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|  | <b>SUSTAINABLE SUPPLY CHAIN<br/>GUIDELINE</b> | <b>Code:</b> 453<br><b>Version:</b> 01<br><b>Issue Date:</b> 15/10/2024<br><b>Effective Date:</b> 15/10/2024 |
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| <b>Prepared by</b><br><br>Pham Huyen Trang<br>Member of ESG Committee,<br>Topic leader for Supply Chain<br>Management | <b>Prepared by</b><br><br>Ta Minh Anh<br>Member of ESG Committee   | <b>Prepared by</b><br><br>Tran Quoc Dat<br>Associate Legal Director |
| <b>Reviewed by</b><br><br>Pham Hong Son<br>ESG Committee Chair  | <b>Approved by</b><br><br><br>Danny Le<br>Chief Executive Officer |  |



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### **Article 1: Purpose of Guidelines**

Masan Group (hereafter referred to as “Masan”) is committed to embedding sustainability, social responsibility, and ethical practices across facets of our business operations. This includes prioritizing the selection and use of suppliers that demonstrate adherence to environmental, social, and governance (ESG) criteria and promoting the reduction of negative environmental impacts.

Developed in alignment with the Masan Group Code of Conduct, compliant with ESG criteria and the international standards to which Vietnam is a party, the intent of this Sustainable Supply Chain Guideline is to promote our sustainable and ethical sourcing of goods and services, while encouraging our suppliers’ compliance with labor rights, environmental regulations, and universal human rights. The principles and requirements in Sections 4 and 5 of this Guideline form the basis of Masan Group's Supplier Code of Conduct, outlining our expectations for supplier conduct and behaviors.

### **Article 2: Scope of application**

This policy shall apply to, first and foremost, Critical Suppliers and Tier-1 Suppliers, followed by non-Tier-1 Suppliers. The enforcement of this guideline throughout the procurement process is the responsibility of Masan Group Joint Stock Company and all its subsidiaries and affiliates.

### **Article 3: Definitions**

In this Policy:

- **Masan Group** includes Masan Group Joint Stock Company and all its subsidiaries and affiliates.
- **Subsidiary** refers to an enterprise in which Masan Group Joint Stock Company:
  - Owns more than 50% of the charter capital or total common shares;
  - Has the direct or indirect right to appoint a majority or all members of the Board of Directors, Directors, or General Directors of the company;
  - Has the right to decide on amendments or supplements to the company’s charter.
- **Affiliate refers** to a company in which Masan Group Joint Stock Company has significant influence but is not a subsidiary or joint venture of Masan Group Joint Stock Company.
- **Supplier refers** to any entity providing goods or services and is not a subsidiary or affiliate of Masan Group Joint Stock Company.
- **Tier 1 Supplier, Critical Supplier, and Non-Tier 1 Supplier** refer to groups of suppliers classified according to the criteria defined and applied by Masan Group from time to time, based on the specific nature of operations and business, and taking ESG standards into account.
- **Bribery** refers to the act of promising, giving, paying, rewarding with money, gifts, entertainment, sponsorships, or in other forms, either directly or through intermediaries, to provide material benefits such as money, assets, or other material advantages to a person in authority at Masan Group or its partners in order to influence that person's attitudes and

decisions to gain financial or non-financial benefits. Bribery also includes acts of intermediating, brokering bribery, and accepting bribes.

- **Corruption** refers to the act of using delegated powers associated with one's job position to achieve financial and non-financial benefits.
- **Money laundering** refers to the act by organizations or individuals to legitimize the origins of assets obtained through criminal activities, as defined in the 2015 Penal Code and the 2022 Anti-Money Laundering Law of Vietnam, and as amended from time to time.

#### **Article 4: Fundamental principles**

In alignment with our Code of Conduct and ESG priorities, Masan Group abide by the following principles and ask that our suppliers act the same.

- **Environmental Conservation and Care:** Business is operated in a manner that minimizes environmental impact and promotes sustainable practices that conserve resources, reduce emissions and pollution, and protect biodiversity.
- **Social Responsibility:**
  - All universal workers' rights and human rights are respected and upheld.
  - Fair labor practices and gender equality are ensured.
  - All workers' health and safety are protected at work.
- **Business Integrity and Ethics:**
  - All business and operations are conducted in compliance with laws and regulatory requirements in the operating territories.
  - Transparency, accountability, and honesty are maintained in all business dealings to prevent bribery, corruption, conflict of interest.
  - Embezzlement, bribery, corruption are strictly prohibited and will not be tolerated under any circumstances.
  - Trade secrets and data obtained during business activities must always be kept confidential.

#### **Article 5: Supplier requirements**

##### **5.1. Ensure legal compliance and ethical business practice**

###### **Compliance with Laws:**

- All laws and regulations must be complied with; required permits, authorizations and approvals must be obtained in the countries where suppliers operate, as well as under other applicable international laws and regulations.

###### **Anti-bribery & anti-corruption:**

- All forms of corruption, including bribery, extortion and embezzlement are strictly prohibited. Suppliers are required to have adequate procedures in place to prevent all forms of bribery and corruption in all commercial transactions undertaken by



suppliers. Any violation of this requirement related to Masan's business must be reported promptly to Masan Group.

- All suppliers are prohibited from offering anything of value to Masan employees to improperly obtain or retain business, except where made in accordance with normal commercial conduct and not intended to create any advantage in selecting a supplier.

**Avoiding Conflicts of Interest:**

- All business transactions must be free from conflicts of interest. Any business benefits or financial interests that occurred between a supplier's employee and Masan's employee must be reported to Masan.
- Failure to disclose conflicts of interest or to comply with these requirements may result in the termination of the supplier's contract and potential legal action.
- Suppliers must have a policy in place to address conflicts of interest and ensure their employees and their business partners are aware of and comply with this policy.

**Product Specification and Quality**

- Goods and services supplied to Masan Group must meet the safety standards and criteria agreed upon in the relevant contractual documents and be safe for their intended use.
- Suppliers shall also provide proof certifying that the production processes meet the required quality and safety standards.

**Data Privacy and Confidentiality:**

- All information provided by Masan that is not in the public domain shall be treated as confidential and used solely for its intended and designated purpose with Masan's permission.
- Suppliers are prohibited from disclosing information about the negotiation process, prices, or any other business-sensitive information to another supplier during the contract negotiation process.
- Suppliers must obtain appropriate consent before disclosing Masan's commercially sensitive or confidential information to third parties, or that of third parties to Masan.

5.2. Ensure fair labor practices and social responsibility

**Worker Rights and Human Rights:**

- All workers, both permanent and casual, must be provided with employment documents that respect their legal and contractual rights.
- Workers' rights to freedom of association and collective bargaining must be recognized and respected.

**Fair Labor Practices:**

- Compensation packages, including wages, overtime pay, benefits, and paid leave, must meet or exceed the legal minimum standards or industry standards, whichever is higher.
- Workers shall not be required to work beyond the legal limits for regular and overtime hours, and all overtime work must be voluntary.

**Occupational Health and Safety:**

- Suppliers shall develop preventive and remedial measures to ensure that all work is carried out in a safe environment.
- Suppliers' employees shall be trained and provided with free, adequate protective equipment and tools to perform their tasks safely.
- Suppliers shall also develop mitigation plans for emergency situations to minimize potential losses and casualties and strictly comply with applicable laws and regulations.
- Any reports of unsafe equipment and tools, hazardous conditions, or accidents must be immediately acted upon, and any safety deficiencies promptly corrected to eliminate hazards.

**Non-Discrimination:**

- All workers must be treated with respect and dignity, be free from any form of physical, sexual, psychological, or verbal harassment and abuse.
- Discrimination in employment, including hiring, compensation, promotion, discipline, termination, or retirement, is strictly prohibited. This includes discrimination based on race, gender, age, religion, and other protected characteristics.

**Child and Forced Labor:**

- The minimum age for employment must comply with the legislation of the country of operation, or the recommendations of the International Labour Organization (ILO), whichever is more stringent. If the supplier employs young people, their working hours must comply with local laws and not interfere with or prevent their education.
- Suppliers are prohibited from using forced labor, including coerced, trafficked, indentured, or bonded labor, and from engaging in slavery or human trafficking.

**5.3. Environmental conservation**

Masan requests that suppliers minimize activities that may cause harm or impact the environment during their operations. It is mandatory for suppliers to comply with applicable national environmental laws and hold all necessary registrations, licenses and permits. Suppliers are required to provide evidence of compliance with environmental regulations and supply documentation on monitoring and reporting their environmental impact if and when requested by Masan.

**Environmental Management and Protection:**

- Suppliers are expected to implement effective environmental management systems to monitor, control, and improve environmental performance.
- Suppliers must comply with applicable laws and permits relating to the storage, handling and disposal of waste, either directly or through subcontractors.
- Compliance with all legal requirements with respect to plastic feedstock sourcing, plastics production, storage, transport and end-of-life management is mandatory.
- Suppliers are required to establish an environmental management system, standardize procedures, policies, and actions, and periodically update them to reduce waste, emissions, and the consumption of energy and resource in a safe and sustainable manner.

**Resource Consumption**

- Suppliers shall develop policies or measures to optimize the consumption of available resources in their supply chain processes.

**Biodiversity Protection:**

- Suppliers shall avoid activities that negatively impact ecosystems and biodiversity. This involves conducting thorough environmental impact assessments before commencing projects, implementing measures to protect wildlife habitats, and refraining from practices that lead to deforestation, habitat destruction, or species extinction.

**Reduction of Emission and Climate Action:**

- Suppliers must comply with all applicable legal requirements and hold the necessary permits for GHG emissions management and reduction.
- When requested, greenhouse gas (GHG) emissions data at the production facility and product levels for goods supplied to Masan shall be provided for Masan's use in public reporting and submission to relevant authorities regarding Masan's GHG reduction targets. The supplier's emissions data must be collected using the latest methods and verified by a third party.

**Article 6: Operational guidelines**

This section contains guidelines for the actions Masan Group will take to ensure cost-effective, transparent, and fair procurement, promote sustainability, social responsibility, and good governance, support local economies, foster strong supplier relationships, and align with our ESG goals.

**6.1. Role and responsibilities**

Masan Group aims to select and assesses suppliers in line with fundamental principles for environmental compliance, safety, and corporate social responsibility, as well as with the Group's sustainability strategy. Toward this end, all levels of management and relevant departments are responsible for implementing and overseeing compliance with the Sustainable Supply Chain Guideline. Specific duties are outlined below.

**1. General Director / Chief Executive Officer**



- Review and approve the Sustainable Supply Chain Guideline.
- Lead the establishment of objectives, goals, and key performance indicators for sustainable procurement.
- Review and approve guidelines, standards and procedures that align with the business context and this Guideline.
- Determine the corporate structure and designate responsible individuals with appropriate roles and responsibilities.
- Review risks related to sustainable procurement throughout the supply chain and oversee the internal controls.

**2. Group ESG Committee:**

- Establish objectives, goals, and key performance indicators of sustainable procurement practices.
- Establish supplier selection criteria to ensure that there is a transparent prequalification process and that suppliers operate in accordance with principles and requirements set out in this Policy.
- Assess risks related to sustainable procurement throughout the supply chain and establish internal controls.

**3. ESG Committee / ESG Officer at subsidiaries and affiliates**

Coordinate with the Procurement Department at subsidiaries and affiliates to implement:

- Assess and manage risks related to goods and services and supply chain management risks.
- Establish criteria and procedures for selecting suppliers in accordance with principles and requirements prescribed in this Policy.
- Assess sustainable procurement performance that includes the selection criteria and process and contract management on a regular basis.
- Prepare sustainable procurement performance reports.

**4. Procurement Department at subsidiaries and affiliates:**

- Be responsible for and execute supplier management activities.
- Conduct screening, evaluation and selection of suppliers that meet Masan Group's Code of Conduct and ESG Strategy.
- Manage commercial relationships and negotiations.
- Oversee tenders and the procurement activities of goods and services.

**5. All Employees:**

- Adhere to all applicable laws and company policies.
- Report any violations through whistleblowing channels.
- Participate in training programs on sustainable practices.



## 6.2. Sourcing with care

- Establish clear criteria for supplier selection, emphasizing ESG performance, compliance with laws, and alignment with Masan Group's values, ensuring partnerships only with suppliers that comply with the conditions and standards of these guidelines.
- Ensure all contracts include sustainability clauses and compliance requirements to hold suppliers accountable for their environmental and social impacts.
- Prioritize procurement of environmentally friendly goods and services to minimize environmental impact and support sustainable practices.
- Require suppliers to disclose information about their sustainability practices and performance, enhancing transparency and accountability.
- Establish procedures to identify and manage conflicts of interest to maintain integrity and impartiality in procurement processes.
- Establish benchmarks and performance indicators that prioritize environmental standards, labor practices, and social responsibility.

## 6.3. Assessment and continuous improvement

- Conduct regular audits, supplier self-assessments, and third-party evaluations to ensure adherence to set principles and requirements and identify areas for improvement.
- Collaborate with suppliers to address non-compliance and support their improvement efforts.

## 6.4. Communication and engagement

- Ensure all suppliers are aware of and understand the Policy and its requirements for continuous improvement.
- Promote as much as possible transparency and supplier engagement through dialogues.
- Provide resources and support, within allowable conditions and to the greatest possible effort, to help suppliers demonstrate compliance through ongoing improvement activities.

### **Article 7: Alerting and reporting breaches**

Masan Group will ensure the provision of confidential channels (directly through an independently appointed officer, email, or other secure online systems) for suppliers, their employees, workers or contractors to report any actual violations, non-compliance actions, or suspected signs of violations or non-compliance with any provisions of this Guideline by any suppliers or subcontractors providing goods or services to Masan and/or any of its subsidiaries or affiliates without fear of reprisal. The alerting and reporting of violations are carried out through the “Violation Reporting Procedure”. This procedure encourages suppliers, employees, workers, or contractors to report misconduct through confidential channels without fear of discrimination or related consequences, while enabling Masan to take appropriate actions, including but not limited to, disciplining or terminating contracts with the reported organizations or individuals.

Masan encourages suppliers to raise concerns about ethical compliance or behavior of an employee or representative, and to report such concern to us. This can be done through the confidential channels

Masan provides to distributors, or by contacting the usual business contact person at the corresponding entities within Masan Group.

Masan will investigate and resolve reported concerns promptly and fairly. The concerned suppliers shall assist with and be cooperative during such investigation.

#### **Article 8: Addressing breaches and non-compliances**

Masan Group is committed to long-term partnerships and supporting suppliers in enhancing their capabilities. However, if a supplier cannot, or will not, take the necessary actions to demonstrate compliance over an agreed timeline, or refuses to address non-compliance issues, participate in our programs or audits or to improve on critical findings, we may reconsider and potentially cease or suspend our relationship with them.

#### **Article 9: Policy review**

Periodically review and update this policy to ensure its effectiveness and alignment with industry standards and stakeholder expectations.

#### **Article 10: Reference**

This policy is guided by internal regulations and external frameworks and standards.

##### **Internal Regulations**

- Masan Group Code of Conduct
- Masan Group Procurement Policy
- Masan Group Anti-Money Laundering, Bribery, and Counter-Terrorism Financing Policy

##### **External Frameworks and Standards**

- International Labour Organization (ILO) Fundamental Principles<sup>1</sup>
- International Organization for Standardization (ISO) 20400 – Sustainable Procurement<sup>2</sup>
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas<sup>3</sup>
- UN Guiding Principles (UNGPs) on Business and Human Right<sup>4</sup>
- International Chamber of Commerce Guide to Responsible Sourcing.<sup>5</sup>

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<sup>1</sup> [ILO 1998 Declaration on Fundamental Principles and Rights at Work and its Follow-up | International Labour Organization](#)

<sup>2</sup> [ISO 20400:2017 - Sustainable procurement — Guidance](#)

<sup>3</sup> [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas | OECD](#)

<sup>4</sup> [guidingprinciplesbusinesshr\\_en.pdf \(ohchr.org\)](#)

<sup>5</sup> [ICC-guide-to-responsible-sourcing.pdf](#)

### **Article 11. Enforcement provisions**

1. Masan Group's subsidiaries and member companies are obligated to review and align their internal regulations and related transactions to ensure compliance with this Policy.
2. For any inquiries, questions, clarifications, or advice related to this Policy, please contact the designated department at phone number +84 559 200 200 or via email at [code\\_of\\_conduct@msn.masangroup.com](mailto:code_of_conduct@msn.masangroup.com) for assistance.
3. This Policy is effective as of October 15, 2024.

