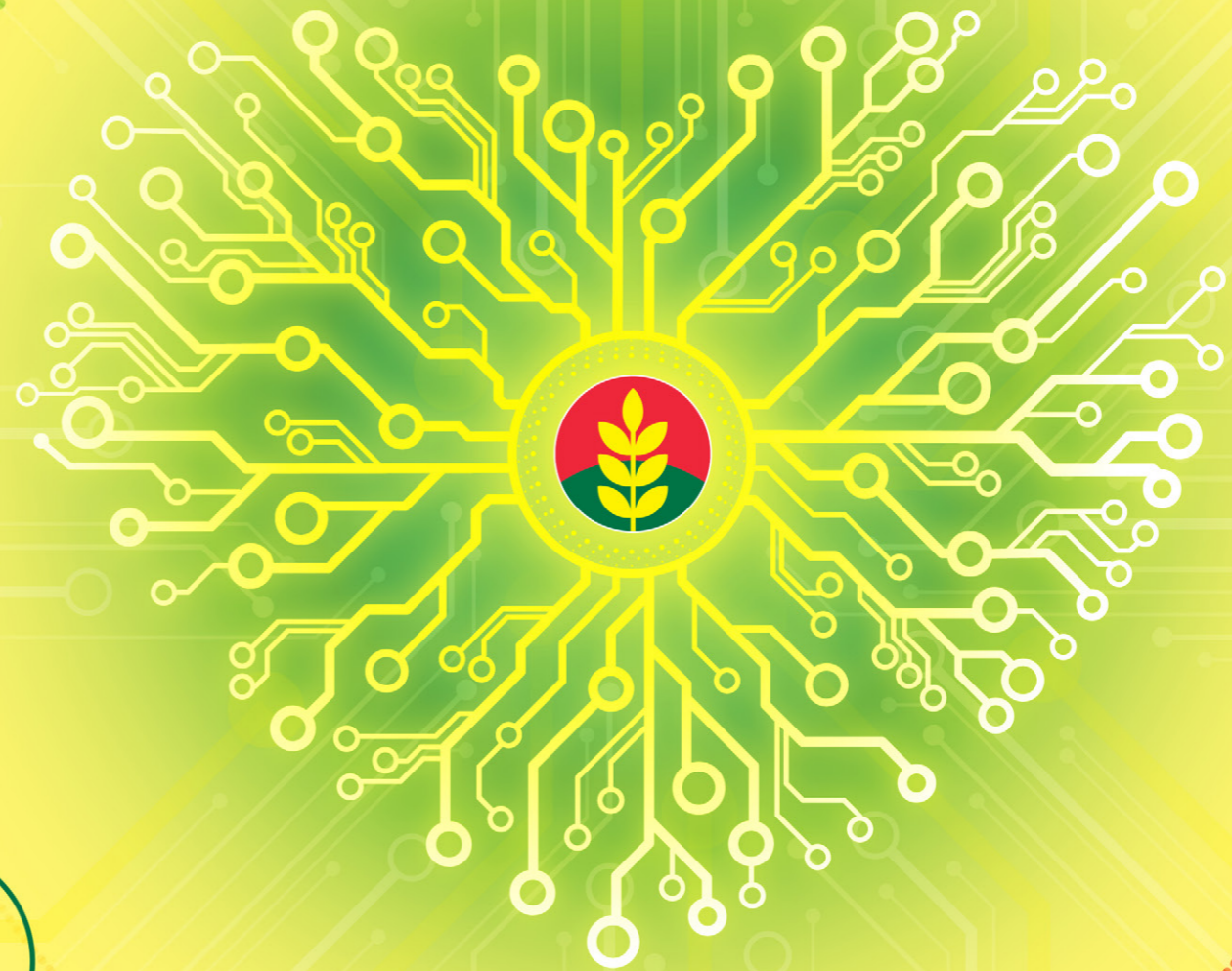


# COMMUNITY IS RESPONSIBILITY TO SHARE

## SUSTAINABLE DEVELOPMENT REPORT

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## OVERVIEW OF SUSTAINABILITY REPORT



PVCFC ALWAYS CONSIDERS SUSTAINABLE DEVELOPMENT AS ITS STRATEGIC TARGET COMBINED WITH ECONOMIC GROWTH GOAL, ENSURING HARMONIOUS INTERESTS BETWEEN STAKEHOLDERS, ENVIRONMENTAL SUSTAINABILITY TOWARD SOCIAL AND COMMUNITY PROSPERITY. SUSTAINABILITY REPORT IS CONSIDERED AS A BRIDGE BETWEEN PVCFC AND STAKEHOLDERS IDENTIFYING OUR STRATEGIC ORIENTATIONS AND COMMITMENTS TO STAKEHOLDERS.

APART FROM MENTIONING ECONOMIC GROWTH IN SUSTAINABILITY REPORT, PVCFC ALSO ASSESSES OUR SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES TO BALANCE OUR FUTURE PLANS TOWARD SOCIAL AND CORPORATE SUSTAINABILITY TARGETS IN THE NEXT FINANCIAL YEARS.

### SUSTAINABILITY CONTENT

In 2021, PVCFC applied Guidelines to support corporate reporting on sustainable development in accordance with Guidelines for annual performance reports of Vietnam Annual Report Awards (ARA), environmental and social information disclosure Guide of State Securities Commission, IFC and Circular No 96/2020/TT-BTC providing guidelines on disclosure of information on securities market of Ministry of Finance. Besides, we also referred to GRI standards to identify key areas impacting stakeholders to have a comprehensive overview on building sustainability report content and setting up sustainable business strategies in the future.

### SCOPE OF REPORT

The report was made in Vietnam focusing on fertilizer trading and production activities. PVCFC's report included: all information and operating results of Parent Company and 01 Subsidiary - Petroleum Packaging Joint Stock Company (PPC).

### REPORTING PERIOD

Information and data included in the report was updated in the 2021 fiscal year of PVCFC, starting from 01 January 2021 and ending on 31 December 2021. Reports on occupational, social and environmental health & safety were generated from key activities performed by Parent Company and its member companies. The reports presented operating results in 2021 and mentioned development orientations and goals in the coming years related to the Company's sustainable development.

### STRUCTURE OF REPORT

Practical approaches to sustainable development of PVCFC derived from its long-term sustainable economic growth targets combined with social development and environmental protection goals, making positive contributions to the common development goals for society.

2021 was the 7th year that PVCFC mentioned about sustainability report content and included in Chapter 1 of Annual Report. Sustainable development goals related issues continued to be evaluated and considered in relation with current activities, status and actual practices, identifying critical issues to

review, update and fully presented in sustainability report content in the coming years.

### CONTACT INFORMATION

We are looking forward to receiving your sincere comments to make our report more transparent, complete and accurate. Should you have any opinion related to sustainable development issues, please send us at:

Website: <http://www.pvcfc.com.vn/> (contact section)

## GOOD GOVERNANCE IN SUSTAINABLE DEVELOPMENT

### METHODOLOGY OF SUSTAINABLE DEVELOPMENT MANAGEMENT

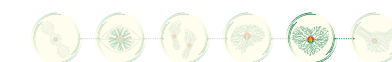
In compliance with relevant regulations in association with international practices on corporate governance, apart from building and completing corporate structure toward stronger position and compliance with international standards, PVCFC has built a corporate structure (including corporate governance toward sustainable development) including Charters, regulations and legal documents within the Vietnam Oil and Gas Group to create a professional, transparent and effective governance system from Parent Company to its member companies. Then, PVCFC not only ensures the highest governance principles on ensuring shareholders' benefits but also harmonizes development goals and social and environmental responsibilities.

### SUSTAINABLE MANAGEMENT MODEL AT PVCFC



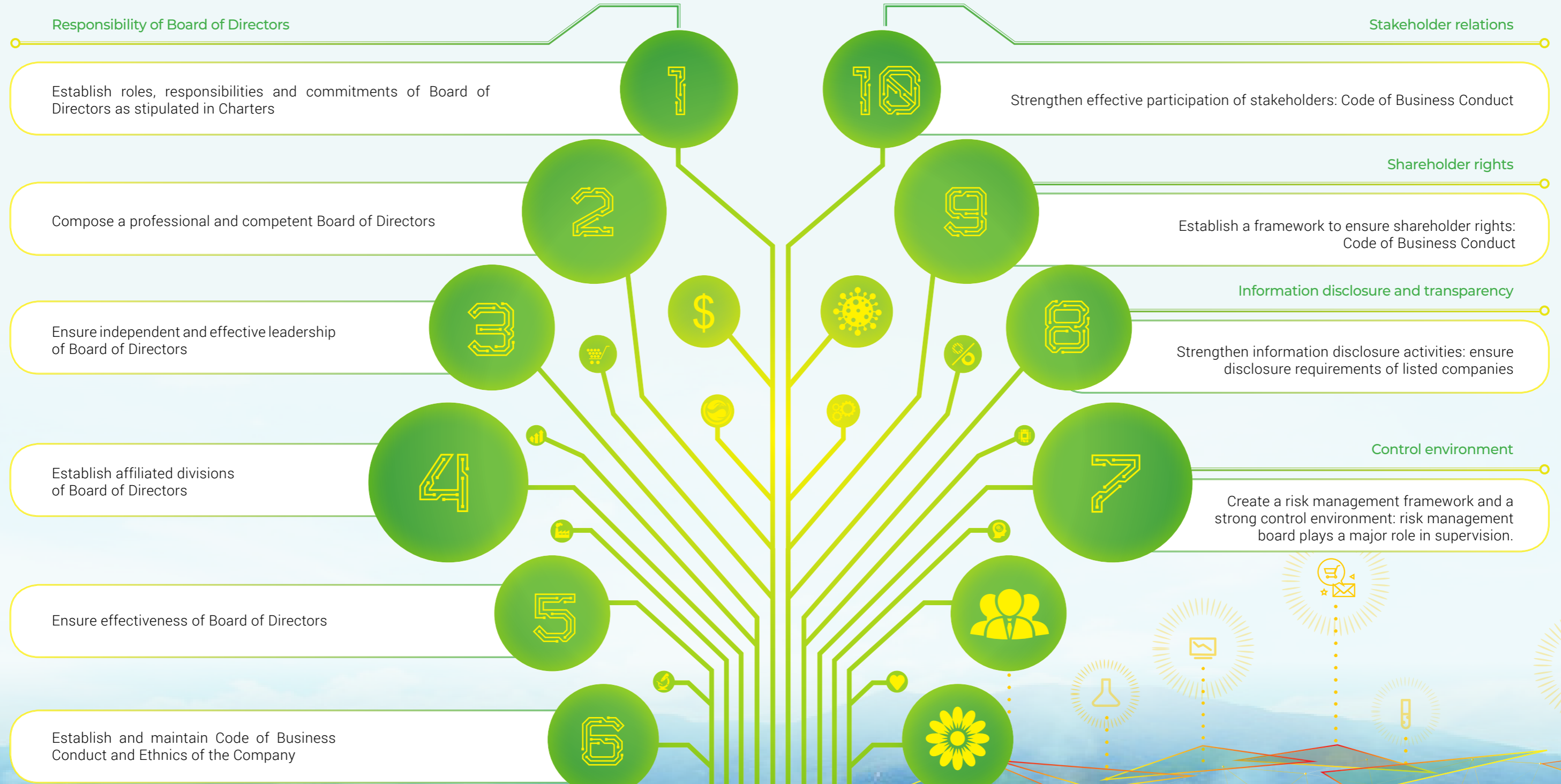
### PVCFC's corporate governance model is based on harmonious combination of following factors:

- Solid corporate governance structure: PVCFC's governance structure is a set of governance entities of a listed company including: General Meeting of Shareholders, Supervisory Board, Board of Directors, Divisions of Board of Directors and Board of Management.
- Compliance with international practices and the laws of Vietnam: fully comply with regulations of the laws, legal framework of Vietnam and corporate governance of listed companies.
- Apply corporate governance tools in Vietnam National Oil and Gas Group (PetroVietnam).



# GOOD GOVERNANCE IN SUSTAINABLE DEVELOPMENT (continued)

## PRINCIPLES OF GOVERNANCE FOR SUSTAINABLE DEVELOPMENT



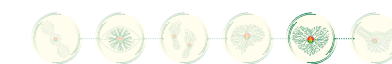
## SUSTAINABLE RELATIONS WITH STAKEHOLDERS

Stakeholders are those who can have impacts on PVCFC's activities or being impacted from PVCFC's business and production activities. Accordingly, PVCFC's stakeholders are defined as follows:



Stakeholders	Concerns	Approaches	PVCFC's actions
<b>Shareholders - Investors</b>	<ul style="list-style-type: none"> <li>Ensure capital efficiency and optimization;</li> <li>Ensure information disclosure in open and transparent manner and on schedule;</li> <li>Stabilize and improve corporate and stock values in stock exchange;</li> <li>Continuously improve corporate governance capacity;</li> <li>Pursue equal treatment, ensure benefits for shareholders and investors.</li> </ul>	<ul style="list-style-type: none"> <li>Organize Annual or Extraordinary General Meeting of Shareholders as specified.</li> <li>Receive and exchange email, telephone, fax, etc.</li> <li>Organize annual meetings to summarize and report on the Company's business and production activities for shareholders and investors.</li> <li>Information to be disclosed on the company's website.</li> <li>Attend investors' forums and seminars to share information and investment opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Be aware of fully carrying out information disclosure related procedures of Ministry of Finance to ensure timely providing information to shareholders, investors, ensure transparency in business and production activities.</li> <li>Disclose important information capable of causing impacts on benefits and investment decisions of investors, help shareholders and investors closely follow up PVCFC's operation situation.</li> <li>Information disclosure and exchange must ensure equality for all investors.</li> </ul>

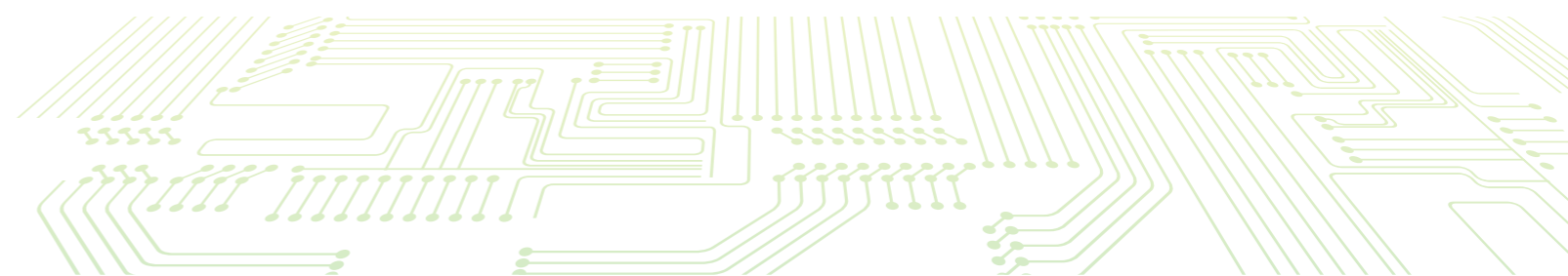
Stakeholders	Concerns	Approaches	PVCFC's actions
<b>Partners</b>	<ul style="list-style-type: none"> <li>Cooperation for mutual development.</li> <li>Promote responsible business and production conduct</li> </ul>	<ul style="list-style-type: none"> <li>Face to face meeting and exchange.</li> <li>Build long-term co-operation relations by commitments included in co-operation agreements.</li> <li>Co-ordinate to implement and expand scopes of businesses in the entire value chain of fertilizer industry, mobilize resources for research and manufacturing of products and services toward orientation of "Comprehensive set of nutritional solutions for plants" with high value.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain principles of equality, integrity for mutual benefits in all business cooperation activities of PVCFC.</li> <li>Build a transparent co-operation mechanism without any deliberate action causing difficulties or for personal benefits which have impacts on the Company's common activities.</li> <li>Pursue equal treatment between local and foreign partners</li> </ul>
<b>Customers - Farmers</b>	<ul style="list-style-type: none"> <li>Ensure product information transparency;</li> <li>Diversified product portfolios with multiple prices.</li> </ul>	<ul style="list-style-type: none"> <li>Co-ordinate with team of leading experts through specialized programs, talks and dialogues with farmers on television.</li> <li>Organize training sessions for farmers on methods of fertilizer application.</li> <li>Connect and recognize performances of farmers through meaningful programs such as promotion programs (gift-giving, material gifts or products), giving gifts such as coats, helmets, fertilizer bowl, etc. for farmers nationwide and foreign markets.</li> <li>Establish toll-free number to receive direct information and feedback from farmers.</li> </ul>	<ul style="list-style-type: none"> <li>Consider customer trust and satisfaction as a measure of product quality and value, brand prestige in the market.</li> <li>Ensure supply of high-quality product, international advanced and environmentally friendly technologies with reasonable price suitable for various types of soil and plants to help farmers save costs and increase product-use efficiency</li> </ul>
<b>Customers - Distributors, agents</b>	<ul style="list-style-type: none"> <li>Continuously improve service quality and sales process</li> <li>Increase customer interactions and engage in active listening.</li> </ul>	<ul style="list-style-type: none"> <li>Exchange, negotiate and sign agency contracts, sales contracts with customers including distributors, agents, stores, domestic and foreign commercial customers to strengthen product consumption.</li> <li>Interact, exchange and collect customer data to meet their needs and desires through locally-based employees.</li> <li>Implement periodic customer service programs including visiting, giving gifts to customers on special events and occasions.</li> <li>Organize customer connection programs through tours and tourism activities.</li> <li>Organize exchanging activities for distribution agents.</li> <li>Receive and respond to customer complaints through telephone customer service.</li> </ul>	<ul style="list-style-type: none"> <li>Continuously apply advanced technologies in new products to improve farming productivity with reasonable price</li> <li>Proactively protect customers from fake and poor-quality fertilizers, strengthen communications activities to help farmers identify original product from counterfeit one.</li> </ul>



## SUSTAINABLE RELATIONS WITH STAKEHOLDERS (continued)

Stakeholders	Concerns	Approaches	PVCFC's actions
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Pursue fair treatment between suppliers</li> <li>Co-operate for mutual development</li> <li>Promote sustainable growth;</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen direct meetings and exchanges with suppliers through information channels (email, tel...).</li> <li>Through mechanisms and regulations related to procurement, product and service consumption.</li> <li>Through bidding activities and criteria for supplier evaluation.</li> <li>Build interactive communication channels to improve product and service quality.</li> </ul>	<ul style="list-style-type: none"> <li>Abandon on any abusive actions against the Company's brand reputation to create unreasonable claims against suppliers, determine not to cooperate with units for enticing or paying commissions, gratuity or in-kind gifts to PVCFC's employees.</li> <li>Supplier selection process is based on equality quality, technical capacity and working experience of suppliers in the past, etc.</li> </ul>
<b>Community, society</b>	<ul style="list-style-type: none"> <li>Implement environmental regulations to ensure fire safety and environmental health at fertilizer production plants;</li> <li>Promote economic growth, support to develop health and education facilities for localities</li> <li>Environmentally friendly products with advanced quality;</li> <li>Contribute to the local community where PVCFC is operating.</li> </ul>	<ul style="list-style-type: none"> <li>Co-ordinate with local authorities;</li> <li>Disseminate and raise awareness of environmental safety;</li> <li>Promote bilateral exchanges through events.</li> </ul>	<ul style="list-style-type: none"> <li>Promote business and production activities closely attached with environmental protection and social security.</li> <li>Implement social security programs annually in accordance with the Company's plans such as building house of gratitude, schools, bridge, providing scholarship, standing in solidarity with farmers, etc.</li> <li>Organize activities to share and support the people with difficult circumstances caused by natural disaster, epidemics, etc.</li> <li>Maintain annual scholarships "For the Golden Harvests" to support poor and gifted students with high academic results.</li> <li>Provide funding for events and activities of related to agriculture, rural development, farmers, fertilizers, etc.</li> </ul>

Stakeholders	Concerns	Approaches	PVCFC's actions
<b>Government, State agencies</b>	<ul style="list-style-type: none"> <li>Make contributions to the State Budget;</li> <li>Implement corporate social responsibilities;</li> <li>Implement and support the State's policies;</li> <li>Strictly abide by the laws;</li> <li>Promote local economic development and fertilizer industry</li> </ul>	<ul style="list-style-type: none"> <li>Make reports in accordance with provisions of the laws in the whole business and production process such as: environmental protection, firefighting and prevention, announcement, declaration of selling price, fertilizer market stability, promotion, etc.</li> <li>Contribute opinions on documents, decisions, laws issued by State agencies.</li> <li>Co-ordinate with inspection teams of Ministries, Departments to solve related issues, overcome shortcomings and limitations (if any) upon request and recommendations of inspection teams.</li> <li>Co-ordinate with State management agencies to prevent counterfeit products and poor-quality products.</li> <li>Participate in organizations and associations such as Vietnam Fertilizer Association, Association of Oil and Gas young business</li> <li>Attend conferences, specialized seminars organized by Ministries, Departments.</li> </ul>	<ul style="list-style-type: none"> <li>Strictly abide by regulations of the Laws on tax, environmental protection, labor safety, etc.</li> <li>Proactively co-ordinate with local authorities to in constructing workshops and construction stages on schedule, contributing to the State budget and creating jobs for local laborers.</li> <li>Propose appropriate adjustments on shortcomings of policies, regulations, support the Government and authorities at all levels to better perform management activities.</li> </ul>

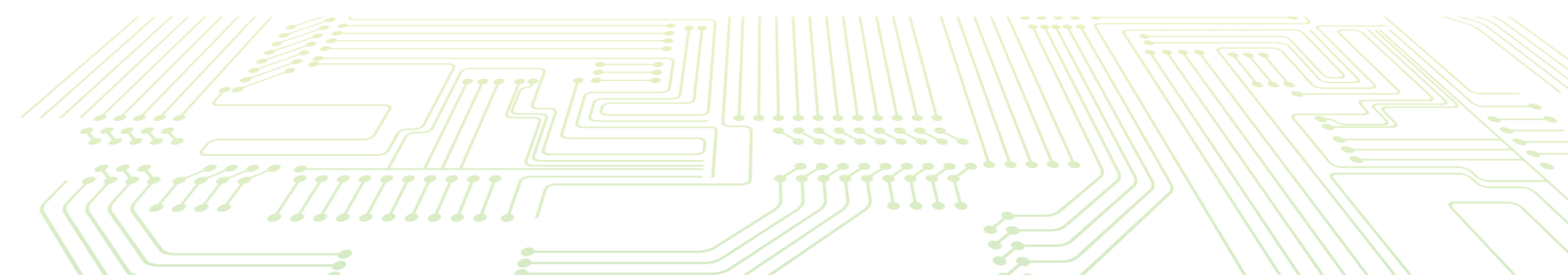


## SUSTAINABLE RELATIONS WITH STAKEHOLDERS

(continued)

Stakeholders	Concerns	Approaches	PVCFC's actions
Media, communications	<ul style="list-style-type: none"> <li>Provide promptly, accurate and transparent information;</li> </ul>	<ul style="list-style-type: none"> <li>Ensure transparency and publicity in information disclosure to mass media.</li> <li>Make contact and answer questions in media interviews (directly or indirectly).</li> <li>Prepare press releases, arrange press conferences to announce important updates.</li> <li>Keep important news and events up to date on the Company's website;</li> <li>Create English-version content on the Company's website to expand target audience, foreign customers who are interested in studying the Company's operation, business and production strategies to expand investment opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Build good relationships with media agencies and press in a legal and transparent manner.</li> <li>Messages and information provided to press in an accurate, complete, reliable and objective manner, make sure accurate information reaches media agencies.</li> <li>Provide information and recommendations of counterfeit/poor-quality fertilizers to the media for to timely inform farmers.</li> </ul>

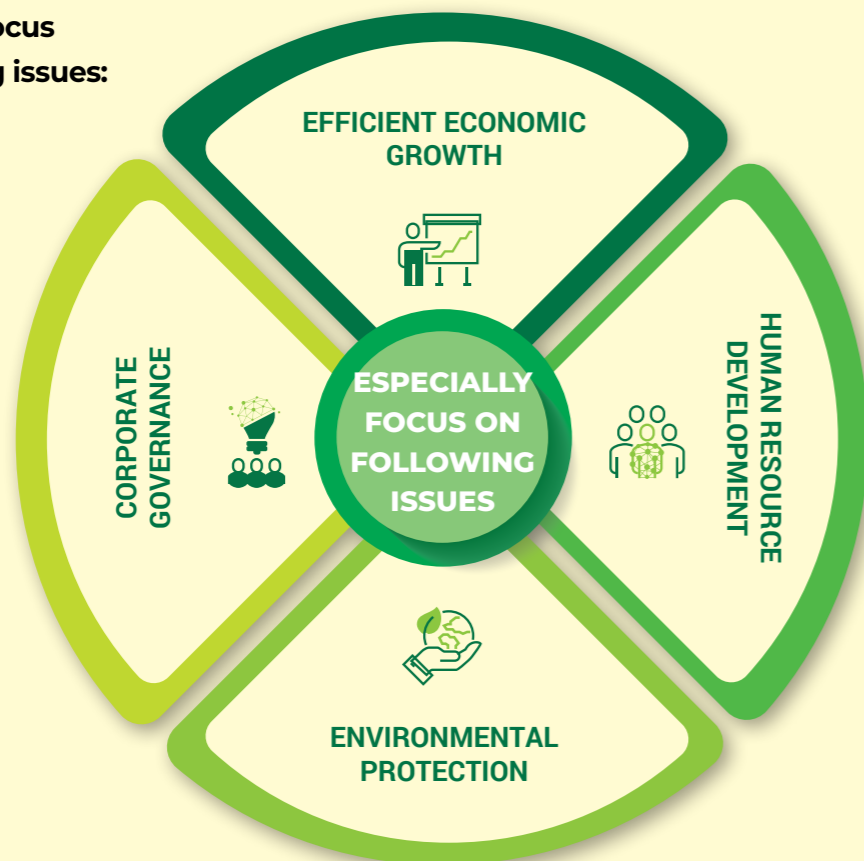
Stakeholders	Concerns	Approaches	PVCFC's actions
Laborers	<ul style="list-style-type: none"> <li>Ensure stable income, remuneration policy and occupational safety;</li> <li>Ensure a civilized and fair working environment;</li> <li>Provide training courses to improve capacity and professional skills, promote self-development;</li> <li>Dedication and contributions to be recognized.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct annual surveys on working environment;</li> <li>Organize annual staff conference;</li> <li>Organize year-end meeting review;</li> <li>Organize training courses;</li> <li>Promote effective internal communications;</li> <li>Strengthen mechanisms for complaint handling;</li> <li>Issue and implement policies;</li> <li>Promote two-way information and consultation.</li> </ul>	<ul style="list-style-type: none"> <li>Through collective labor agreements signed between the Company and laborers' representatives.</li> <li>Establish trade unions, veterans' association, youth unions, clubs for the development of women, etc.</li> <li>Collect opinions via email, survey reports, etc.</li> <li>Organize programs for selecting typical individuals and groups.</li> <li>Organize propagation activities on Safety-Health-Environment for employees, especially factory workers.</li> <li>The project of "Reinventing PVCFC Culture" reaches the maturity stage.</li> <li>Organize talks with participation of professional speakers to share experience and skills to employees.</li> <li>Design training plans, organize knowledge improvement programs for employees.</li> <li>Organize internal activities including culture, art, sports, tourism, etc.</li> <li>Propagate, motivate employees to participate in fund raising programs to support areas vulnerable to natural disasters, floods, poor people, families under preferential treatment policies, poor children, build house of gratitude, etc.</li> </ul>



# MATERIAL ISSUES

“ PVCFC APPROACHES STAKEHOLDERS THROUGH VARIOUS INTERACTION CHANNELS AND WAYS. WE ALWAYS STUDY STAKEHOLDERS' ASPIRATION AND INTEREST TO BETTER PROMOTE OPERATIONAL EFFECTIVENESS.

Especially focus on following issues:



## STEPS TO IDENTIFY MATERIAL ISSUES

**Step 1:** Identify issues that can have big impacts on PVCFC's business and production activities as well as on stakeholders' concerns.

- Conduct market analysis and analysis on fertilizer industry
- Consult customers, partners and shareholders, investors to conduct analysis
- Consult experts, consulting firms in specific strategic projects

**Step 2:** Make a short list of material issues causing impacts on PVCFC and stakeholders' concerns.

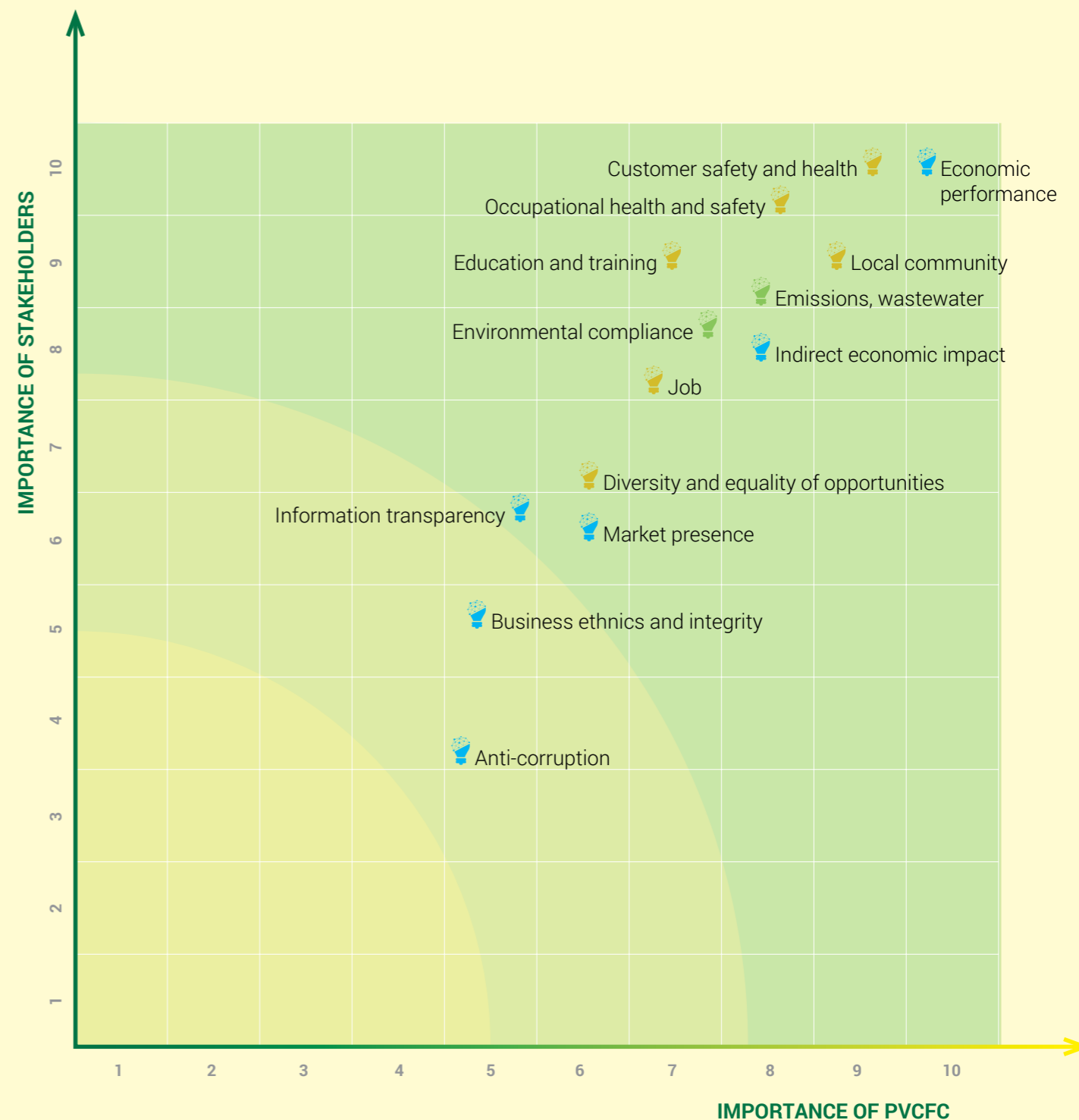
- Select material issues concerned by stakeholders and collect opinions of PVCFC's leaders.

- Make short list of material issues based on reasonable and priority levels.

**Step 3:** Select and analyze material issues, create materiality matrix.

**Step 4:** Review, evaluate and approve material issues, collect opinions of stakeholders on material issues included in reports.

## MATERIALITY MATRIX

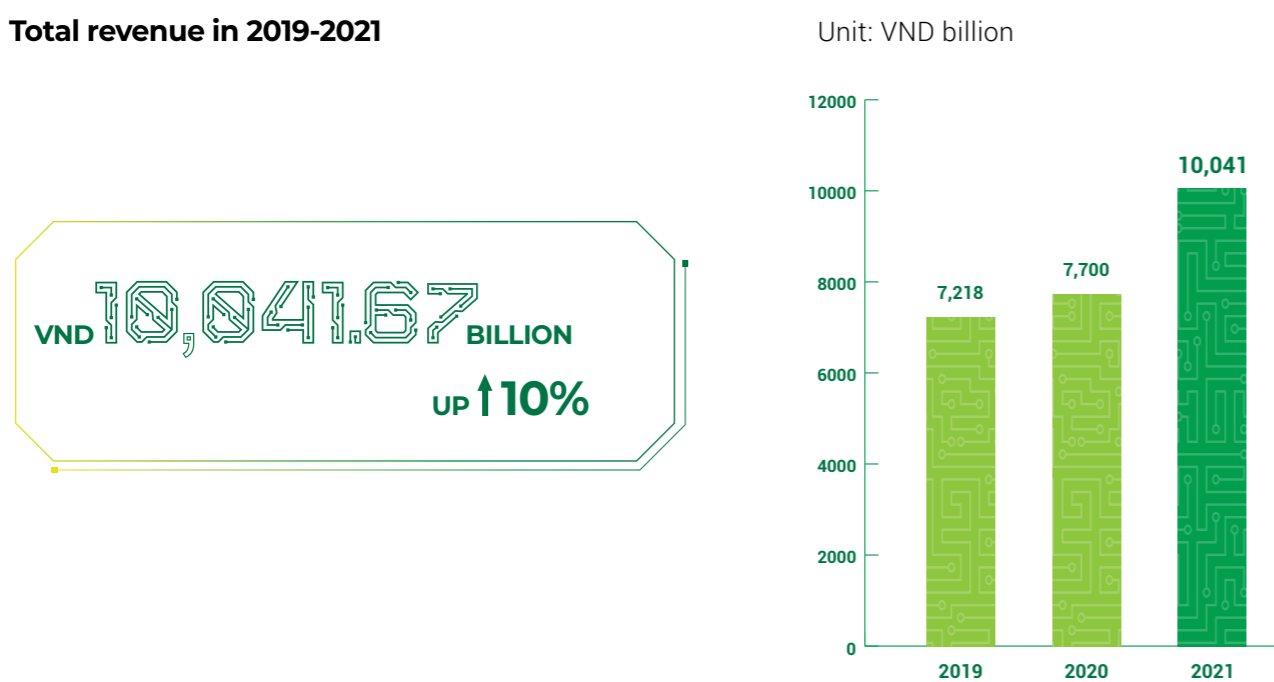


# ECONOMIC PERFORMANCE

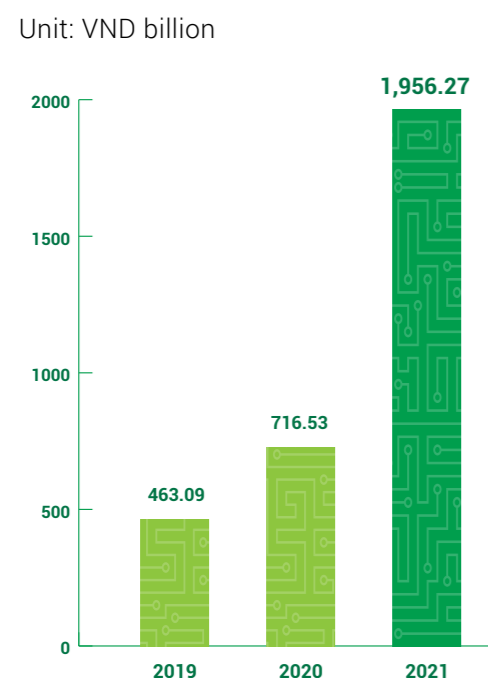
## ECONOMIC PERFORMANCE

PVCFC has overcome disadvantaged factors of Covid-19 pandemic and achieved good business results thank to proactive, drastic and effective implementation of business measures plus cooperation, determination and continuous innovation and creativity of employees, decisiveness of Board of Management including total revenue of VND 10,041.67 billion, up 10% of the plan; profit before tax of VND 1,956.27 billion, up 12% of the plan; profit after tax of VND 1,826.12 billion, up 11% of the plan. This is the highest profit ever of the Company which creates growth pressure in 2022.

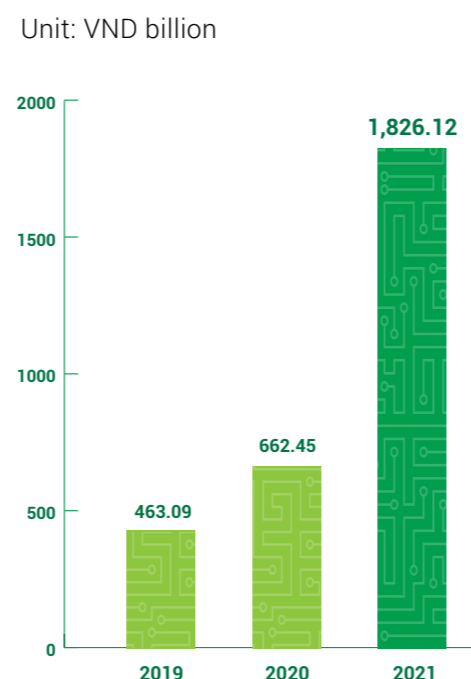
### Total revenue in 2019-2021



### Profit before tax



### Profit after tax



## Business performance in 2021

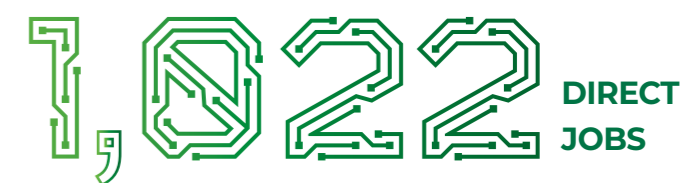
No.	Items	Unit	Implemented 2020	2021		Ratio	
				Planned	Implemented	Comparison (%)	
A	B	C	1	2	3	4=3/2	5=3/1
<b>II Consolidated financial indicators</b>							
1	Total revenue	VND billion	7,700.33	9,168.32	10,041.67	110%	130%
2	Profit before tax	VND billion	716.53	924.45	1,956.27	212%	273%
3	Profit after tax	VND billion	662.45	867.50	1,826.12	211%	276%
4	Obligations to State budgets	VND billion	87.09	98.85	222.41	225%	255%
<b>III Parent Company's financial indicators</b>							
1	Total revenue	VND billion	7,663.86	9,132.59	10,056.63	110%	131%
2	Profit before tax	VND billion	714.83	920.66	1,950.55	212%	273%
3	Profit after tax	VND billion	661.56	864.57	1,821.83	211%	275%
4	Obligations to State budgets	VND billion	80.24	91.87	196.77	214%	245%
5	Pre-tax ROE	%	14%	17%	37%	212%	273%
6	Investment value	VND billion	112.89	96.84	72.58	75%	64%

## INDIRECT ECONOMIC IMPACT

### OBLIGATIONS TO STATE BUDGETS



### CREATE



Apart from maintaining business and production efficiency, PVCFC always complies with regulations on contribution to the State. In 2021, PVCFC has paid a total of VND 222.41 billion to the State budget, up 255.35% as of 2020.

By directly employing local laborers in Ca Mau province and neighboring areas, PVCFC has made a great contribution to the provincial budget through paying tax, using services of companies doing business in Ca Mau, increasing demands of daily living services where the company is located, promoting local economic development.

PVCFC together with other companies doing business in Ca Mau Gas - Power - Fertilizer Complex under Vietnam National Oil and Gas Group have contributed more than 40% of the provincial budget, created 30% of jobs for local laborers. Ca Mau Gas - Power - Fertilizer Complex is an important economic driving force for Ca Mau to "shine" in Southernmost point of Vietnam.

Besides Ca Mau Gas - Power - Fertilizer Complex, other items such as industrial infrastructure, traffic road system, electronic, water supply and drainage, airports have been established to help Ca Mau exploit eco-tourism, aquaculture as well as connect with other cities and provinces nationwide





# ENVIRONMENTAL PROTECTION

## ENVIRONMENTAL MANAGEMENT IN PVCFC



PVCFC ALWAYS STRICTLY COMPLIES WITH CURRENT REGULATIONS OF THE LAWS AND APPLIES ISO 14001:2021 (QUALITY POLICY, SAFETY, ENVIRONMENT, INSPECTION AND TESTING OF PVCFC) TO MONITOR ENVIRONMENTAL PROTECTION. THE PLANT'S WASTE RESOURCES ARE STRICTLY CONTROLLED TOWARD MINIMIZATION OF QUANTITY AND QUALITY CONTROL IN ACCORDANCE WITH DISCHARGE STANDARDS



Ca Mau Fertilizer Plant

### Quality control of wastewater and emission

- Total river water exploitation: 14,497,300 m<sup>3</sup>
- Total water supply: 1,120,230 m<sup>3</sup>
- Total wastewater production: 13,292,179 m<sup>3</sup>
- Total emission production: 9,409,967,121 m<sup>3</sup>

### Periodic environmental monitoring

Ensure quality of waste output causing no impact on surrounding environment, PVCFC has performed environmental monitoring periodically 4 times/year in accordance with environmental impact assessment commitments approved by Ministry of Natural Resources and Environment under Decision No. 1387/QĐ-BTNMT dated 5 August 2010, specific locations and environmental parameters as follows:

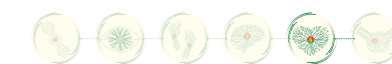
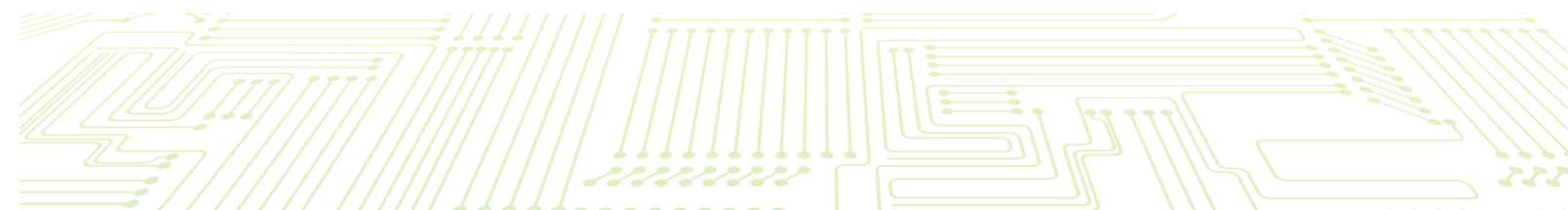
Location	Parameters	Vietnam Standards
<ul style="list-style-type: none"> <li>• Primary reformers</li> <li>• Auxiliary boiler room chimney</li> <li>• Spout fluid bed granulator</li> </ul>	Dust, CO, NO <sub>x</sub> , SO <sub>2</sub> , NH <sub>3</sub> , noise, vibration	19/2009/BTNMT 21/2009/BTNMT
Domestic wastewater	pH, BOD <sub>5</sub> , TSS, TDS, surfactants, animal fat, vegetable oil, sulfide, Ammonia, total Phosphorus, total nitrogen, Coliform	14/2008/BTNMT
<ul style="list-style-type: none"> <li>• Output of oil contaminated wastewater treatment system</li> <li>• Output of Ammonia contaminated wastewater treatment system</li> </ul>	pH capacity, colors, BOD <sub>5</sub> , COD, suspended solids, Arsenic, mercury, lead, iron, copper, total mineral oil and grease content, sulfide, Ammonia, total nitrogen, total phosphorus, Ammonium, residual Chlorine, Coliform, wastewater capacity.	40:2011/BTNMT
<ul style="list-style-type: none"> <li>• Common output of 3 domestics, oil ad Ammonia contaminated wastewater treatment systems</li> <li>• On common drainage channel</li> </ul>	Temperature, color, pH, BOD <sub>5</sub> , COD, TSS, total dissolved solids (TDS), Arsenic, Mercury, Lead, Cadmium, Cooper, Iron, total mineral oil and grease content, total surfactants, animal fat and vegetable oil, sulfide, Ammonium (as Nitrogen), total nitrogen, total phosphorus, residual Chlorine, Coliform.	40:2011/BTNMT
Output of waste heat driven refrigeration system	pH, temperature, Cl <sub>2</sub> , TSS	40:2011/BTNMT

All periodic environmental monitoring results in 2021 at all locations have been implemented with parameters in accordance with regulations and within acceptable limits.

Apart from conducting periodic environmental monitoring, PVCFC has also installed continuous automatic emission and wastewater monitoring systems in some locations with parameters as follows:

- River water for cooling and waste heat: temperature, pH, residual Chlorine;
- Output wastewater: capacity, temperature, pH, COD, TSS, NH<sub>4</sub><sup>+</sup>;
- Emissions at Spout fluid bed granulator: capacity, temperature and NH<sub>3</sub>

Continuous automatic monitoring data is collected every 5 minutes/data and directly transmitted to Ca Mau Department of Natural Resource and Environment. In 2021, 100% of data was transmitted to Ca Mau Department of Natural Resources and Environment (except for time for plant maintenance) without any parameter exceeding allowable limits.



## ENVIRONMENTAL PROTECTION (continued)

### ENVIRONMENTAL MANAGEMENT IN PVCFC (continued)

#### Control of solid waste

Domestic waste generated from offices, cafeteria, canteen, toilets, etc. with an amount of 121,581 kg has been collected and transferred to Ca Mau Urban Environment JSC.

Ordinary industrial solid waste: wood chips, damage pallets, plastic, scrap iron, etc. generated with an amount of 115,116 kg has been collected and transferred to competent units for treatment in accordance with regulations.

Hazardous waste: PVCFC has registered hazardous waste source owner, Code QLCTNH: 96.000016.T issued by Ca Mau Department of Natural Resources and Environment dated 23 December 2014. This was the 4th time PVCFC granted this owner. In 2021, hazardous waste generated with an amount of 167,666 kg has been classified, collected, stored at hazardous waste storage of the plant and transmitted to competent units for treatment in accordance with regulations.

#### Periodic planning and reporting

The Company, on an annual basis, works out periodic environmental monitoring plan and report on environmental protection in accordance with Decree No. 40/2019/NĐ-CP dated 13 May 2019, Circular No. 25/2019/TT-BTNMT dated 31 December 2019. These plans and reports have been submitted to Ministry of Natural Resources and Environment as well as Ca Mau Department of Natural Resources and Environment.




Besides, the Company has also conducted identification and evaluation of significant environmental aspects to set up appropriate environmental control programs for every unit of the Company.

#### Wastewater rate schedule

PVCFC always declares and fully pays environmental protection fees for industrial wastewater in accordance with Decree No.53/2020/NĐ-CP dated 05 May 2020 of the Government on environmental protection fees for wastewater.



#### Climate change mitigation measures

-  Project for recovery of permeate as from Ca Mau Gas Processing Plant has saved 1,350 GJ/day for PVCFC
-  Optimize the primary reformer to reduce energy consumption and save 165GJ/day for PVCFC
-  Optimize Advanced Process Control (APC) to save approximately 446GJ/day

### SAFETY - HEALTH - ENVIRONMENT IN THE PLANT

#### Safety

- No workplace theft nor disorder found in the Plant
- No plant fire, explosion, chemical spill nor food poison causing impacts on production activities
- Procure and repair emergency response equipment is always in place to ensure prompt and effective response in case of emergency.
- Conduct effective emergency response drills/ ensure effective response in case of emergency.

#### Health

- No occupational injuries requiring hospitalization for over 2 days.
- No employee suffering from occupation diseases.
- PVCFC has not arranged periodic health check for employees due to Covid-19 pandemic .

#### Environment

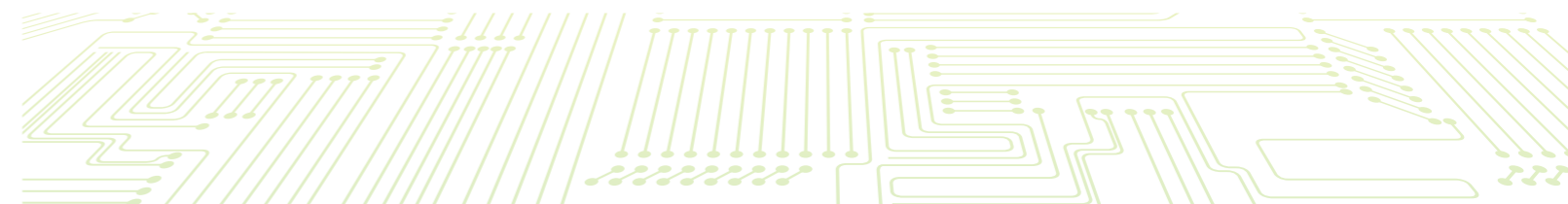
- Classify and transfer land in accordance to regulations.
- Conduct periodic on-site measurements and tastings of wastewater resources and emissions level in every work shift.
- Monitor the factory's discharge points in every work shift, ensure discharge standards in accordance to regulations.
- No incident of environmental violation found in 2021



### COMPLIANCE WITH ENVIRONMENTAL REGULATIONS

To ensure compliance with current environmental regulations, PVCFC has periodically updated the latest legal documents and worked out plans on implementation of compulsory contents, if any.

In 2021, PVCFC has not been informed any notice related to environmental violation, no penalty related to environmental violation was recorded in auditor's report.



## SOCIAL ISSUES

### EMPLOYEE POLICIES AND PROCEDURES

#### Number of employees, average salary for laborers

As at 31 December 2021, PVCFC has been employing a total of 1,022 employees (including 16 people from Board of Management) with average salary of VND 24.87 million/person/month.



#### Labor policy ensures health, safety and welfare for employees

The Company always creates favorable, safe working environment, well implement labor policy, salary, bonus, social insurance, health insurance, unemployment insurance and other policies in accordance with regulations of the Laws, the Group and of PVCFC:

- The Company fully implement salary pay, bonus, overtime pay and other allowances in accordance with salary, bonus and remuneration regulations; fully and timely implement social insurance, health insurance and unemployment insurance policies for employees in accordance with provisions of Labor Code and the Law on Social Insurance. In 2021, PVCFC did not owe social, health and unemployment coverages
- The Company strictly carried out occupational safety training activities as well as provided full labor insurance coverage for all employees; providing hazard duty pay or benefits in kind to employees working under hazardous and dangerous environment in accordance with the State's regulations, give allowances to those who have been isolated to work under "03 on the spot" plan during Covid-19 pandemic outbreak.
- Provide expanded personal insurance coverage (PVI Care) to all employees and other types of insurance such as voluntary pension insurance, life insurance "postpaid benefits" to attract and stabilize employees' living situations; transfer life insurance policy "postpaid benefits" (Sun Life) for employees eligible for regulations of the Company's employee policy.
- Apart from ensuring salary, welfare and remuneration policies for employees, PVCFC has also focused on taking care of spiritual life of employees through giving gifts, supporting employees with difficult circumstances, organizing cultural exchange programs, sports events as a spiritual playground and building spirit of internal solidarity.

#### Social, Health and Unemployment Insurance

##### Social insurance coverage in 2019

- Social insurance: VND 49,307,217,226
- Health insurance: VND 8,797,339,927
- Unemployment insurance: VND 4,108,970,818

##### Social insurance coverage in 2020

- Social insurance: VND 50,940,330,264
- Health insurance: VND 9,021,022,719
- Unemployment insurance: VND 4,214,046,825

##### Social insurance coverage in 2021

- Social insurance: VND 53,532,779,655
- Health insurance: VND 9,547,281,420
- Unemployment insurance: VND 3,910,995,569

#### Maternity leave in 2021

- Total number of employees entitled to maternity leave: 12 employees with total maternity pay of VND 1,016,113,600
- Total number of employees entitled to maternity leave: 12
- Total number of employees returning to work after maternity leave: 12
- Total number of employees retained 12 months after returning to work: 12
- Return to work and retention rate after maternity leave is 100%

#### Labor-Management Relations

The Company's collective labor agreement was signed in 2021 in employee conference and valid for 3 years (adjusted in accordance with regulations) between employer and chairman of trade union. The company is committed to fully implementing remuneration, salary policies, creating safe, comfortable and beneficial working environment for employees, specifically:

- Create favorable conditions for employees to contribute opinions on employee's rights, obligations and responsibilities.
- Ensure democratic rights for employees, organize dialogues with employees
- Improve responsibility and obligations of employer, create favorable conditions for political and social organizations (Party, Trade Union, Young Union, Veteran Association) to operate in accordance with regulations of the Law.
- Organize monthly meetings to promote business and production activities, ensure implementation of plans to ensure benefits and interests for laborers.
- General Director is responsible for reporting business and production situation, implementing collective labor agreements, salary and bonus policies, responding recommendations and requests of laborers.
- PVCFC enters in to employment contracts with all employees in accordance with regulations of the Law.
- Provide conditions of rest breaks, health assurance and bonuses that are more favorable for employees, special policies for female employees are higher than regulations of the Law.
- Issue mandated hazard pay regulations for production workers

#### Education and Training

##### Training

PVCFC always pays a special attention to human resource training and development. The Company always create favorable conditions for employees to participate in training courses to improve professional skills, knowledge to ensure business and production stability, specifically:

Annual average training hours: 23.6 hour/person.

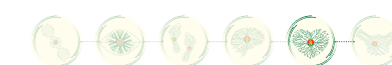
##### Hours of training per employee:

- Senior leaders (Board of Management, Division Head, Deputy Head and equivalent): 225 hours/year.
- Mid-level leaders (Manager, Deputy Manager and equivalent, workshop leader, team leader): 1,020 hours/year.
- Employees: 23,157 hours/year.

#### Programs for continuous learning and skill development

In 2021, PVCFC has organized a variety of training courses including intensive training, management, skill, regular training courses to update professional knowledge, internal training courses to reinforce and improve professional skills for employees of production division to ensure stable, safe and effective operation of the plant. To improve competitiveness and governance capacity in all business and production activities and adapt to economic changes post Covid-19 pandemic, PVCFC has strengthened organization of training programs seminars, Vietnam-Singapore senior governance forum, energy transition, digital transformation, corporate governance in accordance with the best practices, business legal issues, corporate risk management, R&D governance, intellectual property and local documents.

Training activities has helped PVCFC's employees much improve their professional skills, maintain stable operation of the plant with high capacity of 110%, production plan was 14 days ahead of schedule. Moreover, employees have taken initiative in improving plant maintenance activities without hiring outside experts while business turnover and profit were much improved.



## SOCIAL ISSUES (continued)

### SOCIAL RESPONSIBILITY

For over 10 years of establishment and development imbued with its set of core values “Pioneering - Responsible - Considerate - Compatible”, PVCFC always maintains its missions as a “Nurturer” to “share happiness with communities” by practical sponsorships, charitable and social activities. It is clearly defined that sustainable development must be accompanied community responsibility. This is always an operational principle closely attached with other strategic goals.

PVCFC has allocated a total of **VND 40 billion** for social security and community-based activities

Since Covid-19 pandemic outbreak occurred early 2020 in Vietnam, PVCFC has been one of pioneers in joining hands with Government and localities in disease control and prevention activities. In 2021, apart from giving support to repel the Covid-19 pandemic, PVCFC has accompanied the country to implement urgent and meaningful activities based on the spirit of together overcoming challenges and stabilizing social security.

In 2021, PVCFC has allocated VND 40 billion for social security and community-based activities.

#### Donate ambulances to provinces/cities seriously impacted by Covid-19 pandemic

On 12 November 2021, being authorized by PetroVietnam, PVCFC has awarded 02 ambulances to support Ca Mau in a fight against Covid-19 pandemic. Attendants of the awarding ceremony included leaders of Ca Mau province and representatives of PVCFC.

In the context of Covid-19 pandemic complicated developments. PVCFC’s donation of specialized ambulances has supported Ca Mau health sector to effectively implement disease control and prevention measures, timely supported local health sector to transport Covid-19 patients to health facilities conveniently and rapidly.

Ambulances awarded to Ca Mau province is 16 seat Hyundai Solati van which is manufactured and distributed in Vietnam. Solati ambulance version is a big van with wide and flexible interior space. This version is equipped with ultra-rigid frame made of high-grade alloy, closed-loop structure enhancing hardness, stability and safety. This is a multi-purpose van can be well-performed in different situations.



Deputy General Director - Mr. Tran Chi Nguyen donated 02 ambulances to support Ca Mau in a fight against Covid-19 pandemic

#### Donate VND 3 billion to Ca Mau to purchase Covid-19 test kits

On 12 November 2021, PVCFC has donated VND 3 billion to support Ca Mau Department of Health to purchase Covid-19 test kits. In the context of rapidly increasing number of confirmed cases, PVCFC’s financial support has added more energy to Covid-19 rapid testing efforts, effectively implement disease control and prevention measures of Ca Mau province.

The awarding ceremony attracted participation of Mr. Tran Van Thien, Head of Provincial Commission for Mass Mobilization, Chairman of Vietnam Fatherland Front Committee of Ca Mau Province; Mr. Nguyen Minh Luan, Deputy Chairman of People’s Committee of Ca Mau Province.

PVCFC, through these contributions, hopes to quickly restart business and production activities, supply chains and daily lives of people in the new normal at soonest possible time.



Deputy General Director - Mr. Tran Chi Nguyen donated VND 3 billion to support Ca Mau province to repel Covid-19 pandemic

#### Support Covid-19 patients in isolation areas in Ca Mau province

To timely support people to return Ca Mau province and those in concentrated isolation areas in Ca Mau province, PVCFC’s unions have raised the “spirit of solidarity and kindness”, make contribution according to their ability.

As a result, PVCFC has mobilized a total amount of VND 264 million from employees from 13 October 2021 to 14 October 2021. PVCFC’s representatives and Executive Committee of PVCFC’s Communist Youth Union have coordinated with mass organizations in Ca Mau City to give small gifts full of love of PVCFC’s leadership and employees to local people. This move represents the faith and the right directions of Board of Directors following 4 core values: Pioneering - Responsible - Considerate - Compatible. The value of responsibility is embraced in PVCFC’s proactive cooperation with leaders of Ca Mau province in the fight against Covid-19 pandemic, maintain production stability, make timely contributions to support vulnerable people with the hope that they are safely isolated and comply with epidemic prevention regulations to return to a new normal.

Every small contribution of each employee makes PVCFC’s brand shine in both production activities and hearts full of love.



## SOCIAL ISSUES (continued)

### SOCIAL RESPONSIBILITY (continued)

#### Project inauguration in Hai Duong Province

With economic development, increase of social welfare and security, leaving no one behind as a consistent and cross-cutting goal, PVCFC has strengthened solutions to improve quality of life of people, contribute to sustainable community development. On 22 November 2021, PVCFC has cooperated with People's Committee of Thang Long Commune, Kinh Mon Township, Hai Duong province to organize inauguration ceremony of Trung Hoa Community Education Center. This is a part of PVCFC's social security programs in 2021 to improve quality of life of local people as well as promote local economic development.



Community Education Center Project in Trung Hoa Village funded by PVCFC with a total investment capital of VND 3 billion.

#### Donate VND 1 billion to support Ca Mau in combating Covid-19

In response to launching ceremony of peak donation campaign to support prevention of Covid-19 pandemic (Phase 2) of Vietnam Fatherland Front Committee of Ca Mau Province, PVCFC has made a total contribution of VND 1 billion to support Ca Mau in combating Covid-19. On this occasion, Mr. Nguyen Thanh Tung - Deputy General Director of PVCFC expressed his concerns about hardships, shortage of medical equipment and supplies at grassroots facilities and even human resource on the frontline in remote areas like Ca Mau. He also expressed PVCFC's commitments to accompany and fulfil its responsibilities for Covid-19 pandemic control and prevention activities.



General Director of PetroVietnam Le Manh Hung granted aids to Vietnam Vaccine Fund to Ministry of Health Nguyen Thanh Long

#### Donate VND 5 billion to Vietnam Vaccine Fund

During tough times of Covid-19 pandemic, as Vietnam's leading fertilizer trading and production company, it is very urgent and necessary for PVCFC to join hands with the Government to overcome difficulties and challenges.

In response to call of the Party and authorities to establish Vaccine Fund to effectively prevent the pandemic and ensure health, safety for people, PVCFC has given VND 5 billion to Vietnam Vaccine Fund. Although it is a modest sum but it presents the whole-hearted love of PVCFC's employees for people, reflecting community responsibilities of PVCFC, spreading and upholding the good tradition of "Solidarity and kindness" of Vietnamese people.

#### Give support to farmers in the Mekong Delta region facing difficulties during pandemic and the fall of agricultural prices.



PVCFC gave fertilizers and gifts to farmers impacted by Covid-19 pandemic in Tran Van Thoi District.

The Covid-19 pandemic has caused serious damages to rice consumption activities in the Mekong Delta region. Rice price continued to drop and deter buyers. With a mission for the future of farmers, rural area and Vietnamese agriculture, PVCFC has implemented a program of "unanimously support and overcome challenges with farmers" to share difficulties with farmers during such a tough time. The program has been implemented in 23 provinces and cities, giving 26,000 Ca Mau branded high quality fertilizer bags to farmers nationwide. In addition, the company has given 500 gifts of essential goods such as rice, sugar, cooking oil, medical equipment, etc. to farmers.



PVCFC gave fertilizers and gifts to farmers impacted by Covid-19 pandemic in Thoi Binh and U Minh Districts.



## SOCIAL ISSUES (continued)

### SOCIAL RESPONSIBILITY (continued)

#### Fund construction of 3 rural bridges worth VND 1.5 billion for Thoi Binh District, Ca Mau Province

In order to create favorable conditions for road traffic and provide safe route for students to schools, especially in rainy season, PVCFC has funded construction of 3 rural traffic bridges worth VND 1.5 billion in Thoi Binh District. This is a very meaningful gift presenting responsibilities of the Leadership and employees of PVCFC for local communities, promptly responding to desires of safe roads and travel of local people and authorities of Thoi Binh District.

#### Fund light installation in U Minh District



On 28 February 2022, Standing Committee of Ca Mau Provincial Youth Union organized an emulation movement to welcome youth union congress at all levels in 2022-2027 term and launched "Youth Month 2022", on this occasion, PVCFC has handed over 6 projects of "lighting up country roads" to U Minh District. Each project installed light system with total length of 8km in 6 districts including Khanh An, Nguyen Phich, Khanh Thuan, Khanh Tien, Khanh Lam, Khanh Hoa with total investment capital of VND 300 million. These projects not only created favorable conditions for local people to travel but also create more stronger and prosperous communities, contribute to new rural development.

#### Scholarships awarded to poor students in Ca Mau province

The Covid-19 pandemic complicated developments have made it more difficult for poor students in Ca Mau province. Despite many challenges in business and production activities, PVCFC continued to maintain business and production efficiency and give more scholarships to students in remote areas.

On 13 September 2021, PVCFC has supported "For Golden Harvest" Fund at 10 first opening ceremonies of new school years in districts and city of Ca Mau. On this occasion, PVCFC has awarded a total of 900 scholarships to gifted students in many districts and city of Ca Mau as a message of encouragement for students in the new school year.

#### Scholarships of VND 420 million awarded to students of Can Tho University

Continue to follow up the journey of sowing seeds of love, empower and bring hope to students nationwide, PVCFC, as a "Nurturer", has awarded 60 scholarships worth VND 420 million to students of Faculty of Agriculture of Can Tho University

These scholarships proved as good motivation for students to fulfill their desires of conquering the peak of knowledge, turn their dreams into reality, take firm steps into the future and contribute to the local agricultural development.



PVCFC's youth union awarded scholarships at opening ceremonies of new school year in districts and City of Ca Mau.

#### Scholarships of over VND 210 million awarded to students of PetroVietnam University

At the online opening ceremony of 2021-2022 school year of Petro Vietnam University (PVU) taken place on 28 October 2021, PVCFC has awarded 30 scholarships worth VND 210 million for gifted students.

The scholarship award program entitled "The Golden Harvests" has been launched for more than 10 years with over VND 2 billion/year to support pupils and students nationwide. The journey of sowing seeds of love of PVCFC is always for the next generation, therefore, PVCFC has been accompanying Ca Mau education sector in particular and of the whole country in general to support examples of overcoming obstacles to fulfill their dreams.

