

Zhongshan Huali Industrial Group Co., Ltd

Group Grievance & Reporting Management Measures

1. Purpose

In order to implement the Group's honest operation, develop good labor relations, provide a friendly working environment, eliminate workplace violence, harassment, corruption, bribery and other phenomena, fully protect the legitimate rights and interests of the group and its employees, establish a fair and efficient communication and handling mechanism, and provide a basis for the reporting and grievance of all kinds of illegal and improper treatment behaviors. This regulation is specially formulated.

2. Scope of Application

2.1 In the event of any wrongdoing or improper treatment among employees of the Group.

2.2 When an employee engages on unlawful or improper treatment with a job seeker, visitor of other external person.

3. Rights and Responsibilities

3.1 Senior management of the Group : Responsible for appointing a dedicated person to manage the grievance and reporting channels, appointing a dedicated department to establish the Group grievance and reporting committee, reviewing the investigation results and making a final decision to ensure appropriate handling of the relevant parties.

3.2 Group Grievance and Reporting Committee: Responsible for organizing and supervising the establishment of grievance and reporting investigation teams in each factory . Provide relevant guidance and training for cases, and make regular review on grievance and reporting process. At the same time, it accepts the subsequent appeals and responses of the investigation cases from each factory area, as well as the grievances and reports from the group headquarters.

3.3 Factory Grievance and report Investigation Team: Responsible for filling and investigating cases in each factory , collecting relevant evidence, and writing complete investigation reports.

3.4 Grievance/Informant: Responsible for providing true and complete information and actively

cooperating with the investigation.

3.5 The respondent/the person being reported: Should cooperate with the investigation and provide relevant information to assist in the investigation.

3.6 Compliance and Sustainability Department at the Group headquarters (C&S HQ) :

Responsible for leading the Group's education on anti-harassment, anti-violence and integrity Training, as well as providing revision suggestions for the compliance of this management to ensure compliance with local national laws and regulations and the relevant provisions of the brands, and supervising and guiding the investigation process of grievance and report cases.

3.7 General Office of HR Department: Responsible for the formulation and revision of this management method, as well as the interpretation, execution and supervision during the implementation process, and assisting the group in the implementation of the theme education and training on anti-harassment, anti-violence and integrity.

3.8 All the departments in the Group: Actively cooperate and participate in the Group's education and training on anti-harassment, anti-violence and integrity. In case of any grievance or report, assist in the investigation and provide necessary support.

4. Noun Definition

4.1 Illegal acts and improper treatment: It refers to acts that violate integrity and self-integrity, such as bribery, corruption and fraud. It also refers to a series of unacceptable behaviors and practices such as violence and harassment, which aim to cause, lead to may cause physical, psychological, sexual or economic harm, or the threats they bring, whether they occur only once or repeatedly. And other acts that violate the laws and regulations of the local country. Including but not limited to the following behaviors:

4.1.1 Corruption and Fraud: such as intentionally seeking benefits through dishonest means, evading duties, or causing losses to the group or its shareholders, colluding with suppliers or customers to obtain kickbacks, illegally obtaining bonuses, accepting bribes, embezzling funds for personal gain, inflating expense, privately storing public funds, occupying company assets, and misappropriating the group's tangible or intangible assets or information, etc.

4.1.2 Workplace Violence: Any form of physical harm, threatening behavior or abuse, including verbal violence, threats, bullying and other physically harmful behaviors, beating, injuring others ,rape, and intimidation scare, phone disturbance, intimidation and foul language towards others, etc.

4.1.3 Workplace Harassment: such as using sexual demands, words or behaviors with sexual connotations or gender discrimination to create a hostile, coercive or offensive working environment for others, infringing upon or interfering with their personal dignity, personal freedom or affecting their work performance, or using power to make sexual demands on the condition of obtaining good things in the work and forcing employees to make choices.

4.2 The respondent/the person being reported: may include managers at all levels, employees or external personnel.

4.3 Whistleblower information: It refers to the relevant information provided in the grievance or whistleblower case, including the name and contact details of the whistleblower, the identity information of the person being reported, and specific or reasonable suspicious evidence that can be investigated.

5. Anti-Harassment, Anti-Violence and Integrity Education and Training

5.1 The Group and each factory area must enhance the promotion of preventive measures and grievance and reporting procedures related to anti-harassment, anti-violence and self-integrity, rationally plan and regularly conduct relevant education and training or lecture courses, and publicly display the relevant information in prominent places in the workplace.

5.2 All new employees must receive relevant theme education and training upon joining the company, and complete the self-integrity declaration form and the no-disturbance declaration.

5.3 Employees on the job must regularly participate in the education and training on anti-harassment, anti-violence and self-integrity regularly organized by the group and each factory area.

5.4 Members of the Group's Grievance and Reporting Committee and the investigation teams of each factory area must regularly participate in the above-mentioned relevant education and training as well as case investigation training courses every year.

5.5 The above-mentioned education and training are led by the C&S HQ and organized with the assistance of the Human Resource General Office. The C&S and human resources departments of each factory area need to actively cooperate in the specific implementation of the relevant education and training.

6. Corrective and remedial measures for illegal acts and improper treatment

6.1 Considering the wishes of the grievance/informant isolation measures to prevent the grievance /informant from being harmed again by illegal or improper treatment, and no unfavorable changes should be made to the grievance/informant's salary or other labor conditions.

6.2 Each company/factory area may provide for refer the grievance/informant to consultation,

medical or psychological counseling, social welfare resources and other necessary services in accordance with local labor laws and regulations.

6.3 The investigation teams of each company/factory area shall initiate the investigation procedures, conduct interviews or appropriate investigation procedures with the relevant personnel involved in the illegal acts or improper treatment incidents.

6.4 If the person being complained against or reported against holds powerful position and the circumstance are serious, it may be necessary to suspend or adjust the scope of their job responsibilities during the investigation period.

7. The composition of the Group's Grievance and Reporting Committee and the grievance investigation teams of each factory area

7.1 The chairperson of the Group's Grievance and Reporting Committee shall be a manager of the C&S HQ. The committee members shall mainly be from various units of the Group's General Office (including but not limited to the Group's General manager or designated agent, the C&S HQ, the Human Resources General Office, etc.). In cases involving harassment, the proportion of female committee members should be more than half.

7.2 The head of the grievance investigation team in each factory area (i.e., the convener of the investigation team) shall be an employee of the factory C&S department. The members of the investigation team should be the supervisor mainly from the Business Group and factory, the factory C&S Department, factory Human Resources department and Trade Unions. When it comes to harassment cases, female investigators should account for more than half of the total.

7.3 The personnel involved in the handling, investigation and decision-making of the case shall be themselves both parties to the appeal or report case, or the spouses of both parties, or have a blood relationship within the fourth degree of consanguinity, an in-laws relationship within the third degree of affinity, or a family relationship. Those who are involved or have other conflicts of interest shall recuse themselves on their own. If a person should recuse himself/herself but fails to do so, or if recusal is applied for by the complainant or the respondent, the Group shall order him/her to recuse.

8. Methods and channels for appeal and reporting

8.1 Each company/factory area should publicly display relevant information about the grievance channels in a prominent place in the workplace (Attachment 1). When employees discover or encounter any illegal acts or improper treatment such as workplace violence, harassment, corruption, fraud, etc., they can file grievances or reports through the grievance and reporting channels:

8.1.1 Suggestion Box in the Factory Area: It is managed by a dedicated person from the factory C&S department. The suggestion box needs to be opened once a week, and the Suggestion box opening

record form (Attachment 5) should be filled out.

8.1.2 Meet directly with the Compliance and Sustainability Department , trade union or human resources department at factory level.

8.1.3 Group Grievance & Reporting Email:

anti.corruption@huali-group.com

avh.hlig@huali-group.com

8.1.4 Group Grievance and Reporting Hotline

+84974563525 (Vietnam) 、 +8676086181068 (China)

8.2 The information on grievances and reports should provide the following matters (Attachment 2) :

8.2.1 The name, gender, date of birth, ID number, contact phone number, contact address and email address of the complainant/informant.

8.2.2 The name of the respondent/the person being reported or other information that can recognition the identity characteristics of the respondent/the person being reported. The content of the appeal or report should include specific matters, relevant materials or clues that can be investigated, and specific evidence related to the facts of the appeal or report (such as physical evidence and personal evidence).

8.2.3 The content of the appeal or report should be sufficient and specific. The complainant/informant should truthfully raise the information and must not make false reports. If it is verified to be a false accusation, the group will impose penalties on the complainant/informant according to the severity of the circumstances.

9. Investigation principles and procedures

9.1 Investigation principles

9.1.1 Confidentiality: To safeguard the privacy and personality rights of the relevant employees, the investigation of reported or complained cases should be based on the principle of confidentiality. However, the relevant employees should actively cooperate with investigation and must not evade or refuse. The Group protects the privacy and personal rights and interests of the parties involved. Personnel participating the investigation must not disclose information to irrelevant others to ensure that they will not use subject to improper handling due to grievances or reports. Both parties involved and the interviewees should also be obligated to keep confidential the cases of grievances and reports. Those who violate the confidentiality regulations will be punished according to the severity of the circumstances, including but not limited to demerits, job transfer, dismissal, deferred salary increase or other measures.

9.1.2 Fairness: During the investigation process, the parties involved should be given sufficient opportunities to state their opinions and defend themselves fairly. When necessary, meetings

should be held for discussion. Unfair treatment is strictly prohibited.

9.1.3 Professionalism: When there is an imbalance of power between the parties or witnesses, confrontation should be avoided.

9.1.4 Timeliness: The investigation team should initiate the investigation within two working days after the case is filed and complete the investigation and form an investigation report within one month (if the case is complex or involves a wide range, the investigation time may be appropriately extended).

9.2 Investigation Procedure

9.2.1 Case Acceptance: After receiving a case through each grievance and reporting channel, it must be recorded and reported to the Group's Grievance and Reporting Committee. Cases involving personnel at the deputy manager level and above must be jointly participated in by the Group's Grievance and Reporting Committee and the factory area investigation team.

9.2.2 Initiate the investigation: The investigation teams of each factory area should, in accordance with the investigation principles, initiate investigations within two working days after the case is filed, and investigate the course of occurrence, cause, and specific circumstances of the individuals involved in the case, determine the nature and responsibility of the case, and put forward suggestions for case handling and preventive measures to prevent the recurrence of similar cases.

After the investigation is completed, an investigation report (Attachment 3 and 4) should be formed, which must detail the course of events and the statements of both parties. The parties involved and members of the investigation team should sign to confirm on the investigation report.

9.2.3 Investigation Process: During the investigation process, the Group's Grievance and Reporting Committee and the factory area investigation team have the right to review all the materials related to the cases and to ask all the information about the case. No department or individual may interfere with the normal conduct of the investigation. The unit or individual being complained against may not obstruct or interfere with the normal work of the investigation team. Relevant personnel of the case should assist and cooperate with the investigation work and must not conceal the truth or provide false evidence. The units and individuals under investigation shall voluntarily and truthfully provide the circumstances of the facts. The interrogation record shall be signed or sealed by the person being questioned and the person conducting the investigation and questioning after verification. Each investigation team must communicate promptly and effectively with the parties involved, handle relevant witnesses in a confidential manner, prevent witnesses and parties from being subjected to pressure, ensure the privacy and other personal rights and interests of both parties and witnesses, and protect the

complainant and witnesses from any retaliation or other adverse treatment. Each investigation team must promptly feedback the progress and results of the investigation to the Group's Grievance and Reporting Committee.

9.2.4 Investigation Resolution: The investigation team will provide factual reasons, disciplinary actions or other handling suggestions based on the investigation report, and submit relevant evidence (such as interview records of the person being reported, witnesses and related personnel, physical evidence, documentary evidence, etc.) to the superior supervisor and the Group's grievance and reporting committee in accordance with the personnel decision-making authority. The investigation report makes a resolution, and the subsequent handling shall be notified to the parties in writing.

9.2.5 If a party has objections to the resolution, they may submit a reply to the Group's Appeal and Reporting Committee within 5 working days from the day following the delivery of the resolution to the party, along with written reasons. The Group's Appeal and Reporting Committee shall convene a separate meeting to resolve the handling of the matter. After a case is closed, no further appeal may be lodged on the same matter.

10. Case Closed

10.1 If a grievance or report is verified to be true, the Group may, depending on the severity of the circumstances, impose penalties on the perpetrator in accordance with the employee handbook or labor regulations, local labor laws and other relevant provisions, including but not limited to demerits, job transfer, dismissal, deferred salary increase or other handling methods. In cases of serious circumstances, the Group may terminate the labor contract without prior notice in accordance with local labor laws and regulations. If local labor laws and regulations require notification to the local competent administrative authority, it shall be notified in accordance with the contents and methods stipulated by the local labor department.

10.2 The Authority and Responsibility units should keep the grievance and report documents, investigation process and investigation results in written or electronic form and keep it for five years. If a lawsuit related to the content of the report occurs, the relevant materials should be kept until the lawsuit is terminated.

10.3 For cases of appeal, report or grievance involving the rights and interests of employees, the case closure report shall be made public and known to all in accordance with the necessity and appropriateness. Considering the protection of the personal privacy and personality rights of the parties involved, the name of the person punished shall be displayed in the form of surname + ○.

10.4 If both parties involved in an event have needs for counseling, medical treatment or legal

assistance, the Group will make a positive referral or provide professional counseling, medical institutions or legal assistance.

10.5 If the report of corruption, fraud or other incidents that cause damage to the interests of the group is verified to be true, a reward will be given in accordance with Article 6 of the Integrity and Self-Purification Behavior Management Measures. The details of the payment collection are confirmed by the investigation team and the whistleblower, and do not go through factory operations to safeguard the rights and interests of the whistleblower.

11. Implementation and Revision

11.1 After the approval of this measure, the following measures and letters have been incorporated into this measure and shall automatically become invalid upon their entry into force.

11.2 This regulation shall come into effect upon approval by the competent authority. The same procedure shall apply to any revision.