

# Risk Management Report in 2024

At Vinamilk, risk management is an integral component of the Company's strategy and operations. We recognize that proactively identifying, assessing, and mitigating risks is essential to achieving business objectives, protecting shareholder value, and ensuring the Company's long-term sustainable growth. In 2024, the global landscape remained complex and unpredictable, marked by numerous risk factors and uncertainties, including:

- Escalating military conflicts and geopolitical tensions
- Intensifying strategic competition between major economies
- Increased trade protectionism in multiple countries
- Economic downturns in key global markets
- Localized disruptions in global supply chains
- More frequent and more intense natural disasters

To navigate these challenges and achieve strategic objectives, Vinamilk engages the participation and dedication of all levels and departments to continuously review, enhance, and refine its risk management system, ensuring effectiveness and resilience.



## Risk management structure at Vinamilk

Vinamilk's risk management framework is structured into four key layers: Establishment – Management – Execution – Assurance. This structure provides a clear and unified framework, ensuring roles and responsibilities in risk management across all levels of the Company



Where:

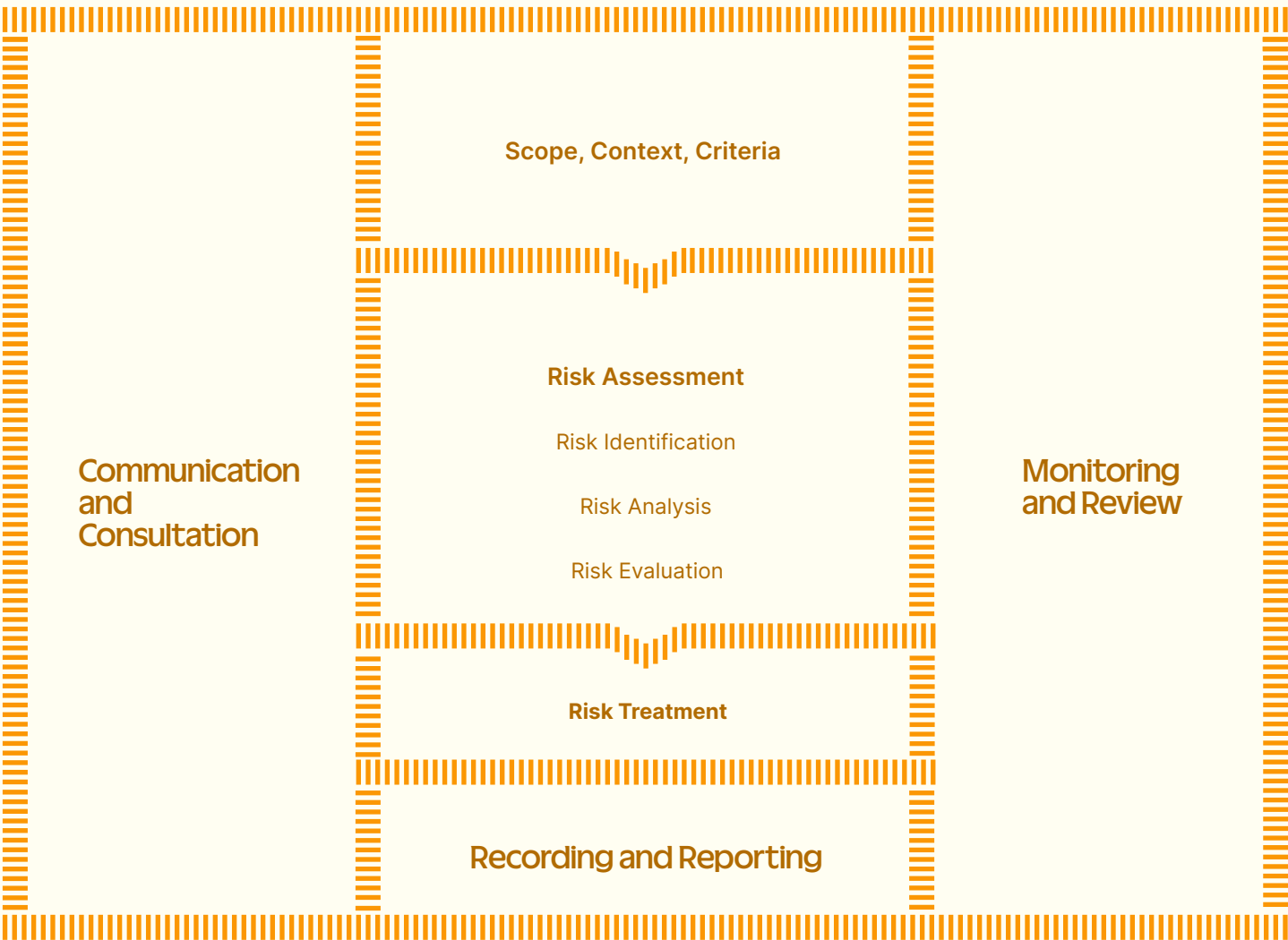
Layer	Components	Roles and responsibilities
Establishment	Board of Directors Audit Committee	Holds ultimate responsibility for the Company's risk management approach. The Audit Committee supports the BOD in overseeing internal control and risk management effectiveness.
Management	Risk Management Board Internal Control & Risk Management Department	Develops and monitors the implementation of risk management processes, control measures, and provides recommendations to the BOD and Audit Committee.
Execution	Risk Owners Industry Experts	Owns the risks and holds direct responsibility for identifying, assessing, responding to, monitoring, and reporting risks within their respective areas.
Assurance	Internal Audit	Evaluates the effectiveness of risk management and internal controls, providing reasonable assurance regarding the achievement of objectives to the BOD and Audit Committee.

Corresponding to this structure, Vinamilk's Risk Management system is built upon three control tiers: Prevention – Detection – Remediation.

Additionally, Vinamilk's Risk Management system is developed with a flexible adaptation of international standards (ISO 31000)

and global best practices in enterprise risk management. This ensures its effective establishment, integration, and continuous improvement.

The current Risk Management process at Vinamilk consists of six interrelated activity chains, which are seamlessly integrated into all business operations, as depicted below.



# Risk management activities at Vinamilk in 2024

2024 marks the third year of Vinamilk’s five-year strategic implementation phase (2022–2026). Throughout the year, Vinamilk successfully completed several key initiatives, including relaunching key products under a new brand positioning; researching and developing new product lines to expand market share, with a focus on premium dairy products; and advancing sustainable development efforts in line with the disclosed Net Zero Pathway. The integration of Risk Management activities into Vinamilk’s operations played a critical role in ensuring the successful execution of these initiatives. By embedding risk awareness and mitigation strategies into business activities, Vinamilk has increased the likelihood of achieving strategic objectives, enhanced operational efficiency, and maintained sustainable growth.

Some notable Risk Management activities in 2024 included:

## I. Operating an effective risk management system

Vinamilk’s Risk Management system functions as a structured, ongoing, and comprehensive mechanism, ensuring that risks are systematically identified, assessed, monitored, and reported across all levels—from the BOD to management teams and individual employees. Key activities in 2024 were listed as follows:

- 1. Conducted quarterly risk assessments and reports at the company level, and prepared ad-hoc reports for newly emerging risks to ensure proper monitoring, continuous review, timely response, and alignment with the Company’s risk appetite.
- 2. Closely tracked Key Risk Indicator (KRIs) to identify risk patterns and implement prompt action plans.
- 3. The Risk Management Board provided quarterly and ad-hoc reports, detailing risk assessment results and updates on response plans, to the Audit Committee of the BOD.

## II.Strengthening risk management culture

Vinamilk firmly believes that a strong risk management culture is the foundation for a successful risk management system. Recognizing this, the Company implemented various initiatives to enhance awareness, responsibility, and engagement among all employees:

- 1. Published regular and ad-hoc risk newsletters to provide updates on risk context, notable incidents, and best practices; these insights were particularly helpful for management in daily operations and supervisory activities.
- 2. Conducted awareness training for Vinamilk employees and key personnel across subsidiaries to upgrade the company-wide risk management system over the course of time.
- 3. Launched communication programs and reminders about Vinamilk’s internal risk management regulations, while launching minigame contests to encourage widespread employee participation and explore innovative initiatives.

## III. Reviewing and improving the risk management system

Vinamilk has proactively conducted a comprehensive review and continuous improvement of the risk management system to ensure its effectiveness and efficiency in the new context with the spirit of “Raise the bar”. Key activities in 2024 were listed as follows:

- 1. Conducted regular analyses of internal and external business environments to identify and evaluate risks that may impact the implementation of strategic objectives; developed and implemented proactive response plans based on risk assessment findings.
- 2. Reviewed, updated, and finalized key documents, including the Risk Management Policy, Risk Management Procedures, and related guidelines; enhanced the Risk-Control Self-Assessment (RCSA) procedure with a new approach that supports self-assessment by process owners, ensuring completeness and effectiveness of risk controls.
- 3. Conducted a comprehensive review of Vinamilk’s compliance risk management framework to develop short-term and long-term improvement roadmaps, with a strong emphasis on two critical components of the risk management system – fraud and corruption – to facilitate the Company’s sustainable development based on the committed business ethics.



# Risk Management Activities to be Implemented in 2025

In 2025, Vinamilk remains committed to implementing key objectives established by its five-year strategic plan (2022–2026). While 2025 presents significant challenges due to an increasingly volatile, complex, and unpredictable business environment, it also offers opportunities for growth and expansion. To effectively navigate these challenges and capitalize on opportunities, Vinamilk has entrusted the Risk Management System with important responsibilities and duties. The following key action plans have been established for 2025:

01.

Ensure a continuously effective risk management process, and strengthen risk-based decision-making.
02.

Review and update the Company’s Risk Register, Kri Register, and Risk Measurement Criteria & Parameters based on 2025 strategic objectives.
03.

Standardize the risk management system across all operational processes and projects, and ensure its seamless integration into the company-wide management system to reinforce alignment between tactical and strategic objectives.
04.

Continue the compliance risk management enhancements in accordance with the established schedule.
05.

Expand training programs and awareness campaigns through diverse and tailored activities to cultivate a risk-aware mindset in each employee.

In today’s business environments, these proactive risk management actions will enable Vinamilk to enhance adaptability in response to changes, safeguard against increasingly complex threats, and seize emerging opportunities to defend its competitive position.