

FIGHTING AGAINST FORCED AND CHILD LABOUR IN SUPPLY CHAINS

VinFast Auto Canada Inc. | Annual Report, 2024

INTRODUCTION

This report (“**Report**”) is submitted by VinFast Auto Canada Inc. (“**VinFast Canada**”, “**Vinfast**”) pursuant to its reporting requirements under Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (S.C. 2023, c. 9) (the “**Act**”). The Report outlines the measures taken over the course of the financial year ended December 31, 2023 (“**FY2023**”), to address **forced labour** and **child labour** in VinFast Canada’s activities and supply chain, along with the other requirements under the Act.

As defined under the Act, **child labour** means labour or services provided or offered to be provided by persons under the age of 18 years and that (i) are provided or offered to be provided in Canada under circumstances that are contrary to the laws applicable in Canada; (ii) are provided or offered to be provided under circumstances that are mentally, physically, socially or morally dangerous to them; (iii) interfere with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work; or (iv) constitute the worst forms of child labour as defined in article 3 of the Worst Forms of Child Labour Convention, 1999, adopted at Geneva on June 17, 1999. **Forced labour** means labour or service provided or offered to be provided by a person under circumstances that (i) could reasonably be expected to cause the person to believe their safety or the safety of a person known to them would be threatened if they failed to provide or offer to provide the labour or service; or (ii) constitute forced or compulsory labour as defined in article 2 of the Forced Labour Convention, 1930, adopted in Geneva on June 28, 1930.

VinFast Canada is part of the VinFast group of companies controlled by VinFast Trading and Production Joint Stock Corporation (“**VinFast JSC**”), a Vietnam-based company and the principal manufacturer and producer of VinFast vehicles and parts exported around the world, including to Canada. Both companies fall under the broader umbrella of Vingroup Joint Stock Company (“**Vingroup JSC**”), one of the leading private conglomerates of Vietnam which operates across multiple sectors and industries, including real estate development, travel and hospitality, education, retail, healthcare, green technology, and the motorcycle and automotive industry. As a subsidiary of and importer of goods manufactured and produced by VinFast JSC, VinFast Canada benefits from the measures VinFast JSC has in place to address forced and child labour in its supply chain. Those measures are outlined in this Report.

The Report will be updated annually to chronicle VinFast Canada’s commitment to fighting against forced and child labour.

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See the VinFast story here: vinfastauto.ca/en/story.

For more information about Vingroup, visit vingroup.net/en/about.

1. STEPS TAKEN TO PREVENT AND REDUCE RISKS OF FORCED AND CHILD LABOUR

VinFast is committed to contributing to the fight against forced and child labour, through concrete and purpose-driven actions aimed at preventing and reducing the risk that forced or child labour be used at any step of the production of VinFast vehicles, parts, and services. The company is committed to upholding high ethical standards and to respecting the human rights and dignity of all people. VinFast believes in and supports the mission of improving the lives of people as they innovate and strive toward building a portfolio of high-quality products and services.

Over the course of 2023, since it procures most of the goods it sells and distributes from VinFast JSC, VinFast Canada has benefited from a number of measures taken by VinFast JSC during that time to prevent and reduce the risks of forced and child labour in the VinFast JSC supply chain. Those measures included:

- 1) Establishing a Supplier Code of Conduct in August 2023, which speaks to the standards that suppliers must observe when doing business with the company, notably the avoidance of any association with any form of forced or child labour. When suppliers commit to abiding by the Code of Conduct, VinFast JSC has the right to audit them for compliance and take action to remediate any observed non-compliances, including terminating the business relationship when appropriate.
- 2) Developing a Supplier Quality Manual, applicable to direct suppliers of parts and which incorporates the Supplier Code of Conduct and makes compliance with it an element in the assessment of a supplier's overall quality rating. Failure to meet the standards outlined in the Supplier Code of Conduct can lead to disciplinary action or termination of the business relationship with the supplier.

VinFast JSC has continued its work on this issue through the start of 2024, and has taken the following additional measures to date:

- 1) Training on VinFast's Supplier Code of Conduct, which covers forced and child labour, for employees and contractors, including providing information on reporting mechanisms for incidents related to forced and child labour at VinFast, such as those outlined in the company's Global Speak Up process.
- 2) Requiring suppliers to sign a commitment to comply with the contents of the Supplier Code of Conduct and, for direct suppliers of parts, the requirements of the Supplier Quality Manual.
- 3) Incorporating content on forced labor, child labor, environment, and social responsibility into its supplier assessment checklist, to better assess suppliers for safe and fair practices before proceeding with procurement transactions.

VinFast Canada is benefactor of the above noted measures and in addition it maintains its own internal controls and processes to ensure all VinFast Canada employees are recruited on a voluntary basis and meet the legal age of majority in their jurisdiction of reference.

2. STRUCTURE, ACTIVITIES, AND SUPPLY CHAIN

VINFAST'S CORPORATE STRUCTURE AND ACTIVITIES

VinFast Canada is a corporation legally incorporated and operating under the laws of British Columbia, Canada. VinFast Canada primary place of business is located at 80 Tiverton Court in Markham, Ontario. VinFast Canada employed approximately 180 people in 2023, and it is the Canadian importer and seller of VinFast vehicles, parts, and accessories in Canada. In 2023, it had showroom locations in the provinces of British Columbia, Ontario, and Quebec. It operates under a direct-to-consumer model, meaning all showroom locations are owned and operated by VinFast Canada, which sells the vehicles it imports from VinFast JSC directly to consumers in Canada.

VinFast Canada is a wholly owned subsidiary of **Vingroup Investment Vietnam Joint Stock Company**, a Vietnamese joint stock company engaged in the support of and investment in start-up businesses. It has a registered office and principal place of business located in Hanoi City, Vietnam. Vingroup Investment Vietnam Joint Stock Company does not manufacture, distribute, or export products to Canada. VinFast JSC is the principal manufacturer of VinFast vehicles and parts imported into Canada and sold by VinFast Canada.

VinFast JSC controls both Vingroup Investment Vietnam Joint Stock Company and (indirectly) VinFast Canada. It is a corporation legally incorporated and operating under the laws of Vietnam and was founded in 2017. Its registered office and principal place of business is in Hai Phong City, Vietnam. VinFast JSC is the entity that manufactures, produces, and exports VinFast electric vehicles to markets around the world, including Canada. It operates a state-of-the-art automotive manufacturing complex in Hai Phong that boasts up to 90% manufacturing automation and had an annual production capacity (i.e. maximum number of vehicles that can be constantly manufactured in a year with additional shifts per day throughout the year) of up to 300,000 units in its first phase. Since its inception in 2017, it converted into a fully EV manufacturer in 2022, and has delivered four EV models to customers in Vietnam to date: VF e34, VF 8, VF 9 and VF 5. VinFast recently crossed an important milestone on the journey to becoming a recognized global EV brand with the first VF 8 EVs exported to North America in early 2023, and production of VinFast model VF9 vehicles destined for the Canadian market beginning as well.

Both VinFast Canada and VinFast JSC fall under the broader umbrella of **VinFast Auto Ltd.**, the parent company and publicly traded entity listed on the NASDAQ.

VinFast Canada and VinFast JSC share the same **mission**: to create a more sustainable future for everyone. They seek to accomplish this through a shared vision of driving the movement of the global smart electric vehicle revolution.

SUPPLY CHAINS

VinFast Canada imports its vehicles and most of its spare parts from VinFast JSC. VinFast JSC's suppliers thus form part of VinFast Canada's overall supplier network. Those suppliers are categorized as follows:

Type of Goods / Services	Primary Source Countries/Regions	Secondary Source Countries/Regions
Parts	China Southern Asia Germany Turkey United States	Europe Western Asia Southern Asia Southeast Asia Australia Mexico
Information Technology	Vietnam Singapore United States United Kingdom	Australia Austria China France Germany Hong Kong India Ireland Japan Korea Middle East Netherlands Spain Switzerland
Logistics	Vietnam Germany United States	India Taiwan Denmark South Korea Japan Panama France Singapore Sweden China

VinFast Canada also imports certain other goods from suppliers outside the VinFast group of companies – namely charging electric vehicle service equipment. Those suppliers are located in Canada, Vietnam, and the United States with goods produced originating from Canada, Vietnam, and Mexico.

3. POLICIES AND DUE DILIGENCE PROCESSES IN RELATION TO FORCED AND CHILD LABOUR

VinFast Canada benefits from the policies and processes put in place by VinFast JSC that address forced and child labour. Those policies and processes are still in the early stages of implementation, and they apply to VinFast JSC employees and suppliers. Once fully implemented, VinFast JSC intends to have them adopted by its market subsidiaries, including VinFast Canada, with adaptations where appropriate for regional specificities. VinFast JSC is currently in the process of operationalizing measurement mechanisms for tracking and monitoring to ensure compliance with its policies and processes to the fullest extent possible.

SUPPLIER CODE OF CONDUCT

The **VinFast JSC Supplier Code of Conduct**, adopted in August 2023, sets out VinFast JSC's requirements for suppliers in terms of responsible business conduct, and provides a means of setting benchmarks to mitigate any adverse effects on human rights, labour rights, environmental protection, and anti-corruption practices. It holds suppliers accountable for compliance with VinFast JSC's requirements along with all applicable laws and regulations. Those requirements notably include, but are not limited to, the following:

- Suppliers must not be associated with human trafficking or any type of forced labour, nor undertake any practices that are in violation of human rights and international humanitarian laws.
- Suppliers must not be associated with exploitative forms of child labour.
- Supplier must comply with applicable laws regulating hours of work, including overtime, minimum working wage, and maximum working hours, and that the supplier provide acceptable living conditions and provide fair and competitive compensation and benefits that meet or exceed legal requirements.

In early 2024, VinFast JSC began requiring that all its suppliers sign its Supplier Code of Conduct, and the Code also contains several control and measurement mechanisms designed to conduct due diligence on supplier compliance with the Code. Those mechanisms notably include:

- Conducting audits on suppliers, including certified third-party auditing of supply chain due diligence and reporting.
- Engaging in risk assessment.
- Designing and implementing a strategy to respond to any identified risks.
- Participating in initiatives, forums, and committees related to the issues in scope.
- Enacting corrective or disciplinary actions against non-compliant suppliers.
- Termination of the business relationship for failure to comply, if appropriate.

SUPPLIER QUALITY MANUAL

The **Supplier Quality Manual**, developed and implemented in 2018 and recently updated in March 2024, includes a process that requires VinFast JSC direct suppliers of parts to report all material and substance information for all types of purchased materials, components, or items supplied to VinFast JSC using the International Material Data System (www.mdssystem.com). The Supplier Quality Manual also incorporates the Supplier Code of Conduct and reiterates VinFast JSC's requirements relative to human rights and working conditions. Those conditions notably and explicitly prohibit suppliers in scope from using forced or child labour.

SUPPLIER ASSESSMENT QUESTIONNAIRE

The VinFast JSC **Supplier Assessment Questionnaire**, developed in 2023 and formally adopted in March 2024, must be completed and returned prior to any supplier being engaged by VinFast JSC. The questionnaire includes a section on global working conditions and contains questions that suppliers must answer surrounding their policies and processes in place to ensure adherence to global working condition guidelines, such as the Guiding Principles¹ issued by the Automotive Industry Alliance Group ("AIAG"), and compliance with all applicable labour laws and other regulatory requirements, including the prohibition of child labour. The supplier's responses to the questionnaire are reviewed and approved by applicable stakeholders within VinFast JSC, and a risk rating is assigned to the supplier. Overall risk ratings must be deemed acceptable before suppliers can be engaged.

VinFast Canada also has its own Supplier Screening Questionnaire for its own direct suppliers, which it plans to bolster in 2024 to include assessment criteria around forced and child labour.

CONFLICT MINERALS POLICY

The VinFast JSC **Conflict Minerals Policy** affirms the company's commitment to using responsibly sourced materials and to ensuring VinFast remains socially and environmentally responsible, promoting ethical conduct throughout its supply chain, regardless of industry, area, or type of resource. The policy notably affirms VinFast JSC's commitment to ensuring that it and its suppliers do not play a part in human rights abuses nor forced or child labour.

GLOBAL SPEAK-UP POLICY

The VinFast **Global Speak-Up Policy** invites all employees and stakeholders to report any violations of company policies, general impropriety, or human rights violations, openly and anonymously. The Global Speak-Up policy provides a concrete procedure and framework for safe, retaliatory-free reporting of workplace concerns, including concerns about Code of Conduct, misconduct, and potential violations of law, including but not limited to labour and safety concerns. The policy sets out VinFast's standard approach for receiving, screening, handling, and reporting any such incidents. The goal of the policy is

¹ The AIAG Guiding Principles define common expectations of the signatories for their suppliers. For more information, visit: aiag.org/corporate-responsibility/environmental-social-governance/guiding-principles

to have a standardized approach that allows for a transparent and accountable process for handling Speak-up reports. The policy sets out a series of options for Speak-Up reporting; reports can be made by phone, anonymously by email at speakup@vinfast.vn or in person to Human Resources. Reports received are investigated and the policy applies to all persons working for VinFast, including directors and other officers, regular employees, fixed-term employees, short-term employees, part-time workers, dispatched workers, and temporary workers. The Speak Up Policy also encourages contractors, suppliers, customers, and related parties to speak up if there is a perceived breach of the VinFast Code of Conduct. The policy encourages all stakeholders to comfortably raise concerns. VinFast Canada periodically verifies whether any reports regarding forced or child labour have been made. To date, since its adoption in 2022, no such reports have been made.

INDUSTRY STATEMENT AGAINST CHILD LABOUR

VinFast is also a member of the Automotive Industry Action Group, which issued a [statement](#) against child labour on behalf of all member companies.

“In light of recent legislative changes to state labor laws in the United States, AIAG and its member companies are reaffirming the industry’s position on child labor and young workers. As stated in the Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain (2022), also referred to as the Guiding Principles, the industry standard for global legislative compliance:

Child Labor/Labour and Young Workers: Suppliers must observe the minimum employment age in their business activities and throughout their supply chain in accordance with the ILO Minimum Age Convention and shall ensure that child labor/labour is not tolerated in any form.”

For more information, visit: aiag.org/corporate-responsibility/forced-labor-human-rights

The statement reaffirms the members’ position and industry standard on child labour.

In addition to benefiting from the above, VinFast Canada maintains its own internal controls and processes to ensure all VinFast Canada employees are recruited on a voluntary basis and meet the legal age of majority in their jurisdiction of reference. Notably, all candidates are extended an offer of employment prior to being hired, which they are free to refuse. The terms of the offer are also typically negotiable. VinFast Canada Human Resources personnel will also conduct pre-hire verifications, which includes verifications to ensure candidates are of legal working age in the applicable jurisdiction.

4. ASSESSING OUR RISK EXPOSURE, AND STEPS TAKEN TO MANAGE THAT RISK

VinFast Canada and its principal supplier VinFast JSC are still in early stages of maturity regarding the implementation of more robust controls for assessing the parts of their business and supply chains which may carry a risk of forced or child labour. VinFast JSC’s practice through early 2024 was to request that all its suppliers sign its Supplier Code of Conduct, and to keep track of suppliers who

refused to sign it. This gives some indication of the areas of its supply chain which may carry a greater risk of forced or child labour. The use by VinFast JSC of its Supplier Assessment Questionnaire throughout the remainder of 2024 and thereafter will further help identify risks in its supply chain.

5. TRAINING AND AWARENESS ACTIVITIES

VinFast JSC began requiring all of its employees undergo training on its Supplier Code of Conduct in early 2024, which training included the Code's elements on forced and child labour.

- Training time: 1 hour
- Assessment after training: Examination

VinFast JSC also requires all its new employees to undergo training on its Environment and Social Responsibility Policy, as part of onboarding training.

VinFast Canada has not provided any training to its employees on forced and child labour as yet.

6. ASSESSING OUR EFFECTIVENESS

The measures and controls in place in 2023 around forced and child labour appear to be supporting the initiative but as mentioned, they are still in the early stages of implementation. VinFast JSC is currently in the process of exploring opportunities to develop and implement more tangible metrics and control mechanisms for tracking and monitoring to fully ensure compliance with its policies and processes, and to better assess both companies' overall effectiveness in fighting against forced and child labour in their supply chains.

Measures taken to remediate any forced or child labour

No instances of forced or child labour have been identified in our activities or supply chain over FY2023. Therefore, no remedial measures have been taken.

Measures taken to remediate loss of income to the most vulnerable families

No instances of forced or child labour have been identified in our activities or supply chain over FY2023. Therefore, no remedial measures have been taken to address any such instances and it has thus not been necessary to remediate any potential or real loss of income arising out of any such measures.

APPROVAL AND ATTESTATION

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind VinFast Auto Canada Inc.:

DocuSigned by:

Thuy Thanh Pham

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Thuy Thanh Pham
Market CEO and Director, VinFast Auto Canada Inc.

Date signed: **May 30th, 2024**

CONTACT US

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