

# REACHING FOR A SUSTAINABLE FUTURE

SHB's commitment to sustainable development is anchored in safe growth, social responsibility, human development, and environmental stewardship.

As a pioneering Bank, we have established a comprehensive and rigorous ESG management framework that aligns with international guidelines and best practices, paving the way for a sustainable future for both our nation and the world.



# VI

SUSTAINABILITY REPORT



The Sustainable Development Report is compiled by SHB, gathering information and data from the actual activities of SHB and its subsidiaries for the fiscal year ending on December 31, 2023. The information disclosure is structured based on Circular 96/2020/TT-BTC.

At SHB, the highest authority responsible for sustainable development policies is the CEO. Environmental and social policies are detailed in internal documents issued by the Board of Directors and the CEO. The Board of Management follows the directives and orientations of the Board of Directors, clearly defining SHB's mission and role in the economy as a partner in the nation's comprehensive development, minimizing environmental impacts, and creating long-lasting, sustainable positive effects on the community.

Sustainable development actions at SHB are not limited to isolated programs but are elevated and directed according to Environmental, Social, and Governance (ESG) criteria, encompassing strategic vision and direction to annual business operations. Accordingly, SHB's sustainable development will be evaluated under three major aspects: Policies and activities related to employees and corporate culture; Community engagement activities; and Production and business activities associated with environmental impacts.

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At SHB, we believe in “People-centricity”. Our human resource policies are meticulously designed to prioritize and empower our employees, ensuring their growth and well-being.

## 1. EMPLOYEE POLICIES

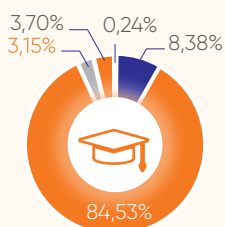
### 1.1. Number of employees, average salary for employees

As of December 31, 2023, SHB employs 6,246 staff members, with an average age between 30 and 35 years. This young and dedicated workforce is central to SHB's operations. At SHB, we uphold the principle of “People-centricity”, one of the four strategic pillars in our transformation journey. Accordingly, SHB has implemented human resource policies to maximize human potential, underpinning the bank's development. In 2023, the average income of SHB employees was VND 23.01 million, a 3.2% increase from 2022.

SHB's workforce has been expanding in both quantity and quality to align with strategic business objectives. The Bank focuses on developing a succession plan to ensure a young, well-trained management team with comprehensive financial knowledge, market economy insights, language proficiency, and adaptability to a modern, integrated business environment. The proportion of female employees at SHB consistently exceeds 60%, with women constituting about 50% of the management team. This highlights SHB's commitment to valuing women and recognizing their significant impact on the Bank's operations.

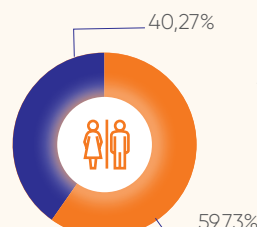
Presented below are key analytical insights into the personnel structure at SHB:

#### Personnel structure in 2023



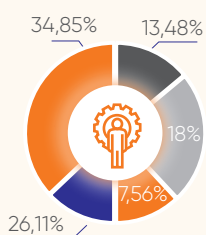
**Personnel structure by qualification**

■ PhD  
■ Master  
■ Bachelor  
■ College, vocational training



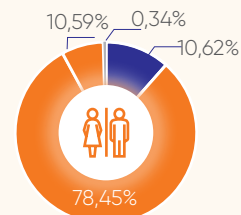
**Personnel structure by gender**

■ Male  
■ Female



**Personnel structure by seniority**

■ Less than 1 year  
■ From 3 to 5 years  
■ From 5 to 10 years  
■ More than 10 years



**Personnel structure by age**

■ Gen X  
■ Gen Y  
■ Gen Z  
■ Others

## 1.2. Superior Labor Policies Ensuring Employee Health, Safety, and Welfare

SHB takes pride in offering significant values beyond salary and benefits. We believe this is SHB's competitive advantage in the recruitment market:

- **Value 1: Competitive benefits**

SHB understands and cares for its staff by offering practical and competitive benefits compared to other banks and businesses in the market. Benefits for female employees, staff members, and leaders have seen remarkable improvements year by year, becoming the top value that attracts employees.

- **Value 2: Humane and responsible environment**

Upon joining SHB, employees will find themselves in a humane environment that places a high value on individuals, originated from six core values where "Heart" is the root. Our corporate culture emphasizes responsibility and dedication, providing a supportive workplace where employees can confidently contribute and build sustainable careers. SHB recognizes that, ultimately, the organization's humane ethos is the most significant driver for employee commitment and long-term dedication, surpassing material benefits.

- **Value 3: Private banks with an international vision**

With a vision to reach out to the region and internationally, SHB has been cooperating with the world's leading organizations and brands such as Amazon, Barcelona

Club, ManCity Club and many other major brands. SHB is also the first joint stock commercial bank to establish an office in ASEAN. Joining SHB offers employees the opportunity to challenge themselves and participate in significant collaborative projects, marking their careers with these prestigious endeavors.

- **Value 4: Accompanying the aspirations of ethnic businessman Do Quang Hien**

Many employees believe that "Who you work with is more important than where you work". At SHB, employees are inspired by and aligned with the national aspirations of entrepreneur Do Quang Hien.

Entrepreneur Do Quang Hien's philosophy, "A true entrepreneur must always aspire to create wealth. However, it must be done with integrity, dedication, and national pride", inspires and instills a sense of dedication and national pride in every SHB employee. This responsible inspiration has attracted numerous talents to join and grow with SHB.

### 1.2.1. Salary and Reward

In 2022, the average income of SHB employees reached VND 22.3 million per person per month, an increase of 1% compared to 2021. In 2023, SHB continued to innovate by restructuring employee income based on job titles, performance outcomes, salary grades, and regions. As a result, SHB's employee salaries are ranked 7th in the entire banking sector.





Every individual is afforded the opportunity to be trained and to flourish

At SHB, salaries are determined by performance evaluations (KPIs), and our KPI system is continually refined to ensure fair and accurate monthly compensation aligned with each employee's contribution and role responsibilities. Compensation is directly linked to individual effectiveness, contribution levels, and SHB's business outcomes.

The KPI framework empowers employees to influence their earnings based on performance. Annual salary reviews are transparent, fair, and reflect SHB's commitment to staff development. Additionally, employees receive bonuses on holidays, anniversaries, and other significant occasions, contributing to meaningful earnings enhancements. Furthermore, our competitive reward policy is revised annually for each unit and branch, fostering a culture of recognition and motivation. Awards such as quarterly or annual certificates of appreciation are issued by the Chairman of the BOD or the CEO to commend teams and individuals for exceptional achievements, surpassing targets, or introducing innovative solutions.

**1.2.3. Insurance, Health Care, Safety, and Welfare Benefits**

One of the key highlights that make SHB's salary and benefits policy unique and attractive is the "net" salary approach instead of "gross" salary. SHB covers employee contributions to social insurance, health insurance, unemployment insurance, personal income tax, and union fees. This policy not only ensures and improves employees' income but also demonstrates the Bank's commitment to its staff.

Additionally, SHB places great emphasis on health care benefits, specific allowances, and the provision of uniforms. Annually, SHB organizes regular health check-ups for employees at leading hospitals and provides comprehensive health insurance through the SHB Care program in collaboration with BSH Insurance, offering increasingly beneficial insurance policies for employees.

- Specific allowances, such as hazardous duty allowances, makeup allowances for cash handling and customer service staff, dual responsibility allowances, incentives for high-performing employees, fuel and parking allowances, are paid monthly to 100% of employees. SHB also arranges private car transportation for headquarters and branch leaders for work and external assignments.

- Beyond legal requirements, SHB offers various beneficial programs for employees, including work uniforms, modern work tools appropriate for their tasks, annual vacations for all staff, preferential loans for home and car purchases, consumer loans at favorable interest rates, and regular team-building activities such as football tournaments and cultural events. In 2023, the 30th anniversary of SHB was marked by a year of vibrant activities, including events like SHB Shine and SHB Icon. These programs provide a creative playground where SHB employees can showcase their talents, foster camaraderie, and create a joyful and warm atmosphere, motivating all staff.

**1.3. Training and HR development**

Human resource development is one of SHB's four strategic pillars. SHB provides every opportunity for individual career growth and focuses on training high-quality personnel based on three key factors:

- The bank's business development strategy
- Analysis of financial market trends
- Annual employee needs assessment

With the policy that every employee has the opportunity for training and development, SHB sponsors all training course costs, both for internal training programs and for external training programs attended by employees.

In 2023, SHB enhanced and cultivated employee capabilities through six categories of training programs: (1) Information Technology; (2) Personal Effectiveness and Management; (3) Marketing, Sales, and Service; (4) Legal Compliance; (5) Risk Management and Finance; (6) Products and Processes, totaling 130 courses.

SHB has organized a series of "UNLOCK YOUR POTENTIAL" training seminars, with nearly 350 management staff from business units participating. The program successfully equipped participants with the essential knowledge needed for SHB's transformation process. All attendees found the program extremely valuable, practical, and inspiring, bolstering their confidence and motivation for the success of the transformation journey.

- In 2023, SHB provided a total of 369,490 training hours, averaging 63.7 training hours per employee per year.

Object	Total number of training hours performed	Average number of training hours/employee/year
Staff	309,345	65.6
Managers	60,145	55.6
All SHB employees	369,490	63.7

■ **Training programs are tailored to specific target groups as follows:**

SHB conducts training based on the competency framework for each job title and the required competency levels for each position. The training programs are diverse, continuously improved, updated in content and format, and designed to cater to various target groups. They are structured around four categories of job titles: (i) Senior Management; (ii) Middle Management; (iii) Frontline Management; and (iv) Specialists/Employees.

- **For new employees:** SHB implements an onboarding training program, pairing new hires with experienced staff to provide them with an overview of SHB, foundational job-related knowledge, and skills, facilitating a swift integration into SHB’s culture. In 2023, SHB regularly conducted monthly onboarding training programs, totaling 32 sessions. Additionally, SHB successfully trained personnel for 5 new branches and 25 new transaction offices, achieving the following objectives: Providing specialized knowledge, processes, and product training to ensure proficiency in each job role; Conducting practical, on-the-job training to build confidence for independent performance at new branches; Offering remote support and supervision during the initial phase of the new branch operations.

- **For experienced and competent employees:** SHB focuses on advanced and specialized professional training to meet the business requirements and transformation goals of the Bank. The number of in-depth courses on products and professional skills

organized in 2023 totaled 73 courses for over 28,000 learners.

- **For management levels:** SHB develops and implements training frameworks based on the competency standards required for each management level, aiming to enhance management capabilities, leadership skills, strategic planning, and change management. Annually, SHB facilitates opportunities for management staff to attend international training courses and seminars. In 2023, SHB conducted 12 training sessions on management and leadership skills, as well as soft skills for managers at all levels.

The effectiveness of training programs is regularly assessed through periodic evaluations and professional competency tests across the entire system to motivate and encourage staff.

SHB employs a flexible approach to training, incorporating various methods such as external training, in-house training, online training, and blended learning. Technology is extensively utilized, with many training modules digitized and integrated into the e-learning system. Training programs with instructors are conducted through online classes using platforms like MS Teams, Zoom, and video conferencing. Additionally, the SHB-LMS system is used for learning and testing, and SHB-Survey and Google Docs are employed for online surveys. This modern training system provides positive learning experiences, making it easier and more effective for staff to acquire knowledge, while also optimizing training costs.



■ **Recruitment Policy**

“Transparency and openness, coupled with the use of professional standards to assess candidates’ qualifications and skills, form the cornerstone of our recruitment process”

The strategy of attracting, developing and nurturing talents has always been valued in SHB’s recruitment policy. From internship programs and talent introduction initiatives to targeting a wide range of candidates, from potential students to outstanding managers and experts, SHB consistently places trust in and provides opportunities for young individuals ready to face challenges, innovate, and create. In 2023, SHB signed strategic partnerships with major universities such as the National University, the National Economics University, and the Banking Academy. Additionally, SHB participated in 10 job fairs and workshops at universities and colleges nationwide, thereby reaching and sharing job opportunities with over 7,000 potential students.

- Openness, transparency, and competency-based recruitment, guided by professional standards and actual job requirements, are the most critical elements of SHB’s recruitment policy. In 2023, SHB welcomed 964 new employees, including 112 management staff and 836 specialized personnel. The total number of applications received during the year was 43,369, for 1,445 job postings. In addition to recruiting from external sources, SHB places a strong emphasis on internal promotions. Priority is given to internal candidates to motivate and encourage staff to develop their careers and make

long-term contributions. The internal appointment rate in 2023 exceeded 70%.

- In both domestic and international locations where SHB operates, local labor is prioritized for recruitment due to their deep understanding of the local market and their dedication and commitment.

- With continuous efforts in recruitment and the development of superior human resource policies, SHB was honored in three categories in 2023.

- **TOP 3 Best Places to work in Vietnam Banking Industry**
- **TOP 50 Best Places to Work in Vietnam**
- **TOP 50 Most Attractive Employers to Vietnamese Students in 2023**

- The awards were based on the results of the “Vietnam Best Place to Work 2023” survey conducted by Anphabe, a pioneer in Employer Branding solutions. This leading survey covered nearly 65,000 working professionals and included participation from over 600 companies across various industries.





### 1.4. Developing corporate culture

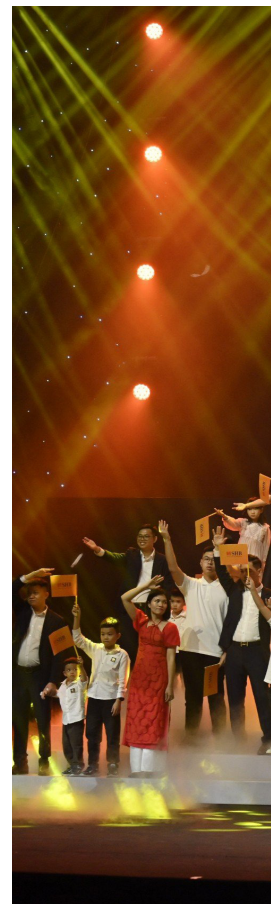
At SHB, we prioritize people at the center, aiming to create a sustainable working environment that forms the core of our strength and aligns with our common goals. Therefore, SHB’s corporate culture is built on six core values: “Heart – Faith – Trustworthiness – Knowledge – Wisdom – Greater Heights” with “Heart” as the cornerstone, guiding all actions. Each SHB employee acts from the heart, placing customers at the center of every action to deliver the best experiences. SHB believes that by acting from the heart, we and our employees will build trust and establish our reputation. Concurrently, to serve our customers with dedication, SHB employees continuously cultivate knowledge, share insights, and apply their expertise to elevate both themselves and the organization.

In 2023, SHB’s culture, embodied by the six core values, was promoted and expanded through the 30th anniversary celebration program “SHB – From Heart to Greater Heights – Advance with National Prosperity”.

- With the values of “Knowledge” and “Wisdom”: SHB conducted professional training programs and a series of soft skills training workshops to stimulate mindset transformation and personal development.
- The Innovation Day (Innoday) and the ‘From the Heart, Using Wisdom’ competition fostered a spirit of innovation and creativity among SHB staff. These initiatives encouraged solutions and innovations that increased productivity, enhanced service quality, and improved customer and partner experiences, contributing to SHB’s robust and comprehensive growth.

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SHB has built its corporate culture on six core values: “Heart – Faith – Trustworthiness – Knowledge – Wisdom – Greater Heights” with “Heart” regarded as the foundation. Every SHB employee acts from the heart, placing customers at the center of their actions.



- Alongside professional activities, SHB organizes various sports events and cultural competitions to enable employees to maximize their strengths, improve their health, and foster team spirit and camaraderie, all aimed at embodying the comprehensive SHB employee with six core values.
- As part of the 30th anniversary celebrations, SHB enhanced initiatives to honor long-term employees and those who have made significant contributions, reinforcing the core value of "Knowledge". Programs recognizing outstanding teams and individuals who have contributed to SHB's growth and success were highlights of the 30th anniversary celebration "SHB - From Heart to Greater Heights - Advance with National Prosperity".
- The "Stories from the Heart" Gala on November 11, 2023, featuring nearly 4,000 employees and over 300 internal "artists", showcased SHB's 30-year journey from challenges to triumphs. This event instilled pride and encouraged employees to trust in the Bank's development, enhancing unity and commitment towards common goals. It underscored SHB's mission to support the community and contribute to the nation's progress.



## 2. COMMUNITY RESPONSIBILITY

# TOWARDS A BRIGHTER FUTURE FOR VIETNAM

During the five-year period from 2019 to 2023, SHB allocated a total of VND 490 billion to social welfare activities. In the year 2023 alone, SHB committed over VND 87 billion to various community support programs.

In line with the perspective of SHB's Chairman, "To be an entrepreneur means always aspiring to create wealth. However, this should not be achieved at any cost, but with integrity, dedication, and national pride", SHB has not only aligned itself with national strategies across various phases to foster comprehensive economic growth but has also been recognized as a commercial bank actively fulfilling its community responsibilities through a series of sustainable and impactful social welfare programs.

Rooted in the core value of "Heart", SHB's leadership and employees have committed their goodwill and actions towards building a sustainable society in Vietnam, focusing on three key pillars: advancing education to empower the younger generation, promoting sports and culture to enhance the spiritual well-being of the people, and supporting the underprivileged in society.

### 2.1. Foster education and empower the youth

In support of national educational development, SHB allocates social welfare funds to sponsor learning and teaching equipment and to upgrade facilities at schools in disadvantaged areas. Items such as desks and chairs, libraries, computers, and clean water tanks, while simple, are crucial in improving and enhancing the quality of education for teachers and students. Through its branch network and social welfare programs like "Sharing Love" and "Lighting Up the Future", SHB has provided thousands of gifts to students at kindergartens and primary schools in disadvantaged areas such as Lang Son, Nghe An, Thai Binh, and many other regions across the country.

In 2023 alone, SHB sponsored hundreds of scholarships for students with outstanding academic achievements

or those who have shown perseverance in their studies despite difficult circumstances nationwide. Examples include: Awarding scholarships to final-year students at the Banking Academy who have excelled academically or have overcome significant hardships. Providing 150 computers to Thai Binh University and committing to further support talented students in difficult situations within the province. Supporting scholarships for students at the Banking Academy and developing the Bank's Scholarship Fund in 2023.

In November 2023, SHB sponsored the establishment of the "SHB – VNU Financial and Banking Practice Center" at Vietnam National University, Hanoi, to enhance the quality of financial and banking education. Earlier, at the 2023 academic year opening ceremony of Vietnam National University, Hanoi, the SHB Financial Support and Talent Nurturing Fund donated VND 10 billion, to be utilized over five years. This funding aims to support the investment in facilities for learning, teaching, and research, as well as to provide financial support and nurture talented and underprivileged students who have overcome difficulties to excel academically. Additionally, SHB donated 30 water purifiers and 50 benches to Vietnam National University, Hanoi, for use in the school campus and dormitories, creating a modern and convenient environment, with a total value of nearly VND 800 million.

SHB has also been a leader in supporting large-scale programs for the younger generation, such as "Internet and Computers for Children" and "Spring for Children". The Bank contributes to scholarship funds, education promotion funds, charitable homes, and child protection centers. Through these activities, SHB aims to instill hope in students facing hardships, ignite passions, and uphold the tradition of valuing education among the young generation of Vietnam.

# 4900

## VND BILLION

to social welfare activities from 2019 to 2023

# 3,5

## VND BILLION

Providing 150 computers to Thai Binh University

# 10

## VND BILLION

SHB Financial Support and Talent Nurturing Fund



## 2.2. Accompanying Sports and Culture in Vietnam

With the desire to make a positive contribution to national sports and the spiritual values of the Vietnamese people, SHB has long been a steadfast supporter of Vietnamese football. Over the years, the Bank has sponsored various tournaments and covered broadcasting rights for significant competitions.

As the main sponsor of the SHB Da Nang Football Club since 2008, SHB has been closely associated with the club's remarkable success over the past 15 years. Annually, SHB invests and sponsors between VND 40 to 60 billion to nurture young football talent at the club.

In 2023, SHB also sponsored the broadcasting of 2023 Women's World Cup matches with a value of more than VND 3.5 billion, the National 7-a-side Football Tournament, the V-League, etc. With more than 30 years of accompanying the national sports industry, SHB is proud to have contributed to spreading good spiritual values to the Vietnamese people.

Besides accompanying sports, from 2023 to 2024 SHB also sponsored VND 10 billion to the Vietnamese Buddhist Church to spread beautiful living concepts to the Vietnamese people.

**2.3. Support those in difficult circumstances**

SHB consistently supports individuals facing hardship and aids in disaster recovery efforts, allocating over VND 14 billion in 2023 through various funds such as the Vietnam Children’s Protection Fund, the Vietnam Fatherland Front, the Red Cross, the Institute of Environment and Renewable Energy, and local Fatherland Front funds across provinces.

SHB also prioritizes activities to honor and support war veterans and individuals affected by the war, including supporting the Hanoi Voluntary Youth Force Association and the Agent Orange Associations in Hai Ba Trung District and Hanoi.

Moreover, SHB’s Trade Union is encouraged to engage in community welfare activities. Annually, the SHB Trade Union implements three main programs: “Sharing Tet - Gathering Spring” during Lunar New Year, “Lighting Up the Future” for underprivileged students, and “Sharing Love” for the disadvantaged. These programs are

tailored to the needs of each branch’s local community. In 2023, more than 30 branches organized the “Sharing Tet - Gathering Spring” program, conducting 40 activities and distributing nearly 2,000 gifts to children and families in need. The “Lighting Up the Future” program included educational support and gifts for students nationwide who have overcome hardships.

For those in difficult circumstances, such as low-income patients, children, and the elderly receiving treatment in hospitals, SHB shows deep concern. During the 2023 Lunar New Year, SHB sponsored free meals for patients at Bach Mai Hospital, provided 1,000 free meals at the National Geriatric Hospital, and supported other hospitals, including the Friendship Hospital and the Transport Hospital, with COVID-19 test kits.

SHB’s mission in social welfare activities extends beyond immediate assistance; it contributes to building a brighter future for Vietnam, embodying the motto “From Heart to Greater Heights”.

**2000**  
GIFTS  
to children and families in need



**1000**  
FREE MEALS  
at the Hospitals Nationwide



14  
**VND BILLION**  
 Supporting Those in Need



#### 2.4. Awards for Community

SHB's impactful contributions to the community and society have been recognized with significant awards both domestically and internationally, such as:

*Outstanding Bank for the Community 2023" award presented by the International Data Group (IDG) in collaboration with the Vietnam Banking Association*

*"Best Bank for CSR" Award, conferred for the second time by Asia's premier magazine on Economics, Finance, and Banking - Asia Money*

*"Bank with the Best COVID Management Initiative in Vietnam" award by The Asian Banking and Finance (ABF) magazine*

*"Bank with the Best ESG Impact 2023" by Finance Asia.*

### 3. ENVIRONMENTAL IMPACT ASSESSMENT REPORT

SHB has long recognized that sustainable development extends beyond effective and safe financial growth indicators to include the rational exploitation, conservation of natural resources, and the enhancement of environmental quality.

At SHB, environmental policies are formalized in regulations issued by the Board of Directors and the CEO. The CEO is responsible for implementing these policies and, along with the Board of Management, follows the directives and guidance of the Board of Directors. They actively engage in activities related to social responsibility and environmental protection to bring greater benefits to the community and society.

#### 3.1. Impact on the environment

As a service provider in the financial and banking sectors, SHB's business activities do not produce much greenhouse gas emissions and do not place a significant impact on the environment. The sources of greenhouse gas emissions, if any, mainly come directly from the use of work tools and equipment, and indirectly from lighting activities in buildings, repair and maintenance of equipment, power generation, air conditioning system, as well as the means of transportation of employees and customers around the transaction points. Nevertheless, within SHB, efforts to raise awareness about environmental protection are actively promoted, encompassing initiatives such as conserving electricity and minimizing plastic waste. Moreover, the expansion and refinement of digital channels for transactions and meetings play a vital role in mitigating environmental emissions.

#### 3.2. Management of raw materials

**SHB prides itself on effective resource management, with office material costs per employee decreasing annually.**

As a provider of financial and banking services, SHB primarily uses materials such as paper, ink, and office supplies. Although the total annual material usage costs have increased with the bank's business expansion, efficient saving measures have kept material costs per employee low. In 2023, the material usage cost was VND 0.87 million per employee per year, a 30.6% reduction compared to 2022.

#### SHB'S MATERIAL COSTS

Unit: VND million

Items	2020	2021	2022	2023
Stationery costs, printing paper, and ink	8,292	11,424	11,222	8,970
Stationery costs per employee per year	1.00	1.36	1.18	0.87

- SHB employs numerous measures to save materials and tools, and to minimize environmental pollution, including:
  - As part of its strategy to become the most efficient bank in the system, SHB has developed products and services utilizing modern technology while minimizing paper usage. This approach provides a streamlined customer experience, saving time on transaction processing and reducing office supply costs. Many banking procedures and operational document processes have shifted to online transactions and approvals, thanks to an online document storage and approval system. Since 2020, the implementation of online customer information recognition (eKYC) has significantly reduced the use of paper, ink, and other office tools each year.
  - The electronic communication system has been upgraded and expanded from the headquarters to branches, including video conferencing for meetings and recruitment interviews, online examinations, and the issuance of electronic newsletters and magazines. These advancements have significantly reduced printed materials and improved labor efficiency.
  - SHB practices single-sided paper reuse, sets annual usage limits for each department, categorizes office supplies for one-time issuance, monthly issuance upon request, and for special usage requests. The Bank also monitors and compares periodic usage.
  - SHB's internal communication includes substantial content to raise staff awareness about printing practices, reducing excess printed materials, and encouraging the use of internal email for information exchange, memos, and reports. The reuse of old office supplies is also promoted.

#### 3.3. Energy consumption

Energy used for business activities at SHB is mainly electricity for lighting and maintaining computer operation, air conditioning, fuel for staff transportation vehicles, etc. Each year, SHB implements optimal measures to reduce energy consumption in these areas.

■ **Fuel consumption**

SHB’s primary fuel consumption comes from various vehicles such as operational cars, cash transport vehicles, and employee transport vehicles. The operation costs and fuel consumption are specifically managed and controlled according to set limits for both leaders and staff using company vehicles. All travel activities must be pre-registered to ensure optimal work-related usage, cost savings in operations and fuel consumption, and reduced wear and tear on vehicles.

In 2023, the fuel consumption per employee at SHB decreased to VND 0.36 million, a reduction of 23% compared to 2022 and 38% compared to 2021.

Chỉ tiêu	2020	2021	2022	2023
Items	2020	2021	2022	2023
Fuel costs (VND million)	6,295	6,218	5,600	3,760
Fuel costs per employee per year (VND million/person/year)	0.76	0.74	0.59	0.36

■ **Use of electric power**

SHB made maximum saving in electricity consumption, which was also a measure to reduce business cost by equipping energy-saving bulbs and air conditioners that met greenhouse air emission standards and were maintained constantly. In addition, energy saving was seriously implemented by the leaders and staff such as turning off the circuit breaker when leaving, paying attention to closing the doors so that air-conditioners worked efficiently, arranging reasonable seating to save electricity for lighting equipment, etc.

**3.4. Water Consumption**

Water is also a resource of concern at SHB. Water usage within the workplace is minimal and adheres to building regulations. SHB covers the costs of drinking water for employees and guests with a strong emphasis on conservation. Measures such as pouring just enough water for consumption and using glass water bottles for internal meetings are implemented. Additionally, small-capacity water bottles are provided for external meetings and receptions to prevent waste.

**3.5. Comply with laws on environmental protection**

Ensuring compliance with environmental protection laws is a fundamental commitment for SHB. This encompasses efforts ranging from maintaining cleanliness in both



“GREEN DEVELOPMENT”  
A STRONG COMMITMENT  
FROM A BANK ALIGNING  
WITH NATIONAL  
STRATEGY



external surroundings and workspaces to effectively managing wastewater and emissions. Additionally, the Bank implements measures to reduce travel expenses by embracing digital technology. All SHB employees adhere to the 5S principles in their daily activities, striving to establish an environmentally conscious institution and contribute to sustainable development goals.

With a firm commitment to adhering strictly to legal regulations concerning environmental protection, SHB has maintained a flawless record, having never received sanctions for any violations related to environmental issues throughout its operations.

### 3.6. Green finance

#### ■ **Green growth is imperative; Green Finance fosters its advancement:**

In Vietnam, the adoption of green credit is an unavoidable trend, and drawing increasing attention of commercial banks.

The objective of green growth is to establish mechanisms that enhance the efficient management of natural resources and reduce environmental pressure. It also focuses on technology and consumption, encouraging environmentally friendly behaviors among businesses and individuals. This involves developing policies to effectively transition the economy toward sustainability. SHB aims to maintain its position as a leading commercial bank in green credit, enhancing its reputation and brand while creating new business opportunities. This commitment aligns with sustainable development and Vietnam's pledge at COP26 to achieve carbon neutrality by 2050.

#### ■ **Building a strategic framework for green banking:**

Based on the Proposal for Developing a Green Banking System in Vietnam and the banking sector's action plan to implement the National Green Growth Strategy for the 2021–2030 period, along with guidance from the Government, SHB remains steadfast in its goal of sustainable development and greening its banking operations.

SHB's green banking efforts are at Level 5 in the green banking development framework of the Proposal (Proactive Ecological Balance Initiative). SHB's green banking activities extend beyond individual operations to encompass networks, alliances, community dialogues, and the entire ecosystem to achieve sustainability in social, environmental, and financial aspects. SHB has established a green finance development strategy, identified transition risks, and measures and monitors carbon emissions from its operations and lending activities.

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“SHB is committed not only to growth but also to sustainable development, aligned with community values and a focus on environmental concerns. This strategic direction reflects SHB's dedication to contributing to the nation's green and circular economy initiatives, in line with the Government's Renewable Energy Development strategy up to 2030 and its vision through 2050”.

In May 2023, SHB issued and implemented Environmental Risk Management Regulations in credit activities. SHB is also receiving support from IFC to develop Environmental and Social Risk Management Regulations for credit activities according to international standards.

Recognizing the banking system's role as an intermediary that impacts the environment through customer activities, SHB is greening its investment capital flows by focusing financial resources on funding production and business projects in 11 green sectors: green agriculture, sustainable forestry, green industry, renewable and clean energy, recycling and resource reuse, waste treatment and pollution control, environmental protection and disaster prevention, clean water management, green construction projects, sustainable transportation, and providing environmental protection and resource-saving services. This strategy gradually increases the proportion of green credit in the investment portfolio, encouraging borrowers to transition their projects and loan purposes to environmentally friendly initiatives.

SHB's green growth action plan is implemented systematically according to a specific roadmap, from raising awareness among staff, partners, and customers about the importance of green credit growth to reforming the bank's regulations and processes. SHB will continue to identify sectors and segments for expanding green investments while designing new financial products such as green bonds, transition loans for businesses implementing CO2 emission reduction plans, and advising high carbon-emitting customers to gradually transition to green practices.

#### ■ **Financing for green credit projects:**

Since 2018, SHB's outstanding loans for green projects have grown by nearly 150%, significantly outpacing the

overall credit growth rate of 70%. The proportion of green credit at SHB has now reached over 10% of the total loan portfolio, demonstrating clear effectiveness in contributing to sustainable growth and environmental protection.

Between 2020 and 2023, SHB achieved significant results with approximately 300,000 green credit contracts. As of December 31, 2023, the total outstanding green credit reached VND 39,036 billion. Notably, SHB's outstanding loans in the agriculture, forestry, and fisheries sectors amounted to VND 4,264 billion at the end of 2023, with 80% of these loans focused on financing clean agriculture projects.

During this period, SHB prioritized customers in rural agriculture and green projects by offering special packages, preferential interest rates, fee waivers or reductions for early repayment, service fee discounts, flexible loan procedures, and expedited disbursement processes. These measures ensured that customers could quickly and timely access favorable loan capital. Many of these customers are producing internationally certified clean agricultural products, such as VietGAP and GlobalGAP, and investing in high-tech agriculture. This customer base represents a significant opportunity for SHB to continue growing its green agriculture loan portfolio in the future.

SHB's preferential policies for "green" customers have been instrumental in encouraging borrowers to transition their projects and loan purposes toward environmentally friendly initiatives. Additionally, SHB maintains stringent safety and sustainability standards when financing these projects, ensuring they meet strict domestic and international environmental and social risk criteria, focusing on environmental protection, energy conservation, and resource efficiency.

**Some typical green credit projects in 2023 funded by SHB include:**

- SHB is one of seven commercial joint stock banks (alongside Vietcombank, BIDV, Vietinbank, Techcombank, Sacombank, and ACB) participating in the disbursement of the Renewable Energy Development Project (REDP) funded by the World Bank since 2014. Through proactive efforts, SHB has successfully secured approval for four eligible small hydropower sub-projects (less than 30 MW) with a total re-lending amount of nearly VND 1,000 billion, ranking third among the participating banks, after Vietcombank and BIDV. The REDP participation allows SHB to offer significant benefits to investors of green projects, such as loan interest rates 1.5-3% lower than standard rates, support for 100% of dam safety consulting costs, 50% of environmental and social consulting costs, participation in the carbon finance program, and access to technical support, training, and capacity building programs.

- In line with Vietnam's Renewable Energy Development Strategy to achieve over 10% of electricity production from renewable sources (excluding large and medium-sized hydropower and pumped storage) by 2030, SHB has actively participated as a re-lending bank, free from credit risk, for ODA projects funded by the German Government through the German Development Bank (KfW). Notable projects include the "Smart Grid - Efficiency in Power Transmission" (phase 1) worth EUR 65 million and the "Efficient Power Grids in Small and Medium-Sized Cities" (phases 1 and 2) worth EUR 350 million. These projects aim to expand and develop the power transmission system, reduce overload on the national grid, meet the urgent electricity demand, and enhance the safety, reliability, and quality of the national power transmission system.





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- Furthermore, SHB is currently financing several solar power and wind energy projects, with notable projects located in Gia Lai, Ninh Thuan, Dak Lak, and Soc Trang provinces.

- Since 2021, SHB has been selected by the World Bank and the Ministry of Industry and Trade as the Project Implementing Entity (PIE) for the Vietnam Industrial Energy Efficiency Project, funded by the Green Climate Fund (GCF) through the World Bank. SHB manages the Risk Sharing Facility (RSF) Fund and issues credit risk guarantees for banks lending to energy-saving sub-projects on behalf of the Ministry. This project's model, applied for the first time in Vietnam, significantly encourages businesses to adopt energy-saving technologies, contributing to the Government's greenhouse gas emission reduction goals.

- Khe Giang Solid Waste Treatment Zone: Phase 1, led by Viet Long Investment and Construction JSC, features a waste treatment plant with a capacity of 200 tons/day in Uong Bi City, Quang Ninh Province. The company uses innovative methods to incinerate 100% of waste without prior sorting and creates an odor-free, fly-free waste treatment environment with safe microbial products. These breakthroughs have attracted interest from Japanese partners for technology transfer. The company consistently applies advanced technologies in waste and wastewater treatment and uses organic waste for environmentally friendly agricultural products.

- Hanh Phuc Rice Mill: The largest rice mill in Asia, covering 161,000 square meters in An Giang, began operations in January 2022. This exemplary sub-project, funded by the World Bank's Vietnam Sustainable Agriculture Transformation (VnSAT) project, operates entirely with modern European technology and equipment, meeting stringent global standards for food safety, operational safety, and environmental friendliness, aligning with the World Bank's sustainable development criteria.

Due to its active contributions and efforts toward green growth goals, SHB received several prestigious awards in 2023, including "Best Bank for ESG Impact" from FinanceAsia, "Best Bank for Sustainable Finance 2023" from Global Finance, and "Outstanding Green Credit Bank 2023" from the International Data Group (IDG).

■ **SHB's next initiatives**

To further pursue its goal of becoming a Green Bank, SHB will implement the following measures: i) Develop additional policies specifically for green credit activities; ii) Promote the development of green credit products; iii) Enhance technology applications and develop modern digital banking services to support green credit products; iv) Diversify funding sources for green investments by mobilizing resources from international financial institutions and foreign donors; v) Raise awareness and provide information to help customers understand green credit and its benefits; vi) Provide training to bank staff to improve their understanding of green credit, enabling them to better support customers.