

Sustainability Management in the Social Dimension



❖ Human Rights

KCE Electronics PCL's human rights policy adheres to and abides by the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights (UNGPs). The Company places emphasis on fair and equitable labor practices and human rights no matter what age, gender, educational institution, race, and religion discrimination. This includes employment, compensation, career promotion, training, and career development. Furthermore, the Company promotes employment of disadvantaged groups, including those with disabilities, by creating equal opportunities, careers, stable incomes, and opportunity which is a part of Sustainable Development Targets (SDGs). Consequently, this could encourage organizational unity, elevate the social and societal quality of life, and finally create equal opportunities for all.

The company has complied with the Labor Protection Act B.E. 2551 and was certified Thai Labor Standard TLS 8001: 2563 (Thai Labor Standard: TLS8001) by the Department of Labor Protection and Welfare. Ministry of labor Certificate number TLS62005, effective from September 1, 2022 to March 23, 2025, certified by Global Certification Service Co., Ltd. The Thai labor standard system consists of Non-forced labor, fair labor compensation, working hours, non-discrimination, discipline and punishment, freedom of association and collective bargaining, safety, occupational health and working environment, etc. The Thai Labor Standards Working Group is responsible for supervising and having a committee meeting once a month to monitor and ensure that there are no violations of relevant standards and laws.

Management Approach:

- Establish Human Right Policies in various dimensions, covering organizational and supply chain stakeholders.
- Provide Comprehensive Human Rights Due Diligence (HRDD) risk assessment with preventive measures and compensations.
- Summarize the monitoring, reviewing, and complying results of human rights policy and compliance standards.
- Cultivate social rights within the organization in accordance with company's policy and communicate the policy to supply chain business suppliers.
- Provide feedback channels for human rights violations complaints or whistle blowing and take corrective and preventive actions.

Human Right Policy

All executives and employees are aware of the importance of and respect every aspect of the human rights in accordance with laws and treaties with missions to fulfill, this includes:

- Equal treatment without discrimination.
- No acts that violate, discourage, or threaten human rights.
- Encourage and promote human rights.
- Strong stance against child labor and human trafficking.
- Communicate, disseminate, educate, and monitor treatment of employees, as well as suppliers, distributors, service providers, contractors, and business associates, to ensure fair business practices and human rights.
- Further details can be accessed at www.kce.co.th.

Plan/ Projects:

- Comprehensive Human Rights Audit: the Company has responded to a survey on “Readiness of Thai Companies for Comprehensive Human Rights Audits” by the Stock Exchange of Thailand to assess and prepare for upcoming audits in 2024.
- Declaration of the company’s and its suppliers’ complying intention with Supplier Code of Conduct: Details in topic 3.5; Sustainability in Corporate Governance and Economic Dimension : Sustainable Supply Chain Management

Target: No incidents involving human rights violations across all stakeholders involved in business operations

Performance: No incidents related to human rights violations in 2022.



❖ Fair Labor Practices

KCE Electrics PCL's equitable employment policy does not tolerate discrimination against gender, race, age, birthplace, and disability. The policy adheres to Thai and International Labor Protection Act and provides fair labor treatment as well as creates appropriateness for employment, wages, working hours, holidays, welfare, safe workplaces, and good working environment.

The Company provides a variety of welfare to employees in order to enhance their well-being, such as provident fund, life insurance, health insurance for employees' families, vaccination accessibilities, COVID-19 vaccination for high-risk employees, etc.

Management Approach:

- Establish Human Resources Policy (See more details on www.kce.co.th)
- Strictly comply with Labor Laws
- Widely open to feedback and complaints from employees and perform effective corrective and preventive actions.

Employee Compensation

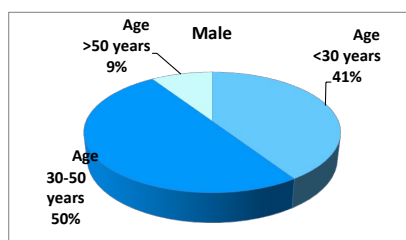
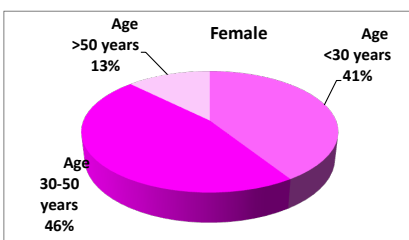
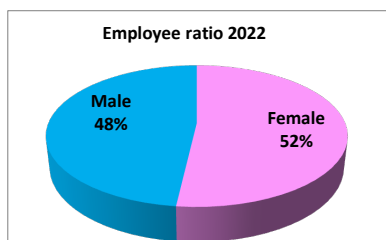
The Company focuses on employee compensation by regularly reviewing salaries and welfare to ensure fairness, and law compliance while maintaining competitiveness in the labor market. Thus, the employees earn appropriate income to serve their livelihood.

The Company provides allowances above minimum wage by law, as well as appropriate subsidies, remuneration, and additional expenses such as overtime work, food, and diligence allowance. In addition, the Company conducts annual wage analysis by participating in wage and welfare survey projects with the Personnel Management Association of Thailand (PMAT) and plans to extend the assessment to suppliers and contractors in the future.

Performance:

Employment Status

Diversity of Employees	2020		2021		2022	
	Female	Male	Female	Male	Female	Male
Total number of employee	2,408		2,490		2,715	
Employee by employment group						
- KCE employee	449	542	439	536	474	587
- Subcontractor employee	801	616	880	635	933	721
Employee by gender	1,250	1,158	1,319	1,171	1,407	1,308
% of employee by gender	52%	48%	53%	47%	52%	48%
Employee by age group						
- Below 30 years old	521	458	552	463	576	533
- 30 - 50 years old	597	587	628	602	654	654
- Over 50 years old	132	113	139	106	177	121
Employee by level						
- Staff and Operator level	1,219	1,120	1,288	1,134	1,370	1,269
- Management level	28	34	28	32	34	34
- Executive level	3	4	3	5	3	5
Employee by location						
- Bangkok metropolitan region	262	203	290	209	331	247
- Central region	190	172	208	185	212	212
- Northern region	41	67	43	63	38	70
- Northeastern region	694	633	705	626	747	693
- Eastern region	35	45	43	47	43	46
- Southern region	28	38	30	41	36	40
Number of employees with disabilities and/or elderly employees	8		9		9	
Number of KCE employee enrolled in provident funds	526		529		547	
% of KCE employee enrolled in provident funds	53%		54%		52%	





❖ Employee Competency Development

The Company has been continuously developing the competencies, knowledge, and abilities of employees at all levels that match their roles, in order to meet business needs and to support business expansion both domestically and internationally. The Company, therefore, aims to develop personnel in all fields of occupation at all levels by combining both the development of skills, knowledge and competencies, as well as instilling the organizational culture and ethics simultaneously to be in line with the company's current and future strategies and business practices.

Management Approach:

- Establish a human resource development policy to cover employees at all levels within the organization.
- Establish a knowledge management system by systematically gathering and store knowledge all around the organization, so everyone in the organization can access to knowledge, perform self-learning and development to become knowledgeable as well as able to perform their job more efficiently.

Human Resources Development Policy:

The Company has 5 human resources developmental policies as followings:

- 1. Career Development Planning Policy:** The employees will continuously receive capabilities development activities, by categories of competency as necessary: "Core competencies development" for all individuals throughout the organization, "Leadership competencies development" for executive personnel, and "Functional competencies development" to enhance specific skills & capabilities of each function, thus the Individual Development Plan (IDP) for each individuals can be analyzed, established, monitored, and finally enhance overall capabilities of employee effectively.
- 2. Human Resources Training and Development Policy:** Continually develop the skills, knowledge, and competencies of the employees at all levels, along with the proper human resources management and development, by having company training, both internal and external.
- 3. Organization Knowledge Development and Management Policy:** To be a long-term human development strategy, by using information technology to enhance both human resources management and development. "SMART Knowledge Sharing" project had been initiated to promote organizational knowledge management and sharing.

- 4. Talent Employees Retaining and Successor Planning Policy:** Provide courses and tools for human resources development, management, and career path planning, e.g. Job Rotation, Job Enlargement & Enrichment, Job Assignment, and Talent Monitoring, to ensure a leap of intra-organizational growth for high performing and high potential employees. It is eventually to encourage the employees to dedicate their knowledge, skills, and competencies to overcome their responsibilities, along with promoting loyalty. It is also to support the succession plan, especially for high-ranking executive positions of the company, through the "Career Path Development Plan" to ensure that the company will have potential candidates for any possible future vacancy or potential future business expansion.
- 5. Production Operator Development Policy:** To ensure that the production operators have capable skills to fulfill their tasks and responsibilities, and can produce the product to satisfy or expectation, by continuously developing the capability of the operators to make it right at the first time and to finally create the highest customer' satisfaction to the company's products.

Plan / Projects:

1. Management personnel development and High-potential Employees Development (Talent Management)

The Company emphasizes the importance of Star employees who have high performance and potential so-called "Talent". Talent Management is to recognize those Talents who would bring their capabilities to further develop the company, as well as to develop the skills and competency of the employees, turning them into the "Talent", and also endeavoring to motivate and retain these potential employees for more loyalty and willing to contribute their efforts to support the Company's goals.

The Company is searching and creating a training program to generate leaders who are capable of both work and human management, and high potential to drive the organization toward sustainable growth and achieve the Company's goals. The project will be realistically performed by 2023.

2. Supervisory Skills for Foreman and Leader

The Company recognizes the importance of developing foreman and leader, who has grown up with the organization, to have in-depth knowledge, expertise and able to create outstanding work. They, eventually, could be promoted to the supervisor level. The Human Resource Development Department has organized training for these employees as follows.

Supervisory Skill for Foreman, Leader

SUPERVISORY SKILLS

1. THAILAND 4.0 - 5.0 and the impact of the organization
2. Leadership in Trend
3. 6 skills for supervisors must have
4. Positive Thinking
5. Leadership of supervisors
6. Development of people and works

Supervisory Skill for Foreman, Leader :

- Employees 30 Person / Evaluation 93.7%
- 25-26 May 2022

Activity	2022		2023
	Target	Actual	Target
Headcount attendance supervisor skill development	100	111	100
Be promotion	10	10	>=20
%	10%	10%	>=20%

3. KCE Modern Manager Program

The Company collaborates with the Electrical and Electronics Institute of Thailand (Thai EEI) to design a course for supervisor-level leadership development. It takes both science and art to manage a team to achieve the organization's objectives, supervisors must be capable of Management, Planning, Communication, Resource integration. Moreover, all level management must possess Psychology management and Modern Management skills to maximize their potential and encourage the organization to achieve its sustainable Targets. There are 10 courses of "KCE Modern Manager Programs" Project supporting this approach.



KCE Modern Manager Program



Activity	2021		2022		2023
	Target	Actual	Target	Actual	Target
Organizing training "KCE Modern Manager"	10	2	8	8	6
Employees attending the training	47	47	95	95	95
Promoted	-	-	-	-	>=10
%	-	-	-	-	>=10%

Competencies	KCE Modern Manager Program
Strategic Management	Focus
Strategic Management	Crucial conversation
Performance Management	Be Proactive
Performance Management	4 Discipline of Execution
Managing Change	Inspirational Leadership of KCE
Managing Change	7 Core Behavior to High Potential
Developing Others	Coaching
Developing Others	360 Degree Assessment (LQ)
Plan and Management	Time & Priority Management
Plan and Management	Project Management

Performance :





❖ Occupational Health, Safety, and the Working Environment

The Company emphasizes occupational health and safety for both employees and stakeholders and target to be zero accident and injury at work (Zero Accident Organization). The Company, therefore, manages occupational health and safety in compliance with national and international laws and standards, performs risk assessment, and continually improves the safety system and control measures regularly. The Company has been certified for occupational health and safety management standards ISO 45001: 2018, certificate number TH20/13090 effective from 6 March 2020 - 6 March 2023, certified by SGS (Thailand) Co., Ltd. and has been audited annually to ensure that the company is strictly conformed and performed with defined policy and occupational health and safety management system requirements. For 2022, a Surveillance audit was performed in February.



Management Approach :

Occupational health and safety have been managed in accordance with PDCA principles as follows:

1. Establish occupational health and safety policy to comply with the occupational health and safety management system requirement (ISO 45001), relevant laws, and customers' specific requirements. Details available at www.kce.co.th
2. Identify risks that could potentially cause accidents/injuries to the employees. Create and update the annual occupational health and safety plans to control and manage those identified risks.
3. Implementation of safety plan and measures
 - a. Man: e.g., Provide safety training, supply of personal protective equipment, promote safety awareness, etc.
 - b. Machine: e.g., Strictly implement preventive maintenance and safety check on the machines, safety patrol, and prepare contingency plans covering all emergencies.
 - c. Method: e.g., Perform Job Safety Analysis (JSA) to create an operation safety standard and train the employees to have proper safety knowledge and ability to work safely.
 - d. Management: Establish safety organizations e.g. sourcing for security officers at various levels, appointing safety committee, etc.
4. Monitor and evaluate performances of activities related to occupational health and safety e.g., working environment measurement, annual health checkups, ISO45001 compliance assessments, etc.
5. Continually improve the occupational health and safety system and safety measures.
6. Provides occupational health and safety knowledge and raise employee awareness. Promote engagement of employees at all levels, including contractors, to prevent accidents at work.

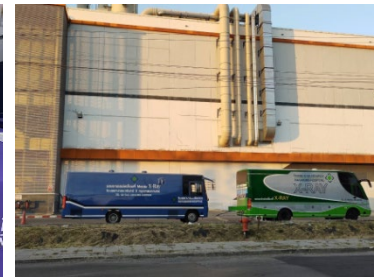
Plans / Projects :

Important planned activities

- **Safety Week Activity** To provide knowledge on occupational health, safety, and environment to employees via bulletin board, slogan contests, games, safety quizzes, etc. By employees' involvement, knowledge can be imprinted and safety awareness can be raised, thus the employees can safely perform their work according to the company's Targets.



- **Annual Health Checkup Activity** In addition to health check-up for employees before entering work according to risk factors received from the working environment, there is also annual general health check-ups in order to monitor the occurrence of diseases from work as well as various congenital diseases of the employees themselves.



- **Annual Fire Drills** All the emergency plans will be rehearsed at least once a year, especially the fire drill. There will be rehearsals for both day and night shifts to familiarize employees with proper and quick responses if the real situation would happen. The employees may evacuate properly and safely without panic, and able to rescue other person quickly.



Target: Zero lost time injury at work

Performance :

In 2022, the Lost Time Injury Frequency Rate (LTIFR) is 0.81 cases per 200,000 working hours. The target has not yet achieved, since there were accidents at stop working level caused by the operations of machine and trolley. However, the Company still commits to lower the accident at work by using the statistical analysis of high occurrence and high severity to define the unsafe conditions and fix it in advance. Also to prepare the work safety manual to train new employees and any groups with high risk, enclosed to the job training, perform communications through various channels in order to enhance knowledge and skills of employees to work properly and safely. The manual is also used to conduct and inspect working activities in accordance with the specified operating procedures, to improve potential failure modes or potential causes of accidents in all aspects including enhancing employees' involvement, raise their awareness of occupational health and safety.



- **Employees Incentives and Retention**

The Company believes that the employees are the most important key to organizational success, so employees are encouraged to work at their full potential. The Company has a fair and transparent performance management policy, providing challenged assignments, fair compensation, development and training opportunities, career progression, open for employee suggestion, attractive incentive and welfare to support employees' happiness and better quality of life which finally creates the respective organization commitment between employees and the organization.

Management Approach : Human resources management policy & man-power management.

Plan / Projects : Motivating and retaining employees

- Training Program "To success in Excellence Mentoring Team"

Rational Criterion

It is widely accepted that "success" in work has a great influence on the progress of the development of skills, knowledge, abilities, and attitudes of employees. This is because "success in work", especially success in team working, means the value of the employee is recognized and might lead to career path opportunity and higher benefit which will be the reward for the team and employee themselves. On the other hand, those who fail in work, which may be because of ignorance, misunderstanding, not a good team player or no sense of self-importance recognition, will turn into someone who mainly focuses on only getting the daily job done without realizing overall or organization success.

A seminar "Towards the excellence of a successful creation as a mentoring team" is a behavioral learning that allows employees to discover their own abilities, to discover the awareness of others' abilities, to commit to the development of themselves together with the team, to have sense of pride in that achievement and to create a sense of value and ownership of their work.

Buddy System

The Company has adopted the Buddy System as one of the knowledge management tools in terms of knowledge transfer between those who have more experience and another one with less experience and knowledge. The elementary supervisor with high potential will be assigned to be a mentor. It is one of the important techniques that will help to promote learning for new employees regarding their roles & responsibilities and behaving according to the organizational culture. This will also result in a good employee relations system.

The Company recognized the importance of mentor selection for new employees since those mentors are expected to act as a representative of the organization in properly providing education, advisory, and coaching for new employees. The mentors will be trained in coaching techniques, mentor role, and necessary positive attitude.



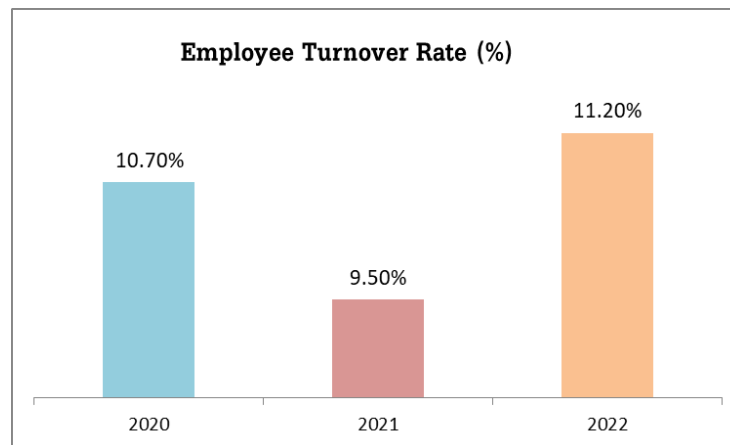
Activity	2022		2023
	Target	Actual	Target
Buddy Staff	847	-	-
Trained and appointed	-	473	>=559
%	-	56%	>=66%

Target: KCE employee voluntary turnover rate <12.0 % and zero labor disputes

Performance :

Annual Voluntary Employee Turnover table

List	2020	2021	2022
Total voluntary employee turnover	105	92	118
Total number of employees	984	973	1049
Annual Employee Turnover rate (%)	10.7%	9.5%	11.2%



Upon employees' incentives & retention activities in 2022, KCE permanent employees' turnover rate was 11.2% which was within the target of 12%, but higher than 2021's, mainly because the employees need new challenges in their jobs and new experiences. Anyhow, regarding the labor dispute, there was zero case in 2022.



❖ Community and Social Responsibility

The Company realizes the importance of social responsibility and continuously, concretely, carries out various beneficial social projects to raise awareness of being a giver and contributor to society, allowing all employees engaged in these public purpose projects in terms of the community's sustainable development, the promotion of art and cultural and the environment preservation, in order to create awareness of being a good member of society, create social and community development engagement and to sustainably enhance the quality of life in all aspects accordingly upon capabilities of the organization and its personnel.

Management Approach:

- Establish Community and Social Responsibility Policy.
- Establish a "Corporate Social Responsibility Committee", supervised by management, responsible for setting up guidelines and budget, carrying out activities, monitoring performance, preparing reports, and being a coordinating center with external agencies for CSR-related matters.

Community and Social Responsibility Policy

The Company has a policy to connect to surrounding communities, thus, there are regularly supporting community activities by implementing projects considering appropriateness, social and community benefits for the community's sustainable development, and by allowing employee engagement in such activities on a regular basis under the directions as follows;

1. Conduct business with ethics and responsibilities to social, community and environment.
2. Involve in community and society development in terms of economy, society, community and environment.
3. Encourage employee engagement as socially responsible volunteers without expecting returns.
4. Promote activities that are sustainably beneficial to the community, society, and the environment.
 - Activities that are in line with the company's business practices.
 - Activities that can be performed continually and with solid results.
 - Activities that are beneficial to society, community, and the environment in the long run.
 - Activities that promote the development of education and continuous learning.
5. Create employment opportunities, skill development, and preserve the art and cultural of the communities surrounding the Company's business locations.
6. Continuously develop and improve environmental management activities in terms of energy savings, the use of renewable energy, resource conservation and recycling.

Plans / Projects:

- **Surrounding communities development projects for public benefits**

Community and Society Development Project	Pictures
<p>1. Donating educational supplies & gifts on Children’s Day to 7 schools and government sector on 8 January 2022: Polmanee school, Darulamugima uppatham pre-school development center, Sa-narm glamg lum school, Pracha Ruam Jai community pre-school development center, Wat pak beung school, Lat krabang industrial estate offices, and Chalongsak metropolitan police station.</p>	
<p>2. Supporting the “Safe community against Covid-19” project: donating sanitizing alcohol gels, masks, and UHT milk to the Lat krabang Industrial Estate Office to give to the community on 24 February 2022.</p>	
<p>3. Annual safe driving campaign project of the year 2022: A joint project with the Lat krabang Industrial Estate Office, receiving safety helmets for the employees on 8 May 2022.</p>	
<p>4. Water aerators and solar-powered lamps project: On 15 November 2022, the company installed 2 solar-powered water aerators, 14 of 500W solar powered lamps and installation devices to the Beungbua community, Lum pla thew district, Lat krabang, Bangkok. 3,141 locals benefited from this project.</p>	 

● **Development projects for educational benefits**

Community and Social Development Project	Pictures
<p>1. Drinking water donation to Chulalongkorn university's dentistry faculty: Supported the “freshmen orientation camp” activities, donating 300 bottles of drinking water on 27 July 2022</p>	
<p>2. 10KWp rooftop solar cell unit and 2,000W/24V demonstrative solar cell unit installation project: Installed at Nakhorn nayok technical college, mueng district, Nakhorn nayok province on 8 December 2022 to generate electricity for use in classrooms and to serve as a demonstrative unit in the “solar cell installation and maintenance” course</p>	
<p>3. Bilateral and cooperative education Internships for 21 university students: provides opportunities for university students to learn and understand the company's processes to be used in their future careers. The positions were open for students in the science, engineering, and occupational health fields.</p>	

● **General Society Development Projects**

Community and Social Development Project	Pictures
<p>1. Donation of ATK testing kits and COVID-19 prevention items to the Baan ratchawithee girls' orphanage: On 26 March 2022, to help prevent the spread of COVID-19. The items donated include: ATK testing kits, masks, and sanitizing alcohol gels</p>	
<p>2. Donation of Used Computers: The used computers were donated to the movement-disabled handicaps' association of Wang thong river park residence, Koo kot subdistrict, Lum look-ka district, Pathum thani province on 27 August 2022; The computers were to be recycled and sold to help raise money for the handicapped.</p>	
<p>3. KCE Flooding Crisis Relief Project: On 29 October 2022, the company supplied 500 care packages containing rice and dried foods, along with 200 dozen of drinking water to the locals of Piboolmungsaharn district, Ubonradjathani province. The company also donated the same amount of supplies to the locals of Tonpo sub-district, Meung district, Singhburi province on the 5 November 2022.</p>	

Target:: execute at least 6 “society & community development to help improve quality of life” projects per year.

Performance :

Type of Project	Amount of Executions Target	Actual Amount Executed in 2022
1. Surrounding Communities Development for public benefits Projects	At least 2 projects per year	4 projects
2. Educational Development Projects	At least 2 projects per year	3 projects
3. General Social Development Projects	At least 2 projects per year	3 projects

By community and social responsibility operations in 2022, the Company has successfully implemented 10 community and social development projects with a total budget of 997,882.27 THB and there are no disputes with the community and society.