



# The TIPCO ASPHALT GROUP Human Capital Management Statement

July 2024

## Table of Contents

3	Group Mission, Vision, and Core Values
5	Human Capital Management Statement
7	Human Rights & Labor Commitment
9	Diversity, Equity & Inclusion
10	Talent Acquisition & Employment
12	Well-Being & Employee Relations
14	Total Remuneration
16	Performance Management
17	Professional Developments
20	Innovation Culture
21	Review & Measurement

## Group Mission, Vision, and Core Values:



**MISSION** **To be a globally preferred integrated asphalt solutions partner**  
**พันธกิจ** เราคือพันธมิตรในธุรกิจยางมะตอยแบบครบวงจรที่ได้รับการยอมรับในระดับสากล

**VISION 2025** **To provide asphalt solutions in a sustainable manner led by an innovative culture**  
**วิสัยทัศน์ 2568** มุ่งมั่นในการส่งมอบบริการด้านธุรกิจยางมะตอยอย่างยั่งยืน ผ่านทางวัฒนธรรมนวัตกรรม

## Core Values - TIPCO ASPHALT GROUP: T-I-P-C-O

**TEAMWORK** - We are a TIPCO ASPHALT Team

We must have trust amongst each other and apply individual strengths to achieve team objectives

**การทำงานเป็นทีม** - พวกเราคือทีมทิปโก้แอสฟัลท์

ทีมทิปโก้แอสฟัลท์ตั้งอยู่บนความไว้วางใจของสมาชิกในทีมด้วยการใช้จุดแข็งของแต่ละบุคคล เพื่อบรรลุเป้าหมายของทีม

**INTEGRITY** - Zero Tolerance to misconduct

We must always abide by lawful activities and adhere to industry best practices

**ความซื่อตรง** - การไม่ยอมรับต่อการประพฤติมิชอบ

ปฏิบัติตามกิจกรรมที่ชอบด้วยกฎหมาย และปฏิบัติตามแนวทางทางที่ดีที่สุดในอุตสาหกรรมเสมอ

**PRUDENCE** We see it through and do what is right

We accept risks with careful considerations and accountability of its consequences

**ความรอบคอบ** เราพิจารณาอย่างถี่ถ้วนและทำในสิ่งที่ถูกต้อง

ยอมรับความเสี่ยงด้วยการพิจารณาอย่างรอบคอบ โดยบริหารความเสี่ยงตลอดห่วงโซ่คุณค่า เพื่อป้องกันความเสียหายล่วงหน้าที่จะมีผลต่อการดำเนินการทางธุรกิจ

## COMMITMENT

We keep our word

We ensure the needs of our stakeholders are met

### คำมั่นสัญญา

เรารักษาคำพูด

จับคู่ความต้องการของผู้มีส่วนได้เสียและองค์กร โดยมีการผสมทำให้เป็นหนึ่งเดียว

## OPEN-MINDED

Open-mind makes us agile and welcome to change

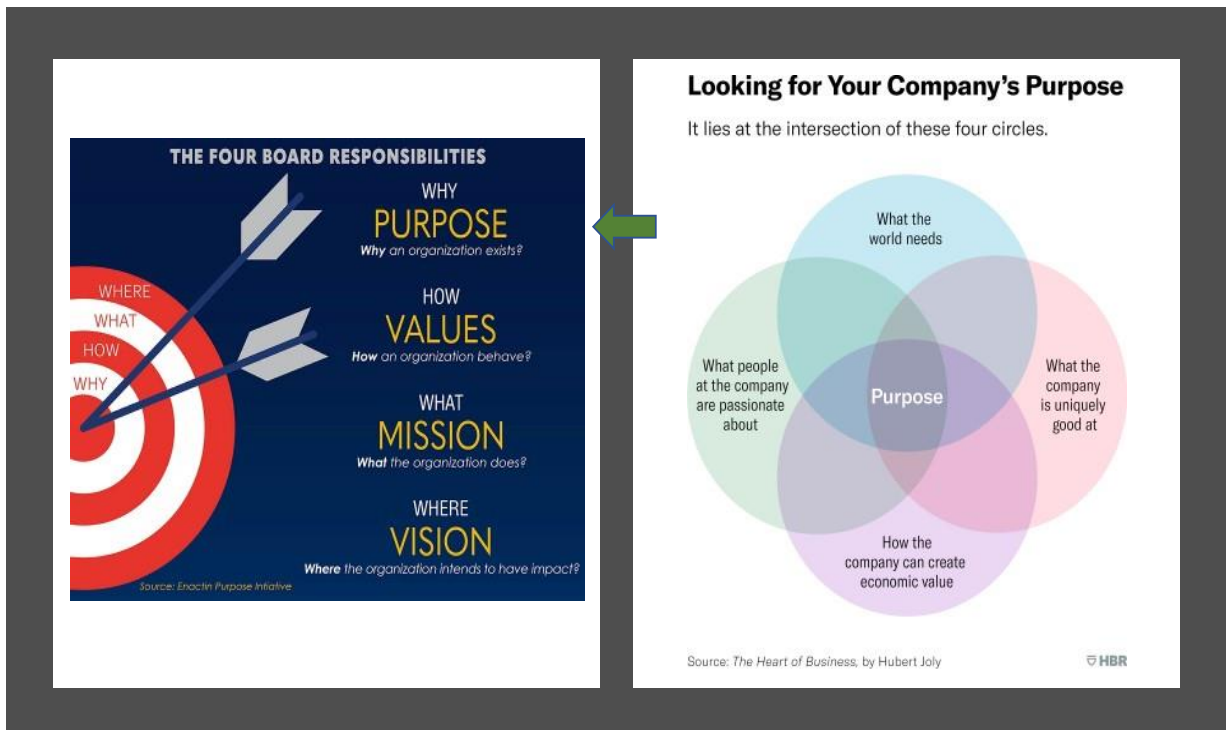
We are approachable and willing to cultivate diverse ideas with no fear of change, if necessary

### การเปิดรับความคิดเห็นที่แตกต่าง

การเปิดรับความคิดเห็นที่แตกต่างทำให้เราปรับเปลี่ยนกระบวนการคิด การตัดสินใจ และสามารถปรับตัวเข้ากับการเปลี่ยนแปลงที่เกิดขึ้นได้เป็นอย่างดี

เข้าถึงได้ง่ายและเต็มใจที่จะปลูกฝังแนวความคิดที่หลากหลาย โดยไม่กลัวการเปลี่ยนแปลง

## T-I-P-C-O



## Human Capital Management Statement

**Purpose:** This statement outlines the fundamental principles for achieving efficient and effective Human Capital Management (HCM) within TIPCO ASPHALT GROUP, or “the Group”, that comprising of Tipco Asphalt Public Company Limited and subsidiaries in all countries.

This also states guidelines of HCM practice, that are aligned with the Group to meet our Strategic Goals, that we encourage innovative, eco-efficient, and safety mindset in a sustainable organization as our priorities.

We then reflect on HCM activities to respond to these priorities, starting from Talent Attraction throughout the valued chains of our People Management interventions. This is a strategy enabling us to attract and retain talents, who share the same values while offering transparency and fair treatment to all stakeholders.

Alongside our sustainability priorities, the organization's Core Values are embedded in Talent Acquisition, Talent Review and Succession Planning, and all development activities. Consequently, the implementation relies on sound judgment, compliance with the local legislation, and practical judgment, while considering the unique context of each situation. The key principles of these guidelines must be supported in all circumstances, with due respect for local legislation and practices everywhere.

In the event of any discrepancies between the Human Capital Management statement and local legislation, local legislation shall take precedence.

### Human Capital Management Organization

The primary objective of HCM contribution is to enhance the overall performance of the Group by elevating People's performance. Given the growing significance of People within our Group, the HCM holds a pivotal position in formulating and executing People strategies, that influence the organization's financial outcomes, reputation, efficiency, and sustainability.

The HCM function needs to develop the talent pipeline to expedite the business results and prepare talents for the future, including delivering flawless administrative support and complying with laws, which is a fundamental responsibility. In summary, the HCM needs to contribute value to the business and adopt a proactive stance whenever necessary in our value chain.

### A Shared Responsibility

The primary responsibility of overseeing HCM within the organization is a joint obligation shared between People Managers, who supervise and nurture employees, and the HCM Department across the entire Group. They collaboratively put forth appropriate policies, ensure their constant enforcement, and execute with fairness, functioning as business partners. Their combined credibility is not only on their professional contribution but also on their caring and mastery of their communication.

## Dealing with People

In essence, interactions with individuals within the Group should align with our core values of "T-I-P-C-O". A fundamental requirement when engaging with People is to establish **Respect and Trust**. Apart from that the Group also adopted the Ten Principles of the United Nations Global Compact, applying in HCM work processes.

There is no room for intolerance, harassment, or any form of discrimination, as these behaviors show a fundamental lack of respect. This principle applies to all, without exception, and should be sustained at all organizational levels and under all circumstances.

In instances of conflict between an employee and their supervisor or another colleague, it is essential to provide a platform for a fair and impartial hearing. The HCM Department will provide necessary support to ensure that the dispute is addressed equitably; as well as allow each party, regardless of their hierarchical position, an opportunity to present their perspective and solid & fair treatment in the investigation process.

## Workplace Culture

The establishment of an inclusive, diverse, and open working environment stands as a principle for molding the Group's culture. Within this encouraging atmosphere, we firmly believe that our people are empowered to excel, fostering innovation, and achieving superior outcomes through a collaborative and innovative culture.

The Group maintains a solid commitment to preventing all forms of discrimination and harassment in the workplace, in strict accordance with our grievance handling policies and procedures, as detailed in our policies:

- Respect to Human Rights, [Announcement-PolicyHumanRightsPolicyEN\\_1620871416.625-1.pdf \(tipcoasphalt.com\)](#)
- Treatment of Employees, [TBR-CPL-R-PL10r7\\_Eng-Final-for-Internet-and-Intranet-with-cover.pdf \(tipcoasphalt.com\)](#) Page 9
- Reporting or Whistleblowing, [TBR-CPL-R-PL10r7\\_Eng-Final-for-Internet-and-Intranet-with-cover.pdf \(tipcoasphalt.com\)](#) Page 18
- Disciplinary Action, [TBR-CPL-R-PL10r7\\_Eng-Final-for-Internet-and-Intranet-with-cover.pdf \(tipcoasphalt.com\)](#) Page 20

These policies shall be proceeded independently of their line management when deemed appropriate. We consistently monitor the cultural dynamics within the Group, are dedicated to fostering a diverse workforce by eliminating obstacles to diversity.

We aim to be the Innovative Solutions Partner -- we develop innovative solutions for each Unique need to provide the best materials and services for road construction and maintenance. Being committed to quality and safety is how we create a sustainable tomorrow. The HCM plays a key role in creating the

work environment, which starts with “Open-Minded” as when people open up, it shall ignite learning, attentive listening, ideating, and experimenting.

## **Governance**

The Group conducts its business operations in strict adherence to principles, that uphold the rights and dignity of all individuals; and fully comply with all relevant laws and regulations. We are resolute in our commitment to eliminate any form of unacceptable treatment of employees, guided by the principles outlined in applicable legislation.

Moreover, the Group is persistent in its dedication to providing a healthy workplace environment for all employees as we focus on our employees' well-being. This commitment is upheld in accordance with the Group's workplace occupational health and safety standards and regulations governing both physical and mental health.

## **Human Rights and Labor Commitment**

**Purpose:** The purpose of a Human Rights and Labor Commitment, is to align our principles with the internationally accepted standards, especially giving support to comply with Universal Declaration of Human Rights: UDHR; United Nations Global Compact: UNGC; United Nations Guiding Principle on Business and Human Rights: UNGP; and International Labor Organization Declaration on Fundamental Principles and Rights at Work: ILO. We shall conduct our business to support and respect the protection of internationally proclaimed human rights. We strive to ensure that we are in no way complicit in human rights abuses.

The Group shall continue to uphold the employee's freedom of association; effective recognition of the right to collective bargaining; elimination of all forms of forced labor and compulsory labor; effective abolition of child labor; right to education and equal remuneration; other rights such as personal data protection, and elimination of discrimination in respect of employment and occupation.

We commit to uphold human rights, to demonstrate commitment to the protection and promotion of fundamental human rights for all individuals, regardless of their race, religion, gender, nationality, language, skin color, social, culture, or other status as stipulated by laws of each country, and treaty each country has committed to Human Rights -- including the rights to life and liberty, freedom from slavery and torture, harassment, and human trafficking. Human rights commitments can be made by individuals, organizations, businesses, governments, and countries. It will nurture our priority on the Innovation Leader to achieve sustainable growth.

The Group's HCM Department is committed to safeguarding the fundamentals of Human Rights and Labor Practice. This commitment involves all relevant legal obligations, cultural norms, and values, when interacting with employees and those impacted by our HCM practices. We also commit to avoiding any involvement in or support for human rights violations.

In alignment with our Group commitment to protecting individual and collective rights, we encapsulate our approach to Human Rights by using the acronym "RIGHTS," which stands for:

**Respect the rights of individuals** as outlined in the United Nations Universal Declaration of Human Rights and its corresponding covenants, where applicable to business, including the international principles relating to labor practices.

- Integrate and uphold the United Nations Declaration on the Rights of Indigenous Peoples.
- Guard the rights of children, ensuring their protection, welfare & well-being, and development in accordance with accepted national and international standards.
- Honor the rights of persons with disabilities, promoting inclusivity and accessibility to create a supportive and equitable environment for all.
- Treat all individuals with fairness and equality, upholding accepted national and international standards for Human Rights.
- Support and promote Human Rights at all levels of our organization, actively participating in efforts to advance these principles within our sphere of influence.

**Identifying and addressing Human Rights and Labor risks** is a pivotal aspect of our HCM practices to effectively manage potential issues and their impacts.

- We are dedicated to the ongoing evaluation of these risks through a comprehensive group-wide assessment process, conducted at regular intervals.
- The process of risk and impact assessments serves as a mechanism for identifying and prioritizing both current and potential Human Rights and Labor impacts that may proceed from our HCM activities.
- Subsequently, these identified impacts are managed collaboratively by the relevant business units, People Managers, employees, and the HCM Department to ensure their mitigation and resolution.

**Good management practices** in addressing the identified Human Rights and Labor aspects of our HCM practices. This commitment ensures that we have robust safeguards in place and that we provide justified measures to address any Human Rights and Labor issues that may arise. HCM policies and practices are required to perform the routines of an organization, such as employee staffing, development, performance management, compensation management; and encouraging employee involvement in decision-making.

**Human Rights compliance assurance processes** are conducted to comprehensively identify, prevent, mitigate, and account for how our HCM practices impact Human Rights and Labor. These processes are designed to enable the remediation of any adverse impacts through legitimate and transparent procedures. The Group improves our processes to reduce risks and impacts, so we need ways of assuring ourselves where internal auditors have such a critical role to play, providing the Group's Board of Directors and Management with confidence in the organization's understanding and management of the human rights risks.



**Transparency is an essential cornerstone** of our Human Rights and Labor management approach.

We are persistent in our commitment to keeping our employees well-informed about various issues that may arise from our Group activities. This includes supporting the right to free, prior, and informed consent in our interactions with local people. We will conduct regular reviews of our activities concerning Human Rights and Labor aspects to ensure their continued alignment with our principles.

**Solution-oriented management** is a fundamental component of our Human Rights and Labor management program. In the event of problems or concerns, we actively encourage our people, People Managers, and relevant stakeholders to collaboratively identify and implement solutions to overcome any obstacles or challenges. Our approach prioritizes transparency and fairness in these endeavors to ensure a just and effective resolution process.

The Group's HCM, including our employees at all levels, are obligated to adhere to these Human Rights and Labor principles in all aspects of people's practices and activities. We expect and encourage full cooperation from everyone to ensure the successful and mutual implementation of these principles.

## Diversity Equity & Inclusion (DE&I)

**Purpose:** Organizations implement the Diversity Equity and Inclusion (DE&I) initiatives for several important purposes, which contribute to success and effectiveness. It is also a critical part in sustainable development global goals. The Group uses diversity, equity, and inclusion (DE&I) initiatives for both compliance obligations and to increase work efficiency with a more diverse, equitable, and inclusive workforce.

At the Group, **Diversity, and Equity** bring us closer to the communities and the roads we serve. **Inclusion**, particularly in the context of the workplace, has a wide range of benefits for individuals, organizations, and society.

Our commitment to Diversity and Equity not only strengthens our connections with our employees, customers, and the communities we serve but also reflects our ongoing efforts to foster a culture where the value of differences is embraced.

Our core values: T – Teamwork, I – Integrity, P – Prudence, C – Commitment, and O – Open Minded, determine that we are driven by the principles of diversity, equity, and inclusion in all facets of our operations. Making these values visible and tangible in everything we take on, our firm commitment is to establish workplaces where everyone is empowered to bring their authentic selves to work, fostering an environment of authenticity. This assembling team is composed of individuals with diverse backgrounds, perspectives, experiences, skills, and capabilities working in collaboration to strengthen and enhance our organization.

Our commitment extends to the retention, development, and recruitment of talented and motivated individuals. We seek those who are profoundly passionate about our customers and who possess a diverse range of skills, experiences, and perspectives. To drive innovation, generate values, and drive us towards our global ambitions.

At the Group, **Diversity and Equity** incorporates an open-minded embrace of the comprehensive aspects that distinguish individuals from one another. This includes factors such as Age, Disability, Ethnicity/national origin, Family status, Gender, Gender identity or expression, Generation, Language, Life experiences, Organization function and level, personality type, physical characteristics, race, religion, belief and spirituality, sexual orientation, ethnic and cultural backgrounds, and thinking or learning styles.

While **Inclusion** expresses our dedicated efforts to eliminate both perceived and tangible obstacles to becoming integral to our organization. It revolves around fair and respectful treatment and ensuring equal access for all. We are committed to creating an environment where our people can readily express their voices and be heard. We firmly believe that our commitment to diversity and inclusion is not only a responsible course of action but also a key factor in enhancing the Group's character.

Diversity and Inclusion (D&I) within the HCM framework outlines our fundamental principles and the steps we take to foster a diverse workplace. It also serves to evaluate our effectiveness in implementing these initiatives. Our aim is to cultivate a workplace atmosphere where every employee can reach their full potential.

With the focus of the D&I, we will proactively provide the HCM initiatives that drive the result.

- We are committed to providing equal opportunity for employment and career progression with no bias or discrimination, with this strong end in mind we plan to increase the number of Female employees at Management level.
- We offer training and educational programs aimed at increasing employee awareness of diversity and inclusion, along with the benefits they bring.
- We are dedicated to improving our processes and policies to promote greater flexibility and diversity within our organization.
- We are determined to instill diversity, equity, and inclusion into our organizational culture through active employee engagement activities.

Alongside our proactive approaches, we encourage an inclusive and diverse workplace by strictly prohibiting and condemning all forms of harassment, including power and sexual harassment, discrimination, and victimization.

## **Talent Acquisition & Employment**

**Purpose:** The long-term success of the Group points to its ability to attract, retain, and continually develop a skilled workforce capable of driving sustained growth. This critical mission is the primary responsibility of all managers, with full facilitation and support provided by the Human Capital Management Department.

Our Talent Acquisition and employment process are focused on identifying the most qualified individuals for any role, irrespective of their age, race, religion, disability, national origin, family status, gender identity or expression, generation, language, experiences, personality type, physical characteristics, skin color, belief and spirituality, ethnic and cultural backgrounds, and thinking or learning styles. The policies

specific to each market will set the essential guidelines to ensure that talent acquisition & and selection adhere to approved procedures and follow appropriate channels.

To ensure these objectives, we maintain ongoing vigilance over our talent acquisition and selection processes. The Group is dedicated to endorsing and upholding a set of principles, which include local and international conventions of employee rights, as well as the protection of children against child labor, and other significant issues.

The policy about recruitment and employment is aimed at selecting individuals with both the personal attributes and professional skills necessary to foster a lasting and mutually beneficial relationship with the Group.

The management is committed to implementing requisite processes to ensure that the principles outlined in this statement, particularly to recruitment and employment, are rigorously enforced at all organizational levels. Furthermore, it is expected that our suppliers and providers of outsourced services will be informed about and adhere to these principles.

Every new member joining the Group is expected to actively engage in the cultivation of a sustainable quality culture. This commitment involves a dedication to the organization, a drive for continuous improvement, and a firm rejection of complacency. Consequently, given the significance of the Group's **core values**, considerable emphasis is placed on aligning a candidate's values with the Group's culture during the selection process.

Therefore, it is necessary to establish clear communication of these principles and values right from the outset of the recruitment process. Individuals, who cannot articulate and align with the fundamental core values and principles of the organization, shall not be considered suitable candidates for employment within the Group.

While effective recruitment tools can enhance the hiring process, it is essential to recognize that the ultimate decision to hire a candidate lies with the responsible manager, with the full support and collaboration of the HCM Department. Both parties share the primary responsibility and accountability for the hiring process.

Ensuring the right fit during the hiring process is as crucial as seamlessly integrating newcomers into the organization, allowing their skills and behaviors to align smoothly with the Group culture. While new employees are expected to embrace and respect our Group's culture, all employees are also encouraged to maintain an open-minded attitude towards new ideas and proposals originating from external sources.

When it comes to internal recruitment, such as internal transfers, our priority is to consider internal candidates before looking externally. This approach promotes transparency and necessitates communication across the entire Group. Even when we emphasize promoting employees from within the organization, it remains the responsibility of both management and HCM to identify and monitor promising candidates and to periodically benchmark internal skills against external offers.

Our approach to employment extends beyond the initial recruitment phase; it is equally vital to cultivate and sustain relationships founded on trust and mutual respect with employees at all levels. Consequently, it is imperative for every manager to possess an understanding of how their employees experience their work and to adopt valuable strategies that foster this bond.

## Well-Being & Employee Relations

**Purpose:** Employee well-being and positive employee relations are crucial aspects of a healthy and productive work environment. Good health and well-being are also included under the UN Sustainable Development Goals - UNSDGs. Therefore, the Group considers employee well-being and good working relationships as key aspects of our business criticality.

The Group persistently supports a multi-dimensional concept that encompasses various aspects of every employee's life. One common approach involves considering well-being through 5 key pillars,: **Physical** well-being, **Career** well-being, **Financial** well-being, **Social** well-being, and **Community** well-being.

The employee activities and all people interventions always consider these 5 pillars. The freedom of association among employees fosters open communication through mechanisms like the employee committee, welfare committee, and other representative associations. This commitment serves to ensure the sustained long-term development of the Group, yielding benefits for both employees and the organization. It further enables us to maintain a competitive edge tailored to our economic environment.

Employee Relations are explicitly the responsibility of local management and shall be addressed at the suitable level: initially at the site level, encompassing offices, plants, and various locations, and subsequently at the regional or national level following local laws and practices. It is vital to maintain consistent and open communication with our employees.

These interactions are expected to serve as additional opportunities to share information, ensuring that our committees, members, and other representative associations gain a comprehensive understanding of the business activities, objectives, and values of both operating companies and the Group as a whole.

The HCM Department is designated to serve as a key facilitator, providing support for all activities, initiatives, or programs aimed at fostering a positive work environment founded on trust and mutual respect between the Group and employees across all levels.

Additionally, the HCM Department's role is to assist each supervisor or People Managers in understanding their employees' sentiments and experiences throughout their time at work. The Group also takes the opportunity to periodically launch engagement surveys to receive our people's feedback to understand the circumstances and find the intervention to improve the engagement scores.

Legally, the Group's head office has established a welfare committee consisting of elected employee representatives. This committee collaborates with the employer to propose, advise, and provide guidance on welfare arrangements. It serves as an open forum for mutual agreement between two parties: employees and employers.

- **Physical well-being:** The standards necessary to lead a healthy life and promote well-being within our organization. Physical well-being applies entirely to our employees, whether as part of a group or individual health and well-being plan. We actively encourage our employees to engage in our health and wellness programs, but it's important to note that participation is entirely voluntary. We want to emphasize that no punitive or adverse actions will be taken against employees who choose not to utilize any of these programs or resources.

- HEALTH Protection, emphasizes health protection benefits, preventive healthcare, safety programs, and healthy choices such as access to a gym, annual physical check-ups, and other wellness initiatives.
  - WORK & LIFE Integration, to create a safe and inclusive work environment by offering flexibility in working hours, insurance schemes, medical programs with equal remuneration in fair payment rates for employees, and other initiatives that support a healthy work-life.
  - Mental well-being: It incorporates the definition of health and well-being within the Group and offers guidance regarding the Mental well-being of our employees. Most importantly, it serves as a crucial element in creating a more joyful, engaging workplace and ensuring the well-being of our workforce, all while aligning with our health and safety policy. Programs implemented aim to support our employees to adjust themselves in the organization context and stay in a positive vibe with the right mindset.
- **Social Well-Being:** It is about the quality of an individual's relationships and social interactions including relationships at work and recognition. It includes having a supportive social network, feeling a sense of belonging, and maintaining healthy relationships with colleagues. Social connections and a feeling of community contribute to overall well-being which is reflected in our Core Value of "Teamwork and Open-Minded". Focusing on cultivating strong relationships among TIPCO ASPHALT GROUP's employees via internal communication, and the internal community including colleagues within the same team and across different company units. We also have many employee programs to support this pillar including an Outing activity in which employees can join the excursion together. It is also included in the annual activities to connect people within the organization.
  - **Career Well-Being:** This encompasses the complete journey of an employee within the organization, from recruitment to retirement and beyond. It involves nurturing a positive mental health environment and recognizing & rewarding achievements. It is dedicated to fostering a healthy relationship between the company and its employees, the programs and compensation are designed for long tenure, internal promotion, rotation, and career advancement. This pillar also puts a high priority on talent review and succession planning to ensure that employees have the right careers that support them to learn and grow.
  - **Financial Well-Being:** one of the fundamental needs of our people is financial well-being, which directly relates to an individual's financial health and security. It involves managing one's finances responsibly, setting and achieving financial goals, and having a sense of financial stability and security.

Financial well-being is not solely about wealth but also about financial literacy and prudent financial planning. It also reflects our core value of Prudence, the HCM Department also focuses on financial literacy and planning, including long-term financial benefits, retirement schemes, insurance coverage, and other financial well-being programs to ensure employees are financially secure.

- **Community well-being:** it serves as purpose and meaning in life. This pillar is about finding meaning and a sense of purpose in one's life. It encompasses having a clear sense of direction, setting meaningful goals, and feeling a connection to the company's purpose. Finding purpose and meaning in life often involves pursuing one's passions, values, and long-term objectives. Focusing on encouraging strong relationships among the Group's employees, as well as external community groups. Initiatives include organizing Tipco Founder's Day, offering non-binding scholarships for employees' children, engaging in internal and external Corporate Social Responsibility (CSR) related programs, and contributing to CSR efforts near company locations. These programs aim to create meaningful connections among employees, their families, the Group, and the broader community.

These five pillars are interconnected, and they collectively contribute to an individual's overall well-being. Well-being is a holistic concept that considers physical, social, career, financial, and community aspects of a person's life. Achieving balanced well-being in all these areas is often considered a key goal for leading a fulfilling and satisfying life.

The Group's health and well-being resources and plans comprehend a wide range of offerings. These include information, advice, activities, facilities, equipment, and memberships, all aimed at promoting the well-being of our employees. We ensure that all employees have equal access to our programs, without any form of discrimination based on protected characteristics such as age, pregnancy, disability, or any other reason.

The HCM Department is tasked with overseeing the alignment of approved policies, initiatives, activities, projects, programs, and budgets. This involves the implementation, monitoring, evaluation, and reporting of results. The key goal is to foster a healthy organizational culture within the Group.

## Total Remuneration

**Purpose:** The Group's remuneration structure is underlain by the Pay-for-Performance and Potential principle. We embrace a Total Remuneration with an equal remuneration approach based on competency, knowledge, experience, skills, and accountability associated with each role, distinguishing and remunerating performance via our incentive plans. To ensure market competitiveness, we achieve this by firmly designing our compensation plans and maintaining compensation mix and levels that are benchmarked competitively.

Our Total Remuneration structure comprises both Fixed Compensation and Variable Compensation components. This comprehensive approach allows us to maintain a well-balanced and targeted compensation strategy, offering the necessary incentives to encourage desired actions and behaviors among our employees.

Both the base and variable compensation elements undergo an annual review involving input from People Managers, HCM Department, and the Management. This review process includes multiple levels of calibration to guarantee equity and competitiveness within the market.

It is our endeavor that the remuneration policy and practices within the Group must maintain fairness and be consistent across all levels, ensuring that its fundamental principles are authentically upheld. The Group places a strong emphasis on establishing competitive, motivating, and equitable compensation frameworks that provide a comprehensive and appealing compensation package. This encompasses not only base salaries but also any variable components of remuneration, alongside social security, pension, and other supplementary benefits.

The Group's policy and practices are geared towards establishing itself as an employer that provides remuneration packages surpassing the average benchmark within the industry.

The Group consistently monitors its competitive standing relative to other organizations to align with market trends by joining the Salary & Benefits Survey once every 2 years. Nevertheless, the progression of remuneration primarily centers on the Group's ability to enhance productivity.

Each operating company within the Group is expected to formulate its compensation practices, considering both pertinent external compensation benchmarks, the imperative of internal equity, and the company's ability to pay. It is advisable to conduct periodic surveys to collect pertinent data on compensation practices at the local or national level.

Wage and salary structures should remain straightforward, minimizing unnecessary complexity to ensure efficient compensation and rewards. These remuneration frameworks should be designed to support the implementation of flat organizational structures and possess the flexibility to adjust to evolving market conditions. This entails broad salary ranges that offer ample flexibility to effectively recognize high professional expertise, outstanding performance, and individual potential.

Each People Manager is responsible for recommending, following the Group's policy, compensation packages for their respective employees. These recommendations should consider factors such as the local market, individual performance, skills, and growth potential within the established framework. Additionally, each People Manager, with the assistance of HCM Department, when necessary, bears the responsibility of effectively and transparently communicating the individual compensation of each team member, considering their professional performance and specific job responsibilities.

The quality of communication in these matters forms an integral component of the dialogues that each manager will engage in with their employees regarding compensation. It's important to recognize that while remuneration holds significance for every employee, motivation within the staff is not solely driven by compensation alone.

## Performance Management

**Purpose:** Efficient performance management, with a focus on attaining mutually agreed-upon objectives, stands as a key duty for each People Manager. Allocating the requisite time for monitoring and persistently tracking the incremental progress toward these objectives throughout the year is essential.

Performance feedback encourages improved performance and should be conducted through an open dialogue rooted in mutual trust and a shared commitment to advancement. It is recommended to maintain written records of such meetings. The primary focus should revolve around continuous enhancement, suitable training initiatives, and the cultivation of a motivating work environment.

In cases of significant underperformance, consideration should be given to the possibility of terminating employment. This termination process should be conducted with the best respect for the individual, and, where applicable, may include separation terms that consider the employee's circumstances.

When evaluating potential, it's important to bear in mind that the most reliable indicator of talent is past achievements. Consequently, responsibilities should be delegated as early as reasonably possible to provide individuals with opportunities to demonstrate their capabilities.

Candidates for managerial positions should have a clear track record of showcasing their willingness and capacity to apply the Tipco Asphalt Management and Leadership Principles. Promotions will be exclusively contingent on competence, expertise, performance, and potential, with no regard for factors such as origin, race, nationality, gender, religion, or age as we consider giving an opportunity to qualified employees equitably.

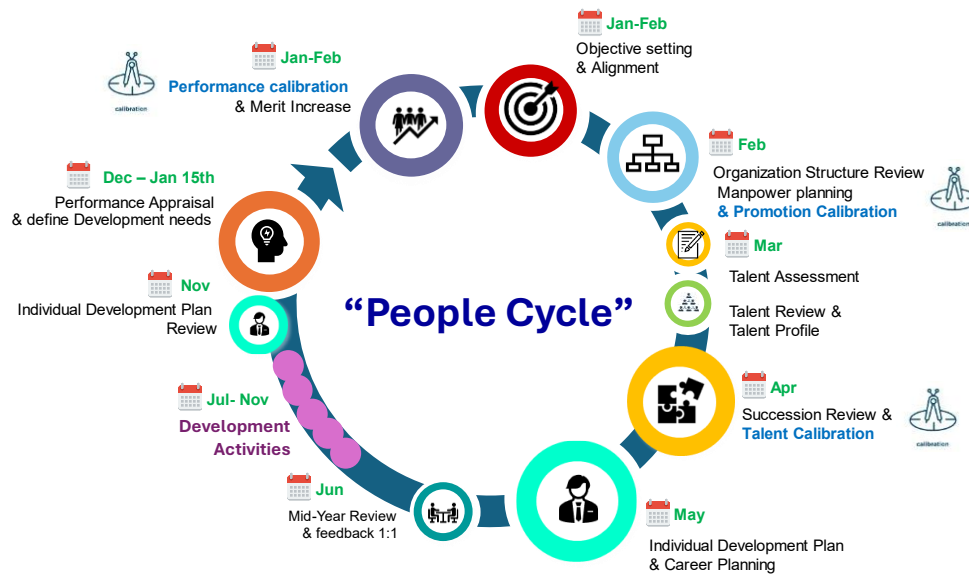
Flexibility is essential to facilitate positive professional development. Employees may be asked to transition into different roles, and managers, particularly those in international roles, may be required to relocate to different locations. International experience and active participation in the Group's development initiatives, among other qualifications, can be gained in any country within the Group and are prerequisites for holding senior-level positions.

The cultivation of expertise in specific domains is key to the Group's success. Consequently, job rotation should be executed cautiously. While it can be beneficial in certain situations, it should not compromise our proficiency in critical areas of expertise.

With the linkage of the People Cycle, the Group takes the priority on Performance management and link it with Professional development, Talent Management, Succession planning, Development interventions and Reward & Recognition as shown in the People Cycle diagram.



# People Cycle



## Professional Development

**Purpose:** To ensure that we have the right expertise within our organization, the Group allocates budgets for employees' Professional development to support the career advancement of each employee.

Under the guidance provided by the Group's HCM, all employees will have access to training and other career development opportunities tailored to their experiences and capabilities. Supporting employees in their professional development is essential for the growth of the Group and it is several compelling interventions:

### Learning and Talent Development Opportunities:

To harness the necessary expertise, the Group's learning and development directives, all employees will have access to training and other career development opportunities that align with their experience and capabilities.

Continuous learning is ingrained in the Group's culture. Every employee, regardless of their level, recognizes the imperative of consistently enhancing their knowledge and skills. Hence, a strong commitment to learning is an uncompromising prerequisite for employment with the Group's.

First and foremost, on-the-job training takes precedence, with mentoring and coaching as inherent elements of every manager's duty. This methodology is fundamental for advancing the development of everyone within their designated roles.

Formal training programs, when arranged, should be purpose-driven and tailored to enhance pertinent skills and competencies. Consequently, these programs are suggested within the context of individual

development plans. It is imperative to understand that participation in such programs should never be viewed as a reward but rather to enhance one's capabilities.

Various types of training programs (e.g., classroom, e-learning, on-the-job, etc.) are tailored to the specific needs of each operating company, making the most of the local, regional, or global resources within the Group.

Training programs should, to the greatest extent possible, prioritize action learning while minimizing traditional lecture-style teaching. Utilizing e-learning programs as a complement to or replacement for formal training should be optimized. These resources should be accessible at the shop floor level to broaden training accessibility. It falls upon each manager to evaluate the progress attained as a result of training programs.

### **Assessing and Developing:**

Each employee holds responsibility for their own professional development. Nevertheless, the Group is committed to providing opportunities for advancement to those who exhibit the determination and potential to enhance their capabilities.

These opportunities should consider each employee's potential and be discussed transparently. They will be founded on tangible possibilities, focusing on immediate career progression rather than vague promises or distant possibilities. The Group actively promotes an open dialogue where employees are encouraged to communicate their objectives and expectations.

The objective is to retain and motivate employees by providing appealing yet achievable career opportunities, enabling them to cultivate their skills over an extended period while operating within the confines of economic practicality and a dynamic environment.

Formal assessments should occur periodically, ideally on an annual basis. They intend to furnish feedback on past performance, future potential, and other pertinent aspects related to an employee's work, incorporating the enhancement of their skills and competencies. Both favorable and unfavorable aspects of individual performance should be openly discussed. The evaluation of performance should rely on concrete facts rather than subjective opinions. In the case of managerial roles, the assessment will primarily hinge on agreed objectives and their level of accomplishment.

### **Succession Planning:**

Succession planning is a proactive and strategic approach to managing talents within an organization. It helps organizations prepare for the future, minimize disruptions, and maintain a competitive edge by ensuring that the right people are in the right positions at the right time.

It involves identifying and developing internal talents to fill key leadership and critical roles when they become vacant, whether due to retirement, promotion, resignation, or unexpected circumstances. Here are some key reasons why succession planning is important:

- **Continuity and Stability:** Succession planning ensures that an organization has a smooth transition of leadership and key positions. It reduces disruptions that can occur when key personnel suddenly leave the organization, providing stability and continuity.

- **Minimizing Talent Gaps:** Identifying and grooming potential successors in advance helps minimize talent gaps. It ensures that there are capable individuals ready to step into important roles when needed, reducing the risk of skill shortages.
- **Strategic Alignment:** Succession planning allows organizations to align their leadership and talent development efforts with their strategic goals and objectives. It ensures that future leaders are well-prepared to execute the organization's vision.
- **Development Opportunities:** It provides growth and development opportunities for employees. Knowing that there is a clear path for advancement can boost morale, motivation, and retention, as employees see a future with the organization.
- **Cost Savings:** External recruitment for leadership positions can be costly and time-consuming. Succession planning reduces the need for expensive external searches and accelerates the onboarding process for internal candidates.
- **Knowledge Transfer:** Seasoned leaders often possess valuable institutional knowledge. Succession planning allows for a deliberate transfer of this knowledge to the next generation of leaders, preserving critical organizational wisdom.
- **Competitive Advantage:** Organizations with strong succession planning programs are better positioned to attract and retain top talent. Potential employees may see these organizations as offering better career development opportunities.
- **Diversity and Inclusion:** A well-structured succession planning process can promote diversity and inclusion by identifying and nurturing a diverse group of future leaders. This can help organizations reflect the diversity of their customer base and society as a whole.
- **Risk Mitigation:** Organizations face risks when key positions are vacant or filled by individuals who are not adequately prepared. Succession planning reduces these risks by ensuring that capable leaders are ready to step in when needed.
- **Long-Term Sustainability:** Ultimately, succession planning contributes to the long-term sustainability and growth of an organization. It prepares the organization for the challenges and opportunities of the future by building a strong leadership pipeline.

While succession plans anticipate the Group's future requirements, they will, to the extent feasible, align with individual development plans (IDPs). The HCM Department offers the necessary support for implementing planning tools, with the awareness of the requisite flexibility to adapt to unforeseen circumstances. However, it is acknowledged that each People Manager shares the responsibility for preparing the resources essential for the Group's development, as this is also an integral aspect of their accountability.

### **Improving performance:**

Frequent counseling and guidance are the most effective means of enhancing performance and aiding individuals in skill development. It also enables speedy correction of errors and transforms them into valuable learning experiences. In organizations with flat structures, this facilitates improved delegation. Whenever feasible, direct personal contact should always take precedence over written communication. Every manager has the direct responsibility to serve as a mentor for their employees.

A Performance Improvement Program (PIP) is a structured process that organizations use to help employees improve their performance when they are not meeting the expected standards or goals of their role. Here are several important reasons for doing the PIPs:

- **Identifying Performance Issues:** PIPs are often initiated when an employee's performance falls below the expected standards or when specific performance issues need to be addressed. The program helps pinpoint the areas where improvement is needed.
- **Clarifying Expectations:** PIPs provide a clear and documented way to communicate performance expectations to the employee. It outlines the specific areas that require improvement and sets measurable goals and benchmarks.
- **Opportunity for Improvement:** PIPs offer employees an opportunity to understand their performance shortcomings and work on addressing them. It's a chance for employees to receive feedback, support, and resources to enhance their performance.
- **Retention and Development:** In many cases, organizations want to retain talented employees and help them overcome performance challenges rather than terminating their employment. A PIP can be a way to invest in an employee's development and growth.
- **Legal Protection:** PIPs can provide legal protection for organizations in cases where an employee's performance issues lead to termination. By documenting the steps taken to address performance problems, employers can demonstrate that they provided ample opportunity for improvement.
- **Fair and Consistent Approach:** PIPs help ensure that organizations take a fair and consistent approach to addressing performance problems. They create a standardized process for managing performance issues across the organization.
- **Performance Tracking:** PIPs establish a timeline for improvement, with specific milestones and checkpoints. This allows employers to track an employee's progress and determine whether improvement is occurring.

It's important to note that the success of a Performance Improvement Program depends on various factors, including clear communication, employee engagement, access to necessary resources, and a commitment from both the employee and the organization to work towards improvement. When approached with a genuine desire to help employees succeed, PIPs can lead to positive outcomes for both individuals and the organization as a whole.

## Innovative Culture

**Purpose:** An organization with an innovative culture can expect several benefits and outcomes that contribute to its success and competitiveness. Innovation helps the Group to drive the value added not only for the Economic Governance under the scope of Product, Process, and service but also for covering the Environmental and Social aspects as well.

Driving innovation culture helps business growth and sustainable development under the Industry, Innovation, and Infrastructure Global sustainable development Goals.

With a strong end in mind to deliver sustainable living for all societies with innovative solutions. Having a culture that ignites innovation will create a competitive advantage, business growth, and sustainable development.

The HCM Department's tasks are to craft more innovators and set up an environment that supports the newly invented and continuous development. Innovation often leads to the development of new products, services, or processes that can set the organization apart from competitors. This can result in a sustainable competitive advantage.

The HCM interventions aim to foster innovation as we see it will bring more competitive advantage, adaptability, employee engagement, motivation, attracting talent, more problem solving, customer satisfaction, cost efficiency, and operational efficiencies. It will be the long-term sustainability for the Group because innovating and adapting to changes in the business environment is crucial for long-term sustainability. Organizations with innovative cultures are better prepared for the future.

However, it is important to note that building and maintaining an innovative culture can be a challenging and ongoing process. It requires leadership support, a willingness to take calculated risks, a safe environment for experimentation, and a commitment to nurturing creativity and open communication throughout the organization.

## **Review and Measurement**

We are committed to taking progressive steps as a united group to review the HCM Practices and regularly evaluate the effectiveness and relevance of HCM practices based on the established framework.

- Employee Manual Updates: Continuously review and update the employee manual to reflect core practices and changes as necessary.
- Measurement and Monitoring: Include diversity, equity, and inclusion metrics in the HCM dashboard and workforce analysis to track progress and report both normal and abnormal incidents.
- Identifying Improvement Areas: Analyze diversity, equity, and inclusion metrics across all organizational levels to identify areas that require improvement.
- Skill and Knowledge Enhancement: Ensure that employees have the necessary skills, experience, knowledge, and perspectives to fulfill their roles effectively, including through programs like "Getting to Know TIPCO ASPHALT GROUP" for newcomers and other initiatives.
- Launch the well-being programs to make our Employees well-being within the 5 areas of well-being and keep monitoring the programs to fit with the needs.
- Keep doing salary and benefits survey benchmarking across the organization every 2 years.
- Diversity, Equity, and Inclusion Programs: Provide a summary of past, ongoing, and planned diversity and inclusion programs within the organization.
- Promoting an Innovative Culture: Actively promote a corporate culture that not only recognizes but also embraces integral values.
- Regular surveys both Engagement and Innovation surveys, to ensure that we are aligned with the Group target including initiating the programs to support both attributes.

This approach underlines our dedication to fostering an inclusive and diverse workplace culture. We remain committed to continuous improvement and transparency through measurement and review, aligning with industry best practices.

We can measure by the dashboard monthly reports, and survey results in communication to relevant stakeholders and from time to time, every 2 years conduct the internal audit processes within HCM discipline team.

*Udomporn Punpatch*

Udomporn Punpatch

Chief People Officer

Human Capital Management Department,  
TIPCO ASPHALT GROUP, Businesses and Subsidiaries.



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