

Mitr Phol Group's Living Wage Methodology

Background

Paid fair wages is one of the key principles of Mitr Phol's Code of Conduct (CoC), which we have enforced in our own operations and supply chain since its launch in 2017. Our implementation of the CoC is part of our broader commitment to the UN Global Compact Network's 10 Principles and our commitment to respect internationally recognized human rights, including the ILO's Declaration on Fundamental Principles and Rights at Work, per our Human Rights Policy. Throughout our operations, we continue to follow and, in some instances, exceed all national laws and regulations related to wages and benefits.

Mitr Phol Group, therefore sets guidelines and assessments that will encourage fair employment and allow our contractors and suppliers to receive appropriate compensation. Additionally, we are committed to assessing and paying a living wage to 100 percent of employees and contractors in our own operations by 2022. Currently, 100 percent of our employees and contractors, and less than 25 percent of our suppliers, have been assessed on the living wage.

Living Wage Methodology

- For Employees

To ensure that our employees receive a living wage, the Company annually compares the average actual monthly wages earned by our employees against publicly available living wage benchmarks calculated by credible third-party sources, namely the Global Living Wage Coalition. In 2022, the Company assessed and adjusted the salary structure and the starting rate, as well as approved the cost of living allowance and food to help alleviate the burden on employees. Additionally, If there is new minimum wage increase by Thai government, the company will review and increase wages for those who affected to ensure that their wages has been paid to comply with the laws.

- For Contractors

The living wage is paid to all contractors, which is calculated from the daily wage rate announced by the Thai government, diligent allowance, professional fee, skill allowance, sick leave, personal leave, annual leave, public holidays, social security fund, compensation fund, uniform fee, insurance, health check-up fee, personal protection equipment fee, and overtime cost. The Company uses this methodology as a base price to ensure that the bidding price is not lower than the wages that workers should be paid.

- For Suppliers

The Bonsucro Production Standard V5.2 is applied to ensure that wages and benefits paid to sugarcane farmers meet minimum national legal standards. This indicator applies to all workers undertaking activities on the operator premises as well as on all the farms included in the unit of certification, irrespective of their contractual status. Additionally, the Forest Stewardship Council Standard V5-3 is also used to ensure that wages paid to our rubber wood suppliers are met or exceed minimum forest industry standards or other recognized forest industry wage agreements or living wages, where these are higher than the legal minimum wages.