



# EMPLOYMENT POLICY

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## **Employment Policy**

### **Vanachai Group Public Company Limited and Subsidiaries**

Vanachai Group Public Company Limited and its subsidiaries (“the Company”) are committed to conducting business responsibly, upholding human dignity, and respecting human rights for all employees in every stage of employment. The Company believes that fair, transparent, and equitable employment practices are the foundation of sustainable business growth, contributing to long-term stability for the organization, its people, and society.

The Company operates in accordance with internationally recognized labour standards, guided by the Universal Declaration of Human Rights (UNDHR), the International Labour Organization (ILO) Conventions on fundamental labour rights, and ISO 26000 guidelines on social responsibility. In addition, this policy is aligned with the FTSE Russell ESG Indicators, particularly those related to prevention of forced labour (SLS02), non-discrimination (SLS03), reasonable working hours (SLS07), fair remuneration (SLS08 and SLS34), employment of under-privileged groups (SLS11 and SHR05), and effective communication of labour policies across the organization (SLS12).

Under this framework, the Company strives to provide a safe and high-quality working environment, ensure equal opportunities for all employees, and uphold the principle of “Equal Pay for Equal Work.” The Company also promotes local employment and workforce development as part of its shared-value approach, strengthening both the organization and surrounding communities in line with Thailand’s sustainable development direction.

#### **1) Objectives**

- Establish fair and transparent employment practices consistent with international human rights and labour standards.
- Prevent the use of forced labour, child labour, and any form of discrimination in the workplace.
- Promote gender equality and the principle of Equal Pay for Equal Work.
- Protect the rights of children, persons with disabilities, and other vulnerable groups. Prohibit the use of child labour in accordance with international standards and promote business practices aligned with the Children’s Rights and Business Principles (CRBP). The Company further commits to respecting, protecting, and promoting the rights of persons with disabilities and other disadvantaged groups, based on the principles of equality, non-discrimination, fair access to employment opportunities, safe and appropriate working conditions, and the provision of reasonable accommodation, in order to safeguard the dignity, well-being, and quality of life of all workers.

- Ensure safe, hygienic, and healthy working conditions that enhance employee well-being.
- Communicate labour-related policies effectively across all organizational levels.
- Encourage local employment and sourcing practices that strengthen the circular economy and sustainable local development.

## 2) Policy Alignment and International Standards

- **International Labour Organization (ILO) Core Conventions:**

Commitment to fundamental labour rights, including freedom of association, elimination of forced and child labour, and non-discrimination in employment.

- **Universal Declaration of Human Rights (UNDHR):** Respect for human dignity and the fundamental right to fair and safe working conditions.

- **ISO 26000 – Social Responsibility:** Guidance on fair operating practices and labour issues to ensure ethical and responsible people management.

- **Global Reporting Initiative (GRI) Standards:**

- **GRI 2: General Disclosures 2021**, including governance, policy commitments, embedding policy commitments, grievance and remediation processes, stakeholder engagement and worker-related disclosures
- **GRI 3: Material Topics 2021**, including material topic determination and management of material employment, labour, human rights, health and safety, and supply chain social impacts
- **GRI 202: Market Presence 2016**, where local employment, local hiring and wage-related market presence are material
- **GRI 401: Employment 2016**, including new employee hires, turnover, employment benefits and parental leave
- **GRI 402: Labor/Management Relations 2016**, including minimum notice periods regarding operational changes
- **GRI 403: Occupational Health and Safety 2018**, including occupational health and safety management systems, hazard identification, worker participation, training, work-related injuries and work-related ill health
- **GRI 404: Training and Education 2016**, including employee training, career development and performance reviews
- **GRI 405: Diversity and Equal Opportunity 2016**, including workforce diversity and equality of opportunity
- **GRI 406: Non-discrimination 2016**, including incidents of discrimination and corrective actions taken

- **GRI 408: Child Labor 2016 and GRI 409: Forced or Compulsory Labor 2016**, where child labour and forced labour risks are relevant to operations or business relationships
- **GRI 414: Supplier Social Assessment 2016**, including supplier screening, supplier social assessment and corrective actions for negative social impacts in the supply chain
- **United Nations Sustainable Development Goals (SDGs):**  
Goal 5 – Gender Equality; Goal 8 – Decent Work and Economic Growth; Goal 10 – Reduced Inequalities.
- **FTSE Russell ESG Criteria:**
  - **Labor Standards (SLS):** SLS01, SLS02, SLS03, SLS05, SLS06, SLS07, SLS08, SLS10, SLS11, SLS12, SLS13, SLS14, SLS16, SLS21, SLS24, SLS25, SLS26, SLS28, SLS29, SLS30, SLS32, SLS33 and SLS34, where applicable
  - **Human Rights & Community (SHR):** SHR04, SHR05, SHR11, SHR21, SHR22, SHR23, SHR24, SHR25, SHR26 and SHR27, where applicable
  - **Health & Safety (SHS):** SHS01, SHS03, SHS04, SHS05, SHS08, SHS10, SHS13, SHS15, SHS37, SHS38 and SHS40, where applicable
  - **Supply Chain: Social (SSC):** SSC01, SSC02, SSC03, SSC04, SSC05, SSC06, SSC07, SSC08, SSC09, SSC10, SSC11, SSC12, SSC17 and SSC18, where applicable
  - **Risk Management (GRM):** GRM01, GRM02, GRM04, GRM05, GRM07, GRM08 and GRM20, where labour, human rights, health and safety, supply chain social risks, grievance mechanisms and non-compliance management are integrated into the Company's ERM and governance processes
- **Vanachai Group Sustainability Framework 2025:** Supporting the Group's overarching sustainability vision "**Forest I Future I Together – for a Sustainable Living,**" emphasizing balanced growth among Business – People – Community.

### 3) Scope

This policy applies to:

- All operations of the Company and joint ventures under the Company's operational control.
- All employees, management personnel, contractors, suppliers, and business partners involved in employment practices, labour management, or any activities that may affect the human rights of workers.
- All Company establishments, including factories, headquarters, and field operations, which are governed by this policy as a standard framework for labour management,

employment, development, and retention. It also serves to promote local employment and the sustainable sourcing of human resources.

#### 4) Definitions and References

- **Employee:** An individual employed by the Company, either on a permanent, contractual, or temporary basis, including full-time, contract, and daily-wage employees.
- **Forced Labour:** Any work or service extracted from a person under threat, coercion, or restriction of freedom, contrary to human rights principles and the International Labour Organization (ILO) Conventions No. 29 and 105.
- **Child Labour:** Employment of individuals below the legal working age as defined by labour law, which may adversely affect their health, safety, or education.
- **Non-Discrimination:** The equal and fair treatment of employees without discrimination based on gender, age, religion, race, nationality, disability, social status, or political opinion.
- **Equal Pay for Equal Work:** The principle of fair compensation based on qualifications, duties, and performance, regardless of gender or social status.
- **Employment of Under-Privileged Groups:** Providing equitable employment opportunities for socially or economically disadvantaged individuals – including persons with disabilities, the elderly, and members of local communities – to promote inclusive and sustainable employment.
- **Vanachai Integrated Materiality and Risk Assessment (V-IMRA):** An internal assessment framework used by the Company to identify, assess, and prioritize sustainability-related impacts, risks, and opportunities across its operations and value chain. V-IMRA integrates both impact materiality and financial materiality considerations and provides structured inputs to the Enterprise Risk Management (ERM) system, strategic planning, and management decision-making.
- **References:**
  - **International Labour Organization (ILO)** Conventions No. 29, 87, 98, 100, 105, 111, 138, 155, 182 and 187.
  - **Universal Declaration of Human Rights (UNDHR)**
  - **ISO 26000:** Social Responsibility
  - **GRI Standards:** GRI 2: General Disclosures 2021; GRI 3: Material Topics 2021; GRI 202: Market Presence 2016; GRI 401: Employment 2016; GRI 402: Labor/Management Relations 2016; GRI 403: Occupational Health and Safety 2018; GRI 404: Training and Education 2016; GRI 405: Diversity and Equal Opportunity 2016; GRI 406: Non-discrimination 2016; GRI 408: Child Labor 2016; GRI 409: Forced or Compulsory Labor 2016; and GRI 414: Supplier Social Assessment 2016.

- **FTSE Russell ESG Indicators:** Labor Standards (SLS), Human Rights & Community (SHR), Health & Safety (SHS), Supply Chain: Social (SSC), and Risk Management (GRM), where applicable.
- Vanachai Group Sustainability Framework 2025

## 5) Governance and Accountability

- **Board of Directors:** Approves and oversees the Company's Employment Policy to ensure that all labour and human rights practices are conducted lawfully, transparently, and in alignment with the Company's sustainability strategy.
- **Sustainability Committee:** Acts as the policy owner and reports to the Board of Directors and the Managing Director. Responsible for integrating the Employment Policy into the Company's human resource management and sustainability strategies, monitoring implementation performance, and recommending continual improvements.
- **Human Resources and General Administration Division:** Responsible for implementing this policy in practice by integrating it into the organization's human resource management system. This includes developing clear operational procedures, overseeing recruitment, training, development, and performance evaluation to ensure alignment with the company's policy framework. The Division also serves as the central coordinating body for reporting progress to the Sustainability Committee and executive management, ensuring that all actions related to labor, human rights, and organizational sustainability are effectively implemented and continuously improved.
- **Sustainable Development Task Force:** Implements, monitors, and evaluates performance under this policy – including fair employment practices, equitable compensation management, promotion of opportunities for under-privileged groups, and workforce capacity development.
- **Directors, Managers and Department Heads:** Responsible for ensuring that labour management practices within their departments comply with this policy, relevant labour laws, and human rights standards, as well as achieving labour-related performance indicators (KPIs).
- **Senior Executive Accountability:** Senior executives are directly accountable for achieving the Company's labour and employment objectives, with relevant key performance indicators (KPIs) incorporated into their annual performance evaluations to ensure accountability and continuous improvement.
- **Employees and Suppliers:** Must comply with this policy and support fair, safe, and human rights-respecting employment practices across all business operations.

## 6) Commitments and Principles

### 6.1 Compliance with Laws, Labour Rights and Human Rights (*SHR21–SHR24, SLS05, SLS06; GRI 2-23, 2-24, 402-1*):

- The Company complies with all applicable labour laws and related regulations, as well as international human rights principles, to ensure that all employees are treated equally, with dignity and respect, and free from discrimination or rights violations.

### 6.2 Fair Employment and Prohibition of Child Labour and Forced Labour (*SLS01, SLS02; GRI 408, GRI 409*):

- The Company strictly prohibits all forms of forced labour, including coercion, restriction of freedom, or any form of employment bond such as the collection of deposits or guarantees from workers.
- The Company ensures that all employment processes are voluntary, supported by clear employment contracts, and communicated transparently regarding working terms and conditions.
- The Company does not employ individuals below the legal minimum age and fully complies with International Labour Organization (ILO) standards to protect the rights of young persons and promote access to education.

### 6.3 Non-Discrimination, Diversity, Equity and Inclusion (*SLS03, SLS16, SLS30, SLS34; GRI 405, GRI 406*):

- The Company treats all employees equally without discrimination based on gender, age, religion, race, nationality, disability, social status, or political opinion.
- The Company promotes diversity and inclusion to foster a respectful and equitable working environment that provides equal opportunities for everyone.

### 6.4 Minimum/Living Wage, Fair Benefits and Equal Pay for Equal Work (*SLS08, SLS34; GRI 202, GRI 401, GRI 405-2*):

- The Company provides fair and transparent compensation and benefits structures aligned with employee duties, responsibilities, and performance outcomes.
- The Company upholds the principle of “Equal Pay for Equal Work” and aims to create a balanced work environment that supports both employee well-being and organizational performance.

### 6.5 Elimination of Excessive Working Hours and Rest Periods (*SLS07, SLS14*):

- The Company manages working hours in compliance with labour laws, provides appropriate rest periods, and ensures a safe, hygienic, and health-promoting working environment for all employees.

**6.6 Employment of Under-Privileged Groups and Local Employment/Sourcing** (SLS11, SHR05; GRI 202):

- The Company is committed to creating employment opportunities for under-privileged groups – including persons with disabilities, the elderly, and local community members – to support sustainable livelihoods.
- The Company also promotes local employment and sourcing of workforce from surrounding communities to strengthen local economies and inclusive growth.

**6.7 Employee Development, Training and Performance Review** (SLS29, SLS26; GRI 404):

- The Company supports continuous learning and skills development for employees at all levels to enhance professional competence and create equal opportunities for career advancement.

**6.8 Communication, Training, Grievance, Remedy and Non-Compliance Disclosure** (SLS12, SLS21, SHR24, SHR26, SHR27, GRM20; GRI 2-25, GRI 406):

- The Company communicates labour and employment policies clearly and effectively to all employees through appropriate and transparent channels.
- The Company also encourages feedback from employees and stakeholders to continuously improve labour management practices and policy implementation.

## 7) Risk, Impact, and Dependency Management

The risks, impacts, and dependencies associated with the matters addressed in this policy are identified, analyzed, and prioritized through the Company's Vanachai Integrated Materiality and Risk Assessment (V-IMRA) process. V-IMRA is an internal assessment framework that considers both impact materiality and financial materiality across the value chain.

- **The results of V-IMRA** are integrated into the Enterprise Risk Management (ERM) system to support policy formulation, strategic decision-making, the setting of risk appetite, and the creation of long-term sustainable value.
- **Labour Risk Identification and Assessment:**  
The Company assesses potential labour-related risks associated with employment and workforce management, such as forced labour, child labour, discrimination, occupational safety, and non-compliance with labour laws. These assessments serve as essential input for strategic planning and decision-making to ensure responsible and ethical labour practices.
- **Social and Human Rights Impact Assessment (SHRIA):** The Company evaluates both positive and negative impacts arising from its labour policies and operational processes to establish preventive and mitigation measures. These assessments aim to enhance the effectiveness of labour and human rights management across all business operations.

- Labour Risk and Dependency Management:** The Company implements measures to manage labour-related risks, including compliance monitoring with labour laws, workplace condition audits, and employee feedback mechanisms. These ensure that all employment practices are fair, transparent, and safe. Furthermore, the Company considers “labour dependency,” particularly local labour dependence, recognizing its importance to business continuity and the maintenance of strong relationships with surrounding communities.
- Integration with Enterprise Risk Management (ERM):** The results of labour and human rights risk assessments are incorporated into the Company’s Enterprise Risk Management system to ensure alignment with corporate strategies related to human resources, sustainability, and supply chain management.
- Monitoring and Reporting:** The Company continuously monitors the performance of labour risk management and reports progress annually to the Corporate Sustainability Committee for review and continuous improvement of mitigation measures.
- Stakeholder Engagement:** The Company welcomes feedback and recommendations from employees, suppliers, government agencies, and civil society organizations to inform policy development and enhance labour management practices in line with organizational and social contexts.

## 8) Targets and Metrics

- Percentage of employees receiving annual performance evaluations (%):** Reflects the Company’s commitment to a fair and transparent performance management system.
- Employee turnover rate (%):** Measures employee satisfaction, engagement, and organizational retention.
- Proportion of local and under-privileged group employment (%):** Demonstrates the Company’s commitment to supporting local economies and promoting inclusive employment opportunities.
- Percentage of female employees in management positions (%):** Indicates progress in promoting gender equality and career advancement opportunities within the organization.
- Average annual training and development hours per employee (hours/person/year):** Reflects continuous learning and capacity building to strengthen workforce competence and sustainability readiness.
- Lost Time Injury Frequency Rate (LTIFR):** Evaluates the effectiveness of occupational health and safety management and the well-being of employees.
- Proportion of employees receiving pay in accordance with the “Equal Pay for Equal Work” principle (%):** Confirms fairness and equality in compensation practices.
- Employee satisfaction index (%):** Measures workplace culture, well-being, and employee engagement levels across all departments.

- **Labour law and human rights compliance rate (%):** Monitors the Company's adherence to labour regulations and international human rights standards in alignment with global ESG frameworks.

## 9) Supply Chain and Partner Responsibility

- **Compliance with Policies and Laws:** All suppliers and business partners are required to comply with the Company's labour, human rights, and ethics policies, as well as applicable labour laws, safety standards, and relevant human rights regulations.
- **Social Clauses in Contracts:** The Company includes social clauses in procurement and service contracts, such as the prohibition of child labour and forced labour, the assurance of fair remuneration, and respect for labour rights, to ensure that the supply chain operates responsibly and ethically.
- **Supplier Evaluation and Development:** The Company conducts regular assessments of suppliers and contractors to evaluate compliance with labour and human rights policies. Recommendations are provided to support improvement and capacity building in line with sustainable development principles.
- **Collaboration and Participation (CSR/CSV Initiatives):** The Company encourages suppliers and partners to participate in social and community initiatives – including vocational development, education, and environmental conservation – to create shared value and generate positive outcomes across the supply chain.
- **Communication and Transparency:** The Company maintains transparent communication channels with suppliers to receive feedback, address concerns, and strengthen long-term cooperation and mutual trust.
- **Continuous Improvement:** The Company promotes continuous improvement of labour and human rights practices among suppliers and partners to enhance the overall sustainability standards of the Thai supply chain and support the Company's long-term sustainability objectives.

## 10) Integration with Corporate Strategy

Integrate the Employment Policy into the corporate strategy to ensure that human resource management serves as a key driver of the Company's sustainable growth. This integration is guided by the concept "Forest | Future | Together – for a Sustainable Living," which reflects balanced progress among Business – People – and Community.

- **Forest – Caring for People and the Environment Sustainably**
  - The Company fosters a safe and environmentally responsible workplace that supports employee health and well-being.
  - Labour management practices are aligned with the Company's environmental policies, including energy efficiency, waste reduction, and responsible resource use.
- **Future – Developing People for a Sustainable Future**

- The Company promotes lifelong learning and the development of future-ready skills to equip employees to adapt to technological and industrial transformation.
- Career Development Plans and Performance Management Systems are implemented to enhance professional growth and strengthen employee engagement and retention.
- **Together – Growing with Stakeholders**
  - The Company cultivates a corporate culture grounded in Diversity, Equity, and Inclusion (DE&I) to ensure that all employees are respected and valued.
  - The Company promotes local employment and partnerships with educational institutions to enhance workforce skills and create economic opportunities for surrounding communities.
  - Shared value is created through responsible supply chain collaboration by linking employment objectives with the Company's broader social and environmental goals.

Integrating this policy into the corporate strategy enables the Company to balance business efficiency with employee well-being, driving long-term economic, social, and environmental sustainability.

## 11) Implementation and Management Tools

- **Integration into Management Systems:** The Company integrates the Employment Policy into its human resource management and sustainability systems to ensure alignment across all departments with the Company's labour, human rights, and equality objectives.
- **Training and Internal Communication:** The Company provides training and internal communication to all employees, suppliers, and business partners to raise awareness of human rights, fair employment practices, and compliance with international labour standards.
- **Resource Allocation:** The Company allocates adequate budgets, personnel, and technology to effectively support the implementation of this policy and related programmes.
- **Monitoring and Evaluation:** The Company regularly monitors and evaluates the implementation of this policy. Labour and human rights indicators are incorporated into each department's annual operational plan to drive continual improvement and accountability.
- **Reporting and Improvement:** The Company prepares an annual performance summary report for submission to the Corporate Sustainability Committee, identifying progress, challenges, and opportunities for enhancing labour management practices in line with international standards and stakeholder expectations.

## 12) Monitoring, Reporting and Transparency

- **Performance Monitoring:** The Company conducts ongoing monitoring and evaluation of labour and human rights practices across all departments, including regular reviews of compliance with labour laws and international standards.
- **Reporting:** The Company prepares annual performance reports on labour and employment practices for submission to the Corporate Sustainability Committee, enabling continuous review and improvement of management approaches.
- **Transparency and Disclosure:** The Company discloses labour and human rights performance in its annual Vanachai Sustainability Move Report to demonstrate transparency, accountability, and stakeholder engagement.

## 13) Review and Continuous Improvement

- Reviews this Employment Policy at least once every two years, or earlier when there are changes in labour laws, international standards, or stakeholder expectations, to ensure that the policy remains relevant and aligned with the evolving business and social context.
- The Company is committed to continuously improving its labour management, employment practices, and human rights performance in alignment with FTSE Russell ESG Indicators (SLS and SHR), GRI Standards 401 / 404 / 405, and global best practices. This commitment aims to foster a corporate culture of fairness, equality, and long-term sustainability.
- In addition, the Company promotes knowledge sharing and exchange of experiences related to labour management both within and outside the organization to drive continuous improvement and elevate labour standards across the national supply chain.

#### 14) Employment Policy Revision History

Version	Date	Policy Owner	Approved by	Key Changes / Comments
1.0	11 November 2024	Sustainable Development Task Force	Board of Directors	Developed the first Employment Policy, establishing the Company's commitment to fair labour practices, non-discrimination, and human rights protection in accordance with Thai labour law. The policy focused on employee welfare, safe working conditions, and workforce stability.
2.0	25 February 2026	Sustainability Committee	Board of Directors	Revised and expanded the Employment Policy to align with international labour and human rights standards and the FTSE Russell ESG Data Model, particularly Labor Standards (SLS), Human Rights & Community (SHR), Health & Safety (SHS), Supply Chain: Social (SSC), and Risk Management (GRM). The revision strengthens policy alignment with GRI 2: General Disclosures 2021, GRI 3: Material Topics 2021, GRI 202, GRI 401, GRI 402, GRI 403, GRI 404, GRI 405, GRI 406, GRI 408, GRI 409 and GRI 414. It also enhances governance, labour risk and human rights impact assessment, supplier social responsibility, grievance and remedy mechanisms, performance metrics, and integration under the Forest I Future I Together – for a Sustainable Living framework.

This policy is approved and issued for acknowledgement and implementation by all relevant parties.