



**HANA**

Microelectronics Public Company Limited

บริษัท ฮานา ไมโครอิเล็กทรอนิกส์ จำกัด (มหาชน)



**SET SUSTAINABILITY**

**AWARDS 2021**

**16 SEPTEMBER 2021**

**PRESENTED BY:**



## **MR. TERRENCE PHILIP WEIR**

- **Executive Director**
- **Vice President and Chief Financial Officer**
- **Chairman of Corporate Governance Committee**
- **Chairman of Risk Management Committee**

# AGENDA

**1. Introduction**

**2. Hana Sustainability Strategy & Framework**

**3. COVID-19 Crisis Management & Resilience Planning**

**4. The Board's Roles in the COVID-19 Crisis**

**5. COVID-19 Business Recovery**

**6. Stakeholder support during COVID-19**

**7. Q&A**



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**Microelectronics Public Co., Ltd.**

# 1. Introduction

# OUR BUSINESS: Electronics Manufacturing Service (EMS)

OUR OPERATION: 7 Manufacturing plants in Thailand, China, USA, Cambodia and Korea



## OUR PEOPLE:

Location	Monthly employee	Daily employee	Total
Thailand	2,573	5,509	8,082
China	490	1,056	1,546
Cambodia	48	172	220
USA	48	40	88
Korea	87	-	87
Hong Kong	12	-	12
<b>Total</b>	<b>3,258</b>	<b>6,777</b>	<b>10,035</b>

As of July 2021

## OUR VISION:

To become the electronic manufacturing services' company of choice, by providing world class quality manufacturing through a diverse field or related disciplines



## OUR MISSION:

- To create long-term shareholder value in a manner which minimizes fluctuations in earnings
- To develop and promote our employees' wellbeing
- To create strong customer-satisfaction
- To be a good corporate citizen maintaining high corporate, environmental and social practices for the benefit of all stakeholders
- To enable a culture of innovation enhancing business, social and environmental success.







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## **2. Hana Sustainability Strategy & Framework**

## HANA SUSTAINABILITY POLICY

The Board of Directors commits that the Company will conduct business with respect to its economic, social, and environmental responsibilities, as well as for other stakeholders. The Company's business will be conducted in an open, honest, and ethical manner. Hana and its subsidiaries recognize the importance of protecting human rights, consumer rights, environmental management, compliance with applicable laws, regulations and to contribute to community development for long term success of the Company, society and stakeholders.



## HANA Sustainability Strategy & Framework

In harmony with growing its business by continually improving the capabilities and productivity of its production processes, the management and staff are mindful of the CSR policies for sustainable development.

1. Review each change to ensure compliance with the CSR objectives towards sustainable development with regards to the economic, social and environmental impact
2. Establish CSR committee with representatives from different departments which focus on the Company's relationship with our stakeholders
3. Promote stakeholder participation through its various activities by integrating UN's Sustainable Development Goals (SDGs) into the organizational sustainability practices
4. Leverage sustainability practice to global standard to enhance positive impact and mitigate negative impacts to stakeholders through value chain

### UN's Sustainable Development Goals (SDGs) Framework



# HANA VALUE CHAIN

## PRIMARY ACTIVITIES

Inbound  
logistics

Operations

Outbound  
logistics

Marketing  
& Sales

After sale  
service

## SUPPORT ACTIVITIES

Procurement

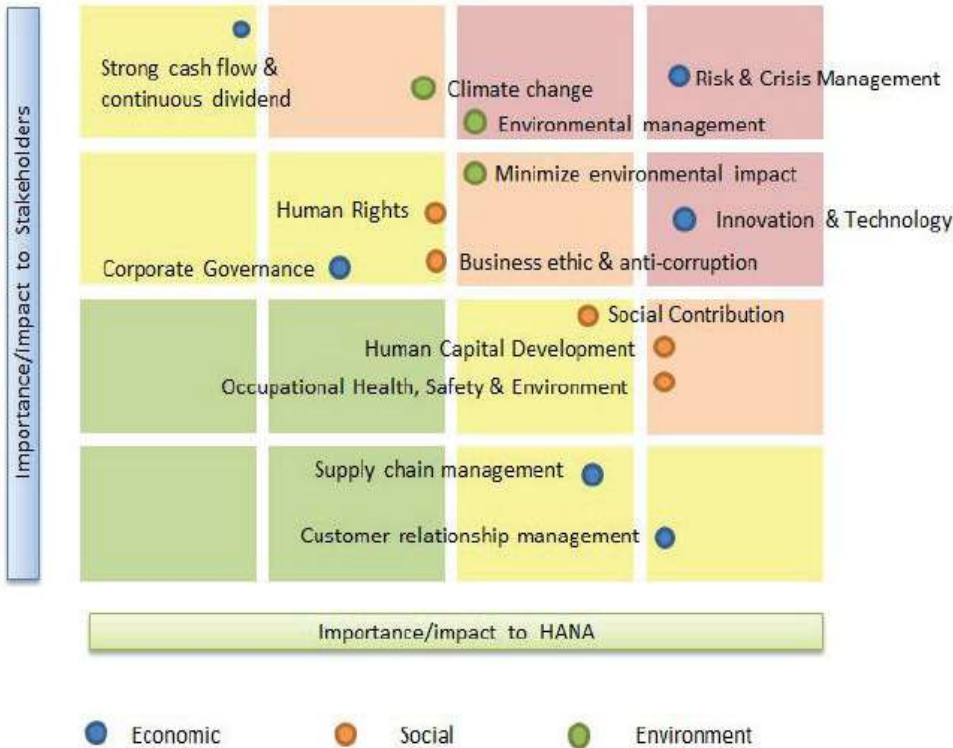
Firm infrastructures

Human Resources

Technology Development

# HANA MATERIAL ISSUES

## PRIORITIZATION OF MATERIAL TOPICS



### Economic:

- Risk and crisis management
- Innovation and technology
- Corporate governance
- Supply chain management
- Customer relationship management
- Strong cash flow & continuous dividend payout

### Social:

- Human Rights
- Business ethics and anti-corruption
- Social contribution
- Human capital development
- Occupational health, safety & environment

### Environment:

- Climate change
- Environmental management
- Minimize environmental impact

Reviewed and approved by: CG Committee

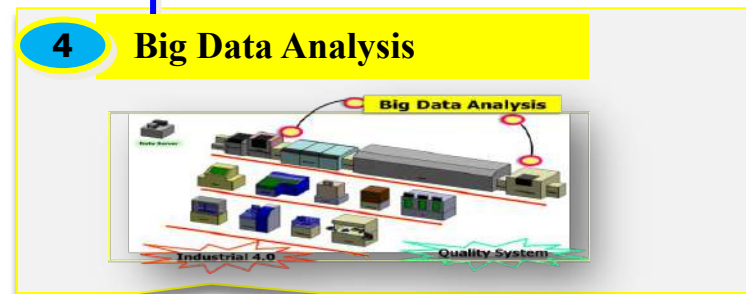
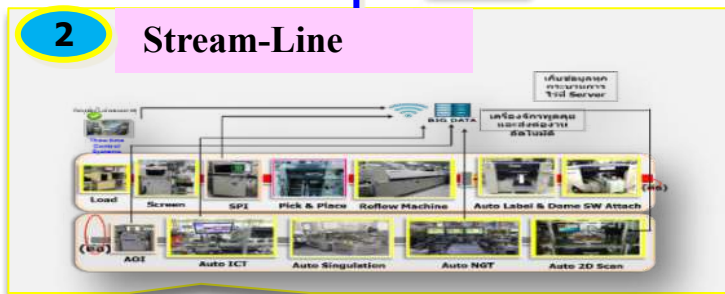
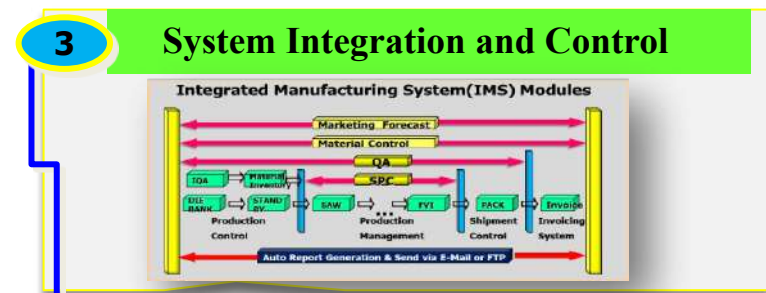
# HANA contribution to the UN Sustainable Development Goals (SDGs)



# EXAMPLES ON THE MAIN ACTIVITIES WE DEVELOP TO MAKE AN IMPACT, OUR CONTRIBUTION TO THE SDGS:

## UN SDG 9 – Industry, innovation and infrastructure

Industrial trend toward automation and industrial 4.0, promote staff at all levels to participate in innovation and improvement projects through Kaizen and QCC group activities



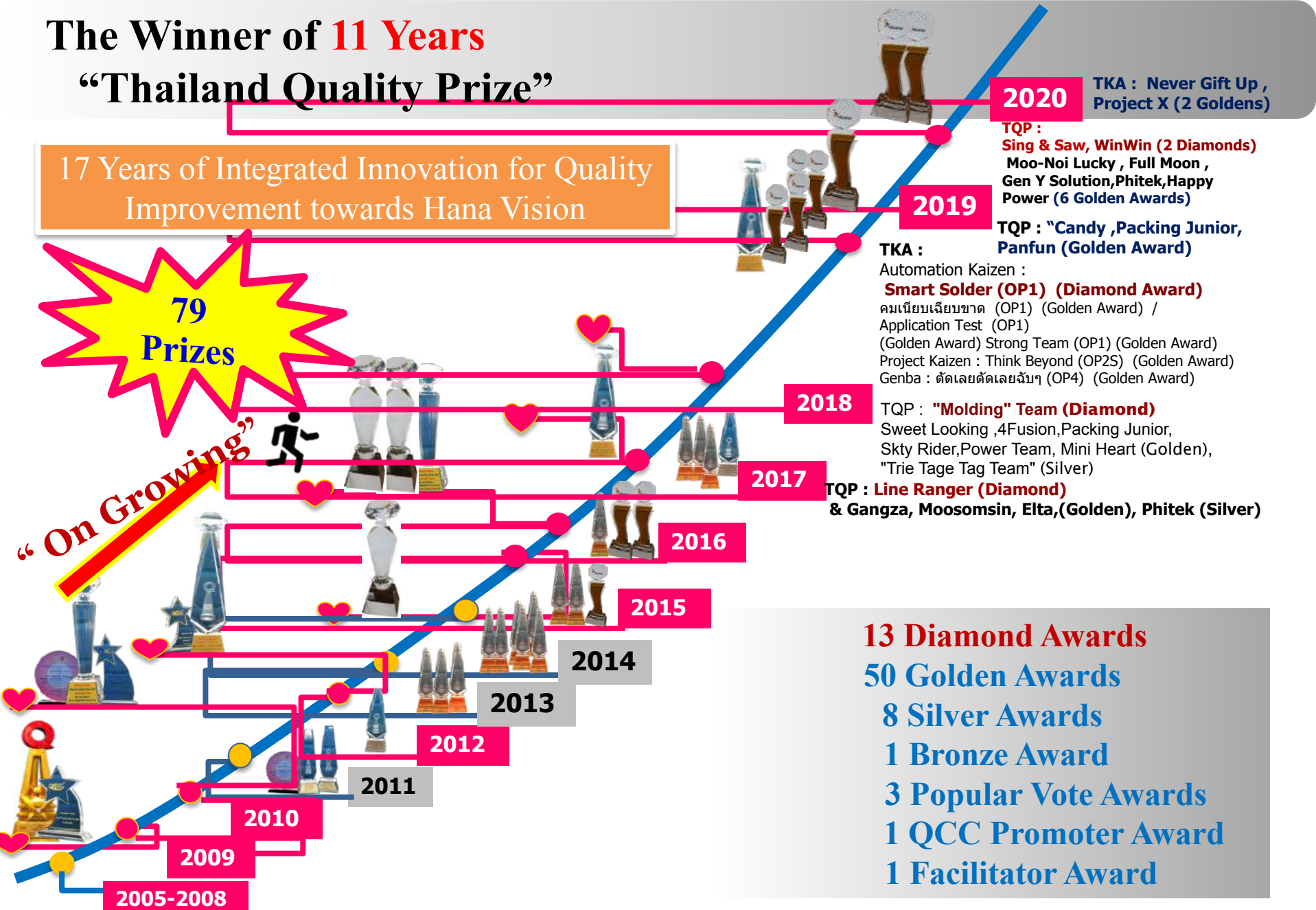
# National Quality Awards – Thailand Quality Prize and Thailand Kaizen Award

## The Winner of 11 Years “Thailand Quality Prize”

17 Years of Integrated Innovation for Quality Improvement towards Hana Vision

79 Prizes

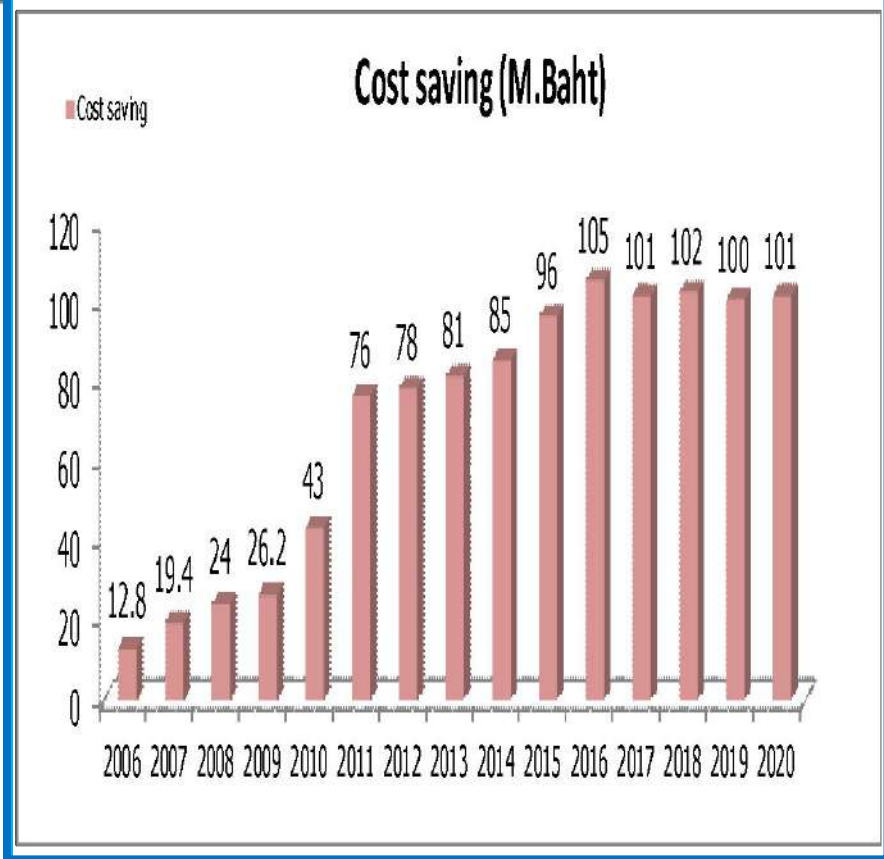
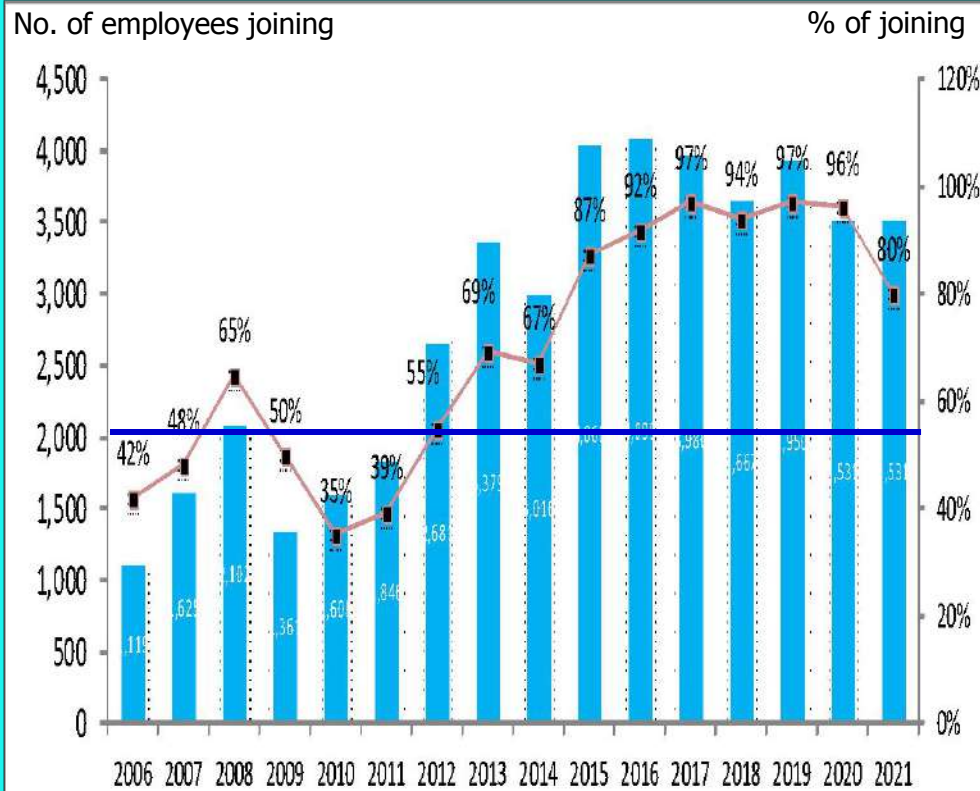
“On Growing”



- 13 Diamond Awards
- 50 Golden Awards
- 8 Silver Awards
- 1 Bronze Award
- 3 Popular Vote Awards
- 1 QCC Promoter Award
- 1 Facilitator Award



Create a culture of innovation throughout the company by encouraging employees to open their hearts up for new ideas and creativity of actions resulting in tremendous cost savings while improve the operation equipment, processes and system toward industrial 4.0



**KPI : % OF PARTICIPATION**

**Total = 1,063 M-Baht**

## EXAMPLES ON THE MAIN ACTIVITIES WE DEVELOP TO MAKE AN IMPACT, OUR CONTRIBUTION TO THE SDGS:

### UN SDG 13 – Climate action



Continuously improve the efficiently use of internal resources within the organization, implement renewable energy project to drive a low-carbon society as part of climate change mitigation

- ISO14001 certification since 1999
- In 2020, solar panels installed on the roofs of 3 factories enable reducing CO2 emission 2,000 tons per year
- Various programs implemented to improve resource efficiency, reduce energy consumption, water usage, waste management
- Achieved the reduction energy consumption from the target
- Green factory level 4 certification, Eco-factory, Eco-excellence
- Zero environmental issue/complaint

## EXAMPLES ON THE MAIN ACTIVITIES WE DEVELOP TO MAKE AN IMPACT, OUR CONTRIBUTION TO THE SDGS:

### UN SDG 16 – Peace, justice and strong institutions

Anti-corruption certification and the implementation of the principles of good corporate governance



Hana has achieved “excellent” rating in Corporate Governing Rating (CGR) assessed by the Thai Institute of Directors Association (IOD) for eight consecutive years

the Thai Institute of Directors Association (IOD) for eight consecutive years

# WAY FORWARD DRIVING THE FUTURE

We aim to increase our profits while improving our people along with helping to save our planet. Our business actions toward long-term value creation aligned with the SDGs:

**E**

SDG 12 & 14 – aim to reduce landfill waste 50% and reduce solid waste 30% by 2025  
SDG 13 - aim to reduce energy consumption and GHG emission 20% by 2030

**PLANET**

**BUILDING BACK BETTER  
& GREENER**

**S**

SDG 1, 2 & 3 - aim to make the social contribution to society 100,000 people by 2030  
SDG 4 – aim to increase the average number of training hours for employees 25% and improve employees' satisfaction to 80% by 2030

**PEOPLE**

**IMPROVING BETTER  
HEALTH & WELL-BEING**

**G**

SDG 8 - aim to 100% supply chain optimization and operation efficiency  
SDG 9 – aim to increase continuous improvement projects to additional cost savings 25% by 2030

**PROFIT**

**MAKING PROFITABLE  
SUSTAINABILITY**



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### **3. COVID-19 Crisis Management & Resilience Planning**

# RISK AND OPPORTUNITY ANALYSIS

Hana has proactively prepared, focusing on risk identification and the company's exposure and opportunity, identifying critical dependencies, and developing crisis and resilience solutions for the potential impact of COVID-19.

## **Risks and Exposures:**

1. Supply chain disruption & transportation restrictions from the lockdown measure in supplier's countries
2. Global Chip/IC shortage impacting our material planning due to extraordinary longer lead time, the global prices of raw materials and intermediate supplies have also increased
3. Labor shortage due to COVID-19 infection and home quarantine
4. Affect mental health and psychosocial problems of employees e.g., uncertainty about catching COVID-19 in the workplace and/or employment
5. Not all employees are amenable to work-from-home, or need to perform work on-site that could cause the spread of infection

# RISK AND OPPORTUNITY ANALYSIS

## **Opportunities:**

1. Hana has the positive business growth with strong demand in 2021 amidst of this pandemic. Despite the impact of the COVID-19 pandemic on global economy, the electronics sector has continued to grow. Work-From-Home increased the need for electronic devices e.g. computers and mobile phone and also rapid communication and transfer of enormous amounts of data (5G).
2. Gain more sales from customers' order allocation as the customers who have their sub-contractors in Malaysia/Vietnam having their manufacturing shut-down or supply chain disruption for the prolonged lock-down but not for Thailand
3. Move to localize suppliers generating economic benefits within the country and reduce Hana's costs and logistic restriction so improve the company's competitive advantage
4. Caution in personal contact, isolation of human and restricting movement of people accelerates remote interaction and digital transformation to the new normal for the organization e.g. use of teleconference for the meeting, staff training, audit, etc.

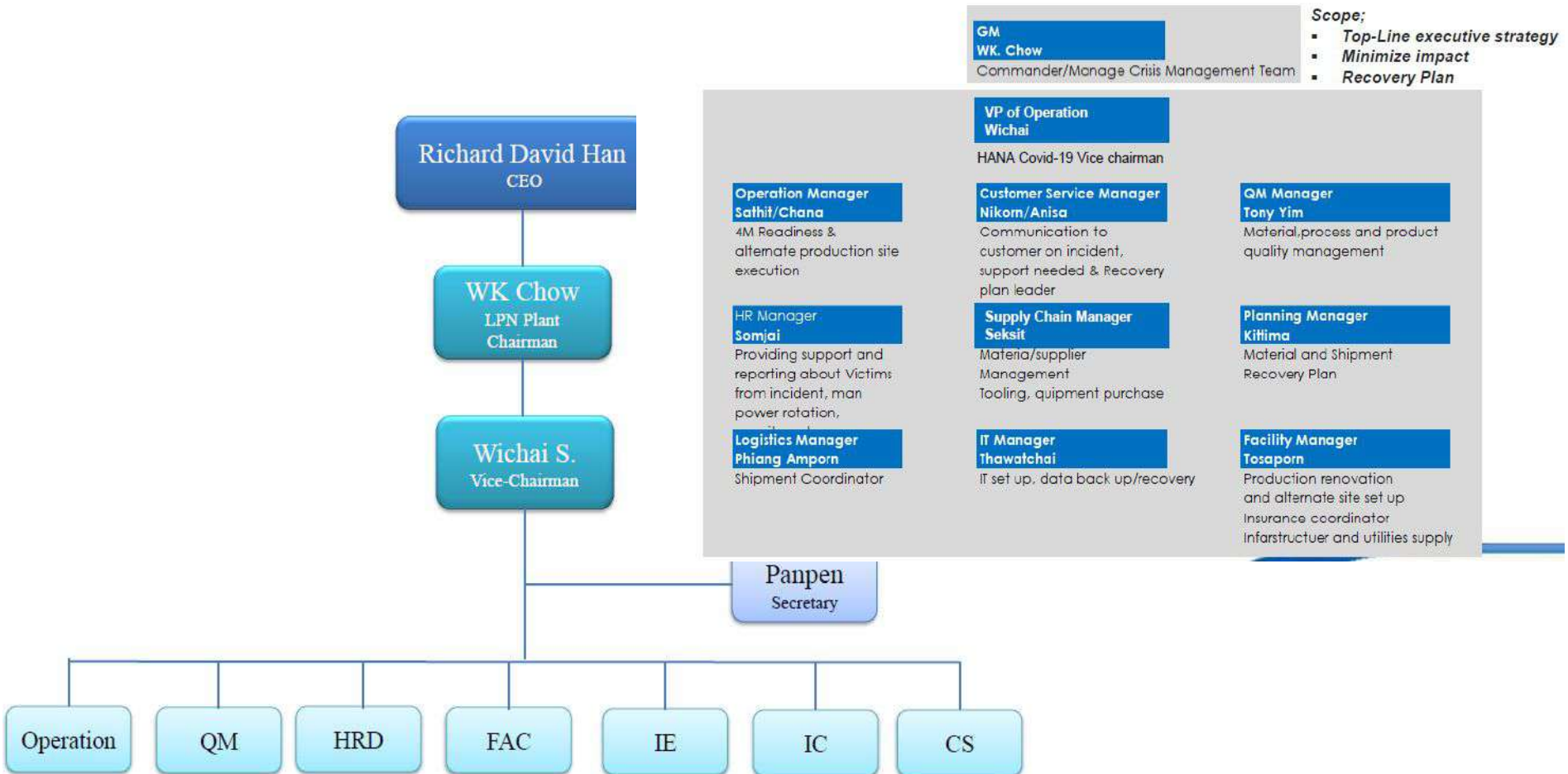
# MANAGE THE RISKS OF DISRUPTION

1. Set up a cross-function crisis response team. Each function has the established roles and responsibilities while operate within the clear objectives provided by executive management, with the high levels of decision-making authority to allow for swift and effective actions
2. Adopt prevention and protection measures at the workplace
3. To ensure the company remains prepared and protects our people, reputation, strategy and the bottom line, Hana set up Covid-19 BCP plan for proportionate responses while keeping plans, policies and procedures actively under review to be adaptive and flexible to the emerging threat.
4. Collaborate with government authorities e.g. Public Health on updated announcement and protocol or guidance related to Covid-19
5. Communicate related protocols to stakeholders e.g. suppliers, customers and employees through online real-time channels including via social media e.g. Line Application: Hana Covid News for employees, Line Group and Virtual Meetings with local authorities, networking companies and communities



# Covid-19 Response Team

Set up an integrated and cross-functional crisis response team to get the company-wide understanding of the impact and to coordinate efforts. The Committee meets regularly to monitor developments and closely follows government and public health organization's guidance. The status is reported to CEO.



# Covid-19 Prevention and Protection Measures adopted at the workplace

## Employee and visitor control measure

### Local and overseas visitor control

Encourage online meetings with customers and suppliers rather than physical visits. In the limited necessary physical visits, perform risk screening of timeline declaration, vaccination history and follow State Quarantine and Local Quarantine per Thailand and provincial protocol

### Employee control and screening

Hana employees who travel to/from any area of red zone. They are required to Home-quarantine in Chiangmai/Lamphun 14 days with medical certification submission before returning to routine work in Hana.

Employees are required to submit e-timeline system on a daily basis for the company's risk screening procedures.



วันที่เริ่ม Date in	เวลา Time in	วันที่ออก Date out	เวลา Time out	จังหวัด Province	ประเทศ Country	สถานที่ Location	ยานพาหนะ Vehicle	จำนวนผู้โดยสาร Number of people riding together	ความเสี่ยง Relative from risk area	
06 Jul 2021	07:35	06 Jul 2021	18:30	ลำพูน	ไทย/Thailand	LPN1	รถส่วนตัว (Private car)	0	N	Edit Delete
05 Jul 2021	07:40	05 Jul 2021	18:40	ลำพูน	ไทย/Thailand	LPN1	รถส่วนตัว (Private car)	0	N	Edit Delete
04 Jul 2021	15:20	04 Jul 2021	16:30	หนองบัวลำภู	ไทย/Thailand	ศาลากลางจังหวัด	รถส่วนตัว (Private car)	1	N	Edit Delete
04 Jul 2021	13:30	04 Jul 2021	14:40	หนองบัวลำภู	ไทย/Thailand	จังหวัดลำพูน	รถส่วนตัว (Private car)	1	N	Edit Delete
03 Jul 2021	09:00	03 Jul 2021	23:59	หนองบัวลำภู	ไทย/Thailand	บ้าน	ไม่ได้ออกไปไหน (Not traveling)	0	N	Edit Delete
02 Jul 2021	07:45	02 Jul 2021	17:20	ลำพูน	ไทย/Thailand	LPN1	รถส่วนตัว (Private car)	0	N	Edit Delete
01 Jul 2021	07:40	01 Jul 2021	18:40	ลำพูน	ไทย/Thailand	LPN1	รถส่วนตัว (Private car)	0	N	Edit Delete
30 Jun 2021	07:44	30 Jun 2021	18:58	ลำพูน	ไทย/Thailand	LPN1	รถส่วนตัว (Private car)	0	N	Edit Delete
29 Jun 2021	07:40	29 Jun 2021	18:28	ลำพูน	ไทย/Thailand	LPN1	รถส่วนตัว (Private car)	0	N	Edit Delete
28 Jun 2021	07:38	21 Jun 2021	19:10	ลำพูน	ไทย/Thailand	LPN1	รถส่วนตัว (Private car)	0	N	Edit Delete

# Covid-19 Prevention and Protection Measures adopted at the workplace

## Screening process, sanitary procedures and cleanliness of the workplace

- Hana employees/visitors have to follow the company's precaution procedures.
  - ✓ Body temperature check at entrance gate,  $>37.5^{\circ}\text{C}$  is not allowed for entry to Hana.
  - ✓ Wearing surgical mask at work all time
  - ✓ Regularly clean hand – 225 station points placing alcohol gel is widely available at all entrance gates, meeting room, rest room, canteen, etc.



Office staff



Production staff



# Covid-19 Prevention and Protection Measures adopted at the workplace

## Educate employees, families and friends on safe practices to minimise COVID-19 transmission

- ✓ To minimize risk of Covid-19 spread, we encourage good practices at office and home.
- ✓ Regularly disseminate the safe practices information to reinforce and remind employees via online channels and also in paper form to share their families and friends.
- ✓ Provide easy to understand and enjoyable to read information on safe practices

### การปฏิบัติตัวเพื่อลดความเสี่ยง โรคโควิด-19

จากกระทรวงมหาดไทยและกรมสุขภาพจิต กรุงเทพมหานคร ขอเชิญชวนคนไทยทุกคนให้ปฏิบัติตามมาตรการป้องกันโรคโควิด-19 เพื่อลดความเสี่ยงต่อการแพร่ระบาดของโรคโควิด-19

หรืออาจเรียกสั้นๆ ว่า มาตรการ 5K ได้แก่

1. สวมหน้ากากอนามัย หรือหน้ากากผ้า

2. หลีกเลี่ยงสถานที่แออัด

3. หลีกเลี่ยงการสัมผัส

4. การอยู่ใกล้ชิด

5. การอยู่ร่วมกัน

6. การอยู่ร่วมกัน

7. การอยู่ร่วมกัน

การล้างมือด้วยน้ำสบู่และสบู่ฆ่าเชื้อ (ใช้สบู่ล้างมือ 20 วินาที) และข้อควรระวังการปฏิบัติตัว

ไม่ควรรับประทานอาหารที่ปรุงสุกๆ ดิบๆ และไม่ได้รับการปรุงสุก

และหากต้องรับประทานอาหารร่วมกัน ต้องล้างมือให้สะอาดก่อนรับประทานอาหาร และใช้ช้อนกลางทุกครั้ง

ต้องทำความสะอาดพื้นผิวที่สัมผัสบ่อยๆ ด้วยน้ำยาฆ่าเชื้อโรค

เนื่องจากเชื้อไวรัสจะติดอยู่บนพื้นผิวได้นานกว่า 24 ชม. ในบริเวณที่เย็นขึ้น

CLEAN!

เมื่ออยู่ในที่สาธารณะ หรือบริเวณที่มีผู้คนแออัด สวมหน้ากากอนามัยตลอดเวลา หลีกเลี่ยงการสัมผัสพื้นผิวสาธารณะ และหลีกเลี่ยงการสัมผัสใบหน้า

จะละทิ้งของส่วนตัว เช่น เสื้อผ้า อุปกรณ์อิเล็กทรอนิกส์ สิ่งต่างๆ ที่สามารถนำออกไปทิ้งได้

SOCIAL DISTANCING

ต้องเว้นระยะห่างให้เพียงพอ ในการพบปะพูดคุยกันทุก ๆ ครั้ง เพื่อลดโอกาสการระบาดในพื้นที่นั้นๆ

### ควรทำ & ไม่ควรทำ

ในกาสื่อสารเรื่องโรคปอดอักเสบรุนแรงเฉียบพลัน จากเชื้อไวรัสโคโรนา (โควิด-19)

COVID-19

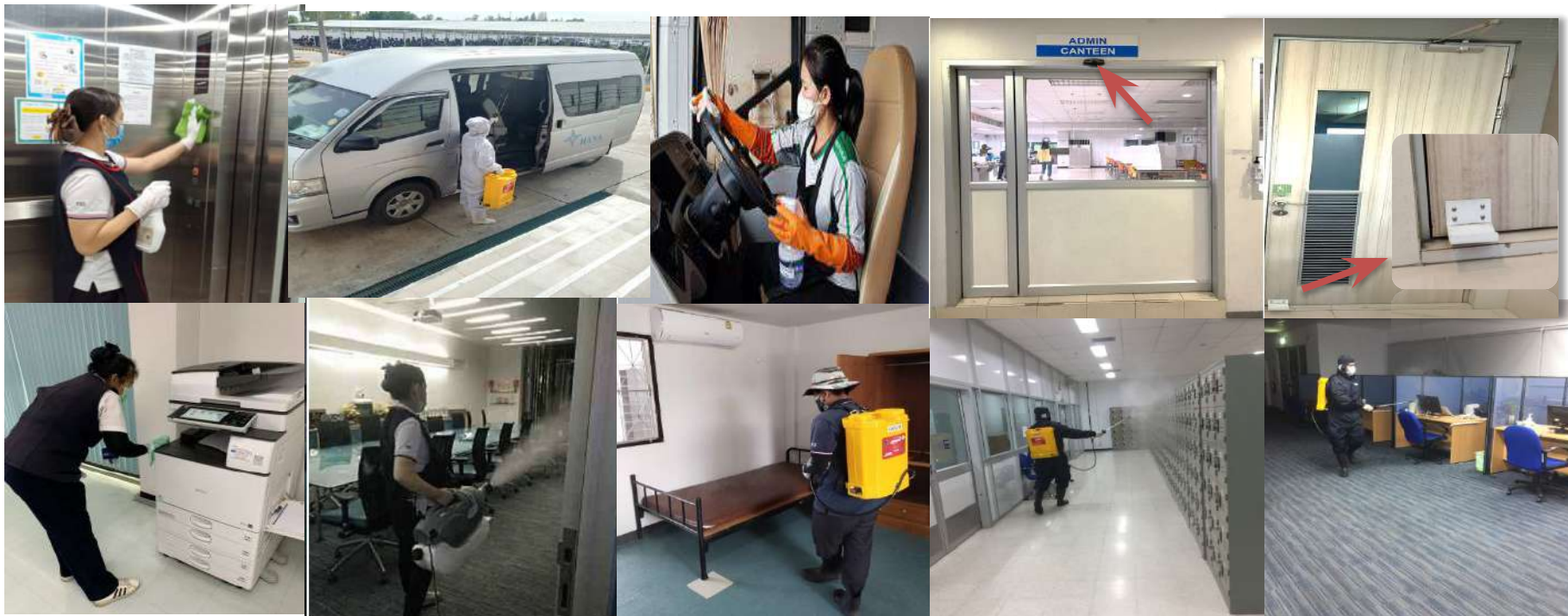
<p>✓ <b>โควิด-19</b> การระบาดของโรคอุบัติใหม่ ในปี 2019</p> <p>อธิบายถึงสถานการณ์ระบาดของโรคอุบัติใหม่ (โควิด-19)</p>	<p>✗ <b>ควรหลีกเลี่ยง</b> <b>ควรหลีกเลี่ยง</b></p> <p>ระบุประเภทของงานในโรง ที่พื้นที่เสี่ยงของเชื้อโรค และกลุ่มคน ต้องจำไว้ว่าเชื้อโรคร้ายๆ ไม่ได้เลือกสถานที่หรือเวลาใดๆ จะระบาด</p>
<p>✓ <b>อธิบายภาพโดยรวมของ "ผู้ที่ได้รับเชื้อ" หรือ "ผู้ที่ติดเชื้อ"</b> โดยไม่เฉพาะเจาะจง</p>	<p>✗ <b>กล่าวถึงบุคคล "เช้าน้ำลายเดิน"</b> "เช้าน้ำลายเดิน" หรือ "เช้าน้ำลายเดิน" โดยเจาะจงถึงบุคคลใดบุคคลหนึ่ง</p>
<p>✓ <b>ไม่ควรรับประทาน</b> <b>ไม่ควรรับประทาน</b></p>	<p>✗ <b>ไม่ควรรับประทาน</b> <b>ไม่ควรรับประทาน</b></p>
<p>✓ <b>ไม่ควรรับประทาน</b> <b>ไม่ควรรับประทาน</b></p>	<p>✓ <b>ไม่ควรรับประทาน</b> <b>ไม่ควรรับประทาน</b></p>

ข้อมูล: กรมสุขภาพจิต กระทรวงสาธารณสุข กรุงเทพมหานคร

# Covid-19 Prevention and Protection Measures adopted at the workplace

## Sanitary procedures and cleanliness of the workplace

- ✓ Increasing frequency for sanitization & disinfection in common areas e.g. canteen, restrooms, lockers, elevator, stairs, plates/cups, etc.
- ✓ Comprehensive regular disinfection by ULV fogging, spray and wipe of safe disinfectant of all non-cleanroom areas, staff's working office areas, Hana dormitory including public transportation (Hana shuttle buses and the company's cars)
- ✓ Minimizing the use of touch-based doors in office areas, production entrances, canteen doors by using in-house made "Foot Plate Panel" or sensors to reduce the risk of transmission



# Covid-19 Prevention and Protection Measures adopted at the workplace

## Social distancing measure

The workplace layouts and processes have been reviewed and redesigned so that employees can work further apart from each other. Social (physical) distancing is applied to all parts of the buildings by using screens or barriers to separate employee work stations, in the canteen, as well as dividing zoning in the production lines with the marking areas with tapes so that necessary distancing is complied with.



# Covid-19 Prevention and Protection Measures adopted at the workplace

## Manpower re-arrangement

- **Reducing cross contamination risk of COVID-19 spreading by using “fixed teams” so certain groups of employees only work alternately**
- **Resources Back-up plan/Business Continuity Plan**

### Daily Employees:

- Segregate into 2 shifts (shift A & shift B)
- Segregate each shift into sub-team e.g., shift A.1, shift A.2, shift B.1, shift B.2, etc. for easier lot traceability and better control in such a case may occur but minimizing a scale of impact
- Rotate shift every 2 weeks
- No activity touch or contact to each other between the sub-teams

### Monthly employees/Supporting team:

- Separate into 2 teams (team A & team B)
- Team A work at office, Team B work at home
- Rotate by weekly
- Limit area for supporting team, non-necessary areas are not allowed to walkthrough

### Break time/lunch time re-scheduling:

- Staggering break times and fixed zoning so that canteens are at a reduced capacity



# Covid-19 Prevention and Protection Measures adopted at the workplace

## WORK FROM HOME FOR STAFF

- Work-from-Home can help minimize the risk of individual employees' exposure to COVID-19 through reduced public transport travel, as well as reducing the risk of transmission occurring at the workplace through face to face contact, as well as support those high risk employees who require quarantine stage
- Modify IT systems and support to support evolving work requirements

## MEETINGS

- Avoid in-person meetings with customers/3<sup>rd</sup> party (auditors, service providers, and other business dealing) by using remote working tools such as Zoom
- Ensure that only necessary participants attend for physical meeting, and maintain social distancing where possible and viable
- Avoid the sharing of pens, documents and other objects to reduce transmission
- Provide hand alcohol gel in the meeting rooms

### TIME IN/OUT

Login

Date : 28 June 2021 Time : 07:58:04

Clock-in

Clock-out

\*\*Clock-IN/OUT มาตรการป้องกัน WFH โทรหา HR ทันที\*\*





# Covid-19 Prevention and Protection Measures adopted at the workplace

## HELP GET EMPLOYEES VACCINATED

- **Provide education** - At the early stage, employee resistance to vaccines or lack of information or misinformation about vaccines so providing them facts on the merits of getting vaccinated and information from health officials, doctors or other experts and sending through HANA LINE GROUP with the correct information about the vaccine, citing medical experts and doctors
- **Accelerated vaccine efforts** – Due to the short supply of vaccines, Hana ordered 4,800 doses of Sinopharm Covid-19 vaccine through the Chulabhorn Royal Academy in addition to pay back the vaccine cost if any individual employees can book Sinopharm faster. Hana is aiming all employees get vaccinated 100% within October 2021.
- **Plan for a booster shot** – Allocate the budget to buy alternative vaccine as a booster dose for those employees who received 2 doses of Sinovac or Sinopharm COVID-19 vaccine



# COVID-19 BCP

## A Scenario-Planning Approach to emergency to ensure response readiness and an effective management of emergencies



- HR & Nurse prepare PPE to escort and rescue symptom employee.
- Started communicate and command with Recue Team & First Aid Team.



- Use ESD Plastic Curtain to isolated at EOL (DTF) total 4x4 =16 sq.m
- Clean machines with IPA => Cover Control Board with ESD Plastic sheet.



- Separate WIP at infected DTF Area to clean with IPA & WIP need to cure >70 deg C.



- Facility & Maintenance ERT Technician started to clean from inner and step back until end of covered area and isolated approx. (expected 3-7hrs. which need to get confirmation by Provincial Public Health)



- Separate Infected & Close Contact employees in the control area.
- Investigate Timeline of infected employee.



- Communicated with 1669 to pickup Infected employee to hospital.
- Separated transportation for Close Contact employee to check at hospital.
- Confirm with Governor / Provincial Public Health/EAT to start 7 resume operation as normal



# COVID-19 BCP

## MANAGING SUPPLY CHAIN RISK AND DISRUPTION

- Place the Purchase Orders (PO) to suppliers to cover long lead time for critical materials to meet the delivery plans
- Adjust operations procedures to enable production continuity and buffer sufficient raw materials stock and finished goods inventory levels in case of potential partial or full lockdown of the company, suppliers or customers
- Engage with the customers' commitment for material liability that they need to take the responsibilities for Hana to increase stock buffer and increased materials prices than originally agreed
- Implement Local Supply Chain Strategy to provide alternative materials supply



# COVID-19 BCP

## LOGISTIC BACK-UP PLAN

- Close monitoring and co-ordination with logistics companies of airlines situation for both Inbound and Outbound shipments
- Pre-reserve space with airfreight/courier in advance to reduce missing shipments from airline's space limitation
- Work on alternative shipping modes in case of critical situation e.g. airport shutdown, flight cancellation especially in some watch-list countries
- Local Supply Chain Strategy to minimize the overseas logistic disruption

# COVID-19 BCP

## BUUBLE AND SEAL PLAN

- Bubble and Seal Plan has formally established and approved to ensure the proper planning to control the spread of virus within the workplace and the community as well as reduce the death rate, and reduce the financial impact for employees and business continuity
- Suitable isolation rooms at Hana's vacant dormitory and sport complex are prepared to support Covid-19 quarantine cases



Adobe Acrobat  
Document

# COVID-19 BCP

## BUBBLE AND SEAL PLAN

- Proactive screening approach to self-test employees for the infection
  - Weekly perform 5% testing of employees by using Antigen Test Kit (ATK) as the registration of rapid antigen test kits would allow our staff to more easily become aware of their infection, enter isolation and receive early treatment and minimize the spreading the virus within the company and community

Sampling 100 staff/week during day shift to ensure we have full manpower to support if there are any infected cases.





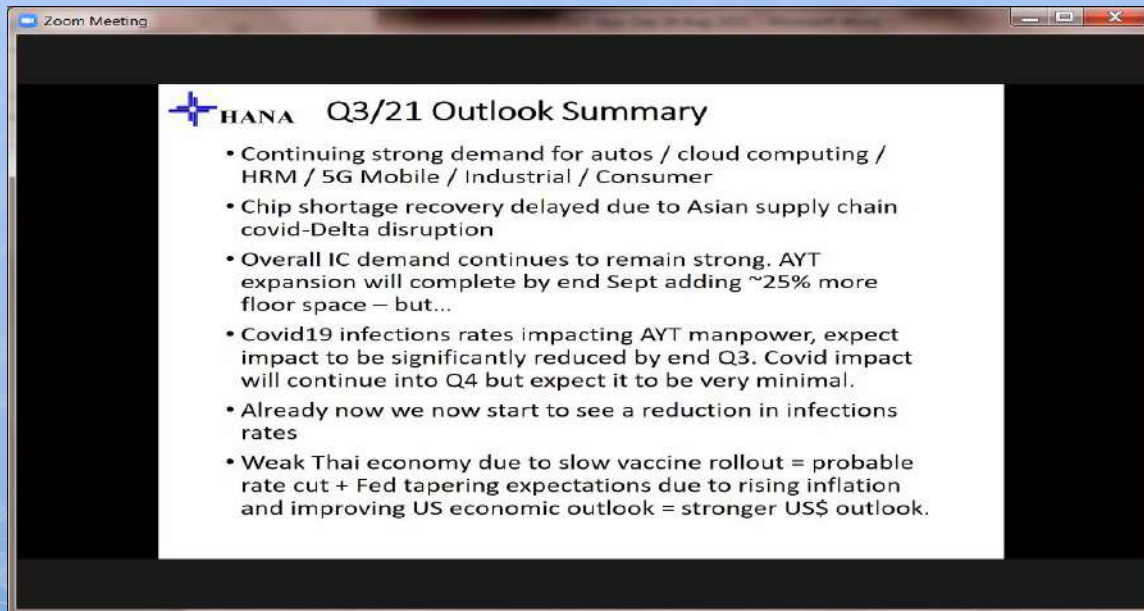
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## **4. The Board's Roles in the COVID-19 Crisis**

# The Board's Roles in the COVID-19 Crisis

- Provide support to management teams operating in highly stressful conditions to ensure that they make the best decisions throughout the crisis
- Keep informed by the management team in regularly report the business status and outlook, the impact of pandemic including the mitigation plans





# The Board's Roles in the COVID-19 Crisis

- Ongoing communication with management teams for quick action on contingency planning, strategy development, and other urgent matters
- Ensure open communication and disclosure to the public for the pandemic update and potential impact

## Management's Discussion and Analysis

Second Quarter ending 30th June 2021

### Forward Looking Statement

Currently Hana Ayutthaya plant is experiencing levels of Covid-19 infection. Due to quarantining of both infected staff and high risk (those close to infected staff) this will have a temporary impact on the plant's manufacturing capacity. Currently there is no impact (from infections) at any other Hana locations (Lamphun Thailand, Ohio USA, Koh Kong Cambodia, Korea & Hong Kong). Additionally, Covid-19 infections are also impacting our supply chain as certain suppliers in the Asean region are also impacted.

At this time, we estimate the impact to the Hana Microelectronics Group for Q3/21 based on Q2/21 revenues to be a reduction of between 4.0% – 5.0% in THB terms. We have based this on the assumption the average USD/THB exchange rate in Q3/21 will remain the same as the average in Q2/21 which was THB/USD 31.36.



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## **5. COVID-19 Business Recovery**



# COVID BUSINESS RECOVERY MAINLY FOR HANA AYUTTHAYA

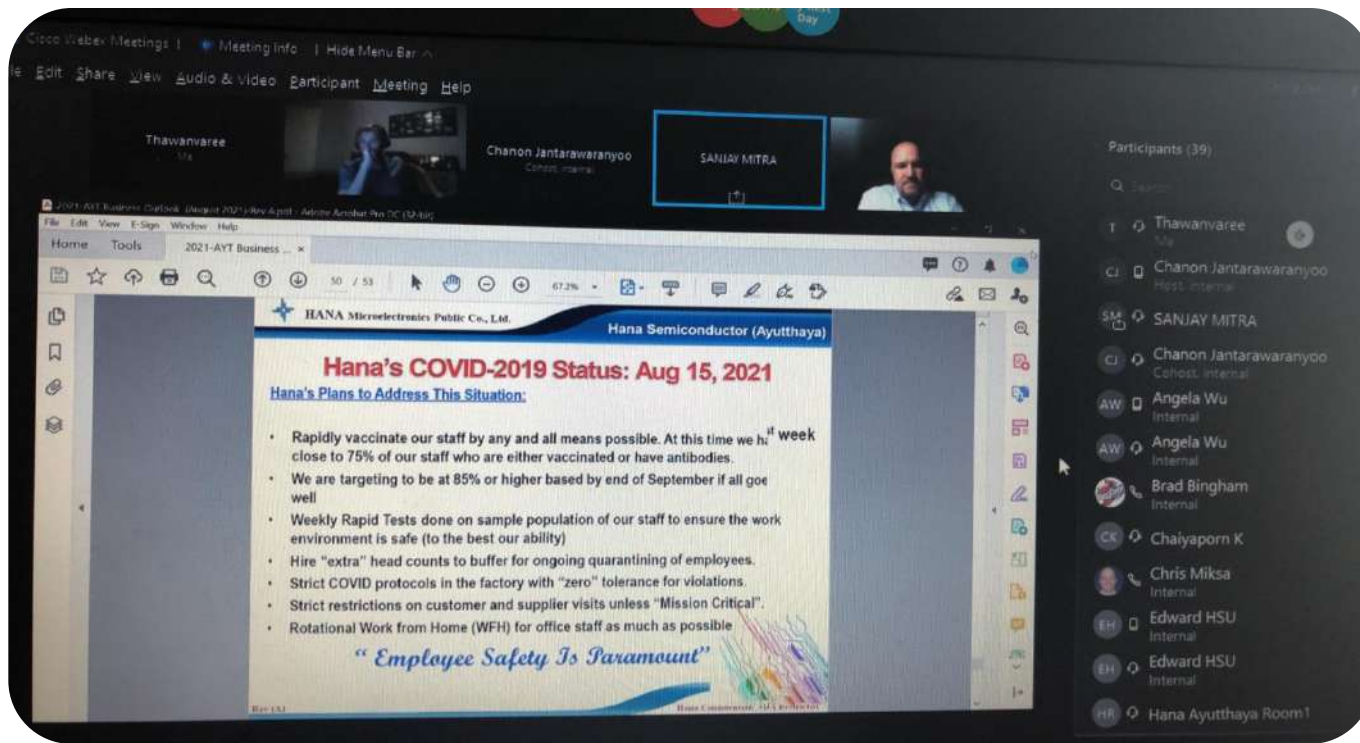
- Assign staffs to work overtime to recovery and meet customer demands
- Hiring new workers (production operators) to increase manpower capacity to meet customer demands
- Continue rapid test (ATK test) to separate positive person out from negative person and segregation to ensure safe production zone
- Increase production space by maximizing space utilization which included a new manufacturing building while postpone the construction of new building to complete in Q4'21 in order to prevent Covid spreading from the contractors
- Install new equipment which we placed the orders since beginning of the year to increase more production capacity
- Close working with suppliers to ensure available material supply to support customer demand

## NEW/NEXT NORMAL

- **Digital transformation:** The pandemic is accelerating global digital transformation. The rising demand for consumer electronics in the global market need to be carefully reviewed and monitored. Our business strategy has to be flexible to adopt and act on it quickly such as investing in increased capacity or how to balance the demand and capacity etc. as to develop the competitive advantage of a firm in a dynamic environment.
- **Crisis risk models:** The company would consider risk management profile for potential business disruptions that may cause by extensive employee absences, shutdowns of geographies, supply chain disruptions, etc. This includes crisis response to be activated based on certain events.
- **Supply chain models:** The impact of COVID-19 on the supply chain is the great lesson learn for the company to adopt its approaches to support customers' needs and demands. Our key strategy is to find the second sources and quickly propose to the customers to approve as the single sole sources authorized by the customers have been impacted more or less by the pandemic. Hana has proactively moved ahead in switching to use localize suppliers for the material parts that are available in the local markets. The company shall continue to qualify the local suppliers or different geographic second sources as part of our supply chain management goal.

# NEW/NEXT NORMAL

- **Customer Relationships:** In a time of crisis and post-crisis recovery, Hana have a great opportunity to double down on our existing customer relationships. Hana closely works with our customers in the supply chain, logistic and operation efforts to meet the customers requirement. In an open and transparent manner, Hana regularly updates the status of pandemic, the company's plan and BCP to assure we will be passing through COVID-19 together with the minimum disruption and further improving customer satisfaction.



## NEW/NEXT NORMAL

- **Human capital:** The health, safety and wellbeing of employees are a top priority. We provide the support to maintain the health and wellbeing of our employees. The Company has continuously pursued Occupational Health, Safety and Work Environment to create a culture of safety in the organization under the company's Safety, Occupational Health and Work Environment Policy.
- **Sustainability in the new normal:** One of the unintended impacts of the global lockdown this year was that it gave our environment a break. Supporting ESG particularly the fight against the climate change is high on the agenda for many businesses including Hana in today's world climate crisis. The company put initiatives in place to improve our sites' energy efficiency and set the plan to reduce carbon footprint and move toward Carbon Footprint Organization.



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## **6. Stakeholder support during COVID-19**



# STAKEHOLDER SUPPORT

## Supply chain (supplier/customer/forwarder)

- Negotiate to balance the impact of Covid between customers and suppliers e.g., the supplier has the problem from its manufacturing shut-down due to Covid resulting in missing the delivery lead time so Hana has promptly coordinate with the customer to adjust the delivery schedule
- Absorb logistic cost for urgent material shipment that should transport by seas freight but Hana decide to change to air mode with higher freight cost as to ensure the production can meet the customers' commitment
- Flexible billing condition as some customers got the impact from lockdown e.g., not pull out the inventory at hub per plan/agreement
- Assist to follow-up consigned material delivery shipments while the customers' work from home
- Provide full support the emergency of customer/supplier/forwarder even different time zones

# STAKEHOLDER SUPPORT

## Employee care

**Employee and family program:** To protect the welfare of employees and their families and to help reduce the risk of Covid-19, the Company has to ensure employees have the protective equipment to minimize the risk of infection at work with the face shield project for employees in Thailand and overseas over 35,000 pieces, including projects of eat hot food, use serving spoons, hand washing, and wearing masks".



# STAKEHOLDER SUPPORT

**Government Program:** Hana supported doctors, nurses, and other health care workers on the frontlines of the fight against Covid-19. In the early stage of Covid-19 having protective equipment shortage, the Company had coordinated with Hana Jiaxing, China for the support of PPE suits. Mr. Richard David Han, Chief Executive Officer of the Company, presented the donation of PPE suits and the self-made face shields to the Thai Red Cross Infectious Disease Health Science Centre in support its mission of diagnosis and treatment severe emerging diseases. Hana Lamphun also donated PPE suits and face shields to the hospitals in Lamphun, Chiangmai, Lampang and Phrae provinces, and supporting the installation of partitions for Lamphun hospital. In addition, Hana Ayutthaya further donated PPE suits and face shields to the hospitals in Ayutthaya, Pathumthani and Nonthaburi provinces. The total donation was worth Baht 1.3 million to 13 hospitals. The Company also supported the sharing scheme "Pantries of Happiness" put up containers filled with food and other necessary items in public spaces to help the poor or those who faced problems in life during Covid crisis.



# STAKEHOLDER SUPPORT

To prevent medical personnel in hospitals from Covid-19 situation, Hana supported local hospitals by installing 40 sets of partition for Lamphun Hospital





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## 7. Q&A



**THANK YOU  
STAY SAFE AND HEALTHY**