

Chapter 5

SUSTAINABLE DEVELOPMENT REPORT

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PRESIDENT AND CEO'S MESSAGE ON SUSTAINABLE DEVELOPMENT



IN OUR FORTHCOMING DEVELOPMENT STRATEGY, PVFCCo HAS METICULOUSLY REVIEWED, UPDATED, AND TIGHTLY INTEGRATED ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) FACTORS WITH OUR TRADITIONAL BUSINESS OBJECTIVES. WE RECOGNIZE THAT CONSISTENT PURSUIT OF SUSTAINABLE DEVELOPMENT GOALS WILL BRING LONG-TERM BENEFITS, INCLUDING THE TRUST AND SUPPORT OF EMPLOYEES, PARTNERS, SHAREHOLDERS, AND THE GOVERNMENT.

PVFCCo's President and CEO undertakes the highest responsibility for the Corporation's environmental policies/issues.

On 27 March 2023, PVFCCo commemorated its illustrious 20-year journey with numerous milestones and memorable achievements.

In 2022, PVFCCo marked its 20-year milestone with remarkable achievements: Phu My Fertilizer Plant achieved the highest Urea production (920,000 tons) and longest continuous operation period; highest Urea export volume (200,000 tons); record revenue nearing VND 20,000 billion, and record profit nearing VND 7,000 billion.

Following that, on 10 October 2023, Phu My Fertilizer Plant, the core facility of PVFCCo, achieved a production milestone of 15 million tons. It was also awarded the Excellent Operation Certificate by Haldor Topsoe A/S (Denmark) for the third time, the technology licensor for Ammonia (NH₃) production.

These milestones and accomplishments are sources of immense pride, symbolizing the enduring legacy cultivated by successive generations of leadership and dedicated staff at PVFCCo over the past two decades.

At the time of transition, PVFCCo recognizes the significant transformation occurring in the fertilizer industry. On one hand, there is the challenge of balancing global food security with sustainable agricultural development. On the other hand, rapid technological and digital advancements are driving global changes. This calls for flexibility and swift adaptation from both nations and entities within the fertilizer sector to achieve sustainable and efficient development goals.

In our forthcoming development strategy, PVFCCo has meticulously reviewed, updated, and tightly integrated Environmental, Social, and Governance (ESG) factors with our traditional business objectives. We recognize that consistent pursuit of sustainable development goals will bring long-term benefits, including the trust and support of employees, partners, shareholders, and the government.

At PVFCCo, alongside updating our development direction for the next phase, in 2023, we launched the Center of Research and Application at the Phu My production center. Additionally, we established and enhanced our digital transformation department to seize and promptly realize opportunities, leveraging digital technology advantages. This ensures the reinforcement and enrichment of the values and competitive advantages accumulated over our 20-year journey for a more sustainable development path.

Despite being in the initial stages, 2023 saw active implementation of various workgroups. In the short term, the Corporation enhanced the application of digital transformation and advanced information technology in sales, marketing, and distribution system management, as well as customer data and market information quality improvement. This serves as a crucial foundation for PVFCCo to improve operational processes, formulate accurate and flexible policies, and conduct business operations. In the long term, the Corporation, along with industry partners, will continue collaborating on research to implement projects and policies aimed at realizing sustainable development goals according to medium and long-term development strategies.

With our joint efforts, consolidated resources, shared commitments, and the unwavering trust and support of shareholders and partners, I am confident that the PVFCCo team stands ready for a new chapter of growth. Together, we will continue to strive for excellence and achieve greater success in the journey ahead.

President and CEO
Phan Cong Thanh

SUSTAINABLE DEVELOPMENT REPORT'S OVERVIEW



TERM OF REPORT

PVFCCo synthesizes information and data from its actual operations for the period of 01 January 2023 to 31 December 2023, into its sustainability report, accompanying the 2023 Annual Report.

SCOPE OF REPORT

The report highlights PVFCCo's production and sales of fertilizer and chemical products in Vietnam and its overseas markets. Activities of subsidiaries are reported separately in accordance with Circular 96/2020/TT-BTC guidelines

UNITS/MEMBERS IN CHARGE OF PREPARING REPORTS

- ▶ Environmental Health and Safety Division: Focal point for preparing Environmental Report (E)
- ▶ Human Resources and Training Division: Focal point for preparing Labor and Social Report (S)
- ▶ Shareholder - Investor Relations Department (IR): Focal point for synthesizing the entire Sustainable Development Report and preparing Governance Report (G)
- ▶ Reviewing and approving the report: Chairman/President and CEO

CONTACT

We sincerely welcome your valuable input to ensure transparency and comprehensiveness in the report. Please feel free to send any contributions related to sustainable development issues to the following address:

IR Department - PetroVietnam Fertilizer and Chemicals Corporation

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Tel: 028. 3825 6258

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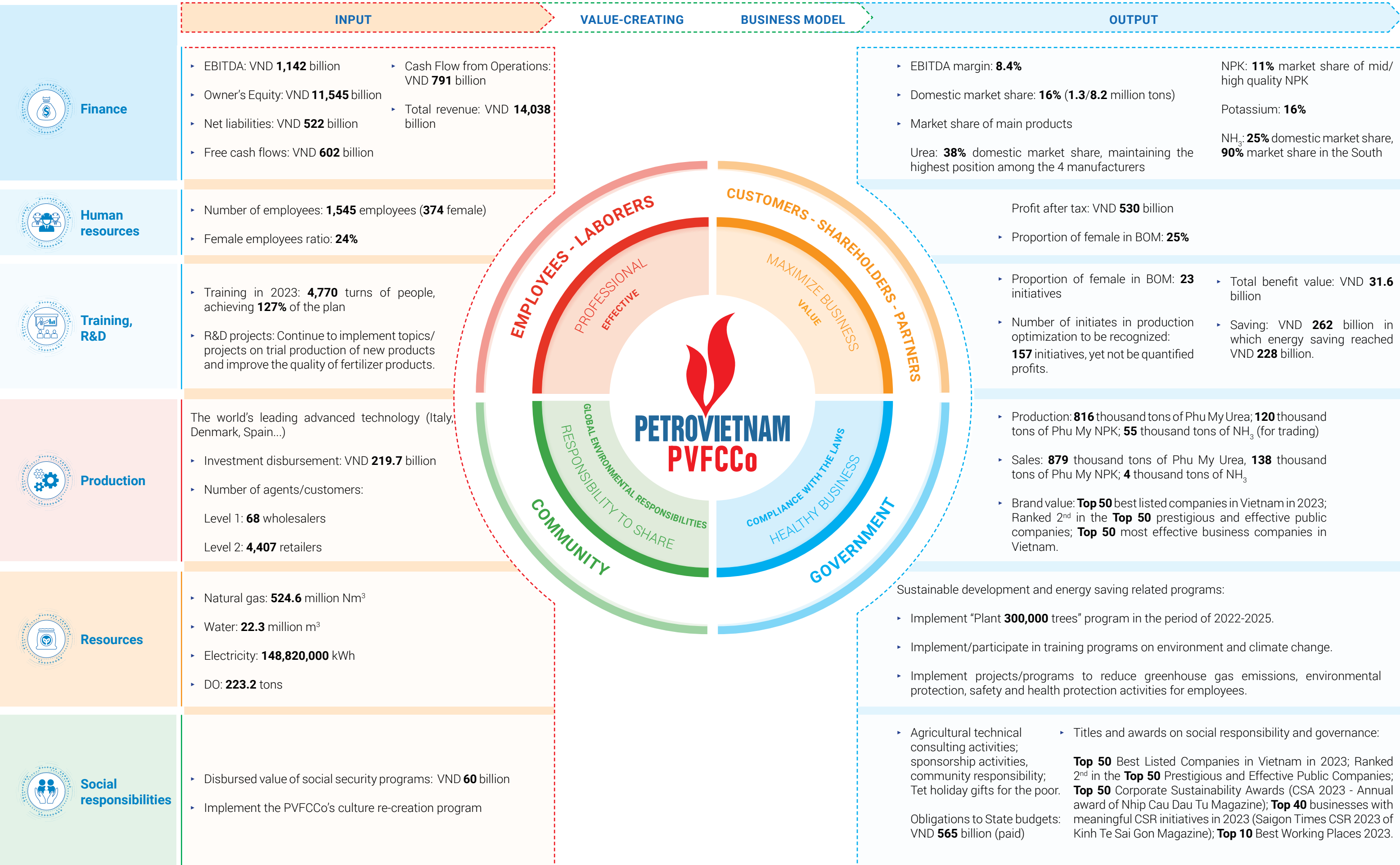
THIRD-PARTY ASSURANCE OF THE REPORT

Information and content of PVFCCo's Sustainable Development Report are confirmed by third parties, to be specific:

- ▶ Financial indicators according to PVFCCo's 2023 Financial Statements are audited by Deloitte Vietnam.
- ▶ Environmental monitoring reports at Phu My Fertilizer Plant are carried out by Environmental Monitoring Center of Ba Ria - Vung Tau Province. Environmental monitoring reports at PVFCCo's warehouses and office buildings are carried out by functional departments of provinces and cities.
- ▶ PVFCCo's results and assessments are confirmed and granted by reputable organizations such as Top 20 VNSI (Sustainable Development Index) of Ho Chi Minh City Stock Exchange (HoSE), Nhip Cau Dau Tu Magazine and Top 50 Corporate Sustainability Awards.



VALUE CREATION MODEL OF PVFCCo



OUTSTANDING AWARDS FOR SUSTAINABILITY IN 2023



Top 50 Corporate Sustainability Awards (CSA 2023) – annually organized by Nhip Cau Dau Tu Magazine to recognize and honor the enterprises making a significant contribution to develop the trend of sustainability, eco-friendliness and social fairness. PVFCCo is one of 22 listed companies to be honored in the term of “Outstanding risk management platform”.

Top 40 Typical Enterprises with practical social activities (voted by Saigon Times CSR 2023). This was the 3rd consecutive time the Corporation received this honorable award.

In the July 2023 assessment by the Ho Chi Minh City Stock Exchange (HoSE), DPM stocks maintained their inclusion in the SDI-VNSI stock basket. DPM remains the sole entity within the Vietnam Oil and Gas Group listed in the VNSI index since its inception in July 2017, achieving an overall assessment score of 80% in 2023 (Environment: 88%, Social: 80%, Governance: 66%). These 2023 scores demonstrate improvement over the previous year, notably exceeding industry and VN100 averages.

SUSTAINABLE DEVELOPMENT ORIENTATION

VISION – MISSION

PVFCCo strives to uphold its position as Vietnam’s foremost fertilizer manufacturer and distributor, while gradually diversifying into basic and petrochemicals, aiming to meet global standards in these industries.

PVFCCo’S PRINCIPLES OF SUSTAINABLE DEVELOPMENT

The Corporation is a producer and distributor of fertilizer and chemicals. It is inextricably linked to agriculture, farmers, and rural Vietnam (the region accounts for 70 percent of the total population of Vietnam). In its development strategy, the Corporation considers sustainable development as its orientation, principle and core value. In the past 20 years of developing, the business orientation “developing the enterprise integrated with environmental protection and social responsibility” has been preserved and developed by generations of employees as an asset and a cultural beauty of the enterprise. The Corporation consistently pursues a balanced priority among goals and optimizes the execution thereof.

- (1) Growing profitably;**
- (2) Growing in harmony with social aspects; raising citizens’ living standards and awareness, with a particular emphasis on agricultural regions, farmers, and rural areas;**
- (3) Improving the living environment, ensuring long-term and sustainable development for current and future generations**



STAKEHOLDER ENGAGEMENT

PVFCCo is actively building and nurturing cooperative relationships with stakeholders, emphasizing trust, transparency, and mutual support. This strong connectivity serves as a robust foundation for our pursuit of sustainable development and our contribution to Vietnam's and the world's strategic sustainability agendas.

The specific principles and actions associated with the stakeholders of the Corporation during the past time are as follows:



Employees:

PVFCCo has built a culture of "Professionalism - Efficiency; Dynamics - Creativity; Aspiration - Outreach; and Responsibility - Sharing", through a positive and professional work environment, fair employee policy and a friendly workplace.



Customers:

Delivering high-quality products, efficient solutions, and top-notch services to customers.



Shareholders:

The Corporation consistently develops its business operations to maximize enterprise value.



Government:

PVFCCo has ensured that its business activities complied with the laws. In particular, the achievements of PVFCCo are as follows:

Contributed to the State budget VND 565 billion - achieving 235% of the plan



Business partners:

In working with strategic business partners, the principles and values applied were: Healthy competition, collaboration and advancing customer best interests.



Community and society:

The Corporation is committed to carrying out its responsibilities to the community and society.

- Besides effective development and environmental protection, the Corporation was served both the employees and society.
- In 2023, the Corporation invested nearly VND 60 billion in numerous projects/ programs.



Environmental and global issues:

Sustainable development along with environmental preservation and social responsibility is always the Corporation's motto.

During the last year, the Corporation has continued to keep its commitment to environmental protection, by actively participating in the action programs promoted by the Government within the "National environmental protection strategy to 2030, vision to 2050" and "National strategy on climate change to 2050" to implement Vietnam's commitments at the 26th Session of the Conference of Parties joining in the UN Framework Convention on Climate Change (COP26).



PVFCCo'S SUSTAINABILITY ACTIVITIES IN 2023

ECONOMIC PERFORMANCE



In 2023, amid the general economic backdrop and challenges within the fertilizer market, PVFCCo diligently strived to accomplish its production and business targets for the year.

- Total revenue reached more than VND 14 trillion, a decrease of 26% compared to 2022.
- Profit before tax reached VND 691 billion, a decrease of 90% compared to 2022.

To ensure optimal use and control of its resources, PVFCCo has invested in IT such as business support software, document management software and other innovative approaches. The Corporation also invested and built its own resources planning application software such as ERP, STOP, 5S, APC, System 1, RBI, KPI, etc.

The Corporation's Management is constantly concerned with and actively manages activities aimed at improving and rationalizing production and business. In 2023, 23 initiatives were approved, resulting in a profit of VND 32 billion; and 157 initiatives to rationalize production were approved, yet not be quantified profits.

The activities relating to science and technology, research, and development continued to be cared for by the Corporation. In the period between 2020-2023, the units and the authors have strived to complete and deploy nine (9) scientific research projects, of which three (3) separate projects have been accepted and settled in 2023. In addition, there have been six (6) science and technology support activities and two (2) expenditure items for science and technology development fund management.

The Corporation effectively reformed administrative procedures, conserved resources, and avoided waste in order to reduce management and product costs. The total savings in 2023 were estimated at VND 262 billion, with approximately VND 228 billion in energy savings.

The total savings in 2023 were estimated at VND 262 billion

ENVIRONMENTAL PERFORMANCE

In 2023, HSE (Health, Safety and Environment) initiatives were challenged by broader operational difficulties within the Corporation, compounded by aging equipment risks at the Phu My Fertilizer Plant. Furthermore, stricter legal requirements for fire and explosion prevention were introduced to mitigate incidents like those experienced in 2023.

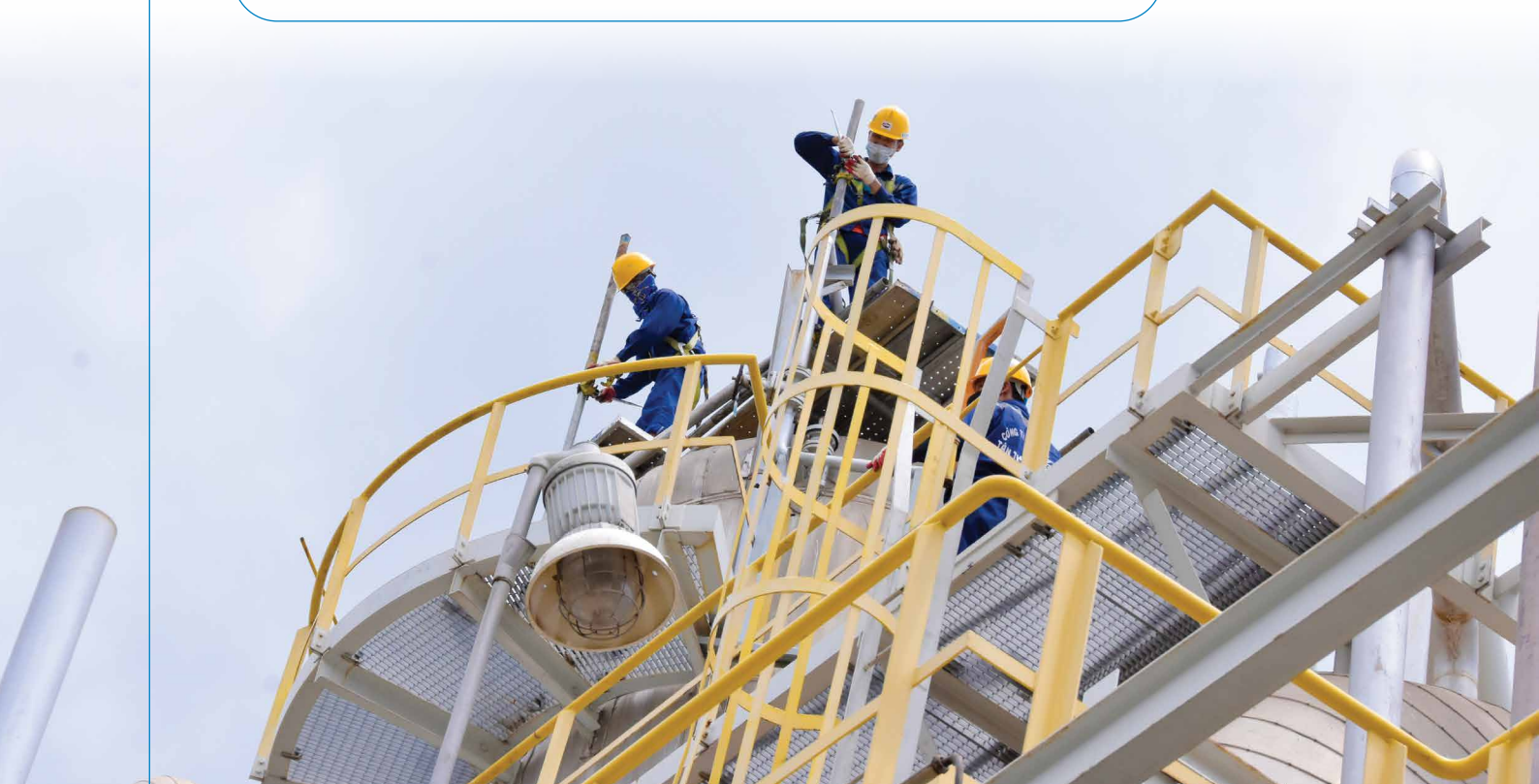
Concurrently, Vietnam's commitments to climate change mitigation, including achieving net-zero emissions by 2050, necessitated tighter environmental protection efforts from the Corporation to uphold legal compliance and sustain long-standing sustainable development goals.

To address these challenges, the Corporation endeavored to meet its 2023 HSE plan and objectives as follows:

Safety - Security, fire control, emergency response

Have been completed as per the plan and other tasks assigned by the Corporation's management team. All entities, plants, ports and warehouses have strictly complied with the Corporation's requirements and the legal regulations.

- The Corporation has not made any violations against the law on fire and labor safety.
- Phu My Fertilizer Plant has operated in a stable and safe way. Equipment incidents have been quickly discovered and resolved.
- Applied equipment safety inspection programs such as RBI, SYSTEM 1, etc. at Phu My Fertilizer Plant. Prepared Process Safety Management (PSM) for Phu My Fertilizer Plant.
- Repaired fire protection system according to the approval of the Fire Police at head offices at 43 Mac Dinh Chi and 27 Dinh Bo Linh.
- Released the Executive Decision to consolidate the Steering Committee for Emergency Response for the Corporation and enhance Steering Committee for Emergency Response for some units.
- Established new fire protection team at Chemical Mixing Factory - Chemical Business Branch.
- All units completed 100% of the plan for fire fighting rehearsals in 2023. Particularly, Phu My Fertilizer Plant has coordinated with Fire Fighting Police of Phu My Town and the fire fighting teams from Southeast Gas Transport Company, Phu My Thermal Power Plant and Phu My 3 BOT Power Company at Amo Export Station – Product Factory to jointly organize a fire fighting and prevention rehearsal.



PVFCCo'S SUSTAINABILITY ACTIVITIES IN 2023 (continued)

ENVIRONMENTAL PERFORMANCE (continued)

Safety - Security, fire control, emergency response (continued)

- ▶ The Corporation has carried out 25 inspections on EHS – Level 4 (the Corporation level), reaching 100% of the plan. In addition, safety, security and fire prevention and fire fighting inspections at all levels have been organized at Phu My Fertilizer Plant as well as other units, warehouses and ports. At the same time, occupational safety and hygiene inspections have been conducted before the upcoming holiday period.
- ▶ The inspection of all equipment and machinery with strict safety requirements based on safety has been conducted according to all legal regulations. In 2023, the Corporation inspected 1,814 pieces of equipment, reaching 100% of the plan. In addition, Phu My Fertilizer Plant conducted periodical inspection, maintenance, calibration and verification of safety and fire protection equipment, including 1,793 pieces of fire protection equipment, 154 pieces of respiratory protective equipment, 18 portable gas detectors, 2 fire trucks, and 2 ambulances.
- ▶ Developed and implemented OSH Plan for 2023 and OSH Action Month in 2023.
- ▶ Deployed 5S at the Corporation's office and maintained 5S and STOP programs at Phu My Fertilizer Plant.
- ▶ Issued Directive to strengthen response in the rainy season.
- ▶ Made Report on fire prevention and fighting activities, report on accidents in the workplace at the grassroots level in 2023 and Report on occupational safety and hygiene in 2023 to the local authorities.
- ▶ Spread safety information to employees was well maintained in the daily bulletin boards of the Corporation.
- ▶ PVFCCo estimated that the cost of fire prevention and suppression, as well as emergency response activities (including insurance against fire and explosion risks, rehearsals, trainings, propagandizing, purchasing and maintaining FPF equipment...) would be approximately VND 25 billion in 2023.



Environmental protection and waste control

- ▶ In 2023, there was no violating the law and environmental pollution incident.
 - ▶ Completed the application for an Environmental Permit for the Corporation's Head office.
 - ▶ Units have consistently conducted scheduled environmental monitoring as stipulated in the Environmental Impact Assessment Report, managed waste, and complied with legal requirements for environmental reporting in 2023.
 - ▶ Implemented climate change mitigation and greenhouse gas emission reduction tasks: Collaborating and providing greenhouse gas inventory and climate change adaptation information to Vietnam Institute of Industrial and Trade Policy and Strategy, Department of Climate Change, Ministry of Industry and Trade and PVN.
 - ▶ Gave guidance to the units on assessing and calculating positive environmental impact from planting trees within the program by the Corporation planting 300,000 trees.
 - ▶ Executed environmental access and reporting for 2023 based on the industry's environmental database.
 - ▶ Assessed effects and promulgated new legal documents on environment: Executive Decision No.146/QĐTTg dated 23 February 2023 releasing National plan on waste incident response during the years 2023 – 2030, Resolution No.02/2023/NĐ-CP and Circular No.01/2023/TT-BTNMT.
 - ▶ Organizing activities to commemorate World Water Day, World Meteorological Day, Earth Hour campaign in 2023, and World Environment Day 2023.
 - ▶ Most items of online monitoring equipment at Phu My Fertilizer Plant have been completed. Particularly for the granulating tower, continuing to follow up the feedback of MONRE on the proposal not to install online emission monitoring because no solution is found and increase monitoring frequency to once a month from 2020.
- In addition, the Corporation also implemented energy efficiency as follows:
- Completing energy audit at the Plant in 2022, with approval from the Department of Industry and Trade of Ba Ria - Vung Tau Province.
 - Receiving the award "Enterprise for Sustainable energy development in Vietnam" on 15 January 2023 organized by Vietnam Energy Association.
 - Issuing the Corporation's energy management goal and plan for 2023
 - Updating Regulations on energy efficiency according to the new Regulation No.25/TT - BCT dated 29 September 2020 of the Ministry of Industry and Trade.
 - Supporting Vietnam Petroleum Institute (VPI) and PVN in surveys at the Plant to collect emission data and reduce greenhouse gas emissions in production activities.
 - Updating and releasing the Corporation's energy management procedures.



PVFCCo'S SUSTAINABILITY ACTIVITIES IN 2023 (continued)

ENVIRONMENTAL PERFORMANCE (continued)

Environmental protection and waste control (continued)

2023 environment-related figures are as follows:

Fuel consumption:

No.	Fuel	Unit	Amount
1	Gas	Million m ³	524.6
2	DO	Ton	223.2
3	Water	m ³	22,290,640
4	Electricity	kWh	148,820,000

Consumption water includes domestic water and groundwater serving production, river water for cooling machinery and equipment.

Waste figures:

No.	Type of waste	Unit	Emissions	Amount of treatment	Level of treatment (meet national technical regulation)
1	Wastewater	m ³	203,677	203,677	Good
2	Cooling water	m ³	27,837,071	27,837,071	Good
3	Air emission	m ³ /Quarter	11,981,273,280	11,981,273,280	Good
4	Domestic solid	Kg	115,436	115,436	Good
5	Industrial solid waste	Kg	1,331,674	1,331,674	Good
6	Hazardous waste	Kg	419,227	419,227	Good

Wastewater includes: Domestic wastewater and production wastewater.



Estimated cost for environmental activities in 2023

approximately VND **4.7** billion

Implementing energy saving and climate change mitigation

- ▶ Continue to implement projects/programs to reduce greenhouse gas emissions in accordance with the list in Appendix 1 of Vietnam Oil Corporation's action plan to mitigate and adapt to climate change from 2018 to 2030.
- ▶ Completed the energy audit at Fertilizer Plant in 2022. The Department of Industry and Trade of Ba Ria - Vung Tau Province has approved the energy audit application.

Training, coaching and propagating HSE

- ▶ In 2023, the Corporation has organized many training courses on HSE and professional skills for employees to improve their job performance and management capacity.
 - Training on OSH, Fire Control and Chemical Safety: Group safety training in accordance with the law, radiation safety in industry, coaching fire control and rescue, giving technical guidance on Basel Convention and other guidance on monitoring the management of mercury containing wastes, etc.
 - Participating in environmental and climate change workshops, including those focused on "Establishing and Implementing MRV Systems for Assessing Greenhouse Gas Emissions by the Vietnam Oil and Gas Group (2018-2030)" and "Green Finance and Carbon Credit Markets".
- ▶ Promoting during the week of occupational safety and health, World Environment Day, Earth Hour, National Fire Prevention and Fighting Day, etc.
- ▶ In 2023, the Corporation's office implemented the 5S Program for a tidy workspace, while the STOP and 5S programs were maintained and assessed regularly at the Phu My Fertilizer Plant.
- ▶ Continuing to evaluate and reward employees according to the regulation by the quarter HSE rewards to encourage employees to actively participate in HSE at workplace.



PVFCCo'S SUSTAINABILITY ACTIVITIES IN 2023 (continued)

ENVIRONMENTAL PERFORMANCE (continued)

Main tasks of the HSE work in 2024

Safety, fire control, emergency response



- ▶ Ensuring continuous safety across the Corporation's operations, preventing any incidents causing harm to people or property, and avoiding serious workplace accidents at all company sites.
- ▶ Finished upgrading and repairing the fire protection system at the Corporation's head office and branch offices.
- ▶ Continuing effective equipment maintenance inspections. Implemented Process Safety Management (PSM) system at Phu My Fertilizer Plant.
- ▶ All units conducting regular fire protection equipment checks, emergency response drills, and chemical incident plans.
- ▶ Completing HSE reporting software development for streamlined reporting.
- ▶ Supporting the implementation of safety - fire prevention requirements in the Corporation's projects.
- ▶ Planning and conducting safety and fire prevention training courses for employees.
- ▶ Maintaining training courses on safety and fire control in accordance with the law as well as the advanced professional courses to meet the work requirements and ensure safety for production and business.

Environmental acts



- ▶ No environmental incidents occurred, no administrative penalties, and ensuring full compliance with legal requirements on environmental protection
- ▶ Applying for Environmental Permits for the Corporation's projects.
- ▶ Managing wastewater, emission and solid waste in accordance with legal regulations.
- ▶ Planning and making periodic environmental inspection in accordance with the requirements of the law, the Corporation and the Units.
- ▶ Developing and updating environmental incident response and organizing training and rehearsal in accordance with legal regulations.
- ▶ Continuing to coordinate with the units to collect data to prepare for recycling plastic fertilizer packaging.
- ▶ Performing emissions inventory and developing action plans to mitigate and adapt to climate change.
- ▶ Supporting the implementation of environmental legal requirements for the Corporation's projects.
- ▶ Continuing to implement the projects under the action plan for climate change mitigation and adaptation of PVN database.

Other activities

- ▶ Maintaining and improving HSE management at the Corporation according to ISO 14001 and ISO 45001 standards.
- ▶ Purchasing mandatory fire and explosion insurance and environmental liability insurance for Phu My Fertilizer Plant and all the Corporation's projects.
- ▶ Maintaining STOP and 5S programs at Phu My Fertilizer Plant and 5S at the Corporation's offices.
- ▶ Coordinating with Youth Union and Trade Union in OSH network to organize activities to raise awareness and compliance with rules and regulations on HSE for all employees such as OSH Week, Fire Prevention Day, Earth Hour, World Environment Day, etc.
- ▶ Organizing training courses and seminars on HSE to improve professional capacity for specialized staff.



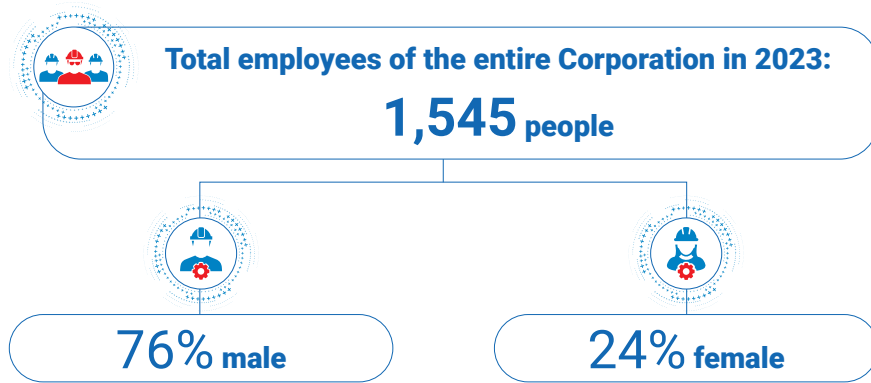
PVFCCo'S SUSTAINABILITY ACTIVITIES IN 2023 (continued)

SOCIAL PERFORMANCE

PVFCCo recognizes people as the key drivers of sustainable development. Since its establishment, the Corporation has prioritized providing employees with optimal working conditions, ample opportunities for personal and professional growth, and a fulfilling life. Additionally, PVFCCo has actively fulfilled its corporate social responsibility, emerging as a model enterprise contributing significantly to local development.

Human resources information

Total employees of the entire Corporation in 2023 (including Parent Company and its subsidiaries) were 1,545 people, consisting of 1,171 male employees (76%) and 374 female employees (24%). The average age of employees of the Corporation is 41 years old.



In particular, the achievements of PVFCCo are as follows:

Working environment and corporate culture

PVFCCo has invested in a manufacturing plant system and an office building, which are well-designed, properly ventilated, well-lit and air-conditioned. The Corporation has achieved energy efficiency and provided good working conditions for its workers.

PVFCCo introduced key performance indicators (KPI) and improved their reward system. The Corporation also set up a framework to ensure a fair and professional working environment. At the same time, PVFCCo improved its human resource policies to ensure its employees have the amicable working conditions and career advancement opportunities.



Building Corporate Culture: Accelerating Steering and Implementation Committee activities for PVFCCo culture; releasing an action plan for the last 6 months of 2023 on the basis of the Resolution of the Corporation's Communist Party on PVFCCo's cultural reproduction. Hiring consultants/experts for implementing PVFCCo's cultural reproduction; organizing 2023 PVFCCo culture seminars/workshops;

Assuring stable employment and income for the labor force. Fully implementing employee policies in accordance with national, Corporation, and labor agreements. Salary payments are made in accordance with the Corporation's regulations.

Insurance policy and other policies for employees



Annually, PVFCCo conducts health check-ups for employees in hazardous work environments to detect occupational diseases early. Additionally, medical examinations and social insurance are provided for affected employees.

To ensure financial security during illness, PVI Care insurance policies are available for employees and their families.

The Corporation continues monthly contributions to social insurance based on actual positions and salaries of employees, while also maintaining voluntary retirement and accumulated pension insurance, along with PVI Care health insurance. Assistance is provided for employees to purchase PVI Care health insurance for their family members. Sustaining employee contributions to social and voluntary retirement insurance is a key commitment, ensuring their entitlements are honored during claims processing and supplementing retirement benefits beyond statutory provisions upon retirement.

In essence, our policies demonstrate the utmost care for our employees' welfare within legal parameters and our organizational capacity. They aim to inspire creativity in their work, fostering the Corporation ongoing development and fostering enduring loyalty.



PVFCCo's SUSTAINABILITY ACTIVITIES IN 2023 (continued)

SOCIAL PERFORMANCE (continued)

Health Care - Disease prevention

Healthcare and disease prevention measures at the Corporation remained robust in 2023, with all units conducting regular health check-ups for employees as mandated by law and the collective labor agreement.

- ▶ Employees requiring ongoing health monitoring received thorough guidance and support from the Corporation's medical officers.
 - ▶ In addition, Phu My Fertilizer Plant has done screening of occupational diseases for employees to detect early and arrange for suitable outcomes. The cumulative number of employees with occupational diseases by 2023 was 27 people, of which the employees newly affected with occupational deafness were 7 people.
 - ▶ Issuing Instructions on health care for employees such as Instructions for checking food safety and hygiene at canteen of the Corporation's Office; Instructions on first aid and medicine use at the Corporation's Office; Guidance on Occupational Hygiene and Employee Health management at the Corporation's Office.
 - ▶ Purchasing Accident and Health Insurance (PVI Care) for all employees of the Corporation.
 - ▶ Performing first aid and medicine to employees in case of occupational accidents.
 - ▶ Regularly updating and implementing pandemic prevention measures (seasonal flu, monkeypox and other diseases) in accordance with the regulations, recommendations and instructions of the Vietnamese Government, the Ministry of Health, and other State agencies.
- ▶ The cost for healthcare and pandemic prevention in 2023 is estimated at about VND 10 billion (including periodic health check, occupational disease examination, procurement of medical supplies, propagandizing, training, etc.).
 - ▶ In the coming time, PVFCCo will continue to promote Health Care - Disease Prevention, to be specific:
 - Updating and notifying the situation of diseases (Covid-19, monkeypox, influenza B, etc.) to have appropriate response and prevention plans.
 - Annually monitoring working environments and having occupational disease examination as a basis for improving working conditions, preventing occupational accidents and diseases for employees in the entire Corporation.
 - Organizing annual health check for employees in accordance with regulations and taking care of health at work.

Training and coaching policy

In 2023, the Corporation trained 4,770 people, reaching 127% of the year plan, with a total training budget of VND 7.8 billion (reaching 97.7% of the year plan). The number of training sessions in 2023 reached 65% compared to 2022 since the plant had an overall maintenance and some safety training courses are required every 2 years, not carrying out in 2023.



PVFCCo adhered to the Group's directive on executive training by sending 10 leaders to six leadership development programs. Collaborating with PACE Business School, PVFCCo organized specialized courses, benefiting 359 managers. Additionally, the Corporation invested in an E-learning system for enhanced training flexibility and effectiveness.

Democracy and fairness



The Corporation has implemented an employee policy effective since 1 January 2009, annually adjusted to reflect current circumstances. It includes welfare provisions for all staff and additional benefits for high performing employees with managerial and professional expertise, covering aspects such as salary, bonuses, training, education, leave, accommodation, and other welfare benefits.



Additionally, the Corporation has issued democratic regulations and established a Labor Union organization to protect workers' legitimate rights and interests. Regular dialogues, held every 3 to 6 months at the grassroots level, involve proactive collaboration between labor unions and authorities to ensure effective and compliant discussions through flexible formats. Topics include policies, welfare, income, employment, restructuring efforts, grassroots democracy regulations, and other worker-related concerns.

PVFCCo'S SUSTAINABILITY ACTIVITIES IN 2023 (continued)

SOCIAL PERFORMANCE (continued)

Customer relations, partners and social responsibility

In its production and business endeavors, PVFCCo consistently emphasizes upholding credibility, quality, and continually enhancing the value of its products and services for customers and partners.



- ▶ Ensuring high quality products is a top priority. All Phu My fertilizer products, other fertilizers and chemicals are complied with registered standards.
- ▶ To help farmers optimize the ratio of fertilizer usage and crop yield, PVFCCo partners with local authorities and scientists to organize cultivation technique workshops at experimental gardens and sample fields to train farmers.
- ▶ PVFCCo maintains its warehouse and logistics management systems well nationwide, so that their products are delivered to farmers on time at reasonable prices.
- ▶ PVFCCo maintains a product quality management system in accordance with the international standard ISO 9001:2015 to ensure that the product's quality remains consistent with its claims.
- ▶ The Corporation has established a protocol for receiving and addressing feedback from product users. Additionally, it conducts regular evaluations of customer satisfaction regarding product quality and services to continually enhance quality standards. Safety advisories for product users are also implemented.

Social responsibility – sharing benefits

Social welfare work stands as a cultural hallmark of PVFCCo. Despite enduring economic challenges due to prolonged global political and economic fluctuations, PVFCCo remains steadfast in its commitment to community responsibility, actively engaging in meaningful and practical social welfare work initiatives.

In 2023, PVFCCo allocated over VND 60 billion for various social welfare work initiatives. Notably, during the Lunar New Year, the "Tet for the Poor" program reached nearly 100 communes/wards across 40 provinces and cities, distributing over 13,000 gifts totaling VND 10 billion. This annual Tet gift-giving exemplifies PVFCCo's ongoing commitment to social welfare efforts.

Local communities value PVFCCo's proactive and socially significant social welfare work initiatives, especially for fostering community cohesion. This aligns with Resolution 43 of the Party Central Committee, emphasizing national unity and the nation's prosperity, as highlighted by President Vo Van Thuong at the recent nationwide conference on implementing the resolutions of the 8th Central Committee Plenum of the 13th Party Central Committee.

