

HUNG YEN KNITTING & DYEING COMPANY LIMITED

Whistleblowing Procedure

Nov 2024

1. Foreword

The Company promotes whistleblowing to address unlawful or unfair behaviors, allowing reports to be made either to managers or to the HR Manager to ensure prompt and appropriate action. A dedicated whistleblowing channel is available for individuals who may feel uncomfortable reporting directly.

Hung Yen Knitting & Dyeing Co., LTD understands that business ethics is founded on trust, integrity, and transparency, and it supports the development of a working environment where employees and stakeholders feel free to report breaches of the law without fear of retaliation.

To this end, the Company has issued and approved this procedure (hereinafter referred to as the “Procedure”) to enable its staff, stakeholders, and all third parties operating directly or indirectly with the Company to report any potential breaches of laws and regulations that may harm the public interest or the integrity of Hung Yen Knitting & Dyeing Co., LTD.

All individuals involved in activities outlined in this Procedure must adhere to the behavioral and procedural rules set forth within it. All heads, executives, and managers are expected to enforce these rules. Any breach of the obligations established by this Procedure will be subject to sanctions and penalties.

2. Definitions

Company	Hung Yen Knitting&Dyeing Co.,Ltd
Working context	All working or professional, activities, present and past, through which people may collect information concerning a possible breach of the law.
Whistleblower	A person reporting/disclosing some information acquired in their working or professional context about current or past breaches of the law.

Facilitator	A person sharing the same working context as the Whistleblower and who assists him/her in the reporting process and whose identity and support shall be kept confidential.
People involved	People or entities mentioned in an internal or external report who is allegedly responsible of the reported breach or involved in the breach or involved as a witness of the breach.
Report	Written or spoken communication, issued in accordance to this Procedure, comprising information (such as evidence-based suspicions) concerning possible breaches of the law which may have occurred within the organization/entity the Whistleblower has a legal relationship with, or any other element concerning possible behaviours aimed at hiding such breaches.
People collecting reports	The person or the people in charge of collecting and handling the reports hereof.
Retaliations	Behaviours, actions, or omissions, even when attempted or threatened, following a whistleblowing case which may damage or be prejudicial to the Whistleblower.
Platform	An IT system aimed at collecting and handling the Reports, technically suitable to ensure Whistleblowers' identity is held confidential.

3. Acceptance, modification and circulation of the Procedure

- a. This Procedure is adopted by resolution of HYKD Board of Directors which may decide to review it should relevant changes occur within the organization or in the law.
- b. This procedure is available to be checked by whoever may be concerned in the following ways:
 - Displayed in the workplace;
 - Published on the company website

4 Subject of a Report/Disclosure

4.1. Breaches to be reported

Reportable breaches include any actions that violate Vietnamese laws and regulations, such as Law on Denunciations, Anti-Corruption Law, and Labor Code, as well as breaches of applicable international legal standards. This also encompasses violations of the internal regulations of Hung Yen Knitting & Dyeing Co., Ltd. (HYKD).

The scope of reportable breaches under this procedure includes a comprehensive range of violations to ensure transparency, compliance, and ethical conduct across all levels of the company. Employees, collaborators, and stakeholders are encouraged to report any of the following:

Legal Violations:

- Breaches of Vietnamese law, regulations, or any applicable international legal standards.

Ethical and Conduct Violations:

- Actions that contravene the principles set out in the HYKD Supplier/Employee Code of conduct such as discrimination, harassment, or any form of unethical behavior in the workplace.

Workplace Safety and Health Issues:

- Violations related to health and safety protocols that put employees or collaborators at risk, as mandated in the company's safety policies.

Anti-Corruption Practices:

- Any activities that violate the HYKD Anti-Corruption Procedure, including bribery, conflicts of interest, or improper interactions with public officials.
- Reports should also include unauthorized acceptance or offering of gifts, hospitality, or any benefits meant to influence decisions.

Conflicts of Interest:

- Situations where an individual's personal or financial interests may conflict with their responsibilities at HYKD, impacting impartial decision-making.
- Improper Financial Practices:
- Fraudulent activities, misrepresentation of financial data, or any actions that compromise the integrity of financial reporting.

- Environmental Regulations:
- Breaches that go against the company's environmental policies or national and international environmental laws.
- The company encourages the reporting of these breaches through secure and confidential channels, ensuring that whistleblowers are protected from retaliation as detailed in this procedure.

4.2. What cannot be classified as a subject of a Report

Whistleblowers cannot report about personal disputes, claims or requests concerning their personal work relationships, or their relationship with superiors.

4.3. Elements and characteristics of a Report/Disclosure

Reports shall be as detailed as possible so to allow the people in charge of collecting and evaluating reports to correctly assess all facts.

The following elements shall be clear:

- the circumstances – timing and place – where the breach reported may have occurred;
- the fact descriptions;
- all elements and details on the basis of which the alleged offender may be identified.

The documentation provided (which may be attached/enclosed to the Report) may provide evidence of the reported breach thus proving the Report to be duly grounded.

Furthermore, it may be useful to name some people who may be aware of the alleged breach, even though potentially.

5. Who can Report a breach

This Procedure clearly identifies Whistleblower vis-à-vis all other people who, despite not having personally reported a breach, are still entitled to be protected.

- Employees and independent workers, collaborators, free-lance professional and consultants working for the Company;
- Shareholders and Members of the Board of Directors or Administration, auditors and those who perform such tasks on a de facto basis;
- trainees, even unpaid ones, and volunteers operating for the Company;
- contractors', subcontractors and suppliers' staff members;

- former employees of the Company;
- candidates wishing to work for the Company who may have been informed about the reported breach during the recruitment and selection process or during the negotiation leading to the issuance of a work contract, and who may be subjected to retaliation acts;
- whoever may get in contact with the Company.
- The following people belong to the second category (other individuals entitled to be protected as per this Procedure):
- Facilitators;
- People related to the Whistleblower who may be subjected to retaliation acts in their working environment, such as colleagues who may be regularly in touch with the Whistleblower;
- People working under labor contracts in the same environment as the Whistleblower and who are in a permanent relationship with them or are immediate family members, including the whistleblower's spouse, natural parents, adoptive parents, natural children, and adopted children (as specified in Circular No. 08/2020/TT-BLĐTBXH).
- Entities belonging to the Whistleblower or companies they have previously worked for, and entities operating in the same working environment.
- All these people shall be protected also during their trial people and before and after the subscription of a formal work contract/establishment of a legal relationship, and more specifically in all the following cases:
 - whether the legal relationship described has actually started, whether the information
 - collected about the breaches have been collected during the recruitment and selection process or during the pre-contractual phase;
 - during the trial period;
 - after the termination of the legal relationship, whether the information concerning the breaches have been collected when the legal relationship was still ongoing.

6. Internal reporting

6.1. Channel to be used for internal reporting

The Company, after interfacing with the unions, has set up a dedicated channel to be used for the internal reporting process, which aims at keeping the Whistleblower, the Facilitator, the involved People, and the Mentioned People's identities confidential as well as the content of the Report and the related documentation.

Such channel is managed so that reports are received by the person/people appointed by the Board of Directors who are expected to satisfy the identified requirements in terms of independence and competence.

Reports made by people whose identity cannot be identified are considered anonymous but, if detailed, they are considered as ordinary Reports.

6.2. Management of the Channel to Be Used for Internal Reporting

At Hung Yen Knitting & Dyeing Co., Ltd. (HYKD), reports will be received and managed by the designated Person in Charge using a structured approach to address both internal policy breaches and legal violations in compliance with Vietnamese regulations.

Handling Internal and Legal Violations

Internal Violations:

Reports related to breaches of HYKD's internal policies, regulations, or codes (e.g., the Employee/Supplier Code of Conduct or Anti-Corruption Regulations) will follow the company's internal reporting and handling procedures.

Legal Violations:

Reports involving violations of Vietnamese law will be handled following the procedures prescribed under Articles 23 to 40 of the Law on Denunciations No. 25/2018/QH14, which include clear steps for receiving, investigating, and resolving such cases. For whistleblowers working under labor contracts, protections outlined in Circular No. 08/2020/TT-BLĐTBXH will be applied.

Steps for Managing Reports

Initial Handling of Reports

Within 7 (seven) days of receiving a report, the Person in Charge shall:

- Issue an acknowledgment receipt to the Whistleblower.
- Contact the Whistleblower to request additional details if necessary.
- Arrange a meeting with the Whistleblower upon request.

Assessment of the Report

- The Person in Charge will evaluate the report to determine:
- If it satisfies the essential requirements for admissibility.

- Whether the breach involves internal regulations or constitutes a legal violation, and proceed accordingly.
- Admissible reports will be processed, with appropriate protections applied to the Whistleblower as outlined in the law or company policies.

Feedback on the Report

- Feedback will be provided to the Whistleblower within 3 (three) months from the issuance of the acknowledgment receipt.
- If an acknowledgment receipt is not issued, feedback will be provided within 3 (three) months from the 7th (seventh) day after the report's submission.

Grounds for Rejecting a Report

Reports may be deemed inadmissible if:

- They lack essential elements or clarity concerning the alleged breaches.
- Evidence provided is unsuitable or insufficient to establish a violation.
- The reported issue concerns minor offences.
- The breach is not included in the list of reportable violations defined by HYKD policies or the scope of applicable laws.

Handling Misrouted Reports

- Reports sent to someone other than the designated Person in Charge must be forwarded to the correct individual within 7 (seven) days.
- The Whistleblower must be notified of this transfer.

This procedure must ensure the protection of the whistleblower's identity and the confidentiality of information, in compliance with the Cybersecurity Law and relevant regulations on data privacy. Additionally, it should include provisions addressing the Responsibilities of Employers (Article 7) and Responsibilities of Employee Representatives (Article 8) as outlined in Circular 08/2020/TT-BLDTBXH to clarify and reinforce the roles of the company and labor representative organizations in safeguarding whistleblowers.

7. Protections of Whistleblowers at HYKD

7.1 Receipt and Assessment of Reports

Anonymous Reporting:

HYKD allows whistleblowers to submit reports anonymously through designated channels to ensure their identity is protected and confidentiality is maintained.

Assessment of Reports:

HYKD assesses whether the report meets the following criteria for protection:

The breach reported falls within the legal or regulatory scope of application (see Par. 4).

The reported behavior, action, or omission has the potential to harm public interest or the integrity of HYKD.

Evidence provided supports the validity of the reported breach.

Inadmissible Reports:

If a report does not meet these criteria, HYKD will file it without further action.

HYKD will notify the whistleblower of the reasons for this decision.

7.2 Protection Measures

Eligibility for Protection:

HYKD ensures that whistleblowers whose reports are admissible are protected, including:

- Safeguarding their identity and maintaining confidentiality.
- Protecting them from any form of retaliation in employment or workplace conditions.

Exclusion from Protection:

Protection will not apply in the following cases:

The whistleblower is formally charged with libel or slander through a first-instance sentence.

The whistleblower is found to have intentionally provided false information or acted with gross negligence.

7.3 Responsibilities

Employer Responsibilities:

HYKD ensures that whistleblower protections are implemented in compliance with Article 7 of Circular No. 08/2020/TT-BLĐTBXH, including safeguarding employment and workplace rights.

Employee Representative Responsibilities:

Labor representative organizations at HYKD are responsible for supporting whistleblowers and monitoring compliance with whistleblower protection measures, in line with Article 8 of Circular No. 08/2020/TT-BLĐTBXH.

7.4 Whistleblower Rights and Obligations

Rights of Whistleblowers:

HYKD guarantees whistleblowers the right to confidentiality of their identity, protection from retaliation, and fair treatment throughout the reporting process.

Protections provided align with Article 48 and Section 2 of the Law on Denunciations No. 25/2018/QH14.

Obligations of Whistleblowers:

Whistleblowers must ensure that their reports are based on factual evidence or a reasonable belief in the validity of the information provided.

7.5 Compliance with International Standards

Alignment with Global Disclosures:

HYKD aligns its procedures with Directive (EU) 2019/1937 on the protection of individuals reporting breaches of Union law.

HYKD also complies with Table III of Annex I of Commission Delegated Regulation (EU) 2022/1288, addressing "Insufficient whistleblower protection" in sustainable investment disclosures.

8. External reporting

Under special conditions, Whistleblowers may decide to use an external channel to forward a Report. Please find here below a list of such conditions:

- The internal channel, despite being mandatory, is not active or not
- compliant with the law;
- The Whistleblower has already forwarded a Report internally but has not received the due
- feedback within the time limits set by the law;
- The Whistleblower believes, on reasonable ground, that the Company would not duly follow up the Report or may run a serious risk of retaliation in case the Report was forwarded through the internal channel;

- The Whistleblower believes, on reasonable grounds, that the breach reported may bring
- about a serious and urgent risk for the public interest.
- It is the Whistleblower's responsibility to ascertain the existence of one or more of the aforementioned conditions/circumstances before using an external channel to forward their Report.

Reports forwarded by Whistleblowers through the official channel are follows:

Digital platform;

Spoken reports;

Personal appointments fixed within a reasonable time frame.

9. Protective measures

The following protective measures are foreseen for all Whistleblowers:

- Confidentiality of the identity of the Whistleblower, the Facilitator, the Person involved and the People mentioned in the Report (paragraph 9.1);
- Protection from possible retaliation measures adopted by the Company following the Report and the conditions for its application (paragraph 9.3);
- Waiver regarding the disclosure of some types of information under some specific circumstances (paragraph 9.4);
- Support measures provided by organizations belonging to the Third Sector, comprised in the list issued by ANAC (paragraph 9.5).

9.1 Confidentiality

The identities of Whistleblowers, Facilitators, People involved, and People mentioned in Reports are to be kept confidential throughout the process.

The Whistleblower's identity will not be disclosed to third parties different from the people in charge of collecting the

Reports, without the Whistleblower's authorization.

9.2. Procedure for Personal Data Protection in Handling Whistleblower Reports at HYKD

Based on Decree No. 13/2023/ND-CP on the Protection of Personal Data, HYKD establishes the following procedure for protecting personal data during the receipt and handling of whistleblower reports:

1. Scope of Application

This procedure applies to the collection, storage, and processing of personal data related to:
Whistleblowers.

Parties mentioned in the whistleblower reports.

Individuals providing supporting information during investigations.

2. Principles for Processing Personal Data

Collection Only When Necessary:

HYKD will collect personal data solely for the purposes of receiving and investigating whistleblower reports.

Irrelevant or unnecessary information will not be collected and will be immediately deleted if inadvertently obtained.

Transparency and Notification:

Before collecting personal data, HYKD will clearly inform the whistleblower of the purpose, scope, and duration of data storage.

The whistleblower's consent is required for the collection and processing of their data.

Data Security:

Personal data will be stored and processed using technical measures to prevent unauthorized access, loss, or destruction.

3. Procedure for Processing Personal Data in Whistleblower Reports

Report Receipt:

Upon receiving a whistleblower report, HYKD will collect only necessary personal data, such as:

- Information about the whistleblower (if not anonymous).
- Data required to verify and investigate the reported violation.
- Verification and Notification:

HYKD will notify the whistleblower of the following:

- Purpose of data collection.

- Scope of data usage.
- Data retention period.
- Data Storage and Protection:

Personal data will be stored in HYKD's secure system, accessible only by authorized personnel.

Data will be retained for a maximum of 5 years from the conclusion of the investigation unless otherwise required by law.

Handling of Inadmissible Reports:

If a report is deemed inadmissible, any associated personal data will be immediately deleted to comply with the principle of data minimization.

4. Rights and Responsibilities of Stakeholders

Rights of Whistleblowers:

- To be informed and provide consent for the collection and processing of their personal data.
- To request corrections or deletion of their personal data if inaccurate or no longer necessary.
- To withdraw consent at any time.

Responsibilities of HYKD:

- To protect whistleblowers' personal data from unauthorized access.
- To use personal data strictly for the stated purposes.
- To ensure compliance with all legal requirements for personal data protection **and to be accountable for any breaches.**

5. Sanctions and Handling Violations

- Any unauthorized collection or processing of personal data in violation of this procedure will be subject to strict penalties, including:
- Internal disciplinary measures.
- Legal liability for severe consequences.

6. Review and Updates

This procedure will be regularly reviewed and updated by HYKD to ensure compliance with the latest regulations, including Decree No. 13/2023/ND-CP and other related legal frameworks.

9.3. Protection from Retaliation

Whistleblowers and all other people involved shall be protected from possible retaliation acts.

Any behaviour, action or omission, even though attempted or threatened, following a Report which may directly or indirectly cause an unfair damage to a Whistleblower or any other people entitled to be protected, may be defined as retaliations.

Please find here below some examples of retaliation acts:

- dismissal, suspension or similar measures takes as a consequence of a whistleblowing case;
- demotion or denied promotion;
- change of function, work location and/or timetable, salary reduction;
- interruption of the training or any restriction to the opportunity to access training programmes;
- unsatisfactory remarks or negative references;
- disciplinary measures or penalties (also financial ones);
- coercion, threats, harassment or ostracism;
- discrimination or unfair treatment;
- failure to transform a temporary employment contract into a permanent one, should the worker be entitled to it;
- failure to renew a contract or the anticipated termination of a temporary employment contract;
- anticipated and ungrounded termination of supply agreements regarding services or goods;
- revocation of a permit or a leave.
- **In order to be entitled to protection:**
 - the Whistleblower shall believe, on the basis of the circumstances of the episode reported and the data available when the Report is issued, all information concerning the reported breach to be true. Assumptions, rumours, and public news are not to be considered as satisfactory evidence;
 - the person must have reported some allegedly true facts – although they may not be sure they have actually happened – or have reported some incorrect facts, provided the report was based on grounded suspects and issued in good faith;

- the Report and its content shall fall under the material scope of the current law;
- the Report and the unfair behaviour/action/omission suffered – directly or indirectly - from the Whistleblower involved shall be strictly connected.

Should the Whistleblower believe they have been subjected to retaliation, they are expected to notify the National Anti- bribing Authority in charge thereof.

- Such rule does not apply to anonymous Reports since it obviously applies to Whistleblowers who may be at risk of retaliation.
- The Protection foreseen against Retaliation does not apply in case the Whistleblower is acknowledged to be guilty of libel or defamation also by means of a first-degree sentence with regard to the same offenses connected to the Report, or in case the Whistleblower is liable of having willingly reported/disclosed some fake news with intent or gross negligence.
- Should the first-degree sentence against the Whistleblower not be confirmed in the following sets proceedings, the Whistleblower will be entitled, although later than expected, to the applicable protection.

9.4 Whistleblowers' Waiver

Whistleblowers may be held legally, civilly, or administratively liable in accordance with Article 65 of the Law on Denunciations, which outlines actions to be taken against violations committed by whistleblowers and other relevant persons. The following provisions apply:

- Cases Where Liability May Be Excluded:
- If the whistleblower acts in good faith and has reasonable grounds to believe the information disclosed is necessary to report a breach of the law.
- The disclosure complies with legal procedures as outlined in the Law on Denunciations and relevant regulations.

Cases Where Liability Applies:

- Whistleblowers will face disciplinary action or criminal prosecution, and may be required to compensate for damages caused, in the following circumstances:
- If the whistleblower intentionally provides false information or acts with gross negligence.
- If the whistleblower's actions violate other applicable laws, such as hacking into IT systems or unlawfully collecting confidential information.

No Waiver for Illegal Actions:

Liability cannot be waived in cases where information and documentation have been obtained through illegal means or actions, such as unauthorized access to IT systems or the falsification of evidence.

Disciplinary and Legal Actions:

HYKD reserves the right to initiate disciplinary measures, including termination of employment, and to cooperate with authorities in pursuing criminal or civil proceedings as required by law.

This section ensures alignment with Article 65 of the Law on Denunciations, reinforcing that whistleblower protections do not extend to those who engage in unlawful conduct or intentional wrongdoing. It emphasizes both accountability and compliance with Vietnamese legal standards.

10. Sanctions

The Company reserves the right to start legal proceedings following the existing laws and regulations. More specifically, according to this Procedure Whistleblowers are liable for reporting fake news (libel and defamation) in case of intent and gross negligence.

In case protection measures are not applied, ANAC may ask people or legal entities to pay administrative sanctions as foreseen by the law.

11. Storage of documentation concerning a Report

Reports and the related documentation are to be stored for the time needed to process the Report itself and, however, no longer than five years starting from the notification of the outcome of the Report.

12. Review

This Procedure is to be periodically reviewed to ensure its enforcement and its adequacy.