



Announcement No. 071 / 2024

Compensation and Living Wage Policy and Commitment

Home Product Center Public Company Limited is committed on compensating living wage for the well-being of its associates and strictly follows laws, conventions and regulations relevant to its business operations, such as United Nations Universal Declaration of Human Rights, United Nations Global Compact (UNGC) principles, International Labour Organization (ILO) Fundamental Conventions and the National Wage Committee's notification on minimum wage rate in order to ensure that all associates will be compensated with living wage by 2025. The Company adopts and applies the above principles to offer an adequate living wage to associates so that they can afford the basic necessities for themselves and families, such as clothing, food and shelter, as well as proper welfare benefits including healthcare services, a payroll saving scheme and recreational activities for staff and their families. The Compensation and Living Wage Policy shall also align with people's daily consumption behavior and local nutrition guidelines.

The Company hired experienced HR professionals to provide counseling on establishing a fair wage and welfare policy by focusing on income adequacy to living that is higher than the average in the labor market, citing data from Thai Retailers Association and Asia Floor Wage Alliance.

The Company commits to pay rates above the country's minimum wage and above the living wage, currently covering 100% of associates.

Practice guidelines

The Company has a policy to treat every associate fairly by assessing their performance twice a year based on the nature of their work to reflect consistency in their output and quality of work. For example, in order to assess remuneration of associates tasked with handling the Company's public image, the department of customer satisfaction and department of corporate communications will use findings from surveys on customer satisfaction and customer loyalty, plus the ratio of public relation expenses to sales, as indicators to calculate other compensation in addition to salary or wages.

The Company will provide associates with proper career opportunity and remuneration that aligns with its operating results both in a short-term (e.g., bonus based on annual goals and company performance) and long-term basis (e.g., Employee Joint Investment Program - EJIP). This way, the company can rest assured that

it can attract, develop and retain competent staff while encouraging them to do their work efficiently. Given the highly competitive market conditions, the company's associates will be offered compensation and wages at appropriate rates, in line with a local labor market level which is a main component of compensation.

Compensation and other welfare benefits

With regards to the compensation structure, the company pay no less than legal minimum wage stipulation by determining the remuneration structure based on associates' job positions to establish a salary, range structure, which varies in the lowest, median and maximum rates.

In determining wage structure, the company conducts surveys and benchmarks compared to other organizations in the labor market of retail and other different industries. Furthermore, the company also considers salary proportion and other benefits appropriately to be competitive in the market, and sufficient for the well-being of the associates and their families (Living Wage).

In addition, the company offers other benefits including cost of living allowance in response to employees' working locations, position allowance, travel allowance, language skill allowance, provident fund contributions, cell phone allowance, health insurance for both OPD and IPD care, accident insurance, staff uniforms, maternity dress expenses, a credit line for purchasing company products at special prices, emergency subsidy, non-interest emergency loans, sending gifts to employees who get sick, subsidy for funeral expenses, etc.

The Company has a policy towards its associates as follows:

1. The Company treats the associates with politeness and respect to their individuality and human dignity.
2. The Company offers fair remuneration to the associates.
3. Associate appointment, relocation, promotion, rewarding and penalty are conducted under international standards of human resources management.
4. The Company emphasizes the development of associates' knowledge and competency by providing opportunities consistently.
5. The Company regularly preserves a safe work environment to protect associates' wellbeing and property.
6. The Company opens for associates' opinions and suggestions based on their professional knowledge.
7. The Company strictly complies with labor laws and any regulations related to the associates.

8. The associates are allowed to file complaints if they are treated unfairly through the designated system and procedure.
9. The Company respects associates' rights to freedom of association, to establish a union or joining other labor unions.

In addition, the Company has created open channels as shown below for employees to report their concerns regarding the evaluation of their work performance and compensation.

Contact Channels

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and Managing Director