the value. These are the tools which create customer's satisfactions, differentiate the products and increase the ability to compete, including securing the brand loyalty in the long term, gaining value to HARN. HARN always considers investing for the maximum benefits of the consumers as well.

HARN is committed to sharing the engineering knowledge of HARN with its customers and the general public by posting contents on Facebook and HARN's website to provide society with wider knowledge and deeper insights. Moreover, HARN did a project called "Knowledge Sharing" aimed at training interested participants in the South to have the knowledge of how the cooling system works In Surat Thani and Bangkok. In 2021, total on 4 times with adherence to the principle "The giver learns and grows" motto.

HARN develops the responsibility to the consumers through the practical process and the staff activities in various departments, Operations under ISO 9001:2015 have been strictly executed along with continuous improvement of the management system as well as development of an efficient internal system for data collection and review, to minimize any possible error in data transmission and to facilitate data validation. The audit unit is responsible for driving the assessment of compliance with laws and regulations while

developing some tools or systems that help enhance work efficiency. In 2021, HARN were reported with zero major non-compliance case, following assessment against laws and regulations by the ISO Certification Institute from SGS (Thailand) Co., Ltd. on December 22-24, 2021.

With realization of the importance of products that enhance quality of life and safety of consumers, HARN has paid great care and attention to all processes on an end-to-end basis until the goods reach the consumers, as follows;



Society Performance

Manpower planning and recruiting

In 2021, the spread of the COVID-19 has caused HARN to slow the recruitment of employees as planned in the manpower plan. Recruitment will be performed only for urgent and important positions to the administration, as well as transferring positions if there is an available position in order to lighten burden. However, HARN still maintains its planned employee-to-workforce ratio of 89% and has a turnover rate of 8.15%.

Performance evaluation

HARN promoted the participation of supervisors and workers to define the goals and Key Performance Indicators (KPIs) altogether which led to the cooperation and good relationship between supervisors and their subordinates. To be successful, it was arranged to conduct the performance appraisal a 2 year, dividing the results into 3 parts as follows;

1. KPI (Assess the performance of the assigned tasks which support the main goal of HARN)
2. API = Appraisal Indicator (Assess work behavior which is consistent with the culture and the values of HARN)
3. ATI = Attendance Indicator (Assess employees discipline at the workplace)

The assessment results will be used for consideration of the annual return and communicated to employees in order to find a mutual solution for improvement between supervisors and employees. In 2021, the assessment was completed at 100% for all.

Remunerations and Benefits for the Employees

- HARN established a welfare committee to control and monitor all levels of employees in the organization to allow employees to fully participate in policy-making through the communication channel designated by HARN.
- HARN participated in the wage surveys and HR Benchmark 2020/2021 to reconsider compensation and welfare which would help HARN in attracting and retaining skilled workers, as well as keeping the cost of HARN to be reasonable. Besides the salary, employees will fairly and appropriately receive welfare and other benefits in various forms

Employees Development

HARN has consistently set to develop personnel at all levels equally, improve their higher performance and prepare them for tough competition. Learning opportunities and training should be provided for them so they can absorb knowledge, develop skills and gain experience that contribute to the growth of HARN. Annual training in and outside HARN, including business trips abroad, are made available for staff so as to develop their skills. Moreover, HARN puts a great emphasis on following up, assessing, applying gained knowledge to the workplace, sharing it with the team and related sectors.



HARN is determined to execute its human resource development plan as soon as its employees start working at HARN by providing training focused on knowledge and basic skills necessary for the workplace. The training is also focused on developing good attitudes and EQ so they can be productive and successful at work. Motivating them to develop their potential is also necessary for their work and personal lives.

Sales and service which are central to the success of the business so training sales and service staff is necessary in order for them to gain knowledge, develop their skills, build a positive attitude, get motivated, develop a good personality, have a service mind, and boost their confidence in presenting HARN's products and services to meet the needs of customers. So, they can consult, give advice, solve problems professionally and impress customers with successful management fulfilling HARN's vision that says **"We will be the leader in providing sustainable solutions"**, encourage its staff to have business trips and receive training focused on products, working systems and new technology abroad. Knowledge experience gained will be shared with the team and apply to products and services development in the future.

HARN defined its core values as POSITIVE, which is significant in molding the management and employees to team work behavior consist; (P: Professional Responsibility, O: Ownership, S: Sustainable Development, I: Integrity, T: Teamwork, I: Innovation, V: Value Creation, E: Excellence), clearly reflects identity of smart, conscientious and responsible for HARN and the outside society alike.

Due to the situation of the COVID-19 that has severely and continuously in 2021, it is unable to fully implement the human resource development plan. However, HARN still realizes the importance of developing the knowledge and necessary skills to perform the job, as well as other activities in order to promote good relationships within the organization. The work plan will be reviewed and updated in line with the changes that have occurred to further develop HARN's competitiveness.

- Training on ISO 9001:2015 Understanding and Implementation: To enhance knowledge and understanding of working principles in accordance with the standards of the requirements of ISO 9001:2015 Internal Audit for internal auditors to have the skills to prepare and plan internal audit work and to ensure that HARN's quality system is effective and can perform its function as an internal auditor completely.
- Training on Storing and Picking Up Products Correctly and Completely According to the Areas and System: To review the guidelines and procedures to be correct and appropriate as well as compliant with the quality system (ISO) where employees can store products in the designated areas and pick up exactly what they need. This results in saving time and building confidence in the work processes in the organization.

- Training on Introduction to Halocarbon Fill Station: In the form of hybrid training by product experts from abroad to provide employees with knowledge and understanding and be able to properly perform the task of filling fire extinguishers by the standard procedures and mainly having awareness of safety.
- Training on Introduction to Screw Compressor of BITZER Product: To provide knowledge and understanding of the screw compressors that have an opportunity to grow in the future. The trainees can apply their knowledge to give advice and recommendations to customers in order to understand how to use the product properly.
- Training on Fire Extinguishing, Air Conditioning, and Refrigeration System: In the form of online training to review the basic principles of the work related to the systems of firefighting, air conditioning, and refrigeration; to enhance knowledge and understanding and to be able to apply it in consulting and recommending products to customers correctly and appropriately
- Training on Introduction to Electricity, Electrical Installation Design and Intelligent System Technology: To provide employees with basic knowledge of electricity and correct electricity design principles, which is a job that requires knowledge and understanding of many components, such as engineering knowledge, product understanding, maintenance and safety, and application and development of the knowledge to intelligent system technology related to the refrigeration system.

In addition, HARN also promoted employee learning through online learning on the website of the organization in the project of “HARN Academy” in which employees are able to learn anytime and anywhere, supports various communication devices. The topics are related to the important policies of HARN, personal finance, including the review and test understanding on anticorruption, in order to provide the understanding to the correct practice of executives and employee, as well as the awareness of importance, roles and duties, which is a process of the effective prevention and anticorruption in the organization.

Summary of employee development workshops in 2021

Employee development	Unit	2021	2020	2019	2018
The number of total staff	Person	238	244	254	252
The number of training hours	Hour	2,153	871	2,762	3,713
The number of training hours of each staff on average	Hour	9.05	3.57	10.87	14.73
Expenses on training domestic	Baht	125,752	346,650	1,015,707	1,240,609
Expenses on training abroad	Baht	-	-	2,400,000	933,117
Score of bonding experience	% Bonding experience	81.49%	76.70%	74.47%	68.00%

Course	Description	Unit	2021	2020	2019	2018
Basic Training Course	the fundamental knowledge of the business, its polices, its values, its cultures.	% trained staff	100%	95%	17%	45%
		Average of training hour	13.81	2.71	6.00	2.40
Training Course on Preparation for Greatest Strength	The fundamental knowledge the necessary to be able to take their responsibilities, achieve their goals and develop an understanding towards the pros and cons of the tasks they are given.	% trained staff	93%	100%	50%	57%
		Average of training hour	6.56	4.70	9.31	5.20
Training Course on How to Work Effectively	Increase work potential, understanding of factors affecting you or work, and adapt to adapting to change, increasing management efficiency.	% trained staff	45%	48%	54%	97%
		Average of training hour	3.82	3.36	7.26	10.80
Training Course on Effective Management	Management, learning, innovation development and new technology to be more competitive	% trained staff	2%	0%	16%	12%
		Average of training hour	0.44	0.00	6.75	47.60



Occupational Health, Safety and Working Environment

HARN is concerned about all employees' safety in performance of duties and committed to taking measures to enhance safety standards in accordance with the Occupational Health, Safety and Environment Policy B.E. 2554 (2011). It has established Occupational Health, Safety and Environment Committee which meet monthly to report operation results regarding occupational health, safety and environment, follow up and rectify unsafe working conditions, and review as well as update "Safety Handbook" and work regulations and procedures for use as guidelines for safety in work performance. HARN also participated in and implemented the "Drug Problem Prevention and Solution Standards" project by establishing a policy and having a system for preventing and monitoring the problems, providing knowledge and building understanding, and enhancing the health and quality of life of employees that will be extended to the community and society for good economy in the future.

During the past year of the COVID-19, HARN has provided notifications and reports on the infection situation closely, as well as in the case of infected employees. The measures were executed through the announcement of the operation procedure and report of the results to supervisors and other related agencies, foreign travel prohibition, a 14-day self-quarantine for employees or their close relatives after traveling from abroad, as well as the reduction of crowds in the workplace or risks from public transportation. Employees were taking turns going into the office to work and those who work at home are able to work through the systems normally because of the support of technology; for example, working from home through the VPN system, online meeting, and health reports via Google form which can conclude health data and report to executives regularly.

Number of accidents Classified by characteristics of danger and seriousness Between January and December 2021

Types of Accident	Numbers of Accident						Total
	Passed Away	Disability	Compensation of more than 3 days off	Compensation of less than 3 days off	No Day Off	Damage to Assets	
Objects or structures destructive or fell off	0	0	0	0	0	1	1
Being exposed to chemicals	0	0	0	0	0	0	0
Vehicle Accident	0	0	0	0	0	11	11

- Seminars and basic fire drills are held, including the planning and assigning responsible persons so that the practice is carried out correctly and efficiently on Thursday, December 16, 2021. Illustrates Fire Drill and Evacuation Plan. Assessed by Department of Labor Protection and Welfare as 'Good'
- Annual medical check-up was arranged for employees on Wednesday, February 3, 2021, in which 237 employees undergoing medical examinations, 234 were actually examined, representing 98.74%.

Labor Relations Management

Part of HARN policies is to encourage its staff to participate in various activities so they can have a bonding experience, develop a good attitude towards HARN, stay physically and mentally healthy, and have high employee morale, leading to a sustainable growth.

- **Happy Buddy: Buddies from Different Departments**
 This activity aims to promote the relationship of personnel within the company. It is a medium for getting to know colleagues from different departments through the activity process that helps create a working atmosphere with fun, learning, more compassion to colleagues, and interactive practice, as well as creative expression.
- **Annual Merit-Making Event**
 It is an opportunity for executives and employees to make merit together to enhance morale and prosperity in life.

- **HARN NO FAT 2nd: Walk Together**
 It is a health promotion activity in the form of "walking". It encourages employees to realize the importance of strong physical health, helping to reduce the risk of various diseases that may occur, and creating a good atmosphere and relationship within the organization. The employees participated in the activity for 1 month with a total of 5,138,108 steps.
- **HARN GAMES**
 It is an activity to strengthen the relationship to encourage employees to participate in expressing their sports skills, strengthen the health, and practice acceptance and respect to the rules. Therefore, winning and losing in sports is not as important as exercising and having a good relationship among them.

Communication with employees

HARN attaches importance to internal communication with employees to acknowledge the policy operational guidelines and various information related to work and understands in the same direction, HARN has arranged communication channels with employees according to the importance of the matter to be communicated as follows:

- The annual staff meeting on Friday, March 16, 2021, to allow Chief Executive Officer and Executives to share vision, mission and corporate strategy in both short and long term for employees at all levels. in order to create an understanding of performance to achieve the same goals, as well as rewarding the employees whose years of experience have passed the criteria for the purpose of raising morale for work performance and being an important power to organizational success.

Human Resource Management and Development with Information Technology

To provide accurate and complete information on Human Resources, as well as to effectively apply information in many aspects and reduce errors from operations, in 2021 HARN has implemented the E-business Plus system for the payroll system, leave, overtime request, medical reimbursement, training, data collection and compensation of employees. On the system, employees are able to promptly make request anytime and anywhere which can convenience and quickly, help to reduce the burden of audit and documentation for human resources. Moreover, from the development of assessment through a system instead of paper, training or meeting registration, training evaluation and testing are able to operate through digital technology.

- Assessment of employees' engagement and work happiness and satisfaction. As HARN believes that career security, good work environment, good health and happiness at work will contribute to enhancement of work efficiency. In 2021, 144 out of the total of 241 employees, representing 59.75%, responded the questionnaire and the result of which was that HARN scored 81.49%.



LINE Official Account: As a channel for speedy communication in addition to communication email and Internal network system (internet) and HARN website.

Responsibility to Consumers

HARN is committed to strengthening customer satisfaction and confidence by delivering quality products based on their requirements along with honoring agreements and conditions made with customers on a fair, complete, prompt and factual basis, as well as foster a sustainable relationship between the customers and HARN through various programs in 2021. These programs included the regular customer visits, to foster good relationships and received further suggestions for improvement. Each year, HARN launched customer satisfaction survey and notify with relevant agencies to improve work process improvement, enhance customers' satisfaction, and create greater relationship. In 2021, resulting in high customers satisfaction increasing compare to 2020.

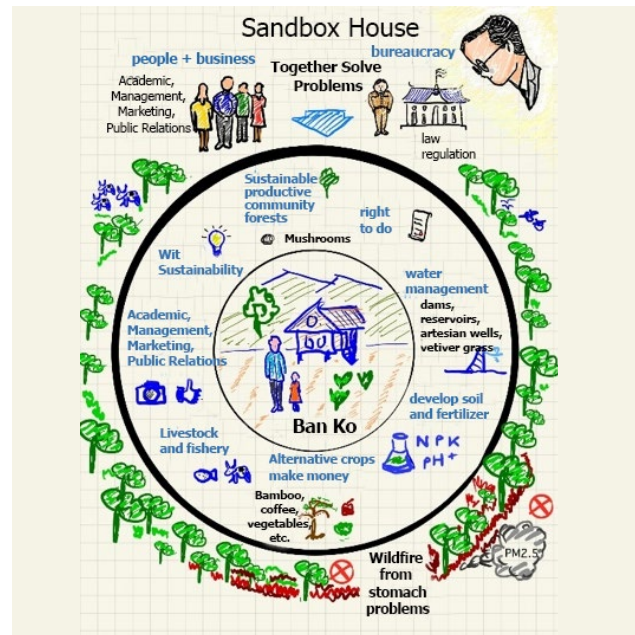
	2020	2019
Product		
(quality, variety of products)	88.72	89.73
Sale persons		
(product knowledge, services, problem solving)	92.11	92.92
Other services		
(management, providing information, contact channels with the company)	92.70	90.47
Overall average	91.18	91.04

Social or Community Development

- HARN is aware of its role as a good member of the society by supporting all public activities for social and environmental benefits and encourages the employees to join up and organize social activities is a reward for society when there is an opportunity in the right budget.
- Collection of old desk calendars, for handed over to the agencies that want for use in the production of teaching materials.
- Dr. Jain Charnnarong, the Director, has realized the environmental problems regarding PM 2.5 and begun to study the solutions to reduce forest fires and villagers' poverty which is called "Ban Kor Sandbox," to reduce forest fires and villager's poverty. On behalf of the president of Anandamahidol Foundation Scholarship Recipients' Club, he asked for the cooperation from the civic sector to work with villagers and government officials in solving forest fire problems and reducing the villagers' poverty through water and soil resource managing, reforestation, livestock and fishery, travel, and wisdom creation.

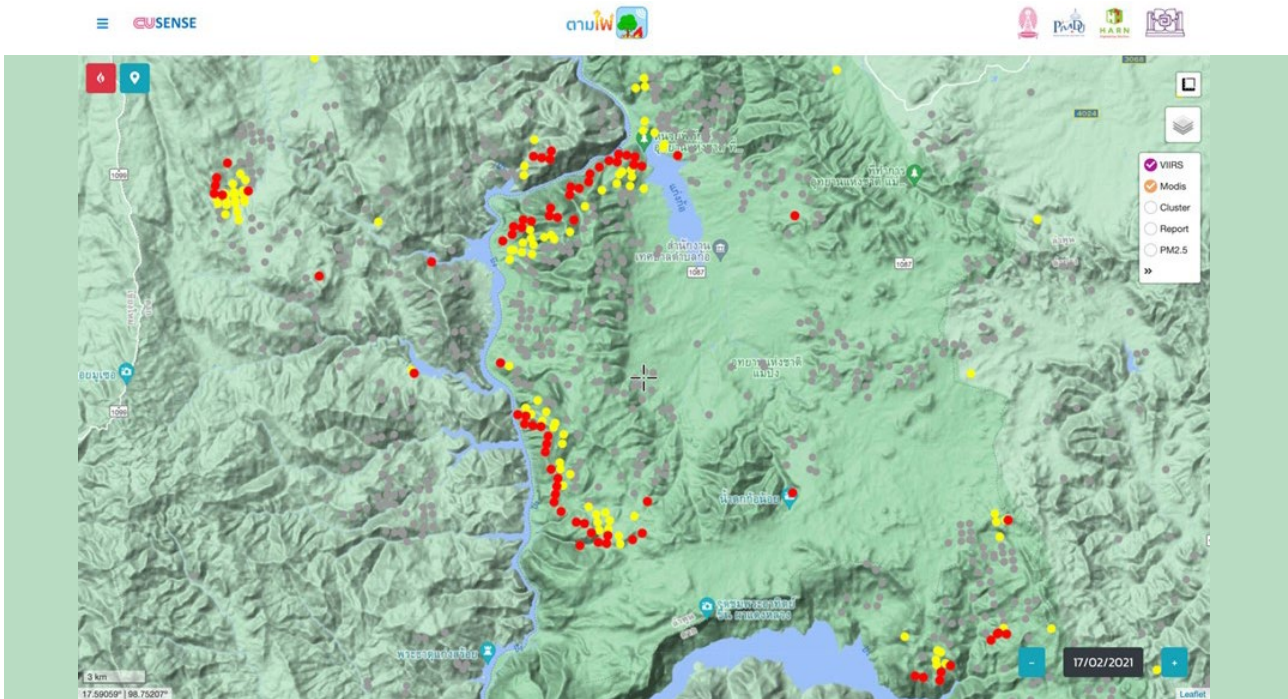
Ban Kor (Kor village), Kor sub-district, Li district, Lamphun province is one of the villages which has suffered the most from forest fires in Thailand. Over the past 22 years, the area of Mae Ping National Park which surrounds Ban Kor has been exposed to forest fires up to 20 times which amounts to burning area between 110,000 -275,000 rai per year.

Even the new plants have been recovered after a few months of forest fires, the microorganisms which cannot be seen with the naked eye were also destroyed, especially fungi. The tree roots of the Dipterocarpus Family in the Deciduous Dipterocarp forest are colonized by fungi. Such must have fungi provide water and nutrients for plants, and in exchange, the plants will photosynthesize and provide sucrose and glucose to the fungi. The symbiosis relationships bring which will help the abundant trees in the Deciduous Dipterocarp forest, even in dry areas lacking minerals in the soil. But when the forest fires often occur, microorganisms and fungi are destroyed, the Deciduous Dipterocarp forest will dwarf lack the abundant. Moreover, the fires prevent the soil from holding water, which is why Ban Kor had such a long dry season such that other plants could not be grown, except field corn.



To reduce forest fires in the Mae Ping area by raising the quality of life, in 2021 the club encouraged villagers to have the right to make a living in the park area under Section 64. The villagers had a resolution to help the Mae Ping National Park with forest fire prevention, conservation, rehabilitation, and learning to achieve sustainability when they receive the right. The Groundwater Department also initiated a large groundwater supply project to solve the problem of drought caused by the royal initiative to help the people to have water sources for building a tap water supply system in the village in order to solve the water shortage problem, along with using the budget from the Groundwater Fund to develop groundwater for large-scale agriculture of 500 rai, as well as digging over 33 artesian wells in the area under Section 64 to have sufficient water for cultivation for another 500 rai. The addition of groundwater will help the villagers change their methods from monoculture in the rainy season to mixed crops throughout the year to gain more income and stability and to reduce forest burning according to the objectives.

In addition, in 2021, the company supported the Young Forest Fire Detective Challenge Project, in cooperation with the Office of Policy Administration of the Prime Minister, the Anandamahidol Foundation Scholarship Awardee Association, and Chulalongkorn University, in creating a "Tam Fire" application to display the heat points in a time series, which shows the size and direction of the fire front of wildfires day by day. We will see the behavior of fire from birth until it goes out. When the heat points in a time series are displayed on a map showing things covering the land, it makes us know the motives for incineration to provide long-term protection.



This fire tracking application is open to the public to access and use to analyze forest fires in the area free of charge. From November 13, 2021 to February 11, 2022, it was visited by 10,372 people.

From June 29 to December 31, 2021, an ad hoc academic working group for making recommendations on forest fire management and open burning to support the problem-solving of PM2.5 dust, consisting of Thai and foreign scholars, including representatives from the Geo-Informatics and Space Technology Development Agency (Public Organization) or GISTDA established by the Prime Minister's Policy Administrative Office (Public Organization) with the approval of the Prime Minister, used the Tam Fire application to analyze the occurrence of forest fires by bringing the heat point data to arrange in a daily time series and link it to the map to analyze the direction of movement and time of each fire in an area with

land cover data indicating that it is a forest area. As a result, the working group was able to identify the location and extent of fire in the country's top 4 largest recurring forest fire conservation groups, namely:

- (1) Mae Ping-Omkoi-Mae Tuen Area, amounting to 581,872 rai,
- (2) Pai River Basin - Pai River Basin, Left Bank - Mae Surin Waterfall, amounting to 311,883 rai,
- (3) Salawin - Mae Sariang, amounting to 558,486 rai, and
- (4) Srinakarin Dam, amounting to 166,689 rai

This data set also helped the working group examine the origin and movement of the fire line and lead to the initial assumption of individual bushfire incidents caused by human behavior that vary according to the socio-economic context of each community.