



EMPLOYEE COMPENSATION AND BENEFITS POLICY

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Employee Compensation and Benefits Policy

Vanachai Group Public Company Limited and Subsidiaries

Vanachai Group Public Company Limited and its subsidiaries (“the Company”) recognize that employees are a valuable asset and a key driver of the Company’s long-term success and sustainable growth. The Company is therefore committed to managing employee compensation and benefits in a fair, transparent, and competitive manner, aligned with organizational performance, while also considering employees’ quality of life, well-being, and long-term security.

This Employee Compensation and Benefits Policy establishes the framework, principles, and guidelines for determining remuneration, benefits, and various forms of employee rewards in compliance with applicable labor laws, international labor standards, and good human resource management practices. The policy is guided by the principles of fairness, equity, non-discrimination, and performance-based compensation, taking into account employees’ knowledge, competencies, responsibilities, and work performance.

The policy is designed to support employee motivation, talent retention, and continuous human capital development, while promoting employee engagement and trust in the organization. Through effective compensation and welfare management, the Company aims to attract, retain, and develop qualified personnel alongside responsible business operations.

This policy is aligned with the Company’s sustainability framework, “FOREST | FUTURE | TOGETHER – for a Sustainable Living,” and the FTSE Russell ESG Ratings social assessment criteria, particularly in the areas of Labour Standards and Human Rights, to support sustainable organizational growth while enhancing the quality of life of employees and key stakeholders over the long term.

1) Objectives

The Employee Compensation and Benefits Policy aims to establish a systematic, fair, and sustainable framework for managing employee compensation and benefits. The key objectives of this policy are as follows:

- To define clear criteria for managing employee compensation and benefits in a fair, transparent, and competitive manner, aligned with employees’ roles, responsibilities, competencies, and performance.

- To ensure that compensation and benefits practices comply with applicable labor laws, international labor standards, and recognized good practices in human resource management.
- To promote employees' quality of life, stability, and well-being, covering income, health, safety, and appropriate basic welfare throughout the course of employment.
- To support talent attraction, retention, and development, while strengthening motivation for effective and high-performance work.
- To promote equity, diversity, and non-discrimination in compensation and benefits practices, with respect for the rights of all employee groups, including women, persons with disabilities, and other disadvantaged groups.
- To link compensation and benefits systems with organizational performance, strategic objectives, and the Company's sustainability goals.
- To enhance employee engagement, confidence, and trust in the Company's human resource management systems.
- To support responsible business practices and the Company's sustainable growth under the strategic framework **"FOREST | FUTURE | TOGETHER – for a Sustainable Living."**

2) Policy Alignment and International Standards

This Employee Compensation and Benefits Policy has been developed in alignment with applicable labor laws, international labor standards, and internationally recognized sustainability assessment frameworks. The policy aims to ensure that the Company's compensation and benefits management is fair, transparent, respectful of human rights, and supportive of long-term organizational sustainability. The policy aligns with the following key standards and frameworks:

2.1 Alignment with FTSE Russell ESG Ratings

The Company references the FTSE Russell ESG Ratings framework in defining its approach to employee compensation and benefits, particularly under the **Social Pillar and Governance Pillar**, which cover key aspects including:

- Fair and competitive compensation management
- Non-discrimination and equity in employment and remuneration
- Employee welfare, well-being, and job security
- Transparency of human resource policies and management systems
- Appropriate compensation governance aligned with organizational performance

These practices align with relevant FTSE Russell indicators, including but not limited to:

- Labour Standards and Working Conditions (SLS01, SLS02, SLS03, SLS04, SLS05, SLS06, SLS07)
- Pay, Benefits, and Employee Welfare Practices (SLS07, SLS08, SLS09, SLS10)

2.2 Alignment with GRI Standards

This policy is aligned with the Global Reporting Initiative (GRI) Standards to support transparent disclosure of labor-related and compensation practices. Relevant GRI Standards include:

- GRI 401: Employment – employment, compensation, and benefits
- GRI 402: Labour/Management Relations – employer–employee relations
- GRI 403: Occupational Health and Safety – workplace health and safety
- GRI 404: Training and Education – employee development and capacity building
- GRI 405: Diversity and Equal Opportunity – diversity, equity, and non-discrimination

These standards support fair labor practices, human capital development, and equitable workplace conditions.

2.3 Alignment with International Labour Organization (ILO) Standards

The Company manages employee compensation and benefits in accordance with the core conventions and principles of the International Labour Organization (ILO), with particular emphasis on:

- Fair employment practices and appropriate remuneration
- Prohibition of child labor and forced labor
- Non-discrimination in wages, opportunities, and benefits
- Respect for dignity, rights, and equality of all workers, including persons with disabilities and other vulnerable groups
- Promotion of safe, healthy, and decent working conditions that support employee well-being and quality of life

The Company supports the principles of Decent Work and is committed to conducting business in a manner that respects human rights throughout its value chain.

3) Scope

This Employee Compensation and Benefits Policy is effective and applies within the following scope:

- All employees of the Company at all levels, including permanent employees, contract employees, and temporary employees, in accordance with the applicable scope defined by labor laws.
- Senior executives, management, and supervisors at all levels, insofar as they are involved in the determination, approval, and administration of employee compensation, benefits, and entitlements.
- Compensation and benefits systems and practices, including wages, salaries, bonuses, incentives, benefits, and other employment-related rewards, covering the entire employee lifecycle from recruitment, performance evaluation, and development through to termination of employment.
- The establishment and management of compensation and benefits structures that are fair, transparent, and non-discriminatory, with due consideration given to equity, diversity, and equal opportunity.
- Compliance with applicable labor laws, international labor standards, and recognized best practices in employee welfare, including the provision of safe, appropriate, and supportive working conditions that enhance employees' quality of life.
- Governance, monitoring, evaluation, and continuous improvement of compensation and benefits systems to ensure alignment with corporate strategy, business developments, and stakeholder expectations.

This policy serves as the primary framework for managing employee compensation and benefits. All relevant departments are required to implement this policy in conjunction with other applicable internal rules, regulations, and guidelines of the Company in a strict and consistent manner.

4) Definitions and References

For the purpose of consistent interpretation and implementation of the Employee Compensation and Benefits Policy, the following terms shall have the meanings set forth below:

Compensation

All forms of remuneration provided by the Company to employees in return for their work, including wages, salaries, bonuses, variable pay, incentives, and other monetary and non-monetary rewards.

Employee Benefits

Benefits and support provided by the Company in addition to base compensation to enhance employees' quality of life, security, and well-being, such as health insurance, leave entitlements, and health and wellness programs.

Fair Pay / Fair Wage

Compensation determined based on the appropriateness of job roles and responsibilities, skills, performance, labor market conditions, and applicable laws, without discrimination and in accordance with the principles of equity and fairness.

Pay Equity

The principle of providing fair compensation for work of comparable value, without discrimination based on gender, age, disability, race, religion, or any other status.

Labour and Working Conditions

Employment conditions covering working hours, wages, leave, benefits, occupational health and safety, and labor rights, in compliance with applicable laws and international labor standards.

Employees

Individuals employed by the Company under an employment contract, including permanent employees, contract employees, and temporary employees, as defined by applicable labor laws.

Persons with Disabilities and Other Vulnerable Groups

Individuals who may face limitations or vulnerability in accessing employment opportunities and benefits, such as persons with disabilities, older workers, migrant workers, or other groups as defined by applicable laws and international standards.

Reasonable Accommodation

Appropriate modifications or adjustments to the work environment, tools, work methods, or processes to enable employees—particularly persons with disabilities or vulnerable groups—to perform their work effectively and on an equal basis, without imposing undue hardship on the Company.

International Labour Standards

Labor principles, practices, and requirements established by the International Labour Organization (ILO), together with applicable labor laws and internationally recognized human rights standards.

Decent Work

A concept of the International Labour Organization (ILO) that promotes fair employment, adequate income, job security, safe and healthy working conditions, social protection, respect for labour rights, and equal opportunities for all workers.

Vanachai Integrated Materiality and Risk Assessment (V-IMRA)

An internal assessment process used by the Company to identify and prioritize sustainability-related issues by integrating impact and financial materiality perspectives, supporting enterprise risk management, strategic planning, and management decision-making.

5) Governance and Accountability

The Company has established a clear governance and accountability structure to ensure that the determination and management of employee compensation and benefits are fair, transparent, verifiable, and aligned with the Company's corporate strategy, principles of good corporate governance, and international labour standards. The roles and responsibilities of relevant parties are defined as follows:

Board of Directors

The Board of Directors is responsible for overseeing the overall policy direction and governance of employee compensation and benefits to ensure alignment with principles of good corporate governance, organizational sustainability, and long-term human capital management. The Board also monitors compliance to ensure that this policy does not result in discrimination and that labour rights are respected in accordance with applicable laws and international standards.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for establishing the framework, policies, and guidelines for compensation and benefits to ensure they are appropriate, fair, competitive, and linked to performance. The Committee also considers alignment with pay equity principles, equality, and fair labour practices.

Executive Management

Executive Management is responsible for translating this policy into practice by defining implementation plans and mechanisms for managing compensation and benefits in line with business strategy, human capital development plans, and the Company's budget. Executive Management also monitors performance and reports progress to the relevant Board committees.

Human Resources Department

The Human Resources Department serves as the primary function responsible for implementing this policy. Its responsibilities include designing compensation and benefits structures, managing rewards, assessing pay fairness, overseeing employee welfare, preparing relevant data and reports, and providing guidance and advisory support to management and employees.

Employee Welfare Committee

A committee established in accordance with labor laws and the Company's practices, serving as an employee representative mechanism for communication, coordination, and dialogue with management on matters related to employee welfare and quality of working life. Members of the committee serve a term of two years.

Internal Audit

The Internal Audit function is responsible for reviewing and assessing compliance with this compensation and benefits policy against applicable laws, regulations, and internal policies. Internal Audit also provides recommendations to enhance the effectiveness, transparency, and integrity of compensation and benefits management systems.

Line Managers and Supervisors

Line managers and supervisors are responsible for overseeing, applying, and communicating this policy to employees under their supervision. They are expected to support fair and non-discriminatory practices and to foster a working environment that respects the dignity and rights of all employees.

Employees

Employees are responsible for acknowledging and complying with this policy and for cooperating in the communication of information, feedback, or grievances related to compensation and benefits through the channels established by the Company, thereby supporting continuous improvement of the system.

6) Commitments and Principles

The Company is committed to managing employee compensation and benefits based on the principles of fairness, transparency, competitiveness, and long-term sustainability. The following commitments and principles are established to guide compensation and benefits management:

6.1 Fairness and Pay Equity

The Company is committed to determining compensation and benefits based on principles of fairness, equity, and non-discrimination. Compensation decisions take into account job value, responsibilities, skills, experience, and individual performance, without discrimination on the basis of gender, age, race, religion, disability, social status, or any other personal characteristics.

(Reference standards: FTSE Russell – Labour Standards & Working Conditions; GRI 401 Employment; GRI 405 Diversity and Equal Opportunity; ILO Convention No.100 on Equal Remuneration)

6.2 Compliance with Labour Laws and International Standards

The Company manages wages, compensation, and employee benefits in full compliance with applicable Thai labour laws and in alignment with international labour standards established by the International Labour Organization (ILO), to protect fundamental labour rights and promote employment security.

(Reference standards: FTSE Russell – Labour Standards; GRI 401 Employment; GRI 403 Occupational Health and Safety; ILO Core Labour Standards)

6.3 Competitive and Performance-Linked Compensation

The Company strives to maintain a competitive compensation structure aligned with labour market benchmarks and linked to individual performance and organizational results, in order to motivate employees, enhance productivity, and support sustainable business growth.

(Reference standards: FTSE Russell –; GRI 401 Employment; GRI 102-35 Remuneration Policies)

6.4 Employee Welfare, Well-being, and Quality of Life

The Company places strong emphasis on providing appropriate employee benefits that support health, safety, well-being, and work–life balance, thereby enhancing the overall quality of life of employees and their families.

(Reference standards: FTSE Russell – Employee Welfare; GRI 403 Occupational Health and Safety)

6.5 Respect for Human Rights and Labour Dignity

The Company respects and promotes the human rights and dignity of all employees, including children, persons with disabilities, and other vulnerable groups. The Company does not support or tolerate child labour, forced labour, or any form of labour rights violations. Reasonable accommodation is provided to ensure that all employees can work safely, effectively, and with dignity.

(Reference standards: FTSE Russell – Human Rights & Labour Standards; GRI 407 Freedom of Association; GRI 408 Child Labour; GRI 409 Forced or Compulsory Labour; ILO Conventions No.138, No.182, No.111; Children’s Rights and Business Principles (CRBP))

6.6 Transparency, Communication, and Employee Participation

The Company promotes transparent communication regarding compensation and benefits policies, encourages employee participation and feedback, and provides appropriate grievance and feedback mechanisms to support continuous improvement.

(Reference standards: FTSE Russell – Corporate Governance & Labour Practices; GRI 102-17 Code of Conduct; GRI 103 Management Approach)

6.7 Continuous Improvement and Systematic Development

The Company is committed to regularly reviewing and improving its compensation and benefits systems to reflect evolving business conditions, labour market trends, international standards, and stakeholder expectations, thereby ensuring sustainable human capital management over the long term.

(Reference standards: FTSE Russell – Human Capital Management SLS26; GRI 103 Management Approach)

6.8 Transparency in Compensation Practices and Disclosure

The Company emphasizes transparency and auditability of its compensation and benefits system and discloses key practices in an appropriate manner to foster understanding, fairness, and trust among employees and stakeholders, guided by the following principles:

- Performance appraisal results serve as the primary criterion for annual salary adjustments and compensation increases, based on a structured and transparent linkage to individual performance ratings.
- The performance appraisal process is integrated with Individual Development Plans (IDPs), jointly agreed upon by employees and their line managers, to define

development objectives, competency enhancement, and clear career progression pathways.

- The Company monitors and reports aggregated outcomes of performance-based compensation to assess fairness, policy alignment, and opportunities for continuous system improvement.
- The Company appropriately discloses policies and practices related to employee benefits, including both core and quality-of-life support benefits such as employee transportation, uniforms, safety equipment, and other essential work-related benefits.
- Disclosure of compensation and benefits information is conducted with due consideration to appropriateness, employee privacy, and legal requirements, ensuring a balance between transparency and personal data protection.

(Reference standards: FTSE Russell – Labour Standards & Human Capital Management; GRI 102-35 Remuneration Policies; GRI 401 Employment; GRI 404 Training and Education)

6.7 Continuous Improvement and Systematic Enhancement

The Company is committed to regularly reviewing and continuously improving its compensation and benefits systems to ensure alignment with the evolving business context, labour market trends, international standards, and stakeholder expectations. This approach supports the development of a sustainable and resilient human capital management system over the long term.

(Reference standards: FTSE Russell – Human Capital Management; GRI 103 Management Approach)

6.8 Transparency in Compensation and Disclosure of Practices

The Company places strong emphasis on transparency and auditability of its compensation and benefits systems and is committed to appropriately disclosing key practices in order to foster understanding, fairness, and trust among employees and stakeholders. The following principles are applied:

- Performance appraisal results serve as the primary criterion for annual salary adjustments and compensation increases, with a structured and transparent linkage to individual performance ratings.
- The performance appraisal process is integrated with Individual Development Plans (IDPs), jointly agreed upon by line managers and employees, to clearly

define development objectives, competency enhancement, and career progression pathways.

- The Company monitors and reports aggregated outcomes of performance-based compensation to assess fairness, policy alignment, and opportunities for continuous improvement of the compensation management system.
- The Company appropriately discloses policies and practices related to employee benefits, covering both core benefits and quality-of-life support benefits such as employee transportation services, uniforms, safety equipment, and other benefits necessary for effective job performance.
- Disclosure of compensation and benefits information is conducted with due consideration for appropriateness, employee privacy, and applicable legal requirements, ensuring a balance between transparency and the protection of personal data.

(Reference standards: FTSE Russell – Labour Standards & Human Capital Management; GRI 102-35 Remuneration Policies; GRI 401 Employment; GRI 404 Training and Education)

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.

- **Risk Identification and Assessment**

The Company regularly identifies, analyzes, and assesses risks associated with the management of employee compensation and benefits. This process covers key risk areas including:

- Unfairness in the administration of compensation
- Non-compliance with applicable labour laws
- Labour relations risks, lack of motivation, and employee turnover
- Reputational risks and stakeholder confidence

- **Impact Assessment**

The Company evaluates the impacts of compensation and benefits policies and practices on employees, including effects on quality of working life, job security, employee well-being, employee engagement, and overall organizational performance.

- **Dependency Analysis**

The Company analyzes its dependency on human resources and employee skills at all levels, recognizing that the ability to attract, retain, and develop quality personnel is a critical factor for business continuity and long-term competitiveness.

- **Integration into Enterprise Risk Management (ERM)**

The results of risk and impact assessments related to compensation and benefits are integrated into the Company's Enterprise Risk Management (ERM) system. This integration supports policy formulation, workforce planning, budget allocation, and strategic decision-making by management.

- **Risk Mitigation and Response**

The Company establishes risk control measures and responses, including periodic review of compensation structures, linking compensation to performance evaluations and Individual Development Plans (IDPs), ensuring compliance with labour laws, and soliciting employee feedback and grievance mechanisms to prevent and mitigate potential impacts.

- **Ongoing Monitoring and Review**

The Company continuously monitors and reviews risks, impacts, and human capital dependencies. Reviews are also conducted when significant changes occur, such as organizational restructuring, amendments in labour legislation, or shifts in economic conditions, to ensure that the policy remains relevant, equitable, and sustainable.

(Reference standards: FTSE Russell – Labour Standards & Human Capital Management; GRI 102-15; GRI 102-30; GRI 401 Employment; GRI 403 Occupational Health and Safety; ILO Core Labour Standards)

8) Targets and Metrics

8.1) Targets

- Promote fair compensation practices that are aligned with individual performance by linking annual salary adjustments and variable compensation to performance

appraisal results and Individual Development Plans (IDPs) agreed upon between employees and their supervisors.

- Maintain the competitiveness of compensation and benefits structures relative to the labour market and relevant industry benchmarks to attract, retain, and motivate high-potential employees.
- Encourage equity and non-discrimination in compensation by ensuring fairness in roles, responsibilities, and performance without discrimination on the basis of gender, age, disability, race, religion, or any other status.
- Support employees' quality of life through appropriate benefits covering well-being, health, safety, and work-life balance.
- Enhance transparency in compensation and benefits management to foster confidence and mutual understanding within the organization.

8.2) Key Performance Indicators

The Company tracks and evaluates performance against compensation and benefits objectives using key indicators, including:

- The proportion of salary adjustments and compensation increases that are based on employee performance appraisal outcomes.
- Coverage rate of employees with Individual Development Plans (IDPs) linked to performance evaluations.
- Average compensation levels compared to market benchmarks for key job roles.
- Variance in compensation based on job level and performance to reflect fairness in pay practices.
- The proportion of employees receiving core company-provided benefits such as employee transportation, uniforms, health-related benefits, and quality-of-life benefits.
- Employee satisfaction levels with the compensation and benefits system (*as measured through internal surveys or assessments*).

8.3) Alignment with International Standards

The targets and key performance indicators are aligned with relevant international frameworks and standards, including:

- FTSE Russell ESG Indicators: Labour Standards, Working Conditions, and Human Capital Development.
- GRI Standards: GRI 401 (Employment), GRI 404 (Training and Education), GRI 405 (Diversity and Equal Opportunity).

- ILO Core Labour Standards and principles of fair remuneration.

8.4) Phased Targets (Time-Bound Objectives)

Short-term (1–2 years)

- Establish transparency in the compensation and benefits system.
- Systematically link salary increases and bonuses with performance evaluations and IDPs.
- Review and compile a market benchmark database for compensation.

Medium-term (3–5 years)

- Develop compensation and benefits structures that are competitive within the industry.
- Enhance benefits that support quality of life, safety, and sustainable work practices.
- Leverage analytical data to support talent management and retention strategies.

Long-term (More than 5 years)

- Develop a comprehensive Total Rewards system that is aligned with corporate strategy and sustainability goals.
- Support the growth and development of employees in tandem with the Company's long-term competitive capabilities.
- Elevate the standard of human capital management to align with international best practices.

9) Integration with Corporate Strategy

The Company systematically integrates the Employee Compensation and Benefits Policy into its corporate strategy and sustainability framework to support long-term business growth, alongside human capital development, talent retention, and the creation of a fair, inclusive, and sustainable working environment.

This policy forms an integral part of the Company's sustainability strategy under the concept **"FOREST | FUTURE | TOGETHER – for a Sustainable Living"**, with integration across the following key dimensions:

FOREST: Balanced and Responsible Growth

The Company manages employee compensation and benefits based on principles of fairness, transparency, and efficient use of resources, in order to strengthen long-term organizational stability and support ethical business practices and social responsibility.

FUTURE: Long-Term Capability and Talent Development

The Company links its compensation structure, annual salary adjustments, and performance-based rewards to performance appraisal outcomes and Individual Development Plans (IDPs), promoting continuous learning, skills development, and workforce readiness to support future business transformation.

TOGETHER: Shared Value with Employees and Stakeholders

The Company fosters employee engagement and trust through a compensation and benefits system that prioritizes quality of life, safety, equality, and non-discrimination, supporting an organizational culture that respects human dignity and enables sustainable growth together with employees and stakeholders.

In addition, the Company considers the management of compensation and benefits in conjunction with sustainability-related risks and opportunities identified through the Vanachai Integrated Materiality and Risk Assessment (V-IMRA), ensuring that policy formulation and implementation are aligned with corporate strategy, risk management, and long-term value creation in an integrated and forward-looking manner.

10) Implementation and Management Tools

The Company implements the Employee Compensation and Benefits Policy through standardized human resource management systems and governance mechanisms to ensure effective, transparent, fair, and compliant implementation in alignment with applicable laws, international standards, and the Company's corporate strategy. The key approaches and implementation tools are as follows:

10.1 Integration into Management Systems

- This policy is integrated into the Company's human resource management systems, covering recruitment, compensation determination, performance appraisal, employee development, and benefits administration.
- Compensation structures and annual salary adjustments are linked to performance appraisal results and Individual Development Plans (IDPs), as mutually agreed between employees and their supervisors.
- Compensation and benefits considerations are incorporated into the Company's enterprise risk management framework, drawing on the outcomes of the Vanachai Integrated Materiality and Risk Assessment (V-

IMRA) to identify and manage labour-related, equity, and talent retention risks.

10.2 Key Implementation Tools and Processes

- Salary Structure and Job Grading: Used as a reference framework to ensure fair and competitive compensation.
- Performance Management System: Serves as the primary basis for salary adjustments, bonuses, and performance-based rewards.
- Individual Development Plans (IDPs): Support employee development and are linked to career progression considerations.
- Employee Welfare Management System: Covers health and safety benefits, transportation services (such as employee shuttle buses), uniforms, and other appropriate welfare provisions.
- Reasonable Accommodation Guidelines: Applied for persons with disabilities and other vulnerable groups to ensure equal, safe, and effective working conditions.

10.3 Disclosure and Transparency

- The Company discloses compensation and benefits practices at the policy and criteria level, such as salary adjustment principles linked to performance appraisal and performance-based remuneration.
- Aggregated information on compensation and benefits is disclosed in the Company's annual sustainability report, without revealing personal or confidential employee data.
- Such disclosures form part of the Company's reporting under the FTSE Russell ESG Ratings, GRI Standards, and relevant labour standards.

10.4 Linkage with V-IMRA

The Company uses the results of the Vanachai Integrated Materiality and Risk Assessment (V-IMRA) as supporting inputs for the design, enhancement, and ongoing monitoring of compensation and benefits policies, enabling systematic management of labour-related risks, employee engagement, and long-term human capital sustainability in alignment with the Company's corporate strategy.

11) Monitoring, Reporting and Transparency

The Company places strong emphasis on monitoring performance, reporting, and transparent disclosure of employee compensation and benefits practices in a fair, verifiable, and accountable manner. This approach aims to build trust among employees, stakeholders, and society, while supporting sustainable human capital management. The key approaches are as follows:

11.1 Monitoring and Performance Evaluation

- The Company regularly monitors and evaluates the effectiveness of its compensation and benefits practices, covering fairness, market competitiveness, and alignment with employee performance.
- Data from the Performance Management System and Individual Development Plans (IDPs) are used to assess the appropriateness of salary adjustments, bonuses, and employee benefits.
- Human capital-related risks and opportunities, such as talent retention, pay equity, and employee motivation, are considered by reference to the outcomes of the Vanachai Integrated Materiality and Risk Assessment (V-IMRA).

11.2 Performance Reporting

- The Company prepares reports on compensation and benefits performance at an appropriate level through its annual sustainability report or other relevant disclosures, in accordance with selected international reporting frameworks.
- Reporting may include policy-level and aggregated information, such as approaches to linking compensation with performance, core benefits structures, and human capital development, with due regard for appropriateness and employee data privacy.
- Disclosures are aligned with relevant reporting frameworks, including FTSE Russell ESG Indicators, GRI Standards, and applicable labour laws and regulations.

11.3 Transparency and Stakeholder Communication

- The Company promotes transparent communication of compensation and benefits practices to employees through appropriate internal communication channels to foster understanding, trust, and organizational engagement.
- Employees are provided with channels to raise inquiries, express opinions, or submit feedback related to compensation and benefits, without discrimination or adverse consequences.

- The Company is committed to communicating key policy principles and practices to external stakeholders at an appropriate level, supporting confidence in its responsible human capital management practices.

11.4 Review, Control, and Assurance

- Implementation of this policy is subject to oversight, monitoring, and review by relevant functions in accordance with the Company's governance structure.
- Findings and recommendations from internal audits or related assessments may be used to continuously improve compensation and benefits practices.
- Monitoring and evaluation outcomes are used as inputs for policy review, risk management, and strategic decision-making related to human capital management.

12) Review and Continuous Improvement

The Company is committed to the continuous review and enhancement of the Employee Compensation and Benefits Policy to ensure its ongoing relevance, effectiveness, and alignment with business conditions, labour laws, international standards, and stakeholder expectations, while supporting sustainable human capital management. The key approaches are as follows:

12.1 Systematic Policy Review

The Company will review this Policy at least once every two years, or more frequently where material changes occur, such as:

- Amendments to labour laws or related regulatory requirements
- Updates to international standards on labour, compensation, or sustainability
- Significant changes in corporate strategy or the business environment
- The review will consider alignment with the Company's governance framework, including FTSE Russell ESG Indicators, GRI Standards, International Labour Organization (ILO) principles, and relevant industry best practices.

12.2 Use of Data and Risk Assessment for Improvement

- The Company uses performance monitoring results, benchmarking data, and stakeholder feedback as inputs for policy improvement.

- Material risks and opportunities related to compensation, benefits, and human capital management are assessed through the Vanachai Integrated Materiality and Risk Assessment (V-IMRA) and, where appropriate, integrated into the Enterprise Risk Management (ERM) process.
- The outcomes of these assessments are used to strengthen the fairness, competitiveness, and long-term sustainability of the compensation and benefits framework.

12.3 Continuous Improvement and Practice Enhancement

- The Company promotes continuous improvement of compensation and benefits practices to reflect evolving labour trends, human capital development priorities, and societal expectations.
- The adoption of best practices and innovations in human resource management is encouraged to enhance employee well-being, engagement, and capability.
- Material changes resulting from policy reviews will be communicated appropriately to employees and relevant stakeholders.

12.4 Approval and Implementation

- Policy review outcomes and proposed revisions will be submitted for approval to the Board of Directors or the designated committee in accordance with the Company's governance structure.
- The revised Policy will become effective upon formal announcement and shall serve as the governing framework for employee compensation and benefits management across the organization.

13) Employee Compensation and Benefits Policy Revision History

Version	Date	Policy Owner	Approved by	Key Changes / Comments
1.0	13 May 2026	Human Resources Department / Employee Welfare Committee	Board of Directors	First issuance of the Employee Compensation and Benefits Policy, establishing principles, governance, and implementation guidelines aligned with labour laws, international labour standards, FTSE Russell ESG Indicators, GRI Standards, and the Company's sustainability framework

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