

# Social Sustainability Management (Together)

## Social Policy and Practice

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 he to driving the organization towards success and sustainable growth. However, to achieve that goal, the employees need excellence, kindness, and happiness. The mission of HARN is committed to drive success to strengthen and develop personnel accordance to the business strategy plan Sustainability in the social dimension which is powered by together, consisting of: 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 policy

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 2023 **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.

## 2) Fair treatment of employee's policy

HARN is committed to conducting business under the policy of fair treatment of employees according the plan of 100% of business activities, in 2023 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.

## Social Performance

### 1) Manpower planning and employme

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 candidates who are external employees. In 2023, HARN had a total of 240 employees, with different age, gender, education level, and various operational characteristics, while retaining the employee rate according to the manpower plan of 94.94% and there is also a voluntary turnover rate of 11.68% employees.

HARN maintains its duties in compliance with the law and the importance according to the Promotion and Development of Quality of Life for Persons with Disabilities Act, B.E.2550 (2007) for support to people with disabilities their sufficient income in life. In 2023, HARN has notified its intention to comply with the occupational promotion under Section 35 (allowing concessions) two persons with organizing relaxation massage activities for employees, with a total of 241,740 baht.

The number of staff	2023			2022			2021		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total employees	97	143	240	97	149	246	93	149	242
Employees who voluntarily resign	12	16	28	10	18	28	7	13	20
Newly recruited employees	12	13	25	13	23	36	10	12	22
Disabled employees	0	0	0	0	0	0	0	0	0
Non-employees with disabilities	0	0	0	0	0	0	0	0	0

### 2) Labor Disputes

HARN and its subsidiaries have a lawsuit in the Civil Court with a total amount of baht 11.01 million. Later, on July 11, 2023, the Company entered into a reconcile agreement with the parties in the court. The Company agreed to pay compensation from termination of the labor contract of baht 0.76 million within 30 days and the court found that the agreement was legitimate according to the reconcile agreement, and the case is closed. The Company has fully recognized the compensation as an expense in the statement of comprehensive income for the years ended of 31 December 2022 and 2023.

### 3) 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;

- Establish a welfare committee to provide employees with opportunities to participate in consultations. And propose relevant welfare suggestions that are beneficial to employees and the organization through designated communication channels.
- Participated in the wage surveys and HR Benchmark 2021/2023 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.

## 4) Employees Development

HARN has a policy to continuously promote personnel development at all levels, improve their higher performance and prepare them for tough competition, encouraging learning opportunities and develop knowledge, skills and gain experience that contribute to the growth of organization, which annual training in and outside, including overseas training and study, so as to develop their skills. Moreover, HARN following up, assessing, applying gained knowledge to the workplace, create growth of knowledge together within the organization.

HARN defined its core values as “POSITIVE”, which is significant in molding the management and employees at all levels to team work behavior clearly, as responsible the organization the outside society.



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 work, focused on developing good so as to strengthen the motivating to develop potential and work, with a long-term master plan and regular communication with employees to raise awareness of a learning organization, can access and leverage such. This help promote employee progress and to help increase competitiveness tangible for the business.

In 2023, the personnel training and development within the company are as follows:

### Organizational potential development

#### 1. Team Engagement for TOP Culture course: Cultivating Team Power towards an Outstanding Organizational Culture

There were 233 people in this training course of 6 hours per person per year. The course is designed to re-inforce the concept and awareness of the importance of embodying behaviors according to HARN’s values in collaborative teamwork professionally. It aims to foster love, commitment, and a sense of ownership of the organization collectively, striving towards HARN’s goals for successful outcomes.

#### 2. Course on Building a Proactive Thinking Framework in working for Success

There were 33 people in this training course of 6 hours per person per year. A course aimed at promoting employee learning and understanding of collaborative work concepts, emphasizing the importance of achieving success in the workplace through a professional perspective, focusing on personal development, organizational advancement, and fostering proactive work attitudes among employees. These efforts contribute to the long-term competitiveness of the organization.

#### 3. Design Thinking for Innovation “Harn Inno” Course

Learning and developing a creative design thinking process, combined with business thinking, to systematically innovate. Creating an understanding of needs and problems, rallying ideas for solutions, through learning and hands-on practice, to generate value and innovation.

### Sales and service

Sales and service staff is necessary are considered important personnel in the business, developing knowledge, skills, attitudes, and good sales and service incentives, enhance a good personality, have a service mind, and boost professional in presenting HARN’s products and services to meet the needs of customers. They can consult, give advice, solve problems professionally and impress customers with successful management according vision that says “We are committed to be a leading provider of sustainable total engineering 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:

### 1. Course on Developing Personal Image and Effective Communication for Sales and Service Roles

There were 45 people in this training course of 6 hours per person per year. This course supports employees learn and develop a positive personal image, along with professional communication skills, fostering a good attitude towards sales and service. It contributes to enhancing a positive image, creating favorable impressions, and delivering excellent customer experiences.

### 2. Course on Developing Effective Sales Skills for Organizational Sales Representatives

There were 15 people in this training course of 6 hours per person per year. The course focuses on developing skills and techniques in sales to groom individuals into effective sales representatives for the organization by enhancing knowledge and understanding of contemporary sales processes, enabling participants to present solutions that meet customer needs and generate satisfaction. Sales staff can apply this knowledge to advance their sales abilities independently and achieve HARN's objectives successfully.

Furthermore, sales and service staff continuously develop knowledge related to HARN's products and services to enhance expertise and build confidence in HARN's products and services among customers. This includes product knowledge such as Reliable, NIBCO, knowledge of automatic hybrid fire suppression systems, DOMINO R-Series for GE Camera, knowledge of GS1 Standard for Smart Business, installation of scanners and printers, techniques for installing and using Ax-Series printers, and product knowledge of BITZER.

## Development of Teaching Skills within Organization Project (Train the Trainer)

### 1. Course on Using Microsoft Excel for Data Summarization and Report Generation

There were 44 people in this training course of 3 hours per person per year. At present, large volumes of work data makes having accurate and efficient decision-supporting data crucial. Therefore, employees must understand how to organize and manage data quickly and accurately to derive maximum benefit and efficiency.

### 2. Course on Writing Professional Emails in English for Communication

There were 40 people in this training course of 3 hours per person per year. Communication is a vital skill in the workplace. This course helps employees learn and understand the principles and techniques of communicating via email in English with clear and easily understandable content to achieve communication goals effectively while also enhancing the professional image of the organization.

In addition, HARN also promoted employee learning through online self-study on the website of the organization called of "HARN Academy" in which employees are able to learn and develop self-study anytime, anywhere, and supports various devices, which the topics are related to the important policies of HARN, personal finance. Employees can learn and test their understanding of online courses, such as corporate governance principles, code of conduct, anti-corruption within the organization etc. to ensure employees at all levels have the knowledge and understanding of correct practices, 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 Training and Development

Employee development	Unit	2023	2022	2021
The number of total staff	Person	240	246	242
Total working hours of employees	Hour	499,800	462,078	451,663
The number of training hours	Hour	6,364	3,114	2,153
The number of training hours of each staff on average	Hour	26.52	12.66	9.05
Expenses on training domestic	Baht	1,031,586	246,959	125,752
Expenses on training abroad	Baht	-	-	-
Score of bonding experience	% Engagement	81.26%	80.54%	81.49%

Course	Description	Unit	2023	2022	2021
Basic work course	Knowledge about organizational goals, policies, values, work culture, and knowledge that all employees need at work.	% staff trained	100%	100%	100%
		Average training hour	12.47	20.97	13.81
Core competencies of the enterprise	Knowledge and skills required by employees at all levels to promote the performance of their duties and influence the company's goals and vision.	% staff trained	100%	92%	93%
		Average training hour	11.30	13.86	6.56
Position capability	Improve the work potential and professional knowledge and skills, so that understand the factors that affect oneself or one's job, so that they can develop or adapt to changing conditions.	% staff trained	77%	72%	45%
		Average training hour	12.04	7.32	3.82
Management ability	Manage work and personnel knowledge and skills management based on roles responsibilities. Establish leadership, learning, and development enhance the competitiveness of the organization.	% staff trained	13%	10%	2%
		Average training hour	2.55	0.62	0.44

## 5) 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 implementing standards in accordance with the Occupational Safety, Health and Environment Act 2011., which has established Occupational Health, Safety and Environment Committee to supervise and report operation results comprehensively and equitable. In 2023, 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 2023, HARN continued to provide alerts and continuous infection reports for the COVID-19 to monitor the epidemic situation, if employees are infected with COVID-19, will be reported through the command line and relevant departments, including reducing the density of the workplace and allowing employees to work at home according to risk factors, as HARN technology effectively supports and supports work, such as working at home through VPN system, online meeting and health report through Google Form system, which can regularly summarize health information and executive reports.

In 2023, the operating performance on occupational health and safety of employees and contractors follows:

### 1. Statistics of accidents/absenteeism/illness rates resulting from work

Types of Accident	Numbers of Accident in 2023 (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	Total
Contractors	0	0	0	0	0	0	0
Employees	0	0	1	1	0	6	8

## 2. Seminars and basic fire drills are held

HARN organized 25 person-times training on “Work safety with fire extinguishing gas”, with 6 hours training time per person per year, and organized 239 person-times basic fire training activities on July 26, 2023, as well as the planning and assigning responsible persons so that the practice is carried out correctly and efficiently, evaluation results illustrates fire drill and evacuation plan, which Assessed by Department of Labor Protection and Welfare as ‘Good’.

## 3. Annual medical check-up

To promote the prevention and treatment physical health of employees to be healthy and strong. HARN provides medical check-up and examination according to risk factors according to job characteristics by selecting hospitals that meet standards for health check-ups for employees on February 8, 2023, in which 232 employees undergoing medical examinations, 225 were actually examined, representing, 96.98%

## 6) Labor Relations Management

HARN has policies and guidelines for treating employees fairly with respect to their rights and freedom to form groups, it emphasizes internal communication within the organization to ensure that employees are informed about policies, work practices, and relevant work-related information, as well as to foster understanding goals in the same direction. The communication channels are provided for opinions via LINE Official Account, Email and Digital Signage Additionally, there are channels available for employees to lodge complaints or make suggestions that would benefit the overall organization, with no causes of any troubles to employees or the organization. with no causes of any troubles to employees or the organization.

In addition. 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 2023, HARN still a policy to encourage communication and happiness its staff through participate in various activities so they can have a bonding experience, and support for the growth of employees is provided throughout all times, covering both their professional and personal lives, which helps to create physically and mentally healthy, and have high employee morale, leading to a sustainable growth, as follows:

### 1. Inheriting Songkran Tradition and annual make merit

An activity to promote good culture, expressing respect and deference towards seniors, fostering relationships, and providing encouragement and motivation in the workplace between management and employees.

### 2. Happy Friday

Promoting positive relationships among colleagues outside of work hours, emphasizing employee satisfaction to enhance both work and personal life quality, and fostering confidence in being part of the team.

### 3. Annual travel

An activity that helps employees full relaxation from work, strengthen relationships between colleagues, create love and bond of all employees in the organization to achieve new inspirations, be ready to fight with goals work.

### 4. HARN NO FAT: City Run

HARN promotes the good health of all employees and collaborates with Thai Life Assurance to support physical fitness activities and foster positive emotional relationships. This helps create a conducive and happy working environment.

### 5. HARN GAMES

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

## 6. New Year Party

The year-end celebration activity fosters enjoyment and relaxation from year-long work commitments. It also serves to strengthen camaraderie and unity within the group, fostering love and bonds within the organization.

## 7. The joint celebration activity expresses congratulations for weddings, welcomes newborns, and celebrates the first homes

HARN is committed to being an integral part in supporting the growth of employees at every stage of life's successes, fostering motivation and creating satisfaction in the quality of life for employees.

## 8. The annual staff meeting

On March 10, 2023 the Chief Executive Officer the opportunity to communicate short-term and long-term goals, directions, and strategies, including emphasize vision, mission 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 service meet the criteria for the purpose of raising morale for work performance and support to being an important power to organizational success.

## 9. Survey of employees' engagement and work happiness and satisfaction

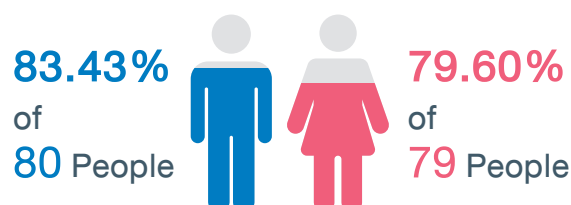
HARN believes that career security, good work environment, good health and happiness at work will contribute to enhancement of work efficiency. In 2023, the employees survey 159 out of the total of 240 employees, representing 66.25% of employees. The average survey result is 81.26%, an increase of 0.72%. Compared with 2022, it accounts for 80.54% on average, which is still lower than the set target of 85%. However, HARN utilize the results from the survey to analyze and to formulate strategies and activities that constantly enhance engagement, increase effective communication channels, and develop a work environment that enhances mutual trust. Also, developing employee a good understanding of the organization.

### Overview of Employee Engagement Survey Result

Employee Engagement Statistics Year 2021-2023



Commitment by gender Year 2023



## 10. Communication via LINE Official Account

As a channel for speedy communication to employees in addition to communication email and Intranet and HARN website, while being another way for can employees to communicate and provide suggestions or complaints on various matters for HARN to realize those problems, as well as the working systems can developing to promote a happy and participatory work atmosphere.



## 7) 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 2023 HARN continued to utilize the Human Resource Management System, E-Business Plus, for various tasks including salary calculations, requesting leave approvals, overtime requests, medical benefits claims, and checking employee compensation information. Employees were able to perform these transactions independently through self-service access anytime and anywhere. This has facilitated convenience and efficiency, reducing the burden of document verification and storage in human resource management. Additionally, there has been development in the online performance evaluation system, replacing paper-based registration for training/seminars, measuring outcomes, and testing knowledge post-training, all of which can now be conducted through digital technology.

HARN is in ensure that the Administrative allocates resources efficiently and efficiency while considering effects to the resource management and value chain to achieve goals and objectives sustainably. Also, to ensure has plans to develop information technology in organizational level that correlate to the needs of business continually, considering covering all dimensions in terms of increase business opportunities and development plans. Administer risks information technology along with cyber security to achieve objectives and main goals of the business.

In addition, in the year 2023, review the policy and development plan of information technology in Digital Transformation 2022-2024 both hardware and software. Also, a goal of 100% achievement is set each year for all activities to increase competitiveness by using digital technology in accordance with the business operation strategy and response to cyber threats. The budget planning of Bath 1.61 million has already been approved by the Board of Directors.

The operating performance against cyber threats has been analyzed and resolved on cyber security flaws of the organization, with protection from external attacks through applications, use of the Virtual Private Network (VPN) system, external email authentication, restriction of access to hazardous sites, prevention against virus infection, backup data to avoid data damages in case of an emergency, and drills of emergency situation plans to deal with such events. Meanwhile, important resources are allocated as appropriate for the performance of operations.

Hardware Road map – 2023		
1. Hardware Good Performance	Supply and modernize the deteriorated computer equipment and notebooks.	100%
2. License Software	Purchase and procure licensed software valid for the organization, while suspending illegal personal devices within the organization.	
3. Network and Security Good Performance	Open a VPN license for employees and optimize sufficient internet speed for overall use in the organization, including an effective protection against viruses and cyber threats from outside.	
4. Network Anywhere	Server on Cloud management, Employees use Wi-Fi within the organization to support Digital Transformation.	
Software Road map – 2023		
Digital Transformation Project	<ul style="list-style-type: none"> <li>Manage the working processes in a digital form and improve the ERP system, including various programs to stably and accurately operate according to the process, with verifiability.</li> <li>Develop processes, reduce costs, increase revenue, change the method of operations, upgrade business efficiency, and create a modern corporate image.</li> </ul>	99.98%

## Community & Social Performance

HARN as a company providing engineering services in fire protection systems, air-conditioning, sanitary, refrigeration, digital printing, and 3D bioprinting. Having a mission to sustainably contribute to society by conducting business responsibly by leveraging the capabilities of its personnel, technology, and collaboration with both public and private sector partner networks. Creating positive impacts on society, communities, and the nation, initiatives include developing human resources, communities, and society, as well as promoting conservation and restoration of natural resources and the environment. Additionally, promoting opportunities for disadvantaged individuals to improve their quality of life aims to mitigate potential negative impacts of business operations. HARN has considered covering and aligning with the needs, expectations, and concerns of all stakeholders through participatory processes to foster relationships and understanding. This involves creating shared value between the organization and the community in balanced, leading to sustainable collaboration in the future. This approach aims to generate social holistic images and outcomes, with details as follows:

### 1) Support in the form of donations

HARN implemented social through various processes, to uplift the level of creating social shared value in the form of Creating Shared Value and operated as a social enterprise with the aim of maximizing the positive impacts to the society. In 2023 support was provided for community and environmental welfare activities, encouraging employees to participate in social activities within an appropriate budget. These included collecting used desk calendars to donate to organizations needing them for educational materials production, and donating items to the “Luea-Khor” project in exchange for scholarships for children under the care of the Baannokkamin Foundation. These initiatives aimed to enhance the organization’s image by promoting community social responsibility towards disadvantaged individuals’ quality of life.

### 2) Participation in forest fire reduction and conservation efforts to restore green areas

Dr. Jain Charnnarong, the Director, 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 Dipterocarp 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, 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.

In 2023, develop “Tam Fire” was developed to enhance the capability of pinpointing forest fire origins from ignition to tracking continuous spread, enabling the delineation of fire perimeters in each unit. This resulted in the creation of Thailand’s first-ever “Forest Fire Map” in 2023. This map is highly beneficial for elucidating motivations behind forest burning in various areas. Understanding these contexts can lead to addressing the root causes of forest fires in the future.

