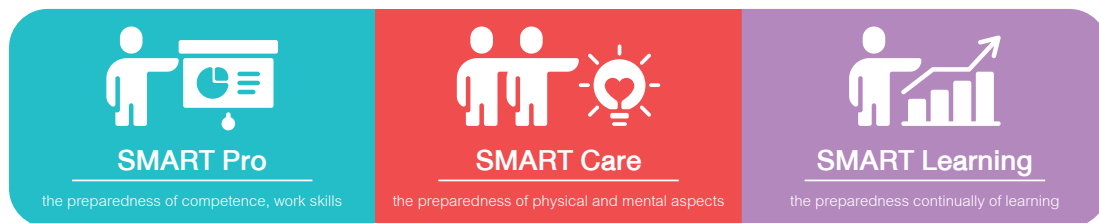


Sustainability Management Social

Social Policy and Practice

Human Resource Sustainability (SMART People)

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 personnel through the sustainability cycle in accordance with the strategic direction SMART People in three areas: SMART PRO; SMART Care; and SMART Learning, 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 5 practical policy and 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

HARN is committed to conducting business under the policy of human rights respect according the plan of 100% of business activities, has reviewed risk aspects on human rights covering HARN's business operations under were aspects that represented core operational risks: safety and occupational health, migrated labor, security, suppliers' workplace conditions, the standard of living of communities, and the rights of natives/employees to ensure to keep risks manageable. Also, the implementation of this plan is to be monitored every quarter, report to the Board for acknowledgment and comments. This year 2022 no complaints and not any violation of human rights in business process, are practical guidelines as follow;

- 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 employee's

HARN is committed to conducting business under the policy of fair treatment of employee's according the plan of 100% of business activities, in 2022 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.

Society Performance

Manpower planning and employment

HARN has an employment policy which focuses on equity, no limitation or discrimination on gender, race, religion, and culture, based on qualifications, experience, and capacities as specified in the code of conduct with transparency and fairness to all candidates who are internal employees and external job applicants. In 2022, HARN had a total of 246 employees, with different age, gender, education level, and various job characteristics, while retaining the employee rate according to the manpower plan of 98.40% and the resignation rate of 13.33% according to its plan.

HARN maintains its duties in compliance with the law and adheres to the Persons with Disabilities Empowerment Act B.E. 2550 (2007) in providing support to people with disabilities for their sufficient income in life. In 2022, HARN has notified its intention to comply with the occupational promotion under Section 35 (allowing concessions) according to the Persons with Disabilities Empowerment Act for two disabled persons in the integrated farming project and the continuing grocery store project, with a total value of 228,490 baht, through the Social Innovation Foundation.

Remunerations and Benefits for the Employees

HARN has a policy of fair compensation as well as creating career stability and fair career advancement opportunities and provide various welfare benefits for employees as required by law according to the following guidelines;

- 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.
- Participated in the wage surveys and HR Benchmark 2021/2022 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. **More details appear in Part 2 "7.5 Information of the Employees", page 131**

Employees Development

HARN has a policy to promote personnel development 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 defined its core values as POSITIVE, which is significant in molding the management and employees to team work behavior clearly reflects identity of smart, conscientious and responsible for HARN and the outside society alike.



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 with a growth mindset course so they can be productive and successful at work. Motivating them to develop their potential is also necessary for their work and personal lives.

In 2022, there were various courses for personnel development as follows:

1) Self-potential development

- **Proactive & Growth Mindset for Success**

There were 40 people in this training course of 6 hours per person per year. It was a course to encourage all employees to value their own potential development and be aware of the roles and responsibilities of working as professional personnel by setting challenging goals to achieve self-improvement, job development, and organizational development through proactive work concepts with happiness.

2) Sales and service

It is regarded as the 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, as follows:

BITZER Screw Compressor Knowledge

There were 11 people in this training course of 6 hours per person per year to learn and understand the technology of reciprocating compressors of BITZER products, so they could provide advice and service recommendations to customers appropriately.

- **Professional Negotiation and Sales Closing Course for Sales and Service Personnel**

There were 47 people (2 groups) in this training course of 6 hours per person per year to learn the principles, techniques, and methods for systematic negotiations with good mindsets, so all services and salespersons could recognize the values or perspectives as customers, in line with understanding the customer's problems and concerns towards their problem analyses and resolutions to appropriately serve the needs of customers in the entire process.

- **GS1 Data Matrix Creation and Encode Text Setting Course for AX Machine**

There were 15 people in this training course of 3 hours per person per year to enhance the understanding of GS1 Data Matrix standardization and encode text setting for the AX machine, allowing operators to provide accurate advice and product recommendation to customers.

- **Effective and Accurate Product Receipt and Inspection**

There were 15 people (2 groups) in this training course of 6 hours per person per year to help all operators to have knowledge and understanding of their effective and accurate operations in the process of product receipt and inspection, while preventing problems and mistakes at work along with meticulous skill development and awareness on their responsibilities and the achievement of goals.

- **Working Principle and Operating System of Domino M-Series Digital Printer**

There were 22 people in this training course of 7.50 hours per person per year to learn and understand the working principle and operating system of such printer directly from the manufacturer, so they would be able to give advice and recommend the effective use of products to customers.

- **Knowledge of Gas Welding and Cutting in Production Process of Condensing Unit**

There were 9 people in this training course of 6 hours per person per year to have knowledge and understanding on gas welding and cutting in production with accuracy according to the standards and awareness of dangers and damages which may arise from improper operations.

- **Knowledge of Valve Products in Firefighting, Air Conditioning and Sanitation System**

There were 18 people in this training course of 18 hours per person per year to develop knowledge of valve products in firefighting from vendors and smart PICV valve experts, which would allow all staffs to guide their customers on the correct usage of products.

3) Legal compliance

HARN has reviewed and strictly operated in accordance with the laws or related regulations towards safety to all stakeholders and at work.

- **Operations in accordance with personal data protection laws**

There were 16 people in this training course of 7.30 hours per person per year to prepare the organizational operations in accordance with the laws and prevent any violations to personal data both intentionally and unintentionally. This course would also help all trainees to have knowledge and understanding of skills necessary to comply with personal data protection laws.

- **Safety in working with electricity for employees who work on electricity and provide assistance to those suffering from electrical hazards**

There were 49 people in this training course of 6 hours per person per year for employees working in relation to electricity and needing to have knowledge of electrical systems, so they could work safely according to the assigned duties as Harn's first priority.

4) Leadership Development Project

- **Analytic and Systematic Thinking for Cross Functional Problem Solving & Decision Making**

There were 38 people in this training course of 6 hours per person per year for executives to build an overview of all problems, including analytical tools for the root causes of problems and formulation of strategies, guidelines, and methods to solve problems appropriately to achieve the expected outcomes under limited resources. Thus, decision making should be another important element of thinking.

5) Development of Teaching Skills within Organization Project (Train The Trainer)

- **Effective communication and coordination within the organization**

There were 11 people in this training course of 6 hours per person per year to promote self-learning through the world of communication, while evaluating their own communication for the development of effective communication skills and coordination within the organization, as well as mutual understanding and fewer conflicts at work to achieve good friendships, reliability, and accomplishment as specified.

- **Techniques for Using Excel for Professional Data Management**

There were 24 people in this training course of 6 hours per person per year to enable all employees to have a good understanding of basic databases. The course would focus on teaching formulas, functions, and techniques for the fast handling of large amounts of data, along with samples of applications at work.

- **Knowledge of International Trade Agreements (INCOTERMS 2020)**

There were 15 people in this training courses of 6hours per person per year to enhance knowledge and understanding of meaning and importance of various points and precautions on related trade agreement conditions to achieve proper applications at work.

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 2022

Employee development	Unit	2022	2021	2020
The number of total staff	Person	246	238	244
The number of training hours	Hour	3,114	2,153	871
The number of training hours of each staff on average	Hour	12.66	9.05	3.57
Expenses on training domestic	Baht	246,959	125,752	346,650
Expenses on training abroad	Baht	-	-	-
Score of bonding experience	% Bonding experience	80.54%	81.49%	76.70%

Course	Description	Unit	2022	2021	2020
Basic Training Course	The fundamental knowledge of the business, its policies, its values, its cultures.	% Trained staff	100%	100%	95%
		Average of training hour	20.97	13.81	2.71
Training Course on Preparation for Greatest Strength	The fundamental knowledge 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	92%	93%	100%
		Average of training hour	13.86	6.56	4.70
Training Course on How to Work Effectively	Increase work potential, understanding of factors affecting you or work, and adapt to adapting to change.	% Trained staff	72%	45%	48%
		Average of training hour	7.32	3.82	3.36
Training Course on Effective Management	Management, learning, innovation development and new technology to be more competitive	% Trained staff	10%	2%	0%
		Average of training hour	0.62	0.44	0.00

Occupational Health, Safety and Working Environment

HARN defined policies that encourage employees to performance of duties safely, is concerned about all employees' safety in performance of duties, including contractor performs who the work 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 to supervise and report operation results regarding occupational health, safety and environment comprehensively and equitable. In 2022, 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.

In 2022, the COVID-19, HARN still provided notifications and reports on the infection situation closely, in the case of infected employees with COVID-19, will announcement be executed through the announcement of the operation procedure and report of the results to supervisors and other related agencies, 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.

In 2022, the operating performance on occupational health and safety of employees was as follows:

- **Statistics of accidents/absenteeism/illness rates resulting from work in the year 2022**

Types of Accident	Numbers of Accident (zero target)						
	Passed Away	Disability	Compensation of more than 3 days off	Compensation of less than 3 days off	No Day Off	Damage to Assets	SOU
Objects or structures destructive or fell off	0	0	0	0	0	0	0
Being exposed to chemicals	0	0	0	0	0	0	0
Vehicle Accident	0	0	0	0	0	7	7

- **Seminars and basic fire drills are held**

HARN provides Seminars and fire drills are held including the planning and assigning responsible persons so that the practice is carried out correctly and efficiently on Wednesday, June 29, 2022. Evaluation results illustrates fire drill and evacuation plan. Assessed by Department of Labor Protection and Welfare as 'Good'

- **Annual medical check-up**

To promote the treatment and prevention physical health of employees to be healthy and strong. HARN provides an Annual medical check-up was arranged for the year 2022, Including examination according to risk factors according to job characteristics by selecting hospitals that meet standards for health check-ups for employees on February 9, 2022, in which 238 employees undergoing medical examinations, 235 were actually examined, representing, representing 98.73%.

Labor Relations Management

HARN has policies and guidelines for treating employees fairly with respect to their rights and freedom to form groups. The communication channels are provided for opinions via LINE Official Account on matters which will benefit the public, with no causes of any troubles to employees or the organization.

HARN sets up the welfare committee as representatives of employees to share their opinions in various welfare arrangements which will be beneficial and suitable for employees and the organization.

In 2022 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, as follows:

- **Inheriting Songkran Tradition**

An activity to promote good culture and strengthen the relationships among HARN's employees.

- **Annual travel**

An activity to travel for full relaxation from work all year round, while strengthening the relationships, love and bonds of all employees in the organization to achieve new inspirations at work.

- **Annual Sports Competition (HARN GAMES)**

An activity to promote relationships for employees to participate in sport skills and strengthen the unity among employees with physical health as well as acceptance and respect to the rules and results of sport competition to achieve good relationships through sports and exercise.

- **New Year Party**

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**

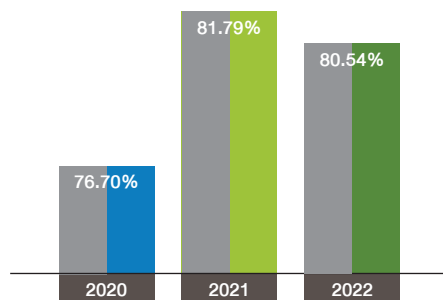
On Friday, March 11, 2022 to allow Chief Executive Officer and Executives to share and emphasize vision, mission and corporate strategy in both short and long term for employees at all levels. in order to create an understanding of performance to achieve the same goals, and organizing ceremony rewarding the employees whose years of experience have passed the criteria for the purpose of raising morale for work performance and support to being an important power to organizational success.

- **Assessment of employees' engagement and work happiness and satisfaction.**

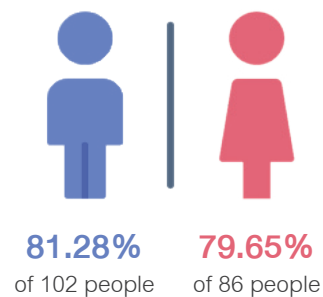
HARN believes that career security, good work environment, good health and happiness at work will contribute to enhancement of work efficiency. In 2565, 188 out of the total of 245 employees, representing 76.73%, participating in the questionnaire, Employee satisfactory result equal to 80.54%. Which is lower than the target set at 85% However, HARN has analyzed various recommendations and assigning relevant departments to make improvement plans.

Overview of Employee Engagement Survey Result

Employee Engagement Statistics Year 2020–2022



Commitment by gender Year 2022



- **Communication via LINE Official Account**

LINE Official Account: As a channel for speedy communication in addition to communication email and Internal network system (internet) and HARN website, while being another way for employees to communicate and provide suggestions or complaints on various matters for HARN to realize those problems and consider them in developing the working systems or to solve such problems to achieve the working atmosphere of involvement and happiness.

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 2022 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.

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 community, society and 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:

Social or Community Development

Dr. Jain Charnnarong, the Director of HARN, attention and importance to safety of community, society, environment and quality of life, 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," 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. by 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.

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 2022, HARN 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 “**Tam Fire**” 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 20, 2023 it was visited by 93,172 people.

From June 29 to December 31, 2022, 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.

After being informed by the Policy Administration Office, the Prime Minister then ordered the Office of the Permanent Secretary of the Ministry of Natural Resources and Environment on April 12, 2022 to send this report to various related ministries as information for consideration of the above measures, while creating information in the form of Big Data for further use.