



SHARING PROSPERITY

SUSTAINABILITY REPORT 2024

SHARING PROSPERITY

CONTENTS

	Chairman’s message	4
	Performance Highlights 2024	8
	Overview of Sustainability Report	12
1	ABOUT PVFCCO	14
	General Information	16
	Our Sustainability Journey	28
2	DEVELOPMENT FOR COMMON PROSPERITY	44
	Sustainable Development Context in 2024	46
	Sustainable Development Orientation of PVFCCo	60
	Stakeholders Engagement	64
	Material topics	74
	Sustainable Development Management at PVFCCo	82
3	SHARING RESPONSIBILITY FOR A GREEN PLANET	94
	Greenhouse Gas Emissions and Energy Transition	96
	Enhancing Natural Resource Efficiency	108
	Minimizing Environmental Pollution	110
	Conservation of biodiversity, water resources and soil quality	116
4	SPREADING VALUES FOR A SUSTAINABLE COMMUNITY	120
	Maintaining and Developing a High-Quality Workforce	122
	Ensuring Occupational Health and Safety for Employees	138
	Sharing Responsibility with the Community	146
5	TRANSPARENCY AND EFFECTIVENESS FOR A PROSPEROUS FUTURE	156
	Sustainable growth in the long-term	158
	Transparent Governance and Responsible Business	162
	Digital Transformation	168
	Appendix: GRI Index	172

LIST OF ABBREVIATIONS

BOD	Board of Directors
CEO	General Director
CSR	Corporate Social Responsibility
ESG	Environmental – Social – Governance
HR	Human Resources
HSE	Health – Safety - Environment
IT	Information Technology
OHS	Occupational Health and Safety
PVFCCo / Corporation	PetroVietnam Fertilizer and Chemicals Corporation JSC
PVN / Parent Group	Vietnam National Industry - Energy Group (name used from April 9, 2025 according to Decision No. 733/QĐ-TTg, previously known as Vietnam National Oil and Gas Group)
RM	Risk Management
VAFE	Vietnam Association of Financial Executives
UN SDGs	The United Nations Sustainable Development Goals



CORPORATION'S MESSAGE



Our strategy for 2026-2030, with a vision to 2050, will be updated regularly. We aim to align with the shift from the 4th to the 5th Industrial Revolution – an era that emphasizes creativity, human-technology (AI/Robot) connectivity, and social responsibility.

Dear valued shareholders and partners,

Firstly, on behalf of all employees of Petrovietnam Fertilizer and Chemicals Corporation (PVFCCo), the Management is honored to present our 2024 Sustainability Report. This year marks the first time the sustainability report is published as an independent report. It reflects our effort to provide a clearer and more complete picture of PVFCCo's operations. We are undergoing a comprehensive transformation, aiming to become a globally recognized corporation. With a global mindset, we continue to build a sustainable value chain.

We would like to take this opportunity to express our deep appreciation and sincere gratitude to our valued shareholders and partners for your trust and support throughout PVFCCo's 20-year journey.

PVFCCo has grown steadily to become a leading company in Vietnam's fertilizer and chemical industry. We are now expanding into international markets. In 2024, our management and employees came together to realign our development goals for the next phase, with clear commitment to ensure that our journey remains closely tied to sustainable development, shared social responsibility, and brought long-term prosperity to all stakeholders.

As a member of Vietnam National Industry - Energy Group, PVFCCo has deeply committed to integrating environmental stewardship and community development with business growth. We have launched specific programs and action plans to support National Strategy on Green Growth and the 17 Sustainable Development Goals set forth by the United Nations.

CORPORATION'S MESSAGE

(continued)



PVFCCo will continue to overcome challenges, surpass its owns limits, and reach new milestones. Together, we will contribute to national efforts to achieve the United Nations Sustainable Development Goals.

In line with this commitment, 2024 marks a transformative year for PVFCCo. We are restructuring our organization and strengthening our resources in preparation for expanding into the chemical sector. Our goals are to become a pioneering producer of basic chemicals and green energy in Vietnam. Generations of leaders and employees have contributed to our achievements. These efforts form a strong foundation for our sustainable development strategy. We also commit to ensuring that all future achievements through our operations will be shared with shareholders and stakeholders. This 2024 Sustainability Report outlines our strategic direction as well as provides valuable data and insight across the three pillars of Economy – Social – Governance.

We will continue to review and update our strategic goals to adapt to the ever-changing global economic and political landscape. Climate change is becoming more severe. Hence, the shift to a low-carbon economy – alongside recent government regulations – are pushing PVFCCo to act faster. PVFCCo is accelerating its action plans to reduce greenhouse gas emissions, improve energy efficiency, and restructure its product portfolio to protect the environment and natural ecosystems. In the coming years, we will focus on research, production, and commercialization of eco-friendly fertilizers, develop chemicals products for emissions treatment, and expedite investment projects aligned with emissions reduction goals. We also focus on waste recovery and recycling, efficient water use, and biodiversity protection.

We believe that sustainable financial results performance can only be achieved through collaboration and shared value. PVFCCo has committed to implementing policies that support economic, education and social welfare in rural areas, ensuring stable employment and income for local employees where our core operations are based. This reflects our core value of “Responsibility – Sharing”, which has been built and preserved by generations of PVFCCo employees and will continue to guide us forward.

Our strategy for 2026-2030, with a vision to 2050, will be updated regularly. We aim to align with the shift from the 4th to the 5th Industrial Revolution – an era that emphasizes creativity, human-technology (AI/Robot) connectivity, and social responsibility. In recent years, PVFCCo has accelerated its digital transformation under the leadership of the Corporation’s leaders. Information technology platforms are being comprehensively applied to core business processes to enhance operational efficiency and minimize human errors. The establishment of the Digital Transformation and IT division in 2024 underscores the strategic importance of digitalization, which will continue to be a key area of investment. Digital transformation will serve as a critical part of our sustainable development strategy, enhancing our competitive edge and long-term value for shareholders and investors.

In 2025 and beyond, PVFCCo will continue to strengthen its sustainability governance framework and define strategic directions with measurable goals. These goals and KPIs will be supported by detailed tasks, implementation measures, and resource allocation. We will focus on enhancing our ESG risk management system to address key issues across economic, environmental, social and governance aspects. Transformation initiatives aimed at long-term value creation will be deeply embedded into our corporate strategy.

We believe that with resilience, innovation, and unity, PVFCCo will continue to overcome challenges, surpass its owns limits, and reach new milestones. Together, we will contribute to national efforts to achieve the United Nations Sustainable Development Goals.

Once again, on behalf of PVFCCo, we extend our deepest appreciation to all shareholders and partners. Your continued support and companionship are a source of motivation and valuable assets on our journey to create sustainable value and shared prosperity.

Wishing you continued success and happiness!

General Director

Phan Cong Thanh

Corporation's message

Nguyen Xuan Hoa

PERFORMANCE HIGHLIGHTS 2024



Named Asia's Outstanding Enterprise



Named Enterprise for the Community



Top 10 Strong Brands - Green Growth Vietnam 2024

Sustainable Development Awards and Recognition in 2024

TOP 10

**Strong Brands -
Green Growth Vietnam 2024**
voted by Vietnam Economic Magazine

For the 4th consecutive year received the title

ENTERPRISE FOR THE COMMUNITY

voted by Saigon Times Magazine

Named

ASIA'S OUTSTANDING ENTERPRISE

awarded by the Asian Enterprise Association (APEA 2024)

TOP 10

**Best Workplaces in Vietnam 2024 in the
high-tech agriculture sector**

voted by Vietnam Investment Review and Vietnam
Business Research Joint Stock Company

TOP 500

Leading Employers in Vietnam 2024

voted by Vietnam Investment Review and Vietnam
Business Research Joint Stock Company

TOP 50

**Most Effective Business Companies in
Vietnam 2024**

voted by Vietnam Business Review

First-time inclusion in the

TOP 500

Fortune Southeast Asia

(Top 500 region's largest companies)

PERFORMANCE HIGHLIGHTS (continued)

Economic Contributions

Net revenue from sales and services

13,496 billion VND

Consolidated profit after tax

554 billion VND

Actual dividends paid to shareholders

801 billion VND

Total amount actually paid to the State Budget

258 billion VND

Number of employees

1,550 workers

Support for National Food Security

Supplied nearly

1,300,000 tons of fertilizers

Market share of Urea

38% highest position among four domestic fertilizer manufacturers

Exported

170,000 tons of urea

NH₃ market share

25% of the national market, with a dominant 90% share in the Southern region

Progress towards Net Zero goals

Saved of energy at Phu My Fertilizer Plant

1,150,000 MMBTU

Partnered with Naval Region 4 in Cam Ranh (Khanh Hoa) to donate for the “Greening Truong Sa archipelago” Program.

100,000 casuarina trees

As of December 31, 2024, a cumulative total of

205,650 trees

planted under the 300,000-tree afforestation program (2022–2025)

Total waste volume

789 tons

57.35% reduction compared to 2023

Produced and tested sakes of

100 m³ of Diesel Exhaust Fluid (DEF)

helping to reduce NOx emissions from diesel engines

Reduced greenhouse gas emissions by

18,426 tons CO₂ equivalent

from all departments and subsidiaries of Corporation (compared to 2022)

Corporate Social Responsibility Funding

Education nearly

29 billion VND

Medical healthcare

3 billion VND

Humanity support nearly

19 billion VND

Other Corporate Social Responsibility activities more than

19 billion VND

OVERVIEW OF SUSTAINABILITY REPORT

REPORTING PRINCIPLES

This report is prepared to present officially information regarding the sustainable development strategic orientation, objectives and results of implementation of action programs and sustainable development initiatives at PetroVietnam Fertilizer and Chemicals Corporation (“PVFCCo”). This report is developed with reference to the principles and guidelines of the latest Global Reporting Initiative (GRI) framework (Universal Standards 2021) and the 17 United Nations Sustainable Development Goals (17 SDGs).

The report is published annually, and 2024 marks the first year PVFCCo has introduced a standalone sustainability report. The reporting period for all information and data presented herein covers the fiscal year starting from January 1, 2024 to December 31, 2024.

REPORTING SCOPE

The information and data presented in the 2024 Sustainability Report are compiled from PVFCCo’s dependent units and information as well as data generated at four (04) subsidiaries specializing in fertilizer and chemical trading, 75% owned by PVFCCo, as follows:

Dependent units

- Departments and Functional divisions of PetroVietnam Fertilizer and Chemicals Corporation
- Phu My Fertilizer Plant
- Petrochemicals Trading Branch
- Project Management Board
- Center for Research and Application

Subsidiaries

- Central Petrovietnam Fertilizer and Chemicals Joint Stock Company
- South-West Petrovietnam Fertilizer and Chemicals Joint Stock Company
- South-East Petrovietnam Fertilizer and Chemicals Joint Stock Company
- Northern Petrovietnam Fertilizer and Chemicals Joint Stock Company

This report does not include the Cambodia Branch, which is currently undergoing dissolution procedures.

Except for financial figures consolidated in accordance with prevailing Vietnamese accounting standards and regulations, other ESG-related data - such as indicators measuring environmental and social impacts - generated at PVFCCo’s subsidiaries are aggregated on a horizontal basis. These figures are not adjusted according to PVFCCo’s ownership ratio in each specific subsidiary.

In cases where certain dependent units, or subsidiaries have not yet compiled detailed data for 2024 (primarily environmental indicators), PVFCCo has clearly noted this alongside each relevant indicator presented in the report. Moving forward, PVFCCo plans to fully disclose information and data from all dependent units, and subsidiaries in the future editions of the standalone sustainability report, in order to better meet the rapidly evolving and diverse expectations of stakeholders.

¹ Detailed information on basis of consolidation of financial figures is presented on pages 154-155 of the 2024 Annual Report which can be accessed via the link: <https://dpm.vn/BCTN-DPM-2024/index-EN.html>

CONTACT INFORMATION

For any comment or inquiries regarding the content of this report, organizations and/or individual are kindly invited to submit their requests via the “Contact” section on PVFCCo’s official website at

<https://dpm.vn/lien-he>

or reach out directly to **Mr. Truong The Vinh** - PVFCCo’s authorized information disclosure representative - via phone number at (028) 38 256 258 or email to lienhe@pvfccco.com.vn.



INDEPENDENT ASSURANCE

PVFCCo consistently acknowledges the importance of ensuring the reliability, accuracy and completeness of the information disclosed in the sustainability report. Accordingly, selected data and information presented in this report have been independently verified, assessed and analyzed by reputable external organizations including:

- Financial information was audited by Deloitte Vietnam Company Limited;
- Environmental monitoring reports at Phu My Fertilizer Plant were conducted by the Environmental Monitoring Center of Ba Ria - Vung Tau province and the Environmental Consulting and Communication Center. Monitoring at PVFCCo’s warehouses and office buildings is carried out by relevant provincial and municipal authorities in the respective operating areas;
- Domestic wastewater quality indicators at Phu My Tower Building No. 43 Mac Dinh Chi Street, Saigon Ward, Ho Chi Minh City (Headquarters) were analyzed by Pasteur Institute of Ho Chi Minh City;
- Energy audit report was conducted by Bach Khoa Energy Saving Joint Stock Company in compliance with regulations and appraised by the Department of Industry and Trade of Ba Ria - Vung Tau province;
- Greenhouse gas accounting report of Phu My Fertilizer Plant was also conducted by Bach Khoa Energy Saving Joint Stock Company, in accordance with regulations and appraised by the Department of Industry and Trade of Ba Ria - Vung Tau province²;
- Sustainable development performance evaluations of PVFCCo have been verified and recognized by reputable organization including: Vietnam Sustainability Index (VNSI) of Ho Chi Minh City Stock Exchange (HoSE); Asia-Pacific Enterprise Association; Vietnam Economic Magazine, Saigon Times Magazine; and Vietnam Business Review.

² Name of state management agency before Ba Ria - Vung Tau province was officially merged with Ho Chi Minh City from July 1, 2025.

CHAPTER

01

About PVFCCo

16 General Information

28 Our Sustainability Journey



GENERAL INFORMATION



GENERAL INFORMATION



Transaction name	PetroVietnam Fertilizer and Chemicals Corporation
Abbreviation	PVFCCo
Address of headquarters	No. 43 Mac Dinh Chi, Saigon Ward, Ho Chi Minh City, Vietnam
Phone	(028) 382 562 58
FAX	(028) 382 562 69
Website	https://dpm.vn
Enterprise registration certificate No. 0303165480	
Charter capital as of December 31, 2024	3,914 billion VND
Listing code	DPM

GENERAL INFORMATION (continued)



VISION

Elevate PVFCCo to a world-class enterprise, setting new benchmarks of excellence by harnessing its strengths in fertilizers and chemicals to build a sustainable value chain for the future.



MISSION

Creating high quality products and services to improve benefits and profits for consumers, partners, shareholders and employees.



Innovation

PVFCCo actively cultivates a spirit of creativity to drive continuous innovation across all areas of operation. By embracing breakthrough thinking, the Corporation strives to develop distinctive products and deliver high added value to the market. Every individual within PVFCCo is encouraged to propose and implement innovative ideas and solutions, take the lead in applying new technologies and continuously learn and improve - to enhance the Corporation's competitiveness and reinforce its position in the marketplace.

Professionalism

PVFCCo's workforce consistently ensure quality by strictly adhering to processes developed in accordance with leading international standards. With professionalism, dedication and a strong sense of responsibility, our employees help PVFCCo deliver optimal value to customers and partners. This commitment has enabled the Phu My brand to gradually lead the market and stand out among industry peers.

Efficiency

Efficiency is a top priority in PVFCCo's operation, encompassing production and business processes, human resource management, supply chain development, research and development of new products, etc. All activities are carried out in alignment with international standards, with the goal of maximizing output value for stakeholders.

Sharing

PVFCCo upholds a spirit of companionship and empathy toward disadvantaged groups in society. The Corporation regularly organizes corporate social responsibility programs to spread prosperity within the community, contributing to the development of a prosperous and beautiful nation and improving the overall quality of life.

Sustainability

Sustainability is a fundamental requirement for long-term development. PVFCCo fully understands this and is committed to ensuring that its production and business activities do not harm the environment or ecosystem. We maintain community development and social security programs. At the same time, we actively practice effective farming methods. Our goal is to help build a resilient and sustainable national agriculture.

GENERAL INFORMATION (continued)

BUSINESS NETWORK AND OPERATING SCALES

Designed Capacity
Phu My Fertilizer Plant

2,385
tons of urea/day

540,000
tons of NH₃/year

250,000
tons of NPK/year

15,000
tons of UFC85/year

Chemical Business Branch
with an annual capacity of

4,000
tons of oil and gas additives

PVFCCo's core production activities are carried out by the Phu My Fertilizer Plant, located in Phu My 1 Industrial Zone, Phu My Ward, Ho Chi Minh City, Vietnam. The plant has been in operation since 2004, with a designed capacity of 2,385 tons of urea per day, and 540,000 tons of ammonia (NH₃) per year, 250,000 tons of NPK per year, 15,000 tons of UFC85 per year. In addition, the Chemical Business Branch operates a chemical blending facility with an annual capacity of 4,000 tons of oil and gas additives. PVFCCo's product portfolio and corresponding business markets include:

- **Fertilizer products** These are continuously improved in quality and diversified in types to meet the needs of both agricultural and industrial crop cultivation across Vietnam. PVFCCo also exports to several international markets, including India, Korea and countries in the Southeast Asia.
- **Chemical products** These are currently being traded mainly in the Southern market. Customers are typically involved in the oil and gas value chain or specific industrial sector. These product lines are also being researched and developed to become strategic pillars supporting PVFCCo's long-term sustainable growth.

To maintain its position as an industry leader, PVFCCo continues to expand its nationwide business network. The distribution system stretches from North to South. As of now, PVFCCo operates a multi-tiered network of agents across all provinces and cities, with a strong presence in areas with high demand for fertilizers and chemicals. This helps ensure reasonable pricing for end-users, increases customer value, and delivers a better experience:



1 **BRANCH**
chemical trading in Ho Chi Minh City

4 **DISTRIBUTORS**
exclusive regional
(North - Central - Southeast - Southwest)

63 **LEVEL 1 AGENTS**

4,407 **LEVEL 2 AGENTS**

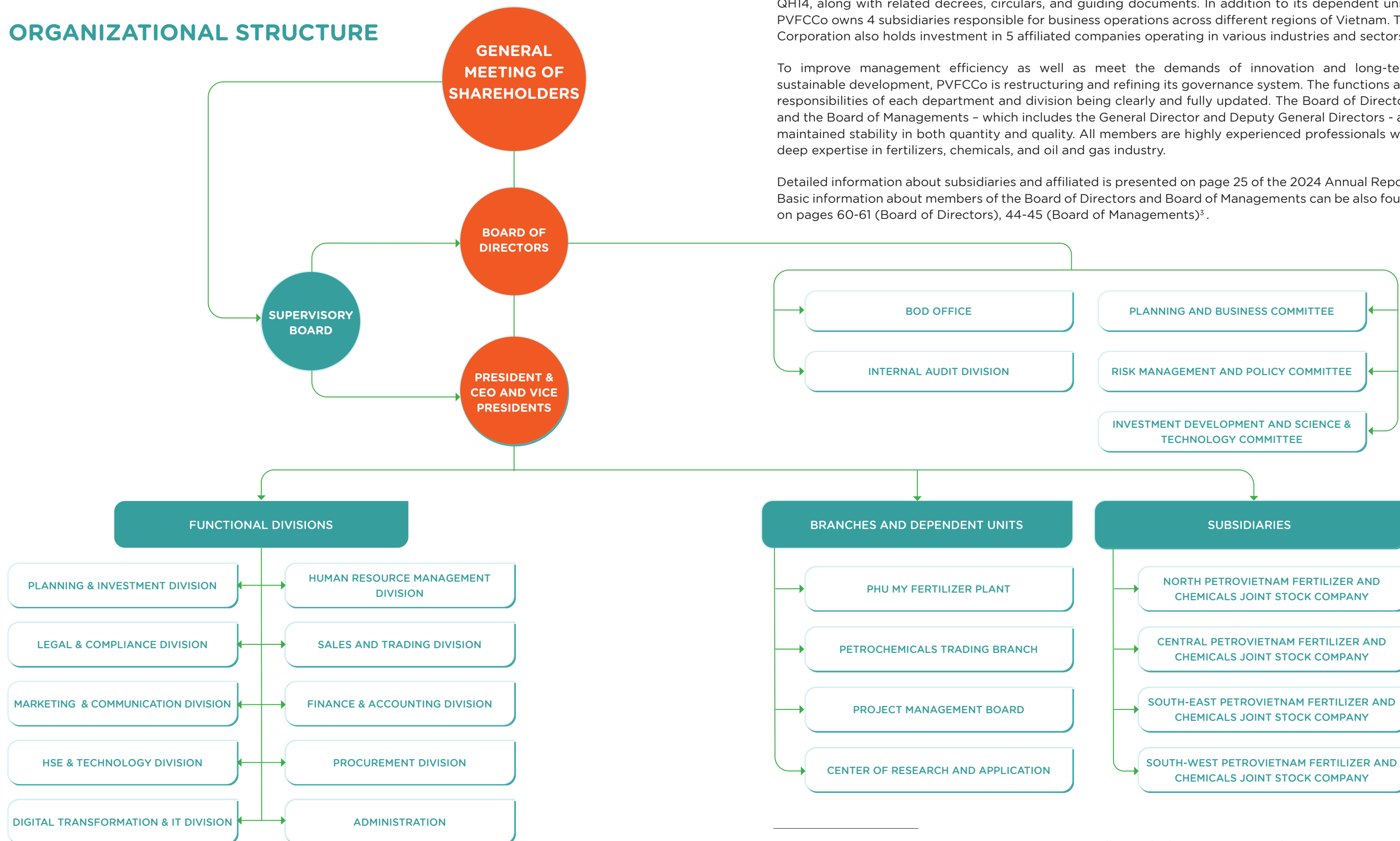
97 **TRANSSHIPMENT WAREHOUSES**
with a capacity of
250,000 tons

-  Phu My NPK Plant
-  Phu My Fertilizer Plant
-  Phu My NPK Plant



GENERAL INFORMATION (continued)

ORGANIZATIONAL STRUCTURE



PVFCCo builds and operates its business activities based on an organizational structure that includes a Board of Supervisors. This model complies with current regulations under Law on Enterprise No. 59/2020/QH14, along with related decrees, circulars, and guiding documents. In addition to its dependent units, PVFCCo owns 4 subsidiaries responsible for business operations across different regions of Vietnam. The Corporation also holds investment in 5 affiliated companies operating in various industries and sectors.

To improve management efficiency as well as meet the demands of innovation and long-term sustainable development, PVFCCo is restructuring and refining its governance system. The functions and responsibilities of each department and division being clearly and fully updated. The Board of Directors and the Board of Managements - which includes the General Director and Deputy General Directors - are maintained stability in both quantity and quality. All members are highly experienced professionals with deep expertise in fertilizers, chemicals, and oil and gas industry.

Detailed information about subsidiaries and affiliated is presented on page 25 of the 2024 Annual Report. Basic information about members of the Board of Directors and Board of Managements can be also found on pages 60-61 (Board of Directors), 44-45 (Board of Managements)³.

³ Please access the following link for more information: <https://dpm.vn/en/bao-cau-thuong-nien/annual-report-2024---pdf-digital-version-1235>

GENERAL INFORMATION (continued)

OUR PRODUCTS

	PRODUCT	USAGE
INORGANIC FERTILIZER	 Phu My Fertilizer	Large-scale cultivation of food crops, industrial crops, fruit trees, and flower crops.
	 SA Phu My	
	 DAP Phu My	
	 Phu My Potash	
	 Phu My NPK	
	 Phu My Garden (NPK)	
GREEN FERTILIZER	 Biological fertilizer (Sumagrow inside)	Large-scale cultivation of food crops, industrial crops, fruit trees, and flower crops.
	 Organic Phu My (Organic 60)	

	PRODUCT	USAGE
CHEMICAL RAW MATERIALS	 Urea materials	Used as input materials for industrial production, wood processing, glue.
	 UFC 85	Used as an anti-caking additive in the production of nitrogen fertilizers to increase the hardness of urea granules.
	 NH ₃	Used as wood glue, preservative in medical and food fields, etc.
	 NH ₃	Used as input material for urea/ NPK production or other industrial production sectors.
CHEMICAL PRODUCTS	 CO ₂ (pure)	Used as input material for urea production.
	 CO ₂ (pure)	Used as pure input material for beverage production, industry (metal cutting and welding, freezing), food, medicine, etc.
	 DEF Phu My Green	Used to treat exhaust gases from diesel engines to reduce NOx emissions into the environment.
	 Petroleum chemicals	Used as input material in oil and gas exploitation at drilling rigs.

GENERAL INFORMATION (continued)

STRATEGIC BUSINESS DEVELOPMENT ORIENTATION FOR MEDIUM AND LONG TERM



The Corporation aims to operate and invest projects at full capacity to achieve high economic efficiency. It will apply modern technologies and maintain product quality that meets international standards. This will help elevate the Phu My brand to a leading position in the fertilizer and chemical production industry across the region.

STRATEGIC OVERVIEW

PVFCCo aims to maintain No.1 position in the Vietnam's fertilizer production market. At the same time, the Corporation is gradually expanding its production and business activities in basic chemicals and petrochemicals. The goal is to become a pioneering enterprise contributing to the development of a green economy in Vietnam.

MEDIUM

From 2025 to 2030, PVFCCo plans to invest in expanding its production scale in both fertilizers and chemicals sectors. This expansion will be based on optimizing existing infrastructure and resources. It will be integrated with the current Phu My Fertilizer Plant and PVN's petrochemical refining projects. PVFCCo also aims to increase business output through new investments. These may include joint ventures, associates, or mergers and acquisitions (M&A). In addition to diversifying urea-based fertilizer products to enhance competitiveness and offer comprehensive solutions for agriculture, PVFCCo is also developing organic fertilizer products. These efforts support sustainable farming practices that are environmentally and ecologically friendly.

LONG-TERM

Looking ahead, PVFCCo's business plan for 2031-2035 with a vision toward 2050, sets ambitious goals. The Corporation aims to operate and invest projects at full capacity to achieve high economic efficiency. It will apply modern technologies and maintain product quality that meets international standards. This will help elevate the Phu My brand to a leading position in the fertilizer and chemical production industry across the region.

In terms of business structure, PVFCCo plans to strengthen its production and trading activities in chemical and petrochemical products. These segments are expected to generate significant revenue and profit compared to the traditional fertilizer sector.

This strategic shift in business structure and products diversification will serve as a solid foundation for PVFCCo's sustainable development strategy. It will also support the Corporation's efforts to build green agriculture, promote the circular economy, and achieve the Net Zero target by 2050.

NET
ZERO 20
50

OUR SUSTAINABILITY JOURNEY

OUR HISTORY

Over more than 20 years of establishment and development, alongside strong achievements in production and business activities, PVFCCo has also made notable progress in ESG-related areas:

2001 - 2004

- Started the construction of Phu My Fertilizer Plant from 2001 and began supplying products in mid-2004.

2007

- Converted into a Joint Stock Company, listed DPM shares on the Ho Chi Minh City Stock Exchange (HoSE).

2008

- Awarded the Third-Class Labor Medal to Phu My Fertilizer Plant.

2009

- Recognized as one of Vietnam's golden stocks.
- Awarded the Second-Class Labor Medal (PVFCCo and Phu My Fertilizer Plant).
- Launched a scholarship program (Dam Phu My Scholarship) to support and encourage university students in Vietnam.

2010

- Inaugurated the CO₂ recovery complex, helping reduce greenhouse gas emissions and environmental impact.
- Received the Vietnam Construction Quality Gold Cup for Phu My Fertilizer Plant project.
- Ranked among the Top 10 enterprises with strong social responsibility - Sao Vang Dat Viet (Golden Star of Vietnam).
- Named among the Top 10 Vietnamese brands - Golden Star of Vietnam.

2011 - 2012

- Voted as ASEAN Outstanding Enterprise 2011.
- Received the Vietnam Golden Rice Flower Award in 2012.

2017 - 2018

- Honored as Outstanding Enterprise for Employees for 3 consecutive years 2016-2018.
- Achieved Top 3 Listed Enterprises with Investor Relations activities most favored by investors in the mid-cap group in 2017 within the framework of the annual IR Awards organized by Vietstock, VAFE and Finance and Life Electronic Magazine.

2016

- Launched an ESOP (Employee Stock Ownership Plan) program for employees.
- Achieved Top 50 Best Listed Companies voted by Forbes Vietnam Magazine for the 4th consecutive time (2013-2016).
- Achieved "Top 5 Listed Enterprises with the Best Investor Relations Activities" and "Top 5 Listed Enterprises with the Highest Ratings by Financial Institutions in Investor Relations Activities" voted by the community of investors and financial institutions through the Vietstock Securities Financial Information Portal with the coordination of the Vietnam Association of Financial Administrators (VAFE) fourth consecutive year (2013-2016) of sustained performance.

2015

- Received the National Brand title in 2015.
- Honored with the ASEAN Corporate Governance Award for the Top 3 listed companies with the highest corporate governance scores in Vietnam according to the ASEAN Corporate Governance Scorecard (ACGS) program.

2014

- Won the title of "National Brand".

2013

- Continued recognition Top 10 Vietnamese brands - Golden Star of Vietnam.
- Ranked in the Top 10 Outstanding Enterprises in Social Responsibility - Golden Star of Vietnam.
- Listed among the Top 3 best listed companies in Vietnam by Forbes Vietnam Magazine.
- Included in the Top 50 best performing companies in Vietnam.
- Awarded the First-Class Labor Medal (PVFCCo and Phu My Fertilizer Plant).

OUR SUSTAINABILITY JOURNEY (continued)

2019

- Achieved Top 5 Listed Enterprises with the Best Corporate Governance in the Large-Cap Group of the 2019 Listed Enterprises Award organized by Ho Chi Minh City Stock Exchange, Hanoi Stock Exchange, Investment Newspaper and the Voting Council.
- Achieved Top 3 Listed Enterprises with Investor Relations activities most favored by investors in the mid-cap group in 2019 within the framework of the annual IR Awards organized by Vietstock, VAFE and Finance and Life Electronic Magazine.

2020

- Achieved Top 5 Listed Enterprises with the Best Corporate Governance in the Mid-Cap Group of the 2020 Listed Enterprises Poll organized by Ho Chi Minh City Stock Exchange.

2021

- Awarded the title of Golden Brand of Ho Chi Minh City.

2022

- Achieved Top 50 Best Listed Companies voted by Forbes Vietnam Magazine (6th time).
- Achieved Top 50 prestigious and effective public companies (VIX50) evaluated by Vietnam Report Joint Stock Company.

2023

- Achieved Top 50 Sustainable Development Enterprises in Vietnam evaluated by the Vietnam Business Review and the Appraisal Council consisting senior leaders from financial institutions such as HSBC, Deloitte, PwC, VinaCapital...
- Achieved Top 50 Best Listed Companies voted by Forbes Vietnam Magazine (7th time).

2024

- Achieved the title of High-Quality Vietnamese Products for the 21st consecutive year (2004-2024).
- Achieved Top 40 most valuable brands in Vietnam for the 9th consecutive year (2016-2024).
- Honored as a Sustainable Development Enterprise for the Community for the 4th consecutive year (2021-2024)
- Phu My Fertilizer and Phu My NPK continue to be recognized as National Brand.
- Launching the new brand identity and corporate slogan “Sharing prosperity” demonstrates PVFCCo’s determination towards sustainable development goals.



OUR SUSTAINABILITY JOURNEY (continued)

OUR BRAND STORY

The year 2004 marked the beginning of PVFCCo's journey to serve Vietnamese farmers. That was when the first bags of Phu My Fertilizer were introduced to the market, laying the foundation for the Corporation's contribution to the development of Vietnam's agricultural sector. Over the past two decades, PVFCCo has achieved many meaningful and proud milestones. Its brand left a lasting in the hearts of farmers across the country. PVFCCo has become a symbol of steadfast partnership, gradually achieving remarkable success. Throughout this journey, the PVFCCo brand has consistently been associated with the title of High-quality Vietnamese Products and National Brand.



Proud to be a “Flame Seeker”, PVFCCo never rests on its achievements. The Corporation continues to strive for improvement and aims to contribute even more to the economy and society. With a strong commitment to accompany Vietnam National Industry - Energy Group (PVN) in implementing the National Strategy on Green Growth, PVFCCo actively support the Government's Net Zero goal by 2050. To do so, the Corporation integrates Environment - Society - Governance (ESG) standards and principles into all production and business activities.

After more than 20 years of continuous innovation and dedication, PVFCCo has maintained its leading position in Vietnam’s fertilizer industry. The Corporation is now working to elevate its brand to the global stage, standing alongside leading enterprises in the region. To meet its long-term business strategy, PVFCCo is adjusting its product structure to better align with market trends and demands. In 2024, the Corporation introduced a new brand identity named **“Phu My”**, marking a significant milestone in its transformation. This new identity reflects PVFCCo’s commitment to innovation, creativity and sustainable development - balancing economic, social and environmental.

The **Phu My** brand was built upon more than 20 years of accumulated experience and development by PVFCCo. It is a name that has become deeply familiar to farmers, partners, and investors alike. **“Phu My”** carries the meaning of abundance, prosperity, and bountiful harvests—symbolizing a commitment to enriching lives and fostering shared growth. The brand reflects PVFCCo’s human-centered philosophy, where spreading happiness, sharing success, and building a prosperous future for all are seen as core missions. This spirit is clearly expressed through the slogan **“Sharing Prosperity,”** which is also embedded in the brand’s visual identity. The design distinguishes between fertilizer products - our long-standing core business - and chemical products, a sector we are investing in for future growth.



The core value of the **“Phu My – Sharing Prosperity”** brand is not only reflected in our business practices, which emphasize environmental responsibility and community development, but also in our strong aspiration for innovation, market expansion, and long-term sustainable growth. With the goal of **“Prosperous customers - Prosperous partners - Prosperous Phu My people - Prosperous investors - Prosperous community”**, we are shaping the Phu My brand to offer a diverse portfolio of fertilizer and chemical products. These products are designed to become essential to businesses across the agricultural, industrial, and oil & gas value chains—both in Vietnam and internationally. At Phu My, investors, partners, and customers will find a trusted companion who listens, understands, and shares meaningful values on the journey toward shared prosperity.

PVFCCo positions **“Phu My”** as a multi-industry brand with a bold mindset and global vision. The Corporation creates shared prosperity through two core business areas: fertilizer and chemical. It maintains its leading position in Vietnam and aims to become one of the leading enterprises in the region. The fertilizer brand continues to use the slogan **“For a bountiful harvest”**, which has been maintained in place for over 20 years. This slogan affirms PVFCCo’s commitment to quality and effective solutions. It also reflects the Corporation’s role in spreading value and prosperity across Vietnam’s agricultural sector. The chemical brand is associated with product lines that meet international standards for the development of people and the environment. The slogan **“Sharing prosperity”** is used consistently across PVFCCo’s brand identity, reinforcing the Corporation’s long-term vision. PVFCCo believes that this brand transformation will bring added value to the community, strengthen employee pride and engagement, and enhance the Corporation’s reputation among the public and customers.

fertilizer products

PHUMY
Cho mùa bội thu

PHUMY
Sẻ chia thịnh vượng

chemical products

PHUMY
Sẻ chia thịnh vượng

OUR SUSTAINABILITY JOURNEY (continued)

OUR CULTURE

PVFCCo's corporate culture is deeply rooted in the "Flame Seeker" spirit of PVN. It has been built and developed over time through a strong commitment to continuous learning, innovation and openness to advanced technology. These efforts aim to contribute to Vietnam's economic growth and sustainable development. At every stage of its journey, PVFCCo has inherited the "Oil and Gas Culture" while shaping its own distinct identity. This identity is a blend of resilience, pioneering spirit, and modern thinking, harmonized with the cultural values of Vietnam's agriculture and rural communities, as well as other external social influences. Generations of PVFCCo's employees have worked together to nurture and preserve the value system of "Phu My Culture", forming distinctive characteristics associated with the image of "Phu My people":

Pioneering

Always ready to go first, act proactively, and think boldly. Embodies the spirit of "dare to think - dare to act - dare to take responsibility".

Creative

Driven by a mindset of continuous innovation, actively promotes and new ideas and initiatives across production and business activities.

Professional

Demonstrates high standard conduct, strong expertise, adherence to procedures, and a disciplined, efficient work ethic.

Effective

Focus on clear, measurable outcomes that deliver real value to stakeholders.

Sharing

Embraces solidarity, compassion and responsibility. Support colleagues, partners, and actively contribute to community programs.



To embed these values into everyday actions and guide business decisions, PVFCCo's Management regularly implements initiatives to strengthen and develop corporate culture:

- Training programs are held to promote professional, transparent and respectful behavior - from workplace attitude and internal collaboration to interactions with customers, partners and the community. Programs such as "7 Effective Habits", "Culture of building trust", and "Culture of happiness" have attracted broad participation. These initiatives empower employees to become "brand ambassadors", spreading PVFCCo's spirit and values at every touch point.
- Leadership development programs are also for senior and middle management. For example, the "Leadership with the Power of Trust" program, held in August 2024 with FranklinCovey Vietnam, helped foster positive leadership thinking and strengthen engagement throughout the Corporation.



OUR SUSTAINABILITY JOURNEY (continued)

OUR CORE BUSINESS

As a producer and supplier of fertilizers and chemicals for both agriculture and industrial sectors, PVFCCo places high priority on identifying, assessing and managing the environmental and social impacts of its operations. In response to growing challenges from climate change and social issues, the Corporation continues to improve its impact assessment system and proactively manages ESG-related risks. These efforts support Vietnam’s green growth strategy and contribute to the achievement of the United Nations Sustainable Development Goals (SDGs).

PVFCCo’s operations focus on two main areas: (i) production and trading of fertilizer products, and (ii) production and trading of chemical products. Each area creates its own value and simultaneously impacts environmental, social and economic factors in different aspects:



IMPACT	FERTILIZER SECTOR
 Economy	✔ Generate revenue and profit, contributing to national economic growth. ✔ Boost export turnover and improve the international trade balance through fertilizer exports. ✔ Provide high-quality fertilizers at reasonable prices, enhancing agricultural efficiency and reducing dependence on imported inputs. ✔ Improve farming productivity, contributing to national food security.
 Environment	✘ Consume significant energy and generate large volumes of emissions, contributing to climate change. ✔ Research and implement solutions to reduce climate impact, promote circular economy, and develop greener and cleaner product lines, etc. will contribute to protecting the environment.
 Social	✔ Improve crop yields and quality, helping farmers increase income and achieve stable livelihoods. ✔ Expand production capacity at Phu My Fertilizer Plant and future facilities to create more jobs.

CHEMICAL SECTOR
✔ Generate revenue and profit, contributing to national economic growth. ✔ Increase the production of chemical products used as raw materials for other industries, helping reduce reliance on imports and boost the localization rate. ✔ Maintain chemical business operations to strengthen the sustainability of domestic supply chains and stabilize prices amid global market volatility.
✘ Consume substantial energy, increasing greenhouse gas emissions and posing risks of environmental pollution if not properly managed. ✔ Research and develop chemical products using existing production lines to reduce emissions and waste, and to control water and air pollution. ✔ Develop chemical products that treat exhaust gas generated from diesel engines, helping improve air quality and reduce national greenhouse gas emission.
✔ Ensure supply of chemical inputs for key industries, supporting stable employment across sectors. ✔ Provide products that meet international standards, helping ensure food safety and protect public health.

OUR SUSTAINABILITY JOURNEY (continued)

OUR VALUE CHAIN

PVFCCo's business model uses key input resources to create values and contribute to the economy, environment and society, contributing to promoting progress towards achieving the United Nations Sustainable Development Goals.

From a sustainable development perspective, PVFCCo recognizes that understanding and effectively managing its own production and business activities is only part of responsibility. Beyond direct impacts on the economy - environment - society, the Corporation must also evaluate and manage the spillover effects across the entire value chain. Therefore, in coordination with its Parent Group (PVN), PVFCCo always cares about researching and implementing solutions to maximize economic performance, minimize environmental impacts as well as encourage positive contributions for social community through our value chain.

We use

- ✓ Market information
- ✓ Financial resources
- ✓ Technology
- ✓ Infrastructures
- ✓ Human resources
- ✓ Energy and water
- ✓ Natural resources
- ✓ Stakeholder partnerships
- ✓ Supply chain
- ✓ Corporate governance system


Research and development of products


Product Manufacturing


Transportation and distribution


Marketing and sales


Technical support during product usage

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

15 LIFE ON LAND

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

We ensure

- ✓ Contribution to sustainable economic value (revenue and profit)
- ✓ Contribution to the state budget
- ✓ Social responsibility and local community development
- ✓ Economic value for end users
- ✓ Preservation of soil quality and the natural environment
- ✓ Responsibility toward employees
- ✓ Contribution to human resource development and technological innovation

Value Chain of the Fertilizer and Chemical Industry



OUR SUSTAINABILITY JOURNEY (continued)

INDUSTRY ASSOCIATIONS

Participating in domestic and international professional associations is an important part of PVFCCo’s approach to sustainable development. By actively joining many reputable organizations both in Vietnam and globally, PVFCCo not only expands its professional network and shares knowledge and experiences, but also contributes proactively to shaping policies, guiding technology development, and promoting transparent, safe, and sustainable growth in the fertilizer and chemical industries.



Association name	Mission and objectives	Contribution of PVFCCo
Vietnam Fertilizer Association	• Serve as a voluntary organization for businesses involved in fertilizer production, trading, and usage in Vietnam. • Promote cooperation and mutual support in economics, technology, services, and product improvement. • Represent and protect members’ legitimate interests; support the development of domestic fertilizer production for agriculture. • Contribute to job creation and improved livelihoods for workers in fertilizer-related sectors.	• Collaborate on research and technology improvement, especially for key products like NPK, Urea, and specialty fertilizers. • Develop environmentally friendly fertilizers with high nutrient efficiency. • Sponsor and coordinate farmer training sessions on proper fertilizer use based on crop type, soil conditions, and cultivation timing. • Contribute to the development of legal documents related to fertilizer production and business activities in Vietnam.
International Fertilizer Association (IFA)	• Promote the safe, effective, and sustainable production, distribution, and use of fertilizers. • Share knowledge and foster global connections. • Contribute global food security.	• Share and learn from international experiences to advance green and environmentally friendly fertilizer solutions. • Apply international standards in fertilizer manufacturing and product development in Vietnam.
Vietnam Chemical Association	• Operate as a non-profit professional organization for individuals and entities engaged in chemical research, education, and production. • Promote scientific and technological activities that support industrialization and modernization in Vietnam.	• Apply advanced chemical techniques to fertilizer and chemical production to improve productivity, quality, and efficiency. • Provide feedback on legal documents, regulations, and national standards related to fertilizers, chemicals, and consumer protection. • Sponsor and coordinate national chemistry conferences, forums, and seminars.
Vietnam Voluntary Social Responsibility Council of Chemical Enterprises (VRCC)	A part of Vietnam Chemical Association that supports chemical enterprises in effectively managing Health – Safety – Environment (HSE) activities.	Coordinate the sharing of initiatives and experiences in safety and environmental management and implement measures to minimize chemical risks in production activities.

CHAPTER

02

Development for Common Prosperity

- 46 Sustainable Development Context in 2024
- 60 Sustainable Development Orientation of PVFCCo
- 64 Stakeholders Engagement
- 74 Material topics
- 82 Sustainable Development Management at PVFCCo



SUSTAINABLE DEVELOPMENT CONTEXT IN 2024

GLOBAL CONTEXT

In 2024 - the halfway point in implementing the United Nations 2030 Agenda - the global pursuit of sustainable development goals continues to face complex and interconnected challenges across economic, political, environmental and social dimensions:

Economics and politics

- According to the World Bank's Global Economic Prospects 2024 Report, global GDP growth is projected to reach only around 2.7% in 2024-2025. This modest rate is insufficient to drive meaningful progress in poverty reduction or close development gap between nations.
- Geopolitical tensions and prolonged armed conflicts in regions such as Ukraine - Russia, the Middle East, etc. continue to disrupt global supply chain.
- Trade protectionist policies in some countries, including tariffs increases on imported goods, have led to higher production costs and rising inflation.

Environment and society

- The impacts of climate change are becoming more severe and unpredictable, with global temperature exceeding 1.5°C for consecutive months. This triggered more frequent heatwaves, droughts, storms, floods, tornadoes, etc.- causing serious damage to agriculture and threatening food security and livelihoods for hundreds of millions of people.
- Underwhelming economic growth and rising public debt have limited the scope and scale of domestic social welfare programs and foreign aid initiatives.
- Populations in sub-Saharan Africa and South Asia continue to face "severe" levels of poverty and malnutrition, while ecosystems in these regions are experiencing "alarming" levels of degradation.



In response to these risks and challenges, countries and international organizations are working to strengthen cooperation and adjust action strategies to safeguard progress toward the SDGs:

- At the "Financing for Development" conference held in Seville in April 2024, world leaders called for reform of the global financial system. They emphasized the need for increased public investment and greater transparency in corporate governance. It is estimated that the world faces a funding gap of approximately 4 trillion USD per year to meet the sustainable development goals.
- New economic models such as "sustainomy" - which promotes growth based on social equity and environmental protection - are increasingly emphasized as traditional development strategies become less effective.
- Governments attending COP16, the 16th Conference of the Parties to the UN Convention on Biological Diversity, reaffirmed their commitment to protecting 30% of global land and marine areas by 2030, reducing fossil fuel use, and transitioning to low-carbon agricultural models.



According to the SDG Report 2024 published by the United Nations in June, only around 16-17% of the 169 specific targets under the 17 Sustainable Development Goals (SDGs) are currently on track. Nearly 50% are progressing slowly or very slowly, while more than 33% are either stagnant or regressing. Key highlights include:

- Positive developments such as declining child mortality rates and improved access to energy and digital connectivity in many developing countries.
- Negative trends, including a significant rise in hunger and extreme poverty compared to pre-COVID-19 levels. Nearly 120 million people have been displaced and forced to change their livelihoods. Greenhouse gas emissions have increased, and biodiversity loss has worsened across ecosystems.

SUSTAINABLE DEVELOPMENT CONTEXT IN 2024 (continued)



There is a clear divide in ESG-related regulations across regions, with Europe leading the way while other areas show mixed progress:

- Europe continues to promote compliance with new regulations such as **CSRD - Corporate Sustainability Reporting Directive**, effective from 2024, requires about 50,000 companies to disclose ESG-related information, **CSDDD - Corporate Sustainability Due Diligence Directive**, mandates businesses to conduct human rights and environmental risk assessment throughout the entire value chains, including subsidiaries and suppliers.
- Some countries in Asia-Pacific such as Japan, Korea, Australia, etc. have begun to align with CSRD and tightening ESG reporting and transparency disclosure requirements.
- The US shows a divided approach to ESG regulation. However, the Securities and Exchange Commission (SEC) has strengthened climate risk disclosure requirements. On the other hand, federal policies have relaxed oversight of sustainability impacts. The ESG debate remains intense, with major investment funds such as BlackRock and JPMorgan withdrawing from the Net Zero Asset Managers initiative. In contrast, L&G (Legal & General Group PLC - a leading UK financial services group) continues to support net-zero goals and has divested from coal-based businesses.



In the capital markets, ESG factors are increasingly being integrated into financial products and investment strategies:

- Green loans, green bonds, and sustainability-linked loans - which tie credit terms to environmental performance - are gaining popularity among investors and financial institutions.
- Beyond carbon credit, Europe has introduced the concept of nature credits to incentivize biodiversity conservation programs and initiatives. However, implementation faces challenges related to standardization and market development.

These developments are encouraging signs that businesses are being motivated to invest in projects, solutions, and initiatives that protect the natural environment and deliver broader social benefits. However, according to global expert surveys, countries that aim to advance these must establish robust and transparent disclosure standards to ensure credibility and avoid risks related to “greenwashing” or “climate-washing”.

CONTEXT IN VIETNAM

According to the Vietnam Institute for Economic and Policy Research (VEPR), under the University of Economics - Vietnam National University, Vietnam continues to target GDP growth of 7-8% in 2024, with policies which prioritizes energy transition and green development. Key highlights from Vietnam’s economy performance in the past year includes:



- Vietnam’s economy showed strong and outstanding recovery in Southeast Asia, with GDP growth reaching 7.09% in 2024, significantly higher than 5.05% in 2023, according to the General Statistics Office.
- High economic growth has provided essential budget resources, which will help Vietnam to improve social security goals such as poverty reduction, education, and healthcare, while accelerating efforts in biodiversity conservation, climate change response, and urban waste management.
- The SDG Index 2024 ranked Vietnam 54th out of 166 countries, with a score of 73.32 points - above the global average and second in Southeast Asia (under only Thailand).
- To build on recent achievements, the National Assembly has raised the GDP growth target for 2025 to at least 8%, approved major infrastructure projects such as the first nuclear power plant, a railway connecting China, and technology sector support, while maintaining inflation control below 5%.



SUSTAINABLE DEVELOPMENT CONTEXT IN 2024 (continued)

Vietnam has issued many legal documents and strategies to promote green growth, energy transition, and cleaner production in enterprises:



- The National Strategy on Green Growth for 2021–2030, with a vision to 2050 (Decision No. 1658/QĐ-TTg dated October 1, 2021), emphasizes transforming the development model through advanced governance, technological innovation, and smart infrastructure.
- The Power Development Plan VIII (PDP8), approved in Decision No. 500/QĐ-TTg dated May 15, 2023, and implemented from 2024, creates favorable conditions for renewable energy projects such as solar and wind power. It aims to ensure energy security, reduce greenhouse gas emissions, and support climate resilience.
- Government agencies such as the State Bank, Ministry of Planning and Investment, Ministry of Agriculture and Environment, etc., maintain regular reporting to monitor the national green growth strategy, assess progress, identify challenges, and propose solutions to support businesses.

Organizations and institutions continue to actively implement initiatives related to green growth and sustainability:



- At the Vietnam Annual Economic Report 2024 event on June 20, the Vietnam Institute for Economic and Policy Research (VEPR) and the Friedrich Naumann Institute hosted a workshop on “Energy Transition Toward a Green Economy”, assessing national progress and proposing policy recommendations to promote Vietnam’s green transition in the global context.
- The Vietnamese Government is finalizing price support mechanisms for solar, wind, and biomass energy to ensure consistency and transparency, while preparing to pilot a domestic carbon market, expected to launch after 2027.
- At the meeting on policies for developing green transportation and electric charging stations held on 6 August 2024, Deputy Prime Minister Tran Hong Ha requested the Ministry of Industry and Trade to urgently study and propose a mechanism to support electricity pricing for charging stations serving green vehicles. This will lay the foundation for gradually tightening the scope and number of fossil fuel-powered cars and motorbikes in the coming years.

- To green the industrial sector, Vietnam aims to produce 100,000 to 500,000 tons of clean hydrogen (H₂) per year by 2030, and aims for a higher target by 2050 of 10–20 million tons to meet input demand for industries such as electricity, steel, and cement.
- SDG-related goals - including poverty reduction, income equality, hunger elimination, healthcare access, education, clean energy, and sustainable infrastructure - remain central to national policy.
- Programs to prevent saltwater intrusion, upgrade dikes, and restructure agriculture by region are being widely implemented across provinces to support sustainable development.



Vietnam is advancing green finance through policies that support the development of “green banking”, helping businesses access preferential capital for environmentally beneficial projects. Large domestic financial institutions (especially commercial banks such as Vietcombank, BIDV, Vietinbank, Agribank, etc.) have issued green bonds, expanded green credit, and introduced green financial products.

In terms of ESG practices, many businesses have started adopting international ESG standards in their operations and sustainability reporting to meet growing expectations from both domestic and global investors. However, small and medium-sized enterprises (SMEs) still face challenges due to limited capital, technology, and human resources, and have yet to engage deeply in the ESG space to make more substantial contributions to national green growth.

SUSTAINABLE DEVELOPMENT CONTEXT IN 2024 (continued)

CONTEXT OF FERTILIZER AND CHEMICAL INDUSTRY

Global

The global fertilizer and chemical areas are undergoing a profound transformation, driven by mounting pressure to reduce emissions, comply with new climate regulations, and respond to a wave of technological innovations focused on environmental sustainability.



Currently, the fertilizer industry accounts for approximately 5% of total global greenhouse gas emissions, with nitrogen fertilizer production and use being the primary contributors. As a result, from October 1, 2023, to December 31, 2025, fertilizers are included in the scope of the Carbon Border Adjustment Mechanism (CBAM). During this period, exporters to the EU must declare the CO₂ equivalent emissions embedded in unit of product. After 2025, fertilizer manufacturers exporting to the EU will be required to pay a “carbon tax” based on emissions exceeding EU standards.

International financial institutions have also begun to recommend the quantification of CO₂ emissions across the entire fertilizer value chain as a foundation for identifying strategies to enhance climate resilience and adaptation. In parallel, Europe has introduced the Nitrates Directive and the Biodiversity Action Plan to 2030, which call for a 20% reduction in fertilizer use and promote the adoption of environmentally friendly products.

In this context, transitioning to green, efficient and transparent production models is no longer optional - it is a mandatory requirement for businesses seeking to remain competitive in the global market. Many leading corporations in the industry have pioneered sustainable development initiatives that enhance business performance while minimizing environmental impacts across the supply chain, including:



Producing green ammonia using hydrogen from water electrolysis instead of natural gas, significantly reducing CO₂ emissions in upstream processing.



Developing biological and organic fertilizers to gradually replace inorganic products, improve soil health, and reduce nitrogen pollution.



Building carbon capture, utilization and storage (CCUS) systems to reduce CO₂ emissions into the air during the production of fertilizer and chemical products.



Applying IoT (Internet of Things) technologies to monitor the entire production chain in real time - from reactor operations and energy consumption to emissions tracking and product traceability - enhancing efficiency and safety.



Conducting product life cycle assessments and implementing recycling and reuse solutions for waste generated during production and consumption, promoting a circular economy.



Using blockchain technology to trace raw materials and carbon footprints throughout the supply chain.

According to estimates by the International Food Policy Research Institute, nearly 50% of the global population dependents on fertilizers for food security. However, rising fertilizer prices between 2022-2024 have led to declining agricultural productivity in many developing countries, exacerbating hunger and inequality in access to food and essential products. These developments highlight show that, within the global ESG context, the fertilizer industry must not only improve operational efficiency but also redefine its role as a critical link in building a sustainable agricultural ecosystem, protecting the environment and ensuring long-term food security.

SUSTAINABLE DEVELOPMENT CONTEXT IN 2024 (continued)

Vietnam

Recognizing global trend, the Vietnamese Government has issued and is actively implementing a series of policies to integrate circular economy models and emission reduction targets into agricultural practices and the fertilizer and chemical production sectors. Under Decision No. 726/QĐ-TTg dated June 16th, 2022, the Government approved the Strategy for the development of Vietnam's chemical industry to 2030, with a vision to 2040, focusing on the following key directions:

1. Balancing the commercial ammonia/urea ratio at fertilizer plants to meet market demand; gradually converting single superphosphate facilities to rich superphosphate production; encouraging the production of compound fertilizers; and maintaining and developing factories with advanced technologies; etc.

2. Investing in research to improve the efficiency of existing fertilizers, enhance the value and add benefits of single and compound fertilizers with macro, medium, and micronutrients; and develop fertilizers with growth regulators, immunity boosters, and soil-improving properties tailored to high-value crops and diverse soil conditions.

4. Encouraging the use of gas resources for petrochemical projects to increase the added value of this raw material source and introducing incentives for projects using alternative feedstocks such as biomass, green hydrogen, blue hydrogen, etc. instead of traditional fossil fuels.

3. Using natural and associated gas resources rationally to support the petrochemical industry to promote the development of basic organic chemicals through petrochemical projects.

The growing impact of climate change in Vietnam's key agricultural regions - especially the Mekong Delta - is accelerating the shift toward greener fertilizer and chemical products. Risks such as rising sea levels, saltwater intrusion, poor drainage, frequent storms, and temperature fluctuations have disrupted seasonal patterns, reduced productivity, and increased land degradation. These changes also raise the risk of marine and groundwater pollution when fertilizers are washed away before being absorbed by crops.

This situation is driving demand for specialized fertilizers and requiring manufacturers to actively innovate products and technologies. The overuse of fertilizers beyond recommended levels has also led to increased N₂O emissions - a greenhouse gas with a global warming potential 298 times greater than CO₂ - while degrading soil fertility and contaminating groundwater. To address these challenges, fertilizer producers must strengthen communication and education programs to guide farmers on proper usage. These efforts align with the extended producer responsibility (EPR) framework under Vietnamese law and international best practices.



SUSTAINABLE DEVELOPMENT CONTEXT IN 2024 (continued)

CONTEXT AT PVFCCO

In response to growing global and national demands for sustainable development, PVFCCo has clearly demonstrated its commitment and proactive approach to environmental, social and governance (ESG) issues. As a key enterprise in Vietnam's fertilizer production sector - an industry closely tied to food security and the livelihoods of millions - PVFCCo has implemented specific actions to maintain its domestic leadership and expand into regional markets:



Strengthening its overall development strategy by defining a long-term vision as a multi-industry business focused on fertilizer and chemicals, expanding internationally, and positioning sustainable development as a core operating principle to balance and optimize stakeholders value.

Enhancing core business activities by researching and applying new business models to maintain urea market share, grow NPK and other fertilizer segments, elevate the Phu My brand, and promote the production and trading of green and environmentally friendly products. These efforts support Vietnam's Net Zero target by 2050 and improve climate resilience.

Driving business transformation and restructuring through a comprehensive operating model built on three pillars: science and technology, digital transformation, and environmental protection - supported by a modern organizational structure aligned with international governance standards.



Ensuring labor safety and developing human resources by closely monitoring safety and operational efficiency at Phu My Fertilizer Plant, investing in high-quality talent, and improving labor productivity to support product quality that meets international standards.

Committing to economic, environmental, and social responsibility by actively tracking global trends, updating policies, and implementing ESG-related technological initiatives. PVFCCo ensures compliance with international environmental and social standards while maintaining transparency and accountability in its operations.

Expanding external partnerships by joining domestic and international associations to exchange knowledge on low-emission production models, improve resource efficiency, and explore alternatives to fossil-based raw materials.

SUSTAINABLE DEVELOPMENT CONTEXT IN 2024 (continued)

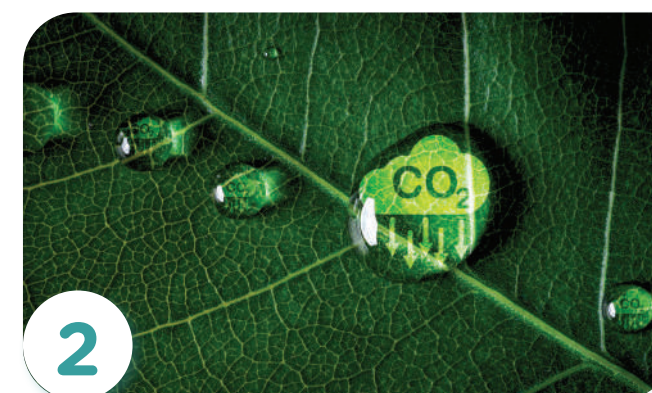
PVFCCo's Management recognizes that sustainable development is no longer a choice - it is a survival strategy in an increasingly volatile world. The Corporation remains steadfast in its commitment to working with stakeholders to advance shared sustainability goals:

- As a **member of PVN**, PVFCCo actively supports the Parent Group in implementing Vietnam's national green growth strategy.
- As one of the enterprises operating production facilities with relatively high greenhouse gas emissions, PVFCCo strictly complies with regulations on energy audits, greenhouse gas accounting, and the development of emission reduction plans through 2030. The Corporation is also committed to achieving Net Zero by 2050, in line with the **Vietnamese Government's** pledge at COP26.
- As a trusted partner to **farmers**, PVFCCo upholds its responsibility in production and consumption, improves product quality and efficiency, and organizes training and consulting programs to promote sustainable agriculture aligned with national policies.
- As a manufacturer of fertilizers and chemicals, PVFCCo operates in an environment that involves inherent occupational risks. To address this, the Corporation consistently maintains a safe, fair, and supportive workplace, with a strong focus on the holistic development of its **employees**.
- Under the slogan "Sharing prosperity", PVFCCo implements social welfare programs in disadvantaged and remote areas, contributing to **community development** and supporting national sustainability goals alongside PVN.
- As one of the top-performing listed companies on Vietnam's stock market, PVFCCo consistently complies with current corporate governance regulations. The Corporation also aims to integrate widely adopted international standards and practices to meet the growing expectations of foreign **investors**. This approach helps enhance competitiveness, strengthen brand reputation, and support long-term stock price stability.

Faced with the above factors, PVFCCo is experiencing both major challenges and promising opportunities to grow stronger and contribute to Vietnam's sustainable development goals.



The challenge of reaching greenhouse gas neutrality is significant. However, PVFCCo has a strong base of skilled staff and solid financial resources to carry out "green" investment projects.



Some solutions that have been implemented and are currently in progress may allow PVFCCo to take part in the domestic and international **carbon credit trading market**.



In the context of economic and socio-political uncertainty, along with climate change impacts, PVFCCo sees the need to improve **ESG risk forecasting and management**. This will help build a strong foundation for future business strategies and product expansion.

To manage these challenges and seize new opportunities, PVFCCo has set clear strategic directions for sustainable development. These serve as a guidance for business activities that follow ESG standards.

PVFCCO'S SUSTAINABILITY ORIENTATION



Sustainable development plays a key role in PVFCCo's long-term growth strategy, especially in the context of climate change, resource depletion, and rising pressure from environmental regulations at both national and global levels. As a pioneer in fertilizer and chemical production in Vietnam, PVFCCo clearly understand its responsibility to balance the goal of maximizing business efficiency with the goal of reducing negative impacts on the environment and social. This helps support the nation's and the industry's sustainable development goals.

This commitment is reflected in PVFCCo's business management policies, which are regularly shared by the Management with all departments and functional units. These policies integrate many ESG-related aspects:



Production and trading must be economically efficient and environmentally friendly, while also sharing business results with stakeholders to ensure social harmony.



Pioneer in research and development of eco-friendly fertilizer and chemical products to meet the increasingly diverse needs of domestic and international markets.



Proactively evaluate and apply new technologies and initiatives, as well as invest in cleaner production solutions to improve energy efficiency and reduce greenhouse gas emissions. These efforts support Vietnam's Net Zero goal by 2050 and open up opportunities in the carbon credit market.



Promote digitalization across the Corporation by applying digital technologies to production and business operations.



Strengthen communication and education programs to help farmers use fertilizers correctly - right amount at right time - to protect soil quality, prevent water pollution, and maintain crop productivity.



Promote training and awareness programs for employees about environmental and social impacts, encouraging "green lifestyles" to improve the living conditions and support sustainable development for future generations.



Consolidate and develop a corporate culture based on responsibility, transparency and innovation, while preserving the core values built over generations of "Phu My People".

Long-term sustainable development is a challenging journey. It requires ongoing efforts across all activities - not only within the Corporation but also throughout the entire industry value chain. In return, the Corporation will gain strong competitiveness, a trusted brand, and lasting stakeholder confidence. With this understanding that, PVFCCo has built its sustainable development strategy around three main pillars: Environment, Social and Governance - Economy.

PVFCCo's commitments and specific goals for each pillar help define the solutions, initiatives, and action plans needed to build a sustainable future and contribute to the country's overall economic growth.

PVFCCO'S SUSTAINABILITY ORIENTATION (continued)

Pillar	Commitment
Environment	- Actively carry out programs and initiatives to protect the environment and reduce greenhouse gas emissions, helping improve climate change resilience. - Proactively research and apply modern technology, energy-saving methods, and eco-friendly solutions to boost efficiency and reduce harm to ecosystem. - Promote comprehensive environmental impact management, not only in direct factory operations but also throughout the entire operations, supply and distribution chain.
Society	- Constantly work to create shared value and spread benefits fairly, supporting prosperity for all stakeholders. - Put people at the center of all development decisions. - Maintain open dialogue and actively engage with all stakeholders. - Help improve the lives of disadvantaged groups and ensure “no one is left behind”.
Economics - Governance	- Stay committed to transparent, honest and responsible development. - Build a strong, modern and sustainable business. - Do not tolerate corruption, bribery, favoritism or information manipulation. - Focus on enhancing ethical standards and integrity in all business decisions. - Operate the corporate governance professionally and in line with international practices. - Create a fair, transparent and law-abiding business environment that supports a healthy, stable and growing economy for the country and the community.

Target
- Reduce by 3% greenhouse gases (GHGs) emissions at Phu My Fertilizer Plant by 2030 (compared to 2022). - Increase the use of renewable energy. - Research the potential to switch production materials for practical use. - Improve energy efficiency and upgrade production techniques to save energy and raw materials. - Ensure sustainable development in production and business activities. - Promote research and development of circular recycling and green projects. - Focus on protecting biodiversity in operating areas and limiting harm to ecosystems.
- Provide stable jobs, competitive income, and a safe, respectful working environment for employees. - Strengthen training, capacity building, and offer clear career paths for all employees. - Maintain diversity, equality and inclusion in Corporation culture. - Support farmers by supplying quality products that meet international standards and offering technical help when needed. - Actively run in security, education and healthcare for local communities. - Help improve living standards and reduce inequality in rural areas. - Increase dialogue, cooperation, and value sharing with all stakeholders.
- Achieve sustainable economic growth and maintain stable, effective business operations over time. - Ensure fairness and transparency in benefit distribution among all shareholders, including minority shareholders. - Comply fully with all current legal regulations related to PVFCCo's business and production activities. - Avoid any incidents related to corruption or bribery. - Carry out digital transformation and modernize internal management systems. - Prevent serious consequences from ESG-related risk events.

STAKEHOLDER ENGAGEMENT

To identify sustainable development topics and carry out ESG solutions, initiatives, and programs that match market trends and stakeholders' needs, PVFCCo always focuses on building a strong connection with stakeholders.

Step 1

Identify key stakeholders

Stakeholders include individuals and organizations that can influence PVFCCo's operations or are affected by its decisions and results. Depending on their level of interaction and relationship with PVFCCo, each stakeholder group plays a different role in the sustainable development journey. PVFCCo classifies stakeholders based on their level of impact. This helps build suitable and effective programs for dialogue, cooperation, and engagement with each group.

Step 2

Implement engagement activities to understand each stakeholder's key concerns

PVFCCo has set up various channels to connect with stakeholders, such as surveys, interviews, regular dialogues, seminars, and annual meetings. Stakeholders can also send feedback or contact PVFCCo directly through the website, hotline, or other digital platforms. In addition, market officers in different regions support customers by providing product information, collecting feedback, and sharing user experiences. The data and insights gathered from these interactions are analyzed by ESG focal points in the next steps.

Step 3

Prioritize stakeholder concerns

PVFCCo analyzes the feedback to identify material topics that reflect common concerns and trends that may affect business performance, financial health, and sustainability goals. The assessment considers factors such as the impact level of each topic, its strategic importance, urgency, and PVFCCo's ability to respond. These prioritized topics form the basis for departments to develop action plans that balance business goals with stakeholders' expectations.

Step 4

Build an action plan

Action plans for each material topic are developed based on their priority level. Each plan includes clear objectives, a feasible timeline, and a roadmap for implementation. Departments involved in the plan contribute to resource planning, including staffing, budget, and technology, to ensure effective execution. During implementation, departments also monitor progress, report results, suggest adjustments, and update strategic documents when needed.

Step 5

Interact and communicate about action

PVFCCo places strong emphasis on communicating the progress and results of action plans. Departments proactively share updates on key issues and the implementation of approved plans with relevant stakeholders. This helps maintain transparency, consistency, and alignment between stakeholder concerns and PVFCCo's sustainability goals.

Step 6

Monitoring and evaluation

PVFCCo regularly monitors and evaluates the effectiveness of action plans using ESG performance indicators. Feedback from Step 5 is reviewed and adjusted when needed to keep sustainability efforts on track and ensure they deliver maximum value to stakeholders.

A variety of flexible engagement programs and regular open dialogues help PVFCCo quickly gather feedback and understand the concerns of customers, partners, employees, and local communities. These efforts have strengthened PVFCCo's brand, maintained stakeholders trust, and improved the Corporation's sustainable development strategy.

PVFCCo understands that the success and value of these activities depend on how consistently the stakeholder identification and assessment process is designed and implemented. Therefore, in 2024, PVFCCo applied the following steps to maintain strong stakeholder engagement:

STAKEHOLDER ENGAGEMENT (continued)

PVFCCo achieved many remarkable results in 2024 through its stakeholder engagement and consultation activities as follows:

Engagement stakeholder	Our commitment	Engagement method	Frequency of interaction	Interactive content	Results achieved in 2024	Our responses
 Workers	- Ensure a safe, professional, transparent, and fair working environment where employees can grow, feel heard, and be understood. - Recognize and fairly reward each employee's contributions. - Develop policies that comply with labor laws and maximize employee benefits.	Periodic direct dialogue or written consultation at the Labor Conference, Trade Union Congress. Conduct employee satisfaction surveys and collect feedback to better understand their needs and expectations. Organize informal meetings to encourage the exchange of innovative ideas and practical initiatives.	At least twice a year Annual When arising	- Updates on labor regulations, new policies, and procedures related to labor rights, welfare, and health and safety. - Assessment of the working environment and employee satisfaction with current policies. - Career development opportunities and advanced training to improve skills and expertise. - Feedback on the effectiveness of programs and initiatives and suggestions for improvement.	02 internal meetings/seminars. 80% of employees are expressed satisfaction with the working environment and compensation policy. 33 initiatives and 106 production rationalizations were recognized and put into practice. 291 ideas were acknowledged for research and implementation.	- Improve HR policies to align with market trends and employee expectations. - Organize training programs to support professional development and long-term career goals. - Implement initiatives to enhance employee satisfaction and engagement.
 Customers (distributors, end users, etc.)	- Accompany farmers in developing sustainable agriculture through practical support in farming techniques, contributing to social security and community development. - Provide high quality products that meet international standards. - Comply with legal regulations on packaging and labeling, commercial practices, fair competition, and information security, etc.	Interact via hotline and social networks to offer advice and receive questions or complaints. Organize workshops, customer conferences, and conduct proactive surveys and interviews. Host marketing events, product launches, promotions, and technical training sessions.	Daily / Regular When needed (for surveys) When arising	- Evaluation of customer satisfaction with product quality, performance, convenience, and sales or promotion policies. - Feedback on customer experience, service quality, and suggestions for improvement. - Specific technical support needs and how PVFCCo can assist. - Information about new products and updates on policies from the Government and PVFCCo.	- Surveyed over 100 customers to assess satisfaction levels. 90% of customers expressed satisfaction with PVFCCo's products. 100% of customer calls were received and answered. - Held more than 1,000 events/conferences/seminars/factory tours/model demonstrations related to PVFCCo's products.	- Adjust marketing, communications, sales process, and customer care policies based on feedback about customer needs and expectations. - Implement initiatives to improve product quality, enhance customer experience, and strengthen long-term partnerships. - Carry out technical support programs to help farmers adopt sustainable agricultural practices.

STAKEHOLDER ENGAGEMENT (continued)

Engagement stakeholder	Our commitment	Engagement method	Frequency of interaction	Interactive content	Results achieved in 2024	Our responses
 Shareholders / Investors	- Ensure legal and sustainable rights for shareholders, maintain the growth rate of enterprise value and annual dividend payout ratio, and stabilize stock market prices. - Fully comply with current laws and aim to apply corporate governance practices based on international standards. - Ensure financial transparency, effective risk control and timely, complete information disclosure.	Organize periodic shareholders' meetings to share updates and gather feedback.	Annual	- Business performance, financial status, and unusual changes in key indicators. - Business strategy and sustainable development direction. - Corporate management, governance, and material risks. - Feedback and other comments from shareholders and investors.	53 shareholders attended the Annual General Meeting in March 2024, in person or by proxy, representing nearly 70% of total voting shares. 100% of financial reports were published on time with fully required information and reviewed/audited by a globally recognized independent auditing firm. 100% of required disclosures were posted on the website within 24 hours of occurrence. 30 investor engagement events were held, involving over 400 investor interactions.	- Ensure transparency in financial reporting and information disclosure. - Take steps to improve corporate governance effectiveness. - Improve engagement processes based on shareholder and investor feedback. - Make business decisions that align with the interests of the Corporation and shareholders. - Identify potential risks and make timely adjustments.
		Publish regular financial reports to ensure transparency and accountability.	Quarterly			
		Release press statements and newsletters via the official website and social media channels.	Frequent			
		Hold offline and online meetings to update shareholders on production and business performance.	Quarterly			
 Business partners	- Cooperate with partners based on transparency, fairness, mutual benefit, and legal compliance. - Respect all signed agreements and support long-term, sustainable development with partners. - Do not tolerate any form of corruption or bribery.	Meetings to negotiate product/service supply contracts, and surveys to assess service quality and supply capacity.	When arising	- Discuss/update contract terms, coordination levels, and implementation progress. - Evaluate supplier performance and product/service quality. - Explore opportunities for cooperation and new product development aligned with global trends. - Share PVFCCo's expectations and requirements for suppliers. - Exchange market information. - Collect feedback from partners on business processes and emerging issues.	- Held 20 supplier conferences. - Received and implemented new initiatives based on partners' feedback.	- Adjust procurement processes and evaluation criteria based on supplier feedback. - Require partners to apply improvement measures to enhance supply efficiency and product/service quality. - Encourage partners to contribute creative ideas and business innovations. - Identify and resolve supply chain issues promptly.
		Regular meetings to discuss progress and cooperation issues.	As agreed in the contract			

STAKEHOLDER ENGAGEMENT (continued)

Engagement stakeholder	Our commitment	Engagement method	Frequency of interaction	Interactive content	Results achieved in 2024	Our responses
 Government authorities	- Strictly follow current legal regulations, fulfill financial obligations to the State, and ensure transparency in reporting and information disclosure. - Proactively coordinate with authorities during inspections, audits, and supervision. - Actively contribute ideas to policy development to improve the legal framework and support sustainable development in the chemical industry.	Attend regular meetings and workshops to stay updated on new policies and regulations.	At the request of Government authorities	- Data on business performance and regulatory compliance. - Discuss changes in policies and their impact on PVFCCo's operations. - Challenges in implementing policies and regulations. - Comments and recommendations on draft regulations and policies. - Feedback from regulatory agencies on issues related to PVFCCo's operations.	- No violations of law occurred. 100% tax returns were filed on time. - Participated in all meetings requested by competent State agencies. - Promoted policy initiatives to support the chemical industry and local communities.	- Improve internal processes to comply with new regulations. - Take steps to increase transparency and accountability. - Actively join policy-making efforts and share practical experiences. - Regularly review and update internal policies as required by authorities. - Maintain regular contact with government agencies.
		Submit reports and documents as required by relevant authorities.	As required by law			
		Provide written feedback and comments on draft policies and new regulations.	When arising			
		Participate in forums and industry events related to the fertilizer and chemical sector.	When arising			
 Local community	- Prioritize hiring local labor and using services from local suppliers in areas where PVFCCo has offices, business sites, or manufacturing plants. - Actively support the Parent Group in running social security programs to help people in difficult situations and vulnerable groups, contributing to shared prosperity.	Implement programs to support social security and community development.	Frequent	- Information about community development activities and programs. - Community needs and issues, including environmental and social concerns. - Feedback and comments from the community on social security programs. - Suggestions for solutions to local issues, including responses to natural disasters and extreme weather events.	- Carried out more than 387 community-oriented programs/activities. - Total spending on social security and community support reached 70 billion VND. - Built and handed over 570 solidarity houses.	- Actively implement and participate in community support and social security programs. - Carry out initiatives that create positive impacts or help solve specific social issues. - Provide transparent reports on PVFCCo's activities and impacts on the community.
		Participate in community events.	When arising			
		Organize consultation sessions and listen to feedback from the community.	Depending on the needs of each period			
		Use social media channels to provide quick updates.	Frequent			

STAKEHOLDER ENGAGEMENT (continued)



Through the stakeholder engagement activities executed in 2024, PVFCCo has also identified a list of ESG topics which each stakeholder pays attention to, detailed as follows:

Related parties	ESG topics
 Workers	• Occupational health and safety, work-related diseases. • Salary, bonus, and benefits policy. • Talent attraction and retention policy. • Training and human resource development. • Fair and transparent performance evaluation. • Long-term promotion opportunities. • Diversity, inclusion, and equality.
 Customers (distributors, end users, etc.)	• Fertilizer usage efficiency and crop productivity. • Product quality, safety, and traceability. • Reasonable and stable pricing; discount policy. • Workable competition. • Personal information security. • Customer care and technical support for sustainable farming.
 Shareholders / Investors	• Sustainable growth and stable dividend payments. • Financial structure optimization and efficient resource use. • Comprehensive risk management (including ESG risk management). • Transparent corporate governance and conflict of interest prevention. • Compliance with legal regulations and adoption of international governance practices. • Disclose information fully, accurately and on time. • Balanced development between economic benefits and environmental and social impacts. • Reference to or comply with globally accepted ESG standards.



Related parties	ESG topics
 Business partners	• Fairness in business transactions. • Benefit optimization in cooperation. • Fair and transparent contractor evaluation and selection. • Stable and long-term partnerships. • Environmental and social impacts management in the supply chain.
 Government authorities	• Compliance with legal regulations. • Fulfillment of obligations to the state budget. • Environmental and social impact management. • Workable competition. • Accountability and transparency in disclosure. • Emission reduction and carbon neutrality. • Anti-corruption and anti-bribery. • Digital transformation. • Green growth and sustainable development strategy. • Contribution to national sustainable development goals.
 Local community	• Environmental and social impact management. • Job creation and local economic development. • Corporate Social Responsibility (CSR). • Community development support. • Climate change.

MATERIAL TOPICS



According to globally recognized ESG reporting standards and guidelines, businesses are expected to identify and assess material sustainability topics, monitor and update them regularly, and allocate limited resources to activities and programs that can generate positive impacts on the economy, environment and society. This process provides a solid foundation for PVFCCo to implement its sustainable development strategy more effectively, while also meeting stakeholder expectations and addressing their concerns.

The analysis and assessment of each ESG topic's materiality is based on PVFCCo's stakeholder engagement process, combined with internal evaluation. These activities are conducted in accordance with GRI Standard 3 under the GRI Universal Standards 2021. Annually, PVFCCo's responsible department reviews, adjusts, and supplements this analysis to reflect national sustainable development trends, the Corporation's core business areas, and stakeholders' expectations.

The matrix shows the results of the assessment and classification of PVFCCo's ESG material topics in 2024 as follows:



MATERIAL TOPICS (continued)

This entire analysis and evaluation process is summarized into four main steps as follows:

Step 1

Analyze internal and external context

In addition to synthesizing material topics of interest to key stakeholders, PVFCCo conducts a comprehensive self-assessment to identify Environmental, Social, Governance (ESG), and Economic aspects that arise from - or may potentially impact - its production and business operations, as well as its short- and long-term financial performance. This analysis is conducted systematically, drawing from a wide range of information sources and approaches, including:

- Reviewing the internal sustainability context in alignment with strategic development goals (both business and ESG) approved by the Board of Directors.
- Researching and compiling economic, environmental, and social development trends in Vietnam and globally, along with ESG material topics relevant to the domestic and international fertilizer and chemical industries.
- Examining specialized reports and publications issued by reputable industry associations, consulting firms, and research institutions, both domestic and international.
- Gathering information on national and sectoral sustainable development strategies and goals, as outlined in legal documents issued by competent authorities and intergovernmental commitments to which Vietnam is a signatory.
- Synthesizing and analyzing feedback and survey results from stakeholder groups such as farmers, distributors, employees, business partners, shareholders, and local communities.
- Reviewing ESG-related issues (impacts, risks, opportunities) that may affect the fertilizer and chemical industry's value chain.
- Consulting internal experts and external organizations with expertise in sustainable development within the fertilizer and chemical sector.
- Researching ESG practices disclosed in sustainability reports of leading global fertilizer and chemical companies.
- Reviewing reports that assess progress toward the 17 Sustainable Development Goals (SDGs) and provide guidance on disclosure practices aligned with international standards.

Step 2

Assess existing and potential impacts

Based on the findings from Step 1, PVFCCo analyzes and evaluates the overall impact - both positive and negative, existing and potential - on the economy, environment, and society resulting from its planned production and business activities. Depending on specific conditions, PVFCCo consults relevant stakeholders, internal technical teams, and external sustainability experts to ensure objective and well-informed conclusions that support subsequent steps.

Step 3

Evaluate and rank the materiality of each ESG topic

Building on the ESG-related impacts identified in Step 2, PVFCCo assesses the materiality of each topic by evaluating its level of control and actual influence (in terms of scale and scope) across the value chain, combined with stakeholder perspectives on importance. The overall materiality of each topic is determined not only by its financial implications but also by estimated non-financial impacts, the likelihood of associated risks or opportunities, interlinkages between topics, and alignment with globally recognized ESG standards for the chemical industry. The classification and prioritization of material topics are visually represented on a two-dimensional materiality matrix, ensuring a balanced view between PVFCCo's internal perspective and stakeholder expectations. This matrix helps PVFCCo identify ESG priorities for short-term action and monitor the effectiveness of related programs through specific KPIs.

Step 4

Screen and decide on a list of highest priority topics to report on

Based on the materiality matrix, the responsible department screens and proposes a list of priority ESG topics to the Board of Directors for inclusion in the Sustainability Report - beyond mandatory disclosures and recommendations from reference standards. Upon approval, the department proceeds with managing, monitoring, and reporting on these topics in accordance with Vietnam's regulations and international sustainability reporting frameworks.

MATERIAL TOPICS (continued)

Detailed information on the ESG material topics presented in the 2024 Sustainability Report is presented in the following table:

Pillar	Topic	Content	Contribute to the United Nations Sustainable Development Goals (17 SDGs)
Environment	Greenhouse gas emissions and energy transition	PVFCCo plans and implements solutions to reduce greenhouse gas emissions. The Corporation also actively shifts to cleaner energy sources, with a focus on renewables, for use in core operations.	7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Environment	Efficient use of natural resources	PVFCCo enhances research and applies initiatives to improve the efficiency of using limited natural resources. It increases the use of recycled materials in fertilizer and chemical production and promotes circular economy practices through recycling and reusing waste and scrap.	6 CLEAN WATER AND SANITATION 13 CLIMATE ACTION 9 INDUSTRY INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Environment	Environmental pollution reduction	PVFCCo commits to strictly managing environmental impacts arising from its core business operations. The Corporation also researches and integrates appropriate environmental assessment criteria into the supplier evaluation and selection process, contributing to a more sustainable supply chain.	3 GOOD HEALTH AND WELL-BEING 6 CLEAN WATER AND SANITATION 13 CLIMATE ACTION 9 INDUSTRY INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER
Environment	Conservation of biodiversity, water resources and soil quality	PVFCCo promotes the improvement of fertilizer products to be more environmentally friendly. These efforts aim to reduce negative impacts on water resources, enhance soil quality during agricultural use, and closely monitor ecosystem impacts to help preserve biodiversity in areas potentially affected by business activities and the consumption of PVFCCo’s fertilizer and chemical products.	2 ZERO HUNGER 6 CLEAN WATER AND SANITATION 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER 15 LIFE ON LAND
Social	Occupational health and safety	PVFCCo commits to complying with current legal regulations, international standards and recognized the best practices on occupational health and safety. The Corporation continues to operate systems that protect employees’ health and prevent work-related illnesses.	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH
Social	Maintaining and developing human resources to ensure quality	PVFCCo commits to maintaining a stable workforce through talent attraction and competitive remuneration policies compared to market levels. The Corporation focuses on developing employees’ professional expertise and essential skills to help them adapt quickly to the new technology era. It also promotes a dynamic, efficient, fair, and inclusive working environment, with equal promotion opportunities for women.	4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES

MATERIAL TOPICS (continued)

Pillar	Topic	Content	Contribute to the United Nations Sustainable Development Goals (17 SDGs)
Social	Sharing responsibility with the community	PVFCCo prioritizes social security efforts and consistently accompany PVN in social responsibility programs and activities. The Corporation shares and spreads positive values to the community, contributes to a prosperous nation where no one is left behind.	1 NO POVERTY 9 INDUSTRY INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Economics and Governance	Long-term sustainable growth	PVFCCo evaluates and selects investment projects that ensures economic efficiency, supports stable production and business operations, and generates long-term sustainable profits. Together with PVN, the Corporation contributes to building a strong foundation for national economic growth.	1 NO POVERTY 2 ZERO HUNGER 13 CLIMATE ACTION 9 INDUSTRY INNOVATION AND INFRASTRUCTURE 17 PARTNERSHIPS FOR THE GOALS
Economics and Governance	Transparent governance and responsible business	PVFCCo commits to complying with current legal regulations, international standards, and recognized best practices in corporate governance. The Corporation ensures responsible business conduct and provides timely, complete, and transparent information to strengthen trust among investors, shareholders, customers, and the community, while enhancing its position in the global market.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Economics and Governance	Digital Transformation	PVFCCo strongly promotes digital transformation across all aspects of its production and business operations. The Corporation applies modern information technology solutions to measure and monitor productivity, business performance, and environmental and social impacts. It increases the level of automation in operational processes and data management, while ensuring system synchronization, data security, and cybersecurity.	13 CLIMATE ACTION 9 INDUSTRY INNOVATION AND INFRASTRUCTURE

SUSTAINABILITY MANAGEMENT AT PVFCCO

SUSTAINABILITY GOVERNANCE STRUCTURE

PVFCCo designs its sustainable development management system to be streamlined and effective. The system ensures clear roles and responsibilities from planning to implementation, monitoring, and improvement. Management activities are carried out regularly, continuously, and are closely integrated across the following steps:

Step 1 Planning

- Analyze internal and external context, including end-user needs and market trends.
- Identify ESG-related challenges and opportunities.
- Synthesize stakeholder engagement results and key concerns.
- Identify and assess material ESG topics.
- Research and analysis growth drivers.
- Develop strategies and set key goals.
- Analyze resource costs and risks.
- Develop action programs and manage risks.

Step 2 Execution

- Implement the established governance model effectively.
- Carry out action programs to achieve sustainable development goals.
- Conduct risk management activities.
- Update ESG-related standards and requirements and provide internal training and communication to raise awareness, build consensus, and encourage active participation across departments.

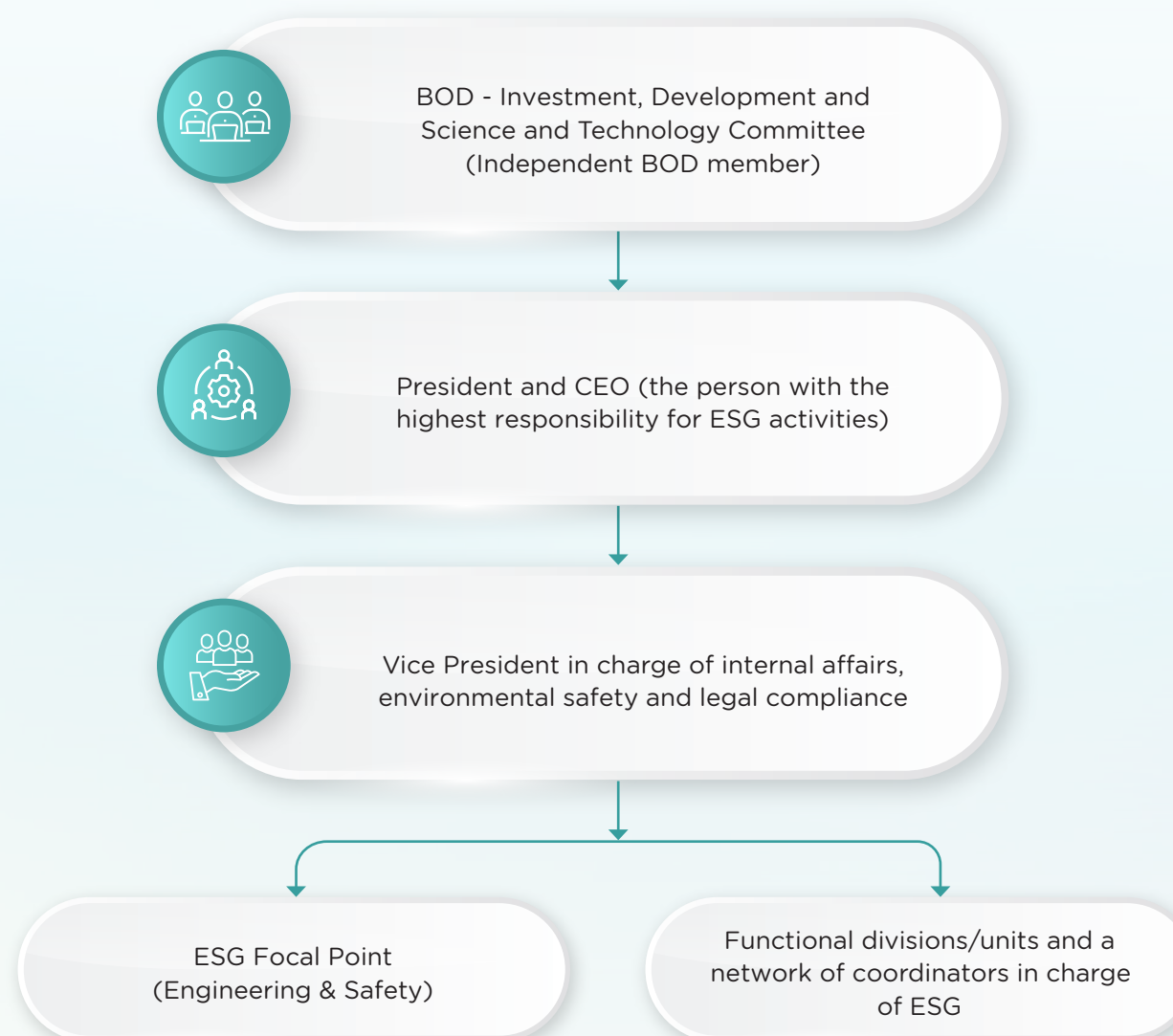
Step 3 Monitoring

- Measure and monitor performance indicators.
- Conduct internal assessments.
- Conduct external assessments.
- Perform independent audits of financial information and data.
- Implement improvement initiatives.
- Conduct self-assessments.

Step 4 Improvement

- Conduct management reviews.
- Take action to prevent impacts or address consequences.
- Continuously improve production and business processes.

In addition to clearly defining the functions and activities as above, PVFCCo also continuously strengthens and perfects the ESG governance structure with specific assignment of tasks to each designated personnel. In 2024, PVFCCo maintained the governance structure as shown below:



SUSTAINABILITY MANAGEMENT AT PVFCCO (continued)

Function	Unit / Object	Main responsibilities related to Sustainable Development
Planning / Monitoring / Improvement	Chairman of the Investment, Development and Science and Technology Committee under the Board of Directors (Independent Board Member)	- Take overall responsibility for sustainable development issues at PVFCCo. - Advise the Board of Directors on strategy planning, short/medium/long-term goals, and approval of action plans related to sustainable development. - Monitor the implementation of strategic sustainable development goals. - Evaluate progress and approve improvement proposals. - Provide expert advice to support the resolution of issues related to the implementation of PVFCCo's sustainable development strategy.
	General Director	- Take full responsibility for implementing ESG activities at PVFCCo. - Develop and issue policies related to sustainable development. - Review action plans aligned with sustainable development goals and strategic directions for each period, and submit them to the Board of Directors for approval. - Direct the implementation of ESG action plans approved by the Board of Directors. - Oversee the development of management systems, allocate resources, and report progress on sustainable development goals on a regular basis.
Execution / Monitoring / Improvement	Deputy General Director in charge of internal affairs, occupational health and safety, legal compliance	- Ensure ESG programs and initiatives are integrated into internal affairs, health and safety, environmental management, and legal compliance. - Coordinate tasks and goals assigned by the General Director to departments, and regularly monitor and encourage progress. - Receive and review ESG-related reports prepared by departments and divisions, and submit them to the General Director.

Function	Unit / Object	Main responsibilities related to Sustainable Development
Execution / Monitoring / Improvement	Technical and Safety Department	- Consolidate information from functional departments and units to prepare a summary report on sustainable development activities and submit it to the Board of Directors for approval. - Organize internal communication activities to ensure all units clearly understand the approved ESG goals and action plans. - Develop and implement training programs on general sustainable development and specific topics aligned with global and national trends. - Manage the collection of information and data for periodic sustainable development reports, in accordance with current international standards and practices.
	Department/ Division/ Functional Unit	- Maintain a minimum structure of one focal officer responsible for ESG-related content in each department, office, or functional unit. - Integrate sustainable development action plans and programs into regular production and business operations to achieve set goals. - Regularly check, monitor, and evaluate the effectiveness of plan implementation. - Prepare and present summary reports on sustainable development activities, ensuring timely and accurate reflection of information and data. - Analyze and propose improvement initiatives.

SUSTAINABILITY MANAGEMENT AT PVFCCO (continued)

ESG RISK MANAGEMENT

Overview of ESG risk management framework

In the context of a volatile economy and growing pressure from geopolitical, environmental, and social issues, PVFCCo clearly recognizes the importance of managing risks related to sustainable development across all production and business activities. The Board of Directors understands that ESG-related risks can directly or indirectly affect operational efficiency, competitiveness, brand reputation, and the Corporation's ability to create long-term sustainable value.

To respond proactively to challenges and seize growth opportunities in the transition toward a greener and cleaner economy, PVFCCo continuously improves its policy framework and risk management processes. Thanks to its consistent efforts, PVFCCo has not recorded any serious environmental or social incidents throughout more than 20 years of establishment and development.

In 2024, PVFCCo continues to identify, assess, and control ESG-related risks within the framework of its enterprise-wide risk management system, in compliance with prevailing international standards. Specifically:

- ESG risks are identified and periodically assessed in accordance with ISO 9001 (quality), ISO 14001 (environment), and ISO 45001 (occupational health and safety), as well as the Quality - Safety - Environment Risk Control Process (A-002).

- Risk identification and assessment results are regularly monitored and updated whenever unusual factors or events occur. This helps detect and control potential risks that may affect operational continuity and efficiency, and ultimately the Corporation's financial performance. For example, in 2024, the reallocation of functions and management areas between the NPK Unit and the Packaging and Warehousing Unit at Phu My Fertilizer Plant was carefully assessed for risks such as overlapping roles, changes in employee work habits, and impacts on operational performance. Similarly, adjustments to raw materials, chemicals, and environmental treatment methods are all subject to risk assessment before implementation.

After identifying and assessing ESG risks, specialized departments and functional units review and implement control plans and response measures in line with PVFCCo's overall risk management policy. Building on this process, these efforts aim to minimize negative impacts and ensure stability and effectiveness in executing the sustainable development action plan. To ensure ongoing oversight, key risk indicators (KRIs) are regularly monitored, and ESG risk management is reported periodically, with discussions held in meetings with the Board of Directors.

To enhance risk management capabilities, PVFCCo has deployed advanced tools such as the Process Safety Management (PSM) software and the Production Management Information System (PMIS). These systems support the monitoring of incident numbers and production downtime caused by safety violations at Phu My Fertilizer Plant. In addition, PVFCCo regularly organizes internal training programs on risk assessment and control for all employees and encourages departments and units to proactively improve operational risk management processes and contribute to the development and refinement of risk criteria and parameters.

SUSTAINABILITY MANAGEMENT AT PVFCCO (continued)

List of material ESG risks

PVFCCo has identified and managed a portfolio of risks related to sustainable development with corresponding monitoring and control measures as follows:

No	Group	Risk	Key monitoring and control measures
1	Strategic risk	Risks from consumer behavior	- Organize communication programs on sustainable farming for farmers. - Maintain a hotline and a team of market officers to provide consulting and technical support during the use of Phu My fertilizer products.
2	Strategic risk	Transition risks related to production technology, legal regulations, government policies, consumer preferences for greener and cleaner products, etc.	- Regularly monitor and analyze market trends, policies, and technologies affecting the fertilizer industry. - Promote R&D of new products that are greener and cleaner, aligned with global market trends and government strategic directions.
3	Strategic risk	Risks related to the supply chain such as domestic raw material shortages and/or disruptions due to geopolitical tensions in some important regions of the world, rising gas prices, etc.	- Negotiate price movement roadmaps with suppliers based on scenario estimates. - Monitor input material markets to forecast price fluctuations and supply disruption risks. - Diversify domestic and international suppliers, develop contingency plans, and explore alternative raw materials to ensure stable production. - Monitor delivery progress and service quality as per contractual agreements.
4	Operational risk	Risks related to product quality	Promote product innovation initiatives to improve quality and meet international standards.
5	Operational risk	Fire Risk	- Install fire prevention and firefighting systems and equipment in compliance with legal standards. - Develop and conduct periodic fire drills approved by competent authorities. - Organize regular safety and fire prevention training for employees.

No	Group	Risk	Key monitoring and control measures
6	Operational risk	Climate change related risks	- Develop a response plan for severe weather events such as storms, tornadoes, etc. - Research and implement solutions to reduce greenhouse gas emissions and mitigate climate change impacts.
7	Operational risk	Occupational safety risks and diseases	- Conduct periodic maintenance and inspection of production lines, machinery, and equipment. - Maintain operations in compliance with ISO 45001 standards. - Provide regular training on occupational health and safety and rehearse emergency response plans. - Promote a culture of safe production across the Corporation.
8	Operational risk	Risk of brain drain (well-qualified and experienced technical staff/ experts)	- Conduct market research and adjust salary and bonus policies to remain competitive. - Reform compensation structures and benefits in line with legal regulations, Parent Group orientation, PVFCCo's strategic goals, and employee needs.
9	Operational risk	Risk of fraud and corruption	- Develop and implement anti-corruption policies/plans. - Regularly review and assess the internal control system to make timely adjustments.
10	Financial risk	Tax related risks	- Proactively update tax-related legal regulations and maintain regular communication with tax authorities for support. - Prepare and submit tax reports in compliance with current laws, ensuring full and timely contributions to the state budget.
11	Compliance Risk	Compliance risks	- Prepare and submit reports in accordance with legal regulations, ensuring timeliness, completeness, and accuracy. - Monitor and update new or expected legal documents to adjust operational procedures and core business activities promptly.
12	Compliance Risk	Environmental liability risks (e.g. incidents of wastewater / exhaust gas treatment systems, etc.)	- Design and installation of automatic monitoring systems, machinery and equipment - Conduct periodic environmental monitoring and reporting as required. - Monitor the operation of wastewater and exhaust gas treatment systems, manage solid and hazardous waste, and develop and rehearse environmental incident response plans.

SUSTAINABILITY MANAGEMENT AT PVFCCO (continued)

CONTRIBUTING TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



The table below summarizes information and data reflecting PVFCCo’s efforts in contributing to the implementation of the 17 United Nations Sustainable Development Goals (SDGs):

SDGs	Objective	PVFCCo’s key contribution in 2024
	End poverty in all its forms everywhere	- Allocated a budget of 10 billion VND to build solidarity houses for people in difficult circumstances. - Donated 570 solidarity houses for use. - Allocated 8.6 billion VND to provide gifts and support through the Tet program for disadvantaged households in the Year of the Dragon.
	End hunger, ensure food security, improve nutrition, and promote sustainable agriculture	- Supplied 1.3 million tons of Phu My fertilizer. - Researched and developed new product lines to improve crop productivity.

SDGs	Objective	PVFCCo’s key contribution in 2024
	Ensure healthy lives and promote well-being for all ages	- Spent nearly 10 billion VND on periodic health check-ups, disease prevention, and vaccinations for employees. - Regularly organized sports activities and voluntary blood donation drives for grassroots workers and staff. - Maintained life insurance and retirement insurance policies for employees. - Spent over 3 billion VND on projects to build medical stations and healthcare facilities in remote areas. - Reduced the number of occupational deafness cases.
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	- Delivered 12,753 hours of professional and skills training for workers. - Allocated 28.5 billion VND to build schools and invest in equipment, creating better learning conditions for disadvantaged and remote-area children. - Spent nearly 29 billion VND to sponsor educational activities in local communities.
	Achieve gender equality; empower and create enabling opportunities for women and girls	- Provided maximum training opportunities for 100% of female employees. - Ensured non-discriminatory policies and benefits for female employees, consistently exceeding legal requirements.
	Ensure availability and sustainable management of water and sanitation for all	- Operated wastewater treatment systems in full compliance with legal regulations. - Controlled surface water temperature which is used for cooling machinery to meet legal standards and protect the biodiversity of Thi Vai River.
	Ensure access to sustainable, reliable, and affordable energy for all	- Saved 1,150,000 MMBTU of energy at Phu My Fertilizer Plant. - Researched and evaluated the financial efficiency of renewable energy transition solutions for future implementation.

SUSTAINABILITY MANAGEMENT AT PVFCCO (continued)

SDGs	Objective	PVFCCo's key contribution in 2024
	Ensure sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all	- Achieved a 5% increase in profit after tax compared to 2023. - Ensured stable employment and income for 1,550 workers. - Maintained a safe working environment for 100% employees, especially female staff.
	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	- Researched and assessed the financial feasibility of integrating green hydrogen (H₂) production technology into Phu My Fertilizer Plant. - Recognized and implemented 139 innovation and production rationalization initiatives.
	Reducing social inequality	- Maintained transparency in recruitment and performance evaluation. - Maintained fair salary and benefits for all employees.
	Promote sustainable, resilient urban and rural development; ensure safe living and working environments; ensure reasonable distribution of population and workforce by region	- Maintained a policy of prioritizing local labor recruitment. - Maintained a safe working environment in compliance with ISO 45001 international standards.
	Ensure sustainable consumption and production patterns	- Proactively applied energy-saving initiatives researched environmentally friendly raw material alternatives, and reduced greenhouse gas emissions. - Organized more than 1,000 events, conferences, and seminars on PVFCCo products, and provided technical advice on sustainable agriculture and efficient fertilizer use. - Reused and recycled 63 tons of waste at Phu My Fertilizer Plant.

SDGs	Objective	PVFCCo's key contribution in 2024
	Respond in a timely and effective manner to climate change and natural disasters	- Participated in the “Greening Truong Sa” program launched by Naval Region 4 Command to improve soil quality and combat desertification. - Planted 205,650 trees since 2022. - Implemented as a part of PVFCCo's sustainability initiatives, solutions and actions to achieve a 3% emission reduction target by 2030, equivalent to 17,514 tons of CO₂ compared to 2022. - Researched, produced, and tested 100m³ of DEF products to help reduce NO_x emissions from diesel engines by 2024.
	Conserve and sustainably use the oceans, the sea, and marine resources for sustainable development	Organized over 1,000 events, conferences, and seminars on PVFCCo products, and provided technical advice on sustainable agriculture and efficient fertilizer use.
	Protect and sustainably develop forest; biodiversity, develop ecosystem services; combat desertification; prevent the degradation of and rehabilitate land resources	- Planted 205,650 trees since 2022. - Organized over 1,000 events, conferences, and seminars on PVFCCo products, and provided technical advice on sustainable agriculture and efficient fertilizer use.
	Promote a peaceful, equitable and equal society for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels	- Complied strictly with anti-corruption regulations and built a transparent, fair governance system. - Ensured customer information security and privacy.
	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	Connected and cooperated with international partners such as GIZ, Green Solution, KSK E&S, DNV, and HTAS on production technologies.

CHAPTER 03

Sharing Responsibility for a Green Planet

- 96 Greenhouse Gas Emissions and Energy Transition
- 108 Enhancing Natural Resource Efficiency
- 110 Minimizing Environmental Pollution
- 116 Conservation of biodiversity, water resources and soil quality





GREENHOUSE GAS EMISSIONS AND ENERGY TRANSITION

ENERGY CONSUMPTION AND TRANSITION

Fertilizer and chemical production are high-energy-consuming areas due to the use of fossil fuels (natural gas, gasoline, oil) as input materials and for operating machinery, equipment, transportation, and production lines. With a pioneering spirit aligned with the national green growth strategy and energy transition goals, PVFCCo consistently focuses on researching and implementing energy-saving initiatives and transitioning to cleaner energy sources. PVFCCo implements energy management activities in a synchronized and consistent manner, including:

- Fully complied with the requirements of the Law on Energy Saving and Efficiency No. 50/2010/QH12 as well as other relevant documents issued by the State.
- Issued internal regulations and documents on organizational models and energy management processes in accordance with ISO 50001:2018, demonstrating clear commitments to efficient energy use and alignment with national energy-saving goals.
- Established an Energy Management Steering Committee to coordinate closely with the Factory Energy Management Network, ensuring regulatory compliance and promoting effective energy management and greenhouse gas reduction.
- Provided sufficient financial resources and maximum support for employees to develop and implement energy-saving policies and continuous improvement initiatives.



- Invested in advanced equipment and technologies with lower energy consumption, combined with solutions to optimize production cycles for energy savings.
- Regularly maintained, serviced, and inspected machinery, equipment, production lines, and vehicles to ensure optimal performance and fuel efficiency.
- Monitored fuel consumption regularly across all PVFCCo units (Corporate Office, Phu My Fertilizer Plant, affiliated units, and subsidiaries), including production and transportation activities.
- Invested in a 110kV power station and evaluated the feasibility of replacing part of the energy sourced from the national grid with electricity generated from the Gas Turbine at Phu My Fertilizer Plant.
- Conducted energy audits every three years and prepared energy consumption reports and saving plans in compliance with Vietnamese laws and internal requirements, identifying high-potential areas for energy reduction.
- Organized regular training programs to raise awareness and provide in-depth knowledge on energy management and efficient energy use. In 2024, two employees completed the training and received Energy Auditor certification from the Department of Energy Conservation and Sustainable Development under the Ministry of Industry and Trade.
- Deployed a project allowing functional units to rent warehouse rooftops for installing solar power systems connected to the national grid, contributing to the increase of renewable energy in Vietnam's electricity distribution system.

GREENHOUSE GAS EMISSIONS AND ENERGY TRANSITION (continued)

Initiatives proposed, approved and implemented in relevant production and business practices that significantly contribute to the cause of efficient energy consumption include:

Production Area

7 million kWh
saving electricity per year

Reducing energy
consumption from
30.85 to

30.43
MMBTU
per ton of NH₃

- Optimized the cooling water system by adjusting the operation between river water and clean water pumps, ensuring cooling efficiency and saving approximately 7 million kWh of electricity per year along with water resources.
- Installed an Advanced Process Control (APC) system at the Ammonia Unit to optimize operations, enhance efficiency, and maintain production stability, thereby reducing energy consumption from 30.85 to 30.43 MMBTU per ton of NH₃.
- Stopped unnecessary air compressors and utilized air from tanks or high-pressure sources, cutting electricity consumption by about 3.2 million kWh annually.
- Switched flexibly between steam turbines and electric motors for pump/fan systems to maximize energy efficiency.
- Improved reactor equipment to shorten maintenance time and enhance operational reliability.
- Recovered excess heat from boilers, furnaces, and steam systems to reduce energy waste.
- Applied technical measures to minimize energy loss in power and heat supply systems.

- Replaced remaining reaction tower plates in the Urea synthesis process with high-efficiency, new-generation models.
- Installed inverters for suitable electric motors and energy savers for compressor motors to enhance energy performance.
- Reduced wasted energy at the medium-pressure vent gas line (air conditioning pipeline).
- Recovered heat from condensate water to improve thermal efficiency.
- Converted steam generation from high-emission natural gas boilers to biomass boilers.



Office Area

- Replaced low efficiency high pressure lamps, fluorescent lamps with LED lamps.
- Upgraded the chiller system to a new-generation model with higher energy efficiency.
- Purchased and used electrical appliances with labels/records demonstrating high levels of energy efficiency.
- Operated public lighting systems based on weather conditions and time of day to avoid unnecessary usage (turn off when it is light, turn on when it is dark).
- Adjusted warehouse lighting with appropriate illumination according to actual work needs.
- Maintained the air conditioning system at above 24°C.
- Turned off air conditioning systems, lighting and office equipment when not in use.
- Prioritized the use of natural light.



GREENHOUSE GAS EMISSIONS AND ENERGY TRANSITION (continued)

The energy consumption situation of PVFCCo and its subsidiaries (except North PetroVietnam Fertilizer and Chemicals Joint Stock Company) in the last 3 years is listed in the following table:

	Unit	2024	2023 ⁴	2022	How to calculate
Net electricity consumption	GJ	278,903	188,872	381,194	Consumption after deducting production connected to the national grid
Grid-connected electricity	GJ	30,572	24,321	19,877	Converted from the total kWh amount according to the electricity purchase bill from Vietnam Electricity Group according to the coefficient 1kWh = 0.008991GJ (based on the document "Evaluation of Urea Plant Performance - Performance test Procedure Unit 20 - Urea Plant" of PVFCCo)
Power consumption	GJ	309,476	213,194	401,071	Converted from the total kWh amount according to the electricity purchase bill from Vietnam Electricity Group according to the coefficient 1kWh = 0.008991GJ (based on the document "Evaluation of Urea Plant Performance - Performance test Procedure Unit 20 - Urea Plant" of PVFCCo)
DO	GJ	13,480	13,534	15,209	Converted from the actual number of liters of oil purchased to operate vehicles owned by PVFCCo, machinery and equipment in Phu My Fertilizer Plant shown on input invoices according to the coefficient published in the documents of the Intergovernmental Panel on Climate Change (IPCC)
Natural Gas - NG	GJ	9,319,647	8,722,134	9,434,438	Gas consumption volumes (in Sm ³) are converted into MMBTU as shown on purchase invoices, using the conversion factor of 1 MMBTU = 1.05506 GJ.
Gasoline for cars and motorbikes	GJ	12,788	9,624	8,987	Converted from the actual number of liters of gasoline purchased to operate vehicles owned by PVFCCo shown on input invoices according to the coefficient published in the document of the Intergovernmental Panel on Climate Change (IPCC)
Total energy consumption	GJ	9,624,819	8,934,165	9,839,828	
Energy intensity per ton of product produced	GJ/Ton	8.39	8.65	8.23	Total energy consumed divided by total output volume produced in the year

⁴ In 2023, PVFCCo carried out turnaround maintenance activities, so production activities were interrupted, and actual production output was lower than in 2022 and 2024.

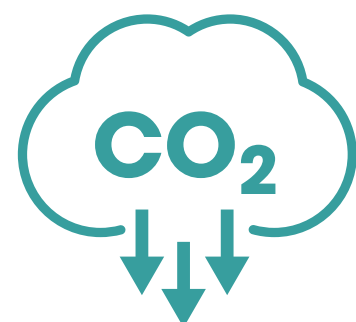


In general, in the two years of stable operation of Phu My Fertilizer Plant, 2022 and 2024, the total energy consumption of the Corporation tends to decrease thanks to the effective implementation of energy saving initiatives and efficient use of electricity in production. The intensity of energy use increased slightly in 2024 compared to 2022 but was still within the allowable range when the production structure of NPK fertilizer and urea fertilizer products was different according to market demand at each stage. Phu My Fertilizer Plant - the unit that consumes most of the energy of the Corporation - will continue to study and adjust the operating mode to suit the production situation and technological fluctuations in the following years to contribute to reducing pressure on energy security while still ensuring the allowable fluctuation range of the normal production cycle.

GREENHOUSE GAS EMISSIONS AND ENERGY TRANSITION (continued)

GREENHOUSE GAS EMISSIONS REDUCTION

17,514 tons
of CO₂ emissions avoided



Implementing the requirements for greenhouse gas accounting and reduction planning as stipulated in Decree No. 06/2022/ND-CP and aligning with the Net Zero target by 2050 - committed by the Government at COP26 and reflected in the Parent Group's strategy, PVFCCo has conducted greenhouse gas accounting at Phu My Fertilizer Plant since 2022 and set a target of reducing 3% of total greenhouse gas emissions by 2030 (equivalent to 17,514 tons of CO₂) compared to 2022. To achieve this goal, PVFCCo has consistently and synchronously implemented the following activities across the enterprise:

- Developed and completed the Greenhouse Gas Emission Response and Reduction Strategy Project to 2050, as a foundation for implementing programs and initiatives to reduce emissions in the following years.
- Prepared and submitted the 2024 Greenhouse Gas Accounting Report for Scope 1 (directly from the use of fossil fuels) and Scope 2 (indirectly through energy consumption), Greenhouse Gas Emissions Mitigation Plan to 2030 at Phu My Fertilizer Plant as required by the Government in Decision No. 13/2024/QĐ-TTg, Decree No. 06/2022/ND-CP and Circular No. 01/2022/TT-BTNMT.
- Invested in advanced equipment and technology with lower greenhouse gas emissions and operated CO₂ recovery systems from exhaust fumes, etc.

300,000
trees
planted during 2022-2025



- Surveyed and collected data to propose management policies and technical solutions to prepare for participation in the domestic and international carbon credit trading market.
- Organized and/or sent personnel to participate in training programs on greenhouse gas emission management and reduction, carbon credit market simulation tools, low-carbon technology development, product carbon footprint quantification, climate change adaptation, and MRV (Measurement - Reporting - Verification) guidance.
- Reported periodically to the Parent Group on climate change and greenhouse gas emission reduction activities, including the status and future plan for Carbon Capture and Storage (CCS), etc.
- Researched and developed green projects and products, and increased the recycling rate of input gas materials, etc.
- Implemented a tree planting program with a target of 300,000 trees during 2022-2025.

GREENHOUSE GAS EMISSIONS AND ENERGY TRANSITION (continued)

Greenhouse gases reduction initiatives implemented in 2024 have contributed to overall greenhouse gases emission reductions compared to 2022⁵, including:

1

Increased the capacity of the NH₃ Unit (without increasing urea capacity), allowing sufficient CO₂ supply for high-load urea production while stopping and preserving the CO₂ Recovery Unit (CRU) at Phu My Fertilizer Plant.

2

Studied the plan to restart the CO₂ recovery system at Phu My Fertilizer Plant to increase production output and sell commercial CO₂.

3

Temporarily stopped compressors when not needed, when using high-pressure gas sources, and/or when the plant operates the pipeline system to recover NH₃ from storage tanks back to the central compressor.

4

Converted the operating mode from small steam turbines to electric motors when technological conditions were suitable.

Conversion factors to CO₂ equivalent to calculate total greenhouse gas emissions in 2024 based on the following documents and instructions:

Natural gas, gasoline, DO:

Decision No. 2626/QĐ-BTNMT dated October 10, 2022 of the Ministry of Natural Resources and Environment and Guidelines of the Intergovernmental Panel on Climate Change (IPCC).

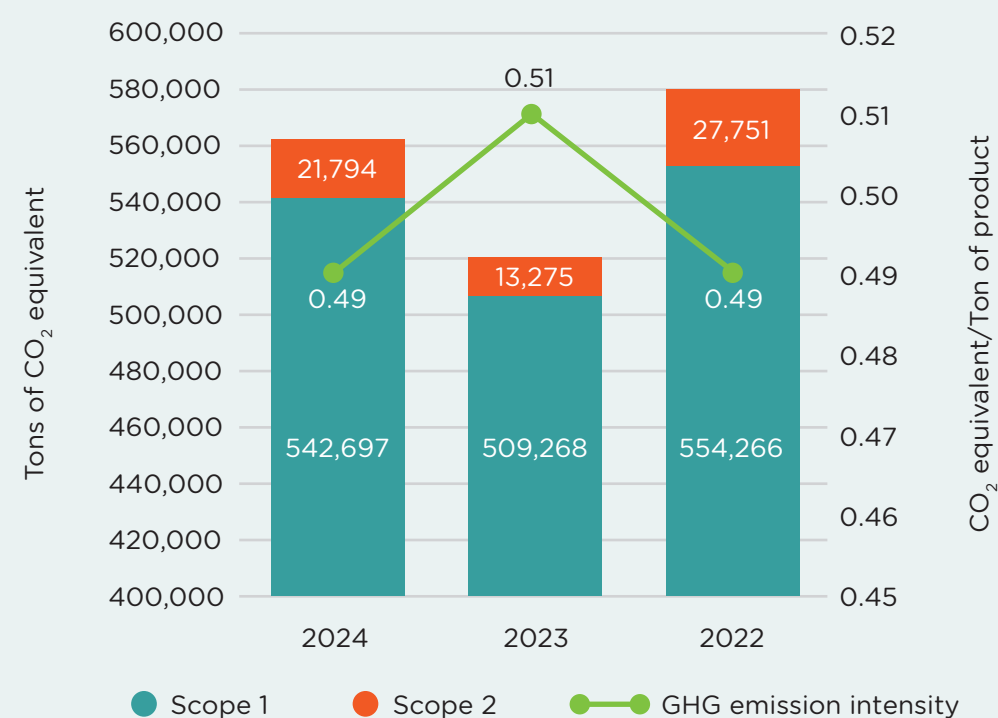
Net electricity consumption

Vietnam's grid emission factor in 2023 is specified in Official Dispatch No. 1726/ĐKHH-PTCĐT dated December 3, 2024 of the Department of Climate Change - Ministry of Natural Resources and Environment.

Global Warming Potential (GWP) Factor

IPCC 6th Assessment Report 2023 and Circular No. 01/2022/TT-BTNMT dated January 7, 2022.

Greenhouse gas emissions over the years



⁵ In 2023, PVFCCo carried out turnaround maintenance activities, so production activities were interrupted, and actual production output was lower than in 2022 and 2024.



PVFCCo's total Scope 1 and Scope 2 greenhouse gas emissions in 2024 showed a decreasing trend compared to 2022 (two years of stable production and no turnaround maintenance) demonstrating the effectiveness of emission reduction efforts. The average greenhouse gas emission intensity per ton of products produced in both years remained similar, indicating that the initiatives implemented by Phu My Fertilizer Plant toward the Net Zero goal have delivered remarkable results. PVFCCo is researching to implement greenhouse gases measurement and calculation across individual production lines to ensure readiness for compliance with forthcoming quota requirements per ton of output in the future. Although greenhouse gas emissions from office operations and fertilizer storage facilities remain relatively low and stable over the years, PVFCCo and its subsidiaries continue to explore and implement energy-saving initiatives to help reduce indirect emissions.



PVFCCo is researching to implement greenhouse gases measurement and calculation across individual production lines to ensure readiness for compliance with forthcoming quota requirements per ton of output in the future.



REDUCTION OF EMISSIONS IN MANUFACTURING

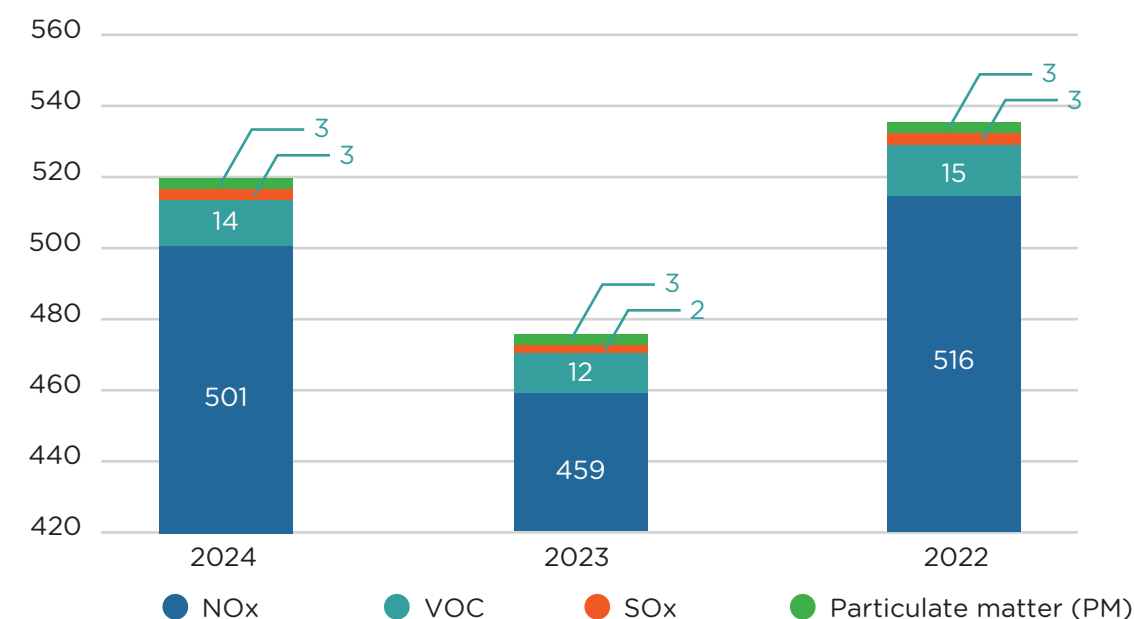
In addition to pursuing energy savings and greenhouse gas emission reductions, PVFCCo places strong emphasis on implementing measures to limit emissions generated during the production cycle that may negatively impact the environment.

Specific activities implemented include:

- Fully complying with current legal regulations related to emission monitoring, quality control, and periodic reporting.
- Completely phasing out the use of HCFCs in accordance with the national roadmap under the Vietnam HCFC Phase-out Management Plan.
- Periodically monitoring and annually reporting the use of controlled substances in refrigeration equipment, aiming to invest in completely converting to “green” refrigeration equipment using refrigerants not on the ODS list such as R32, R410A, R134A, with low GWP (Global Warming Potential) which is safer for the ozone layer and the ecosystem.
- Proactively controlling the use of ozone-depleting substances (ODS) and minimizing the refilling of ODS, except in cases of force majeure
- such as equipment leaks requiring the addition of 13.6 kg of R22 refrigerant equivalent to 0.0075 tons of CFC-11 in 2024.
- Strictly implementing emission monitoring and control in accordance with the National Technical Regulations issued by the Ministry of Natural Resources and Environment, including QCVN 19:2009/BTNMT on industrial emissions of dust and inorganic substances, and QCVN 21:2009/BTNMT on emissions from chemical fertilizers production.
- Installing an automatic, continuous emission monitoring system and transmitting data directly to the Department of Agriculture and Environment, ensuring that emission quality is monitored and controlled in real time to support accurate and timely environmental management at Phu My Fertilizer Plant.

The measurement of pollutant emissions is estimated based on the production of Urea, NH₃ and the amount of natural gas consumed at Phu My Fertilizer Plant each year according to the Emission Accounting Guidelines for Oil and Gas Activities issued together with Decision No. 445/QĐ-DKVN dated January 25, 2022 of the General Director of Vietnam National Industry - Energy Group⁶. The results showed that PVFCCo’s emissions in 2024 have decreased slightly compared to 2022⁷ :

Significant air emissions (Unit: Kg)



⁶ Vietnam Oil and Gas Group is now the Vietnam National Industry and Energy Group.

⁷ In 2023, PVFCCo carried out turnaround maintenance activities, so production activities were interrupted, and actual production output was lower than in 2022 and 2024.

ENHANCING NATURAL RESOURCE EFFICIENCY



Fertilizer and chemical production activities at PVFCCo primarily rely on fossil fuels (natural gas) and inorganic catalysts - both finite resources. Recognizing this characteristic, PVFCCo prioritizes research and implementation of programs and initiatives aimed at improving the efficiency of natural resource use and identifying convertible raw materials to ensure long-term sustainable development. Key initiatives implemented in recent years include:

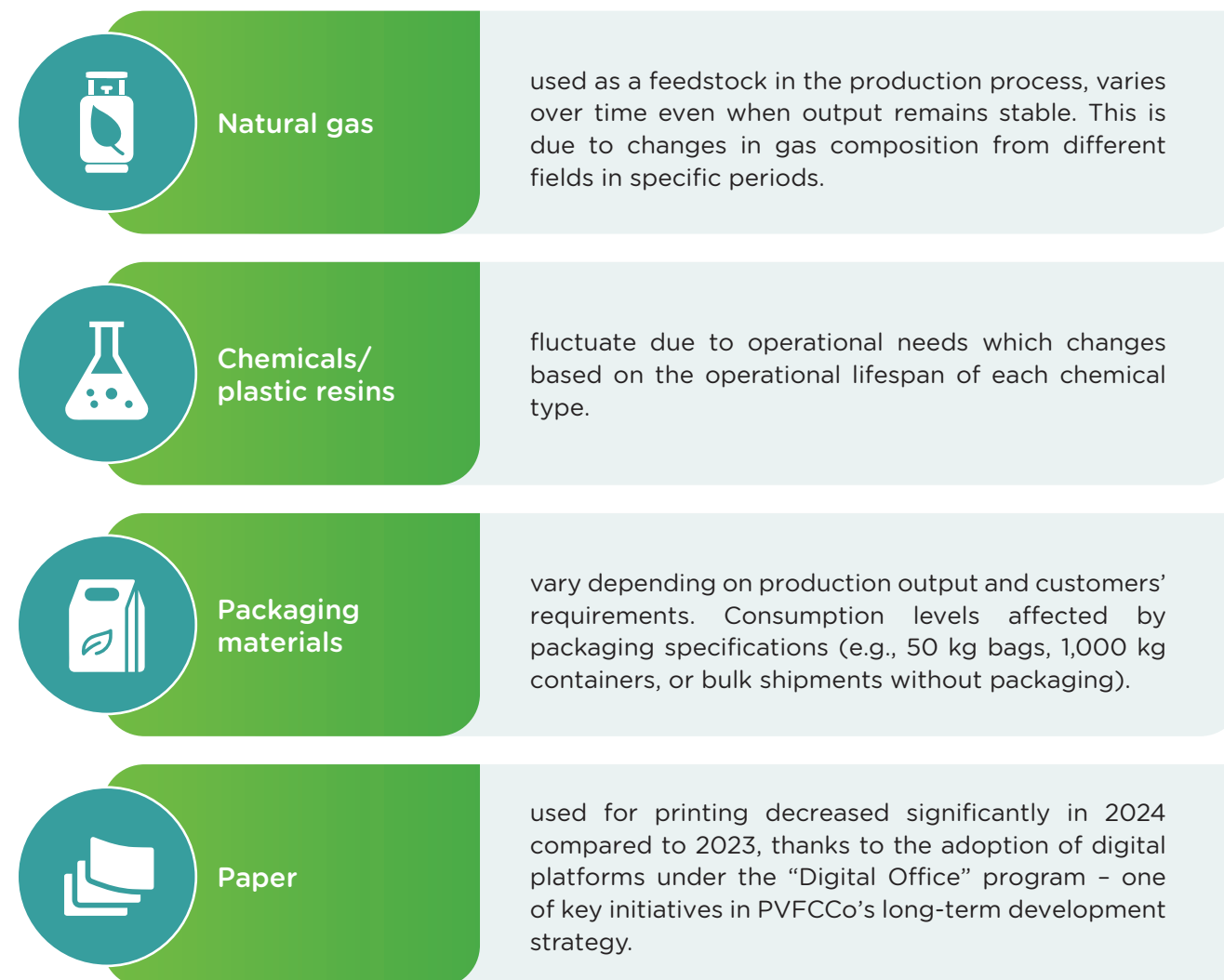
- Controlling the amount of raw materials used in production and business activities, and proposing solutions and initiatives to save raw materials, optimize efficiency, and increase the use of renewable materials.
- Implementing a green transformation strategy in production by gradually replacing natural gas (NG) with green hydrogen (H₂), liquefied natural gas (LNG).
- Collaborating technically with international partners such as GIZ, SK E&S Renewable Energy (Korea), and The Green Solution to assess the feasibility and roadmap for integrating green H₂ into existing production chains using solar-powered water electrolysis.
- Avoiding the purchase of new wooden pallets and prioritizing the reuse of existing ones from previous years, while gradually switching to more environmentally friendly plastic pallets and sling straps. Promoting digital transformation in production, business, and internal management to significantly reduce the amount of printed paper used for document storage in accordance with regulations.

The results of measuring the amount of renewable and non-renewable materials used over the years by PVFCCo are shown in the following table:

Group	Raw materials	Unit	2024	2023 ⁸	2022
Non-renewable materials	Natural gas	MMBTU	12,262,431	11,164,776	12,652,383
	Chemical	Ton	17,134	18,559	19,557
	Plastic beads	Liter	28,665	75,079	53,204
Renewable materials	Paper (printing)	Kg	4,078	4,504	Not yet counted
	Plastic packaging for fertilizer products	Kg	3,399,887	3,261,021	Not yet counted

⁸ In 2023, PVFCCo carried out turnaround maintenance activities, so production activities were interrupted, and actual production output was lower than in 2022 and 2024.

Material consumption depends on production output and the number of operating days each year. Year-on-year fluctuations are also influenced by several external factors



PVFCCo maintains strict control over material consumption. All usage is monitored and managed according to approved consumption norms.

MINIMIZING ENVIRONMENTAL POLLUTION



Preventing and minimizing environmental pollution to avoid harming the ecosystem, natural environment, and the lives of local people around the factory and business headquarters is a mandatory responsibility of every enterprise according to the law.

Recognizing that, PVFCCo establishes and operates an environmental impact management system in compliance with the following principles:

1

Implement synchronous risk prevention work from the site design stage, production, and business operation to impact management, closely following the principle of proactive prevention and strictly complying with current legal regulations.

2

Assess compliance with legal regulations and standards of the Oil and Gas industry using specialized copyright software such as LEAK and PHASTRISK, using data sets to analyze consequences, incident frequency and actual environmental conditions at the plant site.

3

Complete the environmental impact management system, proactively monitor, control and handle waste sources to ensure all activities comply with the law and minimize impacts on the soil, water, and air environment.

4

Promote programs that propose continuous improvement initiatives in environmental impact management and protection.

MINIMIZING ENVIRONMENTAL POLLUTION (continued)

Regarding wastewater management activities, PVFCCo always emphasizes controlling the impact on surface water and groundwater around the Phu My Fertilizer Plant area while making efforts to reduce water consumption to contribute to protecting water resources. Commitments and activities have been implemented to achieve this goal and orientation, including:

Periodic monitoring frequency at the wastewater treatment system with a capacity of

680
m³per day-night

at Phu My Fertilizer Plant

Every **3** months

The periodic wastewater monitoring frequency for office buildings and fertilizer storage buildings

Every **6** months

- Integrate wastewater monitoring and treatment activities into the ISO 14001:2015 environmental management system to ensure risk control, legal compliance, and safe operation maintenance.
- Maintain wastewater collection and treatment systems to ensure treated water meets the standards of QCVN 14:2008/BTNMT (domestic wastewater), QCVN 40:2011/BTNMT (industrial wastewater), and the acceptance criteria of IZICO Industrial Zone, Chon Thanh Industrial Zone, and Nhon Binh Industrial Cluster before discharge into the natural environment or transfer to centralized treatment systems; ensure the centralized production wastewater treatment system at Phu My Fertilizer Plant operates stably at a capacity of 680 m³ per day, with treated water meeting Column A standards under QCVN 40:2011/BTNMT before connection to IZICO's system.
- Operate wastewater treatment systems according to design and comply with the contents presented in the Environmental Impact Assessment Report, Certificate of Environmental Protection Works, Environmental License and Discharge License No. 2458/GP-BTNMT dated September 23, 2015.
- Develop a safety plan and emergency response plan for wastewater-related incidents, proactively suspend production and business activities when incidents arise to implement the approved response plan.
- Preliminary treatment of domestic wastewater generated in the office area and warehouse of Phu My Fertilizer Plant using a 03-compartment waterproof septic tank with a cement mortar-coated concrete structure and reinforced concrete cover before connecting to the wastewater collection system of Phu My Fertilizer Plant.
- Installing an automatic continuous cooling wastewater monitoring system (to Thi Vai River) at Phu My Fertilizer Plant and transmitting monitoring data directly to the Department of Natural Resources and Environment of Ba Ria - Vung Tau province, combined with periodic monitoring every 2 months (with analysis by an independent unit with the function) to compare data and evaluate the stability of the treatment system.
- Periodically monitor industrial and domestic wastewater of the Factory and Fertilizer Offices/Warehouses every 3 or 6 months by a competent unit.
- Research solutions to reuse treated wastewater for non-production purposes such as watering plants, industrial cleaning or cooling, thereby moving towards a circular production model, saving resources, and reducing the amount of wastewater discharged into the environment.
- Regularly organize internal training to raise awareness among staff about water resource protection and environmental compliance.

The results of statistics on the amount of wastewater discharged into the environment through channels from Phu My Fertilizer Plant (according to automatic meters for surface water and invoices for transferring wastewater to IZICO's centralized wastewater treatment system for industrial wastewater) and 04 subsidiaries (estimated according wastewater flow meters at the PVFCCo South-East, and estimated on domestic water supply volumes in accordance with current legal regulations for the PVFCCo South-West, the PVFCCo Central, Hai Phong Warehouse under the PVFCCo North, and warehouses managed by the PVFCCo South-East) in recent years are as follows:

Target	Unit	2024	2023	2022
Surface water (cooling water discharged into Thi Vai River) ⁹	m ³	30,782,437	27,837,073	30,920,987
Discharge to a third party	m ³	177,886	203,677	152,737

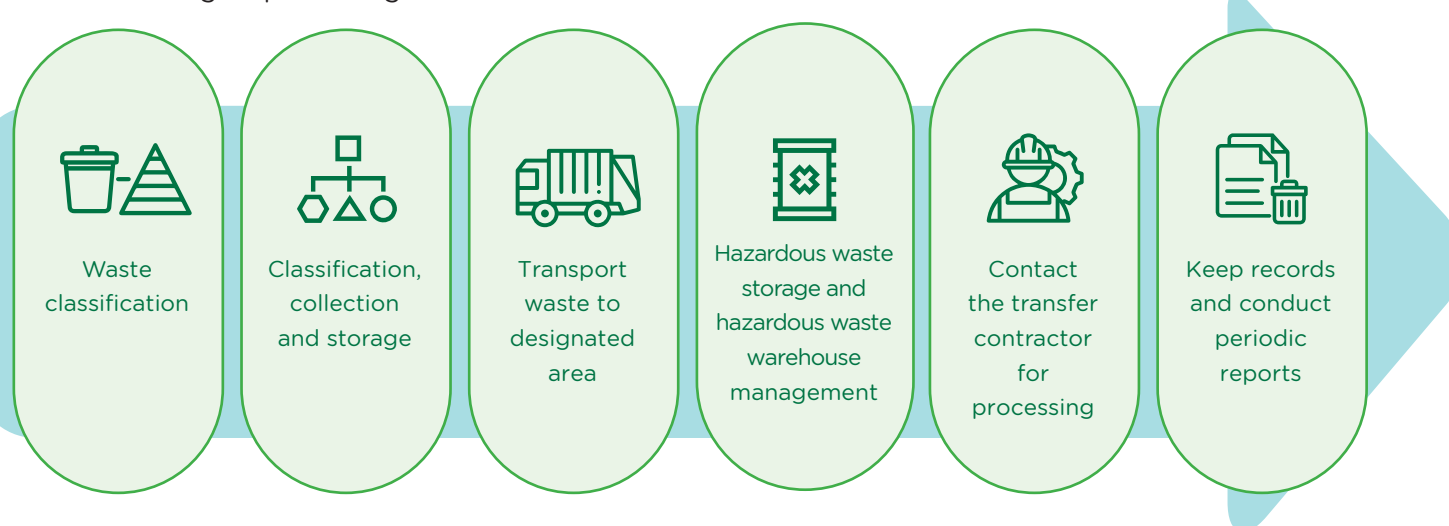


PVFCCo is striving to research into implementing more innovative measures to minimize wastewater generation during core production operations. Optimization measures for cooling water used in the production of fertilizers and chemicals have been implemented, resulting in a reduction of wastewater discharged. Periodic monitoring frequency at the wastewater treatment system with a capacity of wastewater at the Phu My Fertilizer Plant and domestic wastewater from office buildings where subsidiaries are headquartered, although consistently managed in full compliance with current legal requirements, have not shown significant reductions. PVFCCo, along with its subsidiaries and affiliated units, continues to make efforts to implement initiatives aimed at gradually reducing these wastewater volumes in the coming years.

⁹ The 2023 figure is lower because PVFCCo conducted turnaround maintenance and production activities were interrupted, the actual production output was lower than in 2022 and 2024.

MINIMIZING ENVIRONMENTAL POLLUTION (continued)

Regarding waste management, PVFCCo maintains the implementation of a comprehensive waste management system in accordance with ISO 14001:2015 standards and operates the Waste Collection, Storage and Treatment Process at Phu My Fertilizer Plant according to the following steps and regulations:



- Integrate waste collection and treatment activities into the ISO 14001:2015 environmental management system to ensure risk control, legal compliance, and safe operation maintenance.
- Classify, collect, and treat waste generated at all business establishments in accordance with legal regulations, including hazardous waste, regular industrial solid waste and domestic waste.
- Research and implement initiatives that optimize the use of natural resources while minimizing the amount of waste released into the environment.
- Orientation to classify waste types with potential for recycling or recovery in order to implement solutions for reuse, recycling, and resource recovery from waste.
- Periodically collect and transfer all types of waste generated to units with sufficient professional capacity and legal practice licenses in compliance with current legal regulations

under the direct supervision of the Factory's Health - Safety - Environment Department and environmental officers at other units.

- Require the competent unit to arrange appropriately trained personnel and use specialized vehicles to thoroughly collect daily domestic solid waste at PVFCCo's offices, warehouses, and auxiliary facilities.
- Require waste treatment partners to provide complete legal documents, including valid practice licenses, personnel capacity records, specialized vehicles and Safety - Health - Environment performance assessment tables.
- Require partners to treat waste by landfill or incineration or other reasonable methods in accordance with relevant current legal regulations and not harmful to the environment, safe for people living around the treatment area.

The volume of waste generated from PVFCCo's production and business activities changes year to year. It depends not only on output and operating days, but also on objective factors such as maintenance cycles, equipment material lifespans, and catalyst usage. Specifically, in 2022, an activity arose of transferring a substantial volume of backlogged wooden pallets accumulated from previous years to authorized disposal facilities. In 2023, the company executed an overall maintenance operation, which generated a large amount of sludge and spent catalysts. Furthermore, in 2024, a quantity of hazardous wastewater (approximately 220 tons) arose during the catalyst changeout process of the UFC85 unit, accompanied by an increase in hazardous-contaminated wiping rags (around 42 tons) resulting from maintenance activities at the NPK Factory. PVFCCo consistently complies with all applicable legal regulations governing hazardous waste control and treatment and will continue to strengthen monitoring and management practices to progressively reduce hazardous waste generation over time.

The statistical results of the amount of waste generated in 2024 by PVFCCo are as follows:

Target	Unit	2024	2023 ¹⁰	2022	Scope	How to measure
Total hazardous waste	Ton	303	403	78	Phu My Fertilizer Plant, Petrochemical Business Branch and 04 subsidiaries	Actual weight
Total non-hazardous waste	Ton	486	1,447	1,285	Domestic waste generated at Phu My Fertilizer Plant, Petrochemical Business Branch, 04 subsidiaries and industrial waste generated at Phu My Fertilizer Plant	Actual weight

By the end of 2024, PVFCCo did not record any environmental incidents or violations of the law related to waste or wastewater. In addition, PVFCCo also diverted 63 tons of waste from the conventional treatment process by:

33 tons

More than 33 tons were prepared for reuse, contributing to extending the material life cycle and reducing the need for new resource consumption;

17 tons

17 tons were put into the recycling process, supporting the regeneration of input materials; and

13 tons

The remaining 13 tons are used for other purposes such as internal reuse, research testing or alternative energy.

¹⁰ The 2023 figure is higher because PVFCCo conducted turnaround maintenance activities and generated a lot of hazardous waste from cleaning, sanitation, etc. of machinery and equipment.

CONSERVATION OF BIODIVERSITY, WATER AND SOIL QUALITY

EFFICIENT USE AND CONSERVATION OF WATER

PVFCCo does not use underground water at any facility. Instead, water is sourced from two main channels:

- **Cooling water is drawn from the Thi Vai River** via a shared canal system with Phu My 3 Plant and a dedicated branch to Phu My Fertilizer Plant. This water is used to reduce equipment temperature. After heating, the water is monitored and controlled for temperature and chlorine concentration, as well as anti-scale and anti-algae chemicals, before being discharged back into the Thi Vai River. These measures help protect the river ecosystem, especially during the dry season when water flow is reduced.
- **Clean water is supplied from the urban water system** by Phu My Water Supply Company and other local providers for daily use in offices, canteens, auxiliary areas, and warehouses.



Although PVFCCo does not operate in areas at risk of water scarcity, the Corporation remains committed to economic and efficient water use to support overall water security. Key principles and actions include:

- Fully complying with current legal regulations related to surface water exploitation and input water use.
- Integrating water protection solutions into the construction system right from the design stage to prevent environmental risks and maintain stable water treatment performance.
- Controlling input water quality in accordance with QCVN 08:2023/BTNMT for surface water and QCVN 01:2009/BYT for domestic water.
- Equipping facilities with modern monitoring systems featuring warning and incident response functions to manage water quality and flow throughout the production cycle.
- Periodically monitoring and evaluating water usage efficiency across all key areas: Ammonia, Urea, NPK production, auxiliary zones, living areas, cooling systems, offices, apartments, and warehouses.
- Conducting periodic monitoring 4 times/year for receiving water sources.
- Reporting annually on water exploitation, use, discharge, and environmental protection activities to competent authorities.

PVFCCo also implemented several initiatives to save water and increase recycling rates, including:

- Storing and recycling excess dust washing water from the NPK fertilizer production process for reuse in subsequent stages at the NPK Unit.
- Promoting economical water use, especially in sanitary areas, to help reduce domestic water consumption.

The statistical results of the input water usage of Phu My Fertilizer Plant and 04 subsidiaries in the years are summarized based on surface water flow meter readings and water supply invoices as follows:

	Unit	2024	2023	2022
Surface water	m ³	32,390,084	29,568,334	32,093,753
Water supply	m ³	770,729	848,215	906,262



The trend of decreasing water consumption over the years clearly reflects the results of implementing initiatives to optimize water consumption in PVFCCo’s core production and business activities. The amount of surface water has increased but not significantly due to the impact of weather conditions in each period. In the following years, PVFCCo will continue to fully record the amount of water consumed at all affiliated units and subsidiaries, and at the same time promote the communication of the culture of using water economically and effectively throughout the Corporation to contribute to protecting the precious water resources of nature.

CONSERVATION OF BIODIVERSITY, WATER AND SOIL QUALITY (continued)

CONSERVATION OF BIODIVERSITY AND SOIL QUALITY

100,000
casuarina trees

planted to green sandy areas, retain soil, and
block wind in the Truong Sa region
(as part of the 300,000-tree planting program)

300,000
trees

planted during 2022-2025

Key policies and activities include:

- Avoiding the construction and operation of business facilities in or near nature reserves, areas with high biodiversity, or sensitive habitats, as classified by domestic authorities and international organizations.
- Conducting periodic biodiversity impact assessments in the Thi Vai River area and regularly identifying risks, determining conservation options for species listed in the IUCN Red List or Vietnam's priority protection list, and handling invasive species in aquatic environments when detected.



The use of inorganic fertilizers can significantly impact the soil environment and potentially affect biodiversity in areas surrounding agricultural zones. Recognizing this, PVFCCo not only conducts impact assessment programs and implements initiatives to conserve biodiversity around the Phu My Fertilizer Plant but also promotes soil protection during the use of its products by farmers.



- Contributing actively to building a sustainable agricultural ecosystem through awareness-raising and training programs for end users (farmers), such as the "AI in Agriculture" workshop and technology introduction sessions on monitoring cultivation and irrigation to increase productivity while minimizing environmental impact, etc.
- Coordinating with Navy Region 4 to plant 100,000 casuarina trees (as part of the 300,000-tree planting program for 2022-2025) to green sandy areas, retain soil, and block wind in the Truong Sa region. These trees also help improve soil quality through biological nitrogen fixation via symbiotic roots with Frankia bacteria, supporting vegetation restoration in harsh conditions.
- Focusing on research and development of organic fertilizers, biological products, biopesticides, water-retaining gels, and improved fertilizer lines to reduce chemical residues in soil and water—key factors in the decline of beneficial organisms and ecosystem imbalance. These efforts also protect soil microorganisms, beneficial insects, and wildlife in cultivated areas, optimize resource use, and limit overexploitation of natural water sources.
- Applying research and conducting field trials to evaluate the effectiveness of new products under various farming conditions, ensuring suitability and sustainability for large-scale deployment.
- Improving the quality of existing products to enhance crop effectiveness while minimizing negative impacts on water resources and soil nutrients.

CHAPTER 04

Spreading Values for a Sustainable Community

- 122 Maintaining and Developing
a High-Quality Workforce
- 138 Ensuring Occupational Health
and Safety for Employees
- 146 Sharing Responsibility with the Community



MAINTAINING AND DEVELOPING A HIGH-QUALITY WORKFORCE

ATTRACTING AND RETAINING TALENTS



Human resources are one of the core elements enabling PVFCCo to achieve its strategic business goals and long-term sustainable development. In specialized fields such as fertilizer and petrochemical production and trading, attracting, and recruiting high-quality personnel is a mission-critical task. This requires a well-structured, transparent, and fair system of human resources policies and management processes.

Key highlights of PVFCCo's human resources attraction, retention, and development strategy include:

Recruitment policy

PVFCCo promotes diversity and inclusion in recruitment, with no discrimination based on gender, age, or region. The screening and evaluation process is conducted seriously, fairly, and transparently, combining competency assessments with structured interviews based on clearly defined standards. The Corporation aims to attract candidates who possess strong expertise and professional skills to ensure competitiveness in both domestic and regional markets, and who align with the corporate culture cultivated over more than 20 years.

The “Practical Young Talents” program

The “Practical Young Talents” program is designed to attract and nurture young talent through partnerships with universities offering majors in oil and gas, chemicals, agriculture, and energy. PVFCCo supports curriculum development, provides internship opportunities, and offers scholarships to students from disadvantaged backgrounds. Promising students are trained directly by experts and engaged in production projects using new or improved technologies, with the goal of developing them into future management successors.

Succession planning at PVFCCo

Succession planning at PVFCCo is structured and regularly updated to prepare future leaders for key management roles. Employees are encouraged to demonstrate their potential and pursue advancement opportunities. Selected successors undergo specialized training in leadership, strategic thinking, operational management, digital transformation, and change management.

MAINTAINING AND DEVELOPING A HIGH-QUALITY WORKFORCE

(continued)



PVFCCo maintains competitive compensation and benefits

PVFCCo maintains competitive compensation and benefits aligned with market standards. Employees undergo performance evaluations every 6 or 12 months, based on transparent criteria that reflect professional competence, task completion, personal development, and growth potential. High performers are rewarded with bonuses and may be selected for the core talent development program.

Work Environment

Professional, Transparent, and Inclusive Work Environment at PVFCCo, where performance evaluations are transparent and promotion opportunities are equally accessible. The Corporation promotes mutual respect among colleagues and ensures that all employees feel heard. The Board of Directors is committed to listening to and acknowledging employee feedback. PVFCCo proactively gathers insights through various channels, including employee conferences, annual internal satisfaction surveys, online feedback systems, and suggestion boxes. This multi-channel approach enables the Corporation to continuously improve its HR policies in alignment with employee needs and expectations.

Maintaining a corporate culture of innovation and creativity

Maintaining a corporate culture of innovation and creativity remains a top priority at PVFCCo. Through regularly organized innovation and technical improvement programs, the Corporation fosters an environment where employees are empowered to reach their full potential and make meaningful contributions. All contributions - whether quantifiable in monetary terms or not - are formally recognized. Under the Regulations on the Management of Science and Technology Activities and the Regulations on Innovation and Invention Activities, PVFCCo upholds a policy that values diverse thinking and flexible, professional problem-solving. This commitment forms a key foundation for long-term development. The core values of the “Phu My people” are consistently communicated and reinforced through various channels, including signage, standees, office screens, and digital platforms such as the Corporation’s website, Facebook, YouTube, and Zalo Official Account. These efforts help sustain internal motivation while strengthening PVFCCo’s employer brand to attract top talent.

Welfare policies for female employees

Welfare policies for female employees at PVFCCo are fully implemented and exceed current legal requirements, reflecting the Corporation’s commitment to gender equality. Although the number and proportion of female employees remain relatively low due to the specialized nature of the industry, the Board of Directors continues to prioritize planning, training, and appointing women to leadership roles. Policies are thoughtfully designed to support women’s professional growth while enabling them to balance career aspirations with family responsibilities and personal well-being.

The working environment

The working environment at PVFCCo is continuously upgraded to be professional, modern, and environmentally friendly, with safety ensured across all locations. At the General Office, the open architectural layout enhances ventilation and interdepartmental connectivity, promoting effective collaboration. Greenery is harmoniously integrated with natural light and modern equipment to improve working conditions, reduce mental stress, and increase employee satisfaction and engagement. To promote and share its green values both internally and externally, PVFCCo encourages each employee to proactively plant and care for at least 10 trees during the 2022–2025 period. This initiative can be carried out at the workplace, at home, or through participation in “green living” and “environmental protection” programs organized by local organizations.

MAINTAINING AND DEVELOPING A HIGH-QUALITY WORKFORCE

(continued)

PVFCCo's persistent and responsible efforts in human resource management have led to numerous notable achievements and recognitions in 2024, including:

TOP 10 Best Places to Work in Vietnam

TOP 500 Leading Employers in Vietnam

- Maintained a stable workforce with an exceptionally low turnover rate of 0.71%, a new hire rate of approximately 3%, and no female employees terminated.
- Detected no cases of discrimination in recruitment or employment.
- Appointed managers over 30 years old to roles requiring maturity in expertise, experience, and leadership - well-suited to the specific demands of the industry.
- Provided 100% of female the best opportunities to participate in training, refresher courses, and knowledge training to improve their professional qualifications through short-term professional training courses and skills courses.
- Sustained a high level of employee commitment, with most staff expressing satisfaction with job arrangements, development opportunities, and motivation to contribute.
- Organized a variety of internal engagement activities that fostered pride and unity, such as "I Love Petrovietnam", "Petrovietnam in Me", and the video contest "The Pride of Petrovietnam".
- Recognized 139 implemented initiatives and rationalizations that improved factory performance, reduced energy consumption, and optimized production costs, along with 291 additional ideas acknowledged.
- Awarded individuals and groups of from the Safety Engineering Department, Phu My Fertilizer Plant, and the Research & Application Center for implementing 12 scientific research topics according to the set plan.
- Recorded no complaints related to violations of workers' rights.
- Hosted the 16th Annual Sports Festival, attracting nearly 600 athletes from 27 delegations representing 10 units, competing in nine sports including football, badminton, athletics, and table tennis. The event helped improve physical health, restore energy, balance mental well-being, and foster team spirit and perseverance.

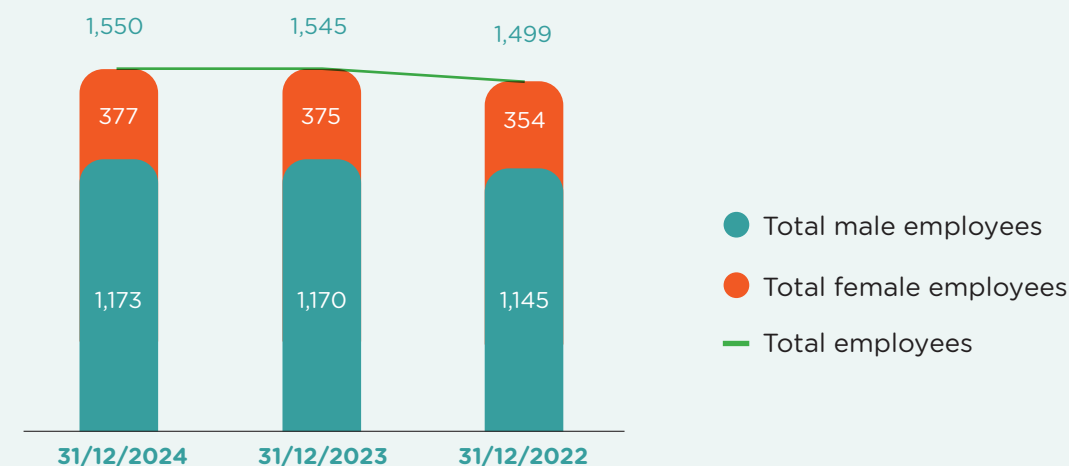
291
ideas

acknowledged

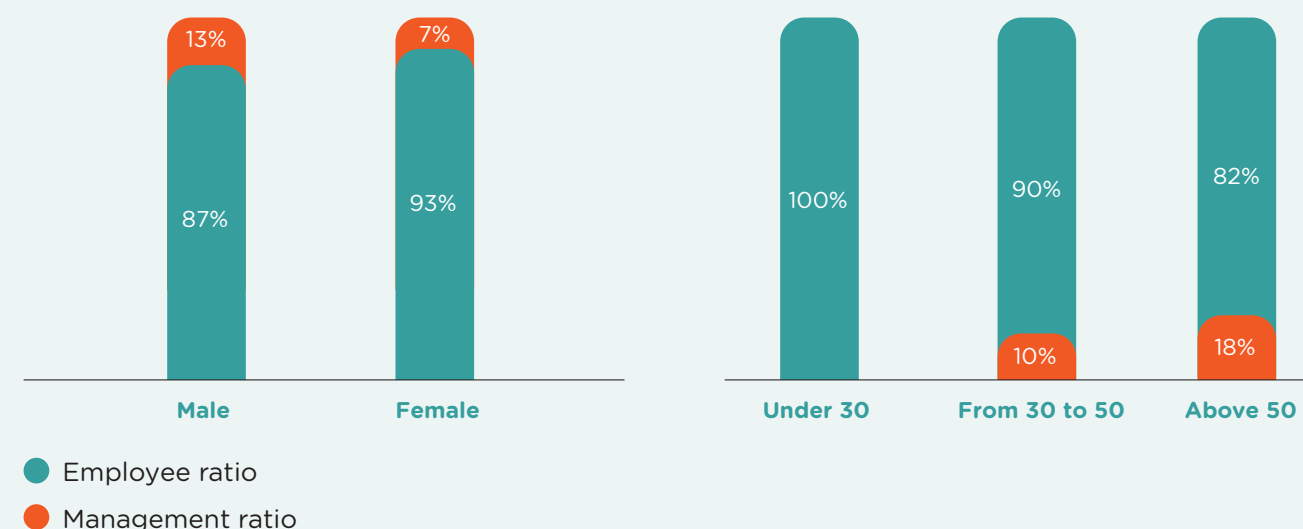
139
implemented
initiatives and
rationalizations

12
topics
scientific research
implemented

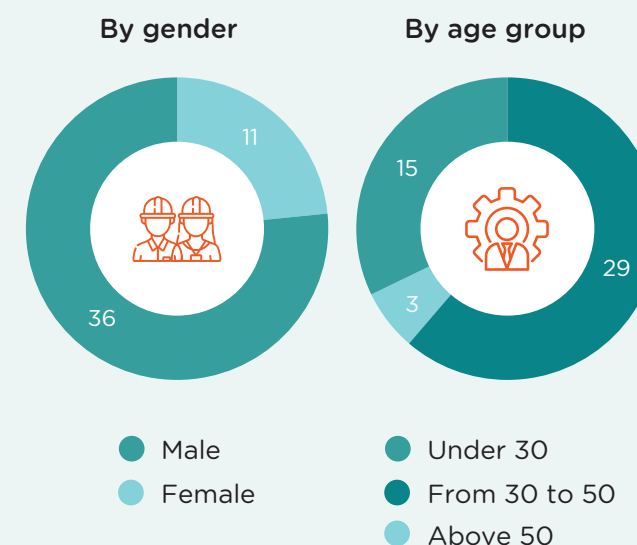
Number of employees over the years (Unit: people)



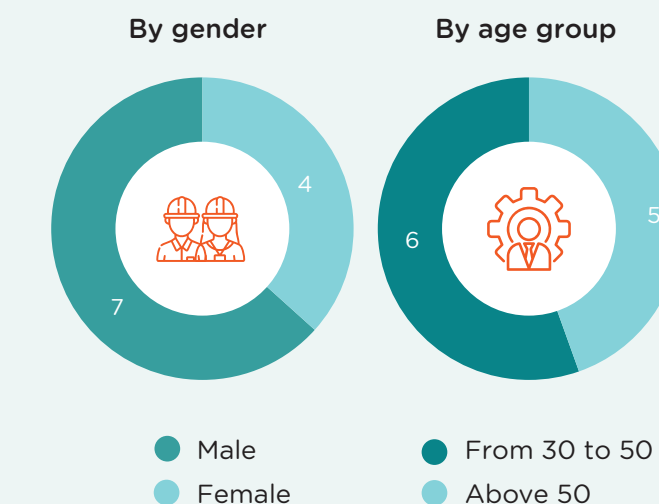
Management and employee structure in 2024



Number of new hires during the year



Number of turnover during the year



MAINTAINING AND DEVELOPING A HIGH-QUALITY WORKFORCE

(continued)

ENSURING EMPLOYEES WELFARE AND COMPENSATION



Welfare and compensation policies are a cornerstone of PVFCCo's success, serving as key drivers of employee motivation, loyalty, and long-term retention.

Over the past 20 years, PVFCCo has consistently reviewed and updated these policies to ensure transparency and competitiveness, applying the 3P principle (Position – Person – Performance). All insurance and benefits are fully provided in accordance with current laws, PVN regulations, and the Collective Labor Agreement. These practices uphold PVFCCo's commitment to fair compensation and respect for employee rights:

- Commitment to employee rights is demonstrated through internal policies that align with Vietnamese law and international conventions, ensuring:
 - No discrimination based on gender, age, or region.
 - No bias based on belief, religion, ethnicity, social class, or marital status.
 - No use of child labor or forced labor.
 - No restrictions on freedom of association, union membership, or collective bargaining, etc.
- Labor contracts clearly state all salary, bonus, and benefit-related obligations and responsibilities.
- Minimum starting salary is consistently maintained above the Region I minimum wage as regulated by the government.
- Salary adjustments are made in accordance with job position changes or annual performance evaluations, based on the Corporation's salary scale system.
- Early salary increases are awarded to individuals with outstanding achievements and pioneering contributions to PVFCCo's business performance.
- Internal regulations related to compensation, benefits, welfare, and labor policies are widely communicated across the organization.

MAINTAINING AND DEVELOPING A HIGH-QUALITY WORKFORCE

(continued)

Average income in 2024
for managers

52,767,500 VND/month

for employees

23,118,750 VND/month

- Basic salary equality is ensured across all levels - employees and managers - regardless of gender or age. In 2024, the average monthly income was 52,767,500 VND for managers and 23,118,750 VND for employees, significantly above market averages.

100%

of employees
entitled to maternity
leave returned to work

- Maternity and childcare benefits are guaranteed in accordance with Vietnamese law. In 2024, 100% of employees entitled to maternity leave returned to work and remained with the Corporation for at least 12 months.
- Trade Union mechanisms effectively connect employees with the Board, ensuring feedback is heard and addressed transparently. Roles, responsibilities, and coordination for representing and protecting employees' rights are defined in the Executive Board's Working Regulations for Term V (2023-2028)
- Written notice of matters concerning employee rights and obligations, as well as the main topics of periodic consultations, dialogues, or negotiations, must be provided at least three working days prior to implementation. Compliance with current legal requirements and internal regulations of the Parent Group or the Corporation must be ensured, in accordance with the nature and impact of each specific issue.



MAINTAINING AND DEVELOPING A HIGH-QUALITY WORKFORCE

(continued)

All employees at PVFCCo clearly understand the benefits that they can be received according to the following public policy:

Content	Detail
Insurance and health care	Social insurance.
	Health insurance.
	Unemployment insurance.
	Voluntary pension insurance, accumulated pension insurance.
	Life insurance.
	Personal responsibility insurance
	Group Representative at the Corporation / Independent Member of the Board of Directors: program value of 15,000,000 VND / person / year.
	Management positions from Deputy Manager (and equivalent) and above: program value of 10,000,000 VND / person / year.
	Remaining employees: program value of 7,000,000 VND / person / year.
	Accident insurance when going on business trips abroad: insurance liability level is not less than 50,000 USD per case.
Life benefits	Periodic health check-ups for workers, screening and early detection of occupational diseases by professional external medical units.
	Programs
	Vaccination against flu, hepatitis B, pneumococcus.
	Spraying to disinfect and kill disease-causing insects such as mosquitoes, termites, cockroaches and rats.
	Nursing to restore health to workers after stressful working hours.
	Communication on seasonal disease prevention and raising awareness of self-health care.
	Toxic compensation for workers exposed to risk factors according to legal regulations.
Life benefits	Supporting families of employees in especially difficult circumstances.
	Team building activities, annual sports festival.
	Annual sightseeing, vacation and travel activities.
	Gifts for visiting the sick, condolences.
	Gifts for International Children’s Day, Mid-Autumn Festival.

Content	Detail
	Rewards for children of employees with excellent academic performance and overcoming difficulties.
	Gifts for employees’ birthdays, War Invalids and Martyrs Day, Vietnam People’s Army founding day.
	Gifts for International Women’s Day, Vietnamese Women’s Day.
	Maternity benefits.
	Appropriate work and rest regimen during monthly menstrual cycle.
Female employee benefits	Cultural and spiritual programs on important anniversaries are held to honor the role and contributions of women in business.
	Education, training and career orientation programs for children of female employees.
Support and rewards	Specialized health check-up (female workers, workers with occupational diseases).
	Honor and reward employees with outstanding achievements.
	Safety bonus, standard savings bonus.
	Periodic bonuses for groups and individuals based on business performance.
	Reward individuals with outstanding initiatives, scientific research, and technological innovation.
	Preferential stock purchase rights (ESOP) are regulated from time to time.
	Support employees with difficult circumstances.
	Bonus points, not to exceed 10% of the maximum total score, may be awarded to children of employees from the Corporation and its member units who meet all the requirements and demonstrate the necessary working capacity for the recruitment position during the application process to PVFCCo.
	Suitable employment will be arranged for the children of employees who die due to work-related accidents or while on duty. These positions will be based on the children’s qualifications and health, and they will be exempt from the normal recruitment process.
	The Corporation provides a seniority allowance for retired employees. It also offers support for members of the PVFCCo Retirement Liaison Committee, including those who have retired or are retired due to a loss of working capacity. This support is provided in accordance with the regulations of the Oil and Gas Mutual Fund, which is organized by the Parent Group and the Corporation.
	Employees who wish to cease management or work-handling duties in the final three months before retirement are permitted to do so while continuing to receive their full salary, bonuses, and benefits. Certain special benefits, such as shift meals, travel support, and toxic allowances, etc, are excluded.

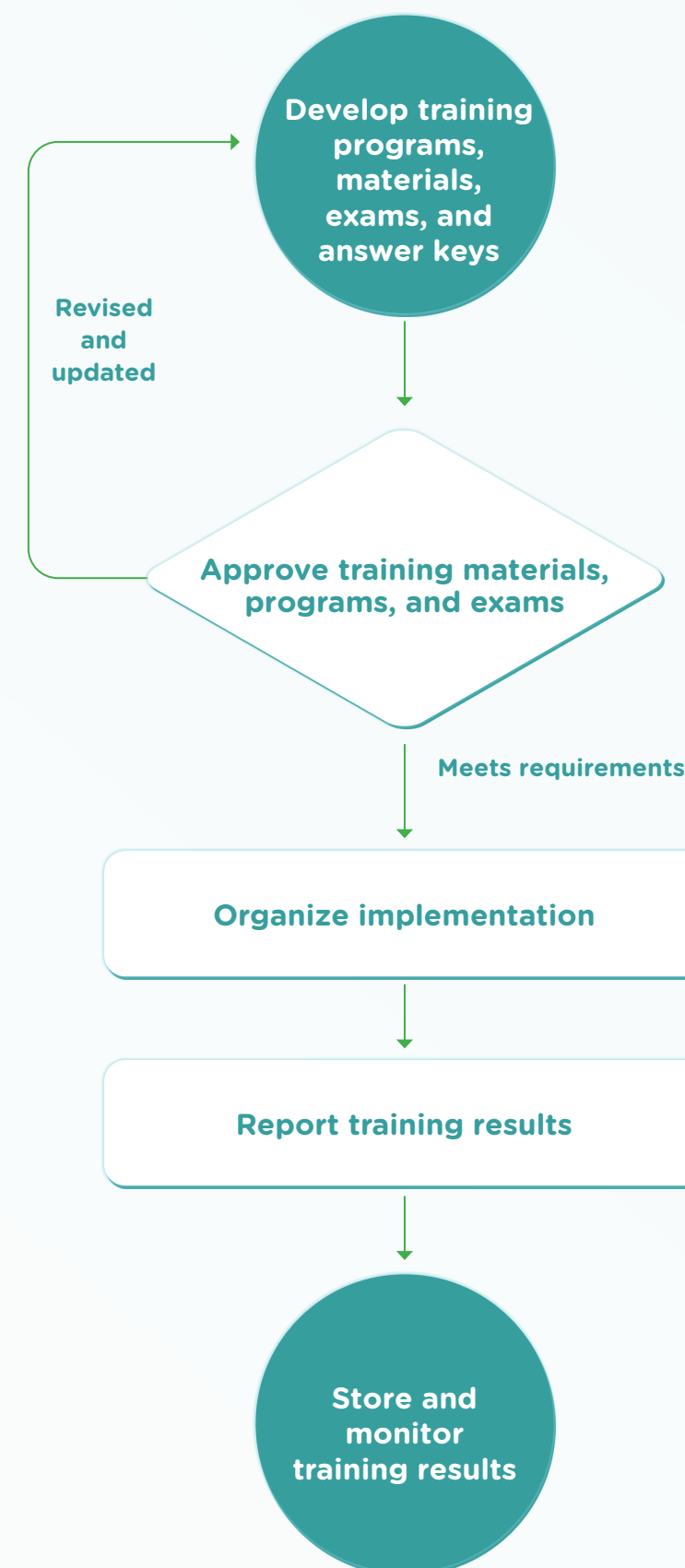
MAINTAINING AND DEVELOPING A HIGH-QUALITY WORKFORCE

(continued)



HUMAN RESOURCE TRAINING AND DEVELOPMENT

As members of PVFCCo, employees are encouraged to continuously develop their personal and professional capacities through a comprehensive training system. This system spans from onboarding programs for new hires to advanced courses that enhance soft skills, strengthen management capabilities, foster innovative thinking, and expand professional knowledge. A culture of lifelong learning is actively promoted across the organization. Training content is regularly reviewed and tailored to align with each employee's career development roadmap and the practical requirements of their role. Each year, PVFCCo designs a detailed training plan based on the actual needs of its departments and divisions. The plan is implemented and its effectiveness monitored in accordance with the Training Management Regulations and a standardized training process. Lecturers and experts are carefully selected to ensure they possess the necessary qualifications, practical experience, and teaching skills. Employees who successfully complete their learning tasks are considered for recognition and rewards, helping to foster motivation and a strong culture of self-improvement.



9.7 training hours/ employee

On average, each
employee completed
in 2024

In 2024, the training forms and methods applied at PVFCCo include:

- Specialized training delivered by internal experts or external consultants from globally recognized organizations.
- Mentorship programs led by experienced managers provide hands-on guidance and knowledge transfer.
- Practical on-the-job training for technical staff through direct instruction and experience sharing.
- Blended learning that integrates in-person sessions with online modules via digital platforms.
- E-learning programs using video lectures hosted on the Corporation's digital training system.
- Educational support, including tuition assistance for university degrees, second degrees, postgraduate studies, foreign language courses, and participation in external seminars and forums (including leadership training organized by PVN).
- Internal communication of policies and regulations through thematic meetings, conferences, and corporate events.

143 training courses

with the participation of

8,140 employees

Training content covered a broad spectrum of topics, such as:

- Professional knowledge across disciplines including technical operations, finance, human resources, business administration, environmental and greenhouse gas management, etc.)
- Occupational health and safety, fire prevention, equipment maintenance, and troubleshooting, in compliance with current legal regulations.
- Security training on internal safety protocols, access control, individual responsibilities on factory premises, human rights fundamentals, and procedures for addressing legal non-compliance.
- Human rights and workplace conduct, including anti-discrimination, respect for diversity, anti-harassment, and equality across all employee groups.
- Emerging knowledge areas, such as sustainable development, digital transformation, energy transition, new technology trends, and the application of artificial intelligence (AI) in business operations.
- Certification preparation, with 10 training courses designed to enhance the professional capacity of 95 technical and production management staff for international vocational certification exams.
- Corporate culture development, featuring flagship programs like "7 Habits of Highly Effective People," "Trust-Building Culture," and "Happiness-Creating Culture."
- Leadership development for senior and mid-level managers through the "Leadership with the Power of Belief" program, co-organized with FranklinCovey Vietnam.



Under the continuous guidance of the Board of Directors, PVFCCo successfully delivered 143 training courses to 8,140 employees, with a total investment exceeding 10.7 billion VND. On average, each employee completed 9.7 training hours in 2024. Notably, 100% of security personnel at the Phu My Fertilizer Plant received full training prior to deployment. PVFCCo believes these efforts have significantly enhanced the qualifications, skills, and strategic thinking of its staff, enabling them to effectively meet the requirements of organizational restructuring, operational streamlining, and adapting to new challenges.

ENSURING OCCUPATIONAL HEALTH AND SAFETY

During production, operation, and maintenance activities, factory workers face exposure to toxic, volatile, or corrosive chemicals that may lead to long-term health complications. The use of heavy industrial equipment in high-temperature and high-pressure environments also presents serious occupational hazards, including collisions, burns, electric shocks, and entrapment. Additionally, the risk of fire or explosion caused by flammable substances, compressed air, or technical malfunctions poses a significant threat to both personnel and company assets. Inadequate monitoring and maintenance of the working environment can result in air pollution, excessive noise, high humidity, or toxic gas concentrations exceeding safety thresholds. These conditions negatively impact workers' physical and mental health, reduce labor productivity, and increase the Corporation's exposure to legal liabilities.

Recognizing these risks, PVFCCo considers occupational health and safety (OHS) a fundamental prerequisite for the sustainable and uninterrupted operation of its factories, branches, and dependent units. To this end, the Corporation has implemented a comprehensive set of measures to prevent and mitigate risks related to workplace accidents, occupational diseases, and fire hazards. These measures are reviewed and deployed annually in full compliance with applicable legal regulations. PVFCCo's Health - Safety - Environment (HSE) management system is fully aligned with the ISO 45001 standard and is guided by the following principles:

- Installation of safety infrastructure, including a complete system of signage, hazard warnings, evacuation maps, and chemical and radiation information boards in key and highly visible areas throughout the factory.
- Provision of personal protective equipment (PPE) tailored to each job position and associated risk level, such as chemical-resistant clothing, gas masks, gloves, safety shoes, harnesses, and impact-resistant helmets, etc.
- Investment in fire safety systems, including the strategic placement, regular inspection, and maintenance of fire extinguishers, nozzles, fire cabinets, automatic fire alarms, and emergency eyewash stations to ensure accessibility and functionality, etc.
- Organization of mandatory annual training and emergency drills for all employees. These programs are designed to disseminate and update knowledge on occupational health and safety in accordance with legal requirements and

ISO 45001. Training covers emergency responses to fires, explosions, chemical spills, and natural disasters, as well as the proper use of PPE and safety equipment. The goal is to enhance incident response capabilities and strengthen coordination across departments.

- Monitoring and documentation of HSE training participation, with all completion records securely stored in accordance with legal retention requirements.
- Development and annual update of a comprehensive safety improvement plan, which includes upgrading machinery, redesigning workspaces, enhancing automated safety systems (e.g., toxic gas sensors, interlocking valves), rearranging pipelines, and optimizing operating technologies to control risks at their source.



ENSURING OCCUPATIONAL HEALTH AND SAFETY (continued)

- Maintenance of the Occupational Health and Safety Council, established in 2016, to support continuous improvement in working conditions and the implementation of OHS policies. Key responsibilities include:
 - Advising and coordinating with the Corporation in the development of internal regulations, procedures, and plans related to Occupational Health and Safety (OHS).
 - Proposing and monitoring the implementation of safety measures across the organization.
 - Facilitating workplace dialogue sessions to strengthen communication and information exchange between PVFCCo and its employees.
 - Conducting periodic inspections of OHS practices and recommending corrective actions to the Corporation when unsafe risk factors are identified during production activities.
- Implementation and continuous improvement of the 5S program at the General Office Block and Phu My Fertilizer Plant. This includes regular seminars to promote a clean, green, and organized working environment.
- Ongoing enhancement of the **Safety Training Observation Program (STOP)** at the Phu My Fertilizer Plant. The program encourages employees to promptly report hazards related to personal protective equipment, work procedures, tools and equipment, working posture, contractor activities, and environmental conditions, etc.
- Application of a Risk Management System aligned with Risk-Based Inspection (RBI) and Process Safety Management (PSM) standards. This system is designed to control risks associated with hazardous chemical

production processes. PVFCCo conducts periodic evaluations and continuously improves operating procedures to proactively identify, and address equipment or process instabilities based on PSM risk assessments.

- Deployment of real-time equipment monitoring software (System 1) to track critical parameters such as pressure, temperature, flow, and vibration. The system is configured to issue immediate alerts to the operations team upon detecting abnormal readings, enabling timely intervention and minimizing the risk of serious incidents.
- Operation of an on-site Medical Station at the Phu My Fertilizer Plant to provide first aid and initial medical care during working hours. At the corporate level, the Medical Department oversees comprehensive health services, including routine check-ups, disease prevention, occupational health management, and hygiene monitoring particularly in communal kitchen areas.

- Preparation and timely submission of semi-annual occupational health reports from each unit to local regulatory authorities, ensuring compliance with legal requirements.
- Close monitoring of employees with health conditions, including assigning them to work areas with noise levels below 85 dBA, reducing exposure time, and conducting regular health check-ups to manage disease progression.
- Strict implementation of the Coordination Regulations signed with the Ba Ria - Vung Tau Provincial Police for the 2019-2024 period. This partnership supports efforts to maintain security, order, and fire prevention at the Phu My Fertilizer Plant.
- Annual collection of feedback from third parties through official correspondence at year-end. This feedback is used to evaluate and improve the following year's HSE plans and initiatives.



PVFCCo has established comprehensive regulations and procedures for the safe storage and use of chemicals to ensure safety throughout its production and business operations. Key measures include:

- Strict compliance with chemical management regulations issued by the Ministry of Industry and Trade. All chemical storage areas are designed based on risk prevention principles to ensure operational safety and prevent incidents.
- Tight control over the entire chemical lifecycle, from receipt to usage. This includes proper labeling, consumption tracking in accordance with established standards, and storage in specialized warehouses that meet regulatory requirements.
- Rigorous management of radioactive sources used in level-measuring equipment. This involves obtaining the necessary licenses, conducting regular inspections, and providing comprehensive safety training for all relevant personnel.
- Comprehensive risk assessments conducted every five years at the Phu My Fertilizer Plant. These assessments identify potential hazards, evaluate their likelihood and consequences, define high-risk areas (e.g., chemical or radioactive leak zones), and propose appropriate control measures to minimize risks and ensure worker safety.
- Establishment of a Chemical Incident Response Command Board and grassroots response teams, with clearly defined organizational structures and responsibilities to ensure swift and effective responses that minimize harm to personnel and property.



PVFCCo's emergency preparedness and response activities are guided by the following principles to ensure proactiveness, timeliness, and effectiveness:

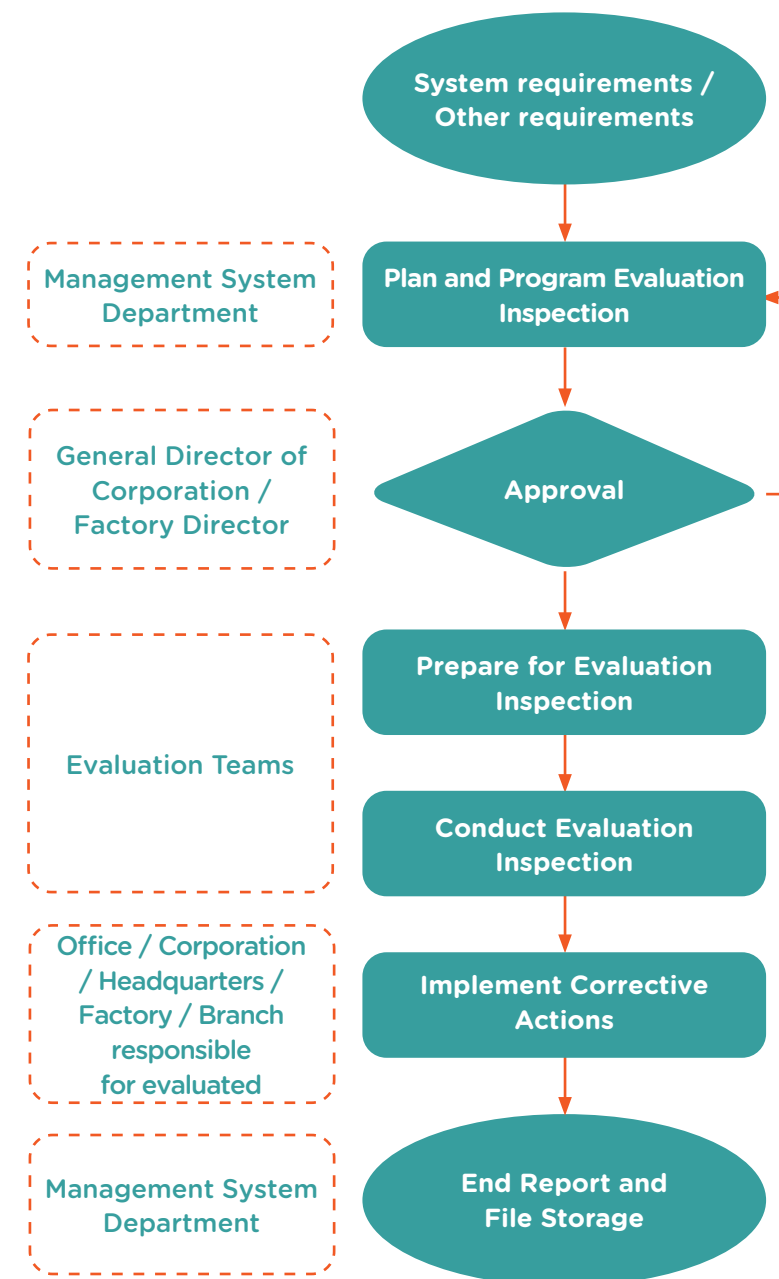
- Emergency response is prioritized at the highest level, supported by a comprehensive system that includes prevention, incident handling, and post-incident recovery. All activities are conducted in strict accordance with current legal regulations and international standards.
- Rescue of personnel is the top priority in the event of an incident. Immediate response measures include preventing exposure to hazardous chemicals or radiation, controlling the source of the leak, and isolating the affected area. Actions are adapted flexibly based on the actual situation on site.
- Initial first aid is provided by the Factory's Medical Station, followed by prompt transfer of injured individuals to Ba Ria - Vung Tau Hospital. In severe cases involving radiation or toxic chemical exposure, patients are transferred to higher-level facilities such as Cho Ray Hospital in Ho Chi Minh City for intensive care.
- The affected area is cordoned off with warning signs and physical barriers once the situation is under control. Soil, water, and air samples are collected to assess contamination levels.
- A specialized environmental response team is responsible for collecting, cleaning, and treating the affected area using appropriate methods to ensure no harmful residues remain that could endanger human health or the surrounding ecosystem.

Comprehensive damage assessments are conducted across multiple dimensions:

- **Economics:** number of damaged equipment units, repair or replacement costs, and losses of chemicals and raw materials, etc.
- **People:** number of affected workers and associated treatment and healthcare costs, etc.
- **Surrounding facilities:** applicable in cases where the incident affects nearby residential areas, causing damage to homes or community property.
- **Environment:** residual pollution such as toxic gases or chemically contaminated soil that has not been fully remediated, etc.
- Based on the legal framework, in the event of an incident classified as Level II, the People's Committee of Ba Ria - Vung Tau province shall take the lead in assessing the damage. For a Level III incident, the Ministry of Agriculture and Environment will coordinate with central authorities to determine the extent of the harm. A comprehensive plan to address the consequences and provide compensation to affected parties will be developed and executed in accordance with current legal regulations and the specific authority responsible for managing the incident level. This approach ensures that remediation and compensation are handled efficiently and in compliance with established protocols.

In addition, PVFCCo regularly conducts internal evaluations and inspections to assess the quality and effectiveness of its Health - Safety - Environment (HSE) management system. These activities are carried out in accordance with the HSE System Periodic Inspection and Evaluation Planning Process, which includes the following key components:

- Annual assessment plans are developed and implemented across all organizational levels, including the Corporation Office, Plant, Project Management team, Branches, departments, and production teams - to ensure a comprehensive and systematic evaluation process throughout the organization.
- Evaluation procedures are conducted in compliance with international standards, including ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018. Assessments may take the form of general inspections, thematic inspections, or inspections following extended production shutdowns. Additional evaluations are conducted before or after the rainy season, after technical incidents or major repairs, and as part of the annual inspection schedule.
- Minimum inspection frequencies are clearly defined: once per year for all departments, offices, and member companies; at least twice per year (every six months) for the factory; and quarterly (four times per year) for factory departments, units, and chemical business branches.
- Internal inspection and assessment teams must include at least two officers from the Corporation. All team members are required to have relevant expertise, complete internal assessor training, and maintain independence from the unit being evaluated. This ensures that the assessment results are objective and accurately reflect the actual conditions.



ENSURING OCCUPATIONAL HEALTH AND SAFETY (continued)

To ensure occupational safety within the Phu My Fertilizer Plant, PVFCCo applies a set of stringent principles for managing service providers and contractors:

- Suppliers are evaluated and selected per project based on their compliance with safety criteria outlined in Vietnamese laws, local authority regulations, and the internal rules of the Phu My Fertilizer Plant. This ensures that all partners meet the required standards for safety and operational integrity.
- Verification of each supplier's capacity profile and construction plan is conducted to ensure alignment with the specific technical requirements and practical conditions of the project.
- Before commencing work, contractors must complete all required procedures, including work permit registration, occupational safety training, and inspection of machinery and equipment in accordance with technical standards.
- Suppliers are responsible for preparing and maintaining HSE documentation, including occupational safety and environmental risk assessments, and for promptly managing any unplanned situations that may arise.
- A robust monitoring and inspection mechanism is maintained throughout project implementation to ensure full compliance with occupational health and safety, environmental protection, quality standards, and project timelines.
- Upon project completion, a comprehensive performance evaluation is conducted using an acceptance checklist. This assessment serves as a basis for improving future cooperation and reviewing the suppliers' eligibility for upcoming projects.

100%

employees
have complete health
management records

1,853

devices
successfully registered
and inspected

Thanks to the collective efforts of all employees, PVFCCo achieved several notable milestones in occupational health and safety in 2024:

- 100% of employees have complete health management records, ensuring systematic monitoring of workforce well-being.
- No fatalities or serious incidents related to Health – Safety – Environment (HSE) were recorded throughout the year.
- 0 case of occupational deafness was officially diagnosed at PVFCCo in 2024, based on conclusions from the Medical Examination Council in accordance with current legal procedures and regulations.
- A health consultation and occupational deafness prevention workshop was successfully organized in collaboration with the Ho Chi Minh City Nutrition Institute (NRI) and the Southern National Institute of Occupational Safety and Health (SNIOSH).
- 69.8% of reported unsafe conditions were identified through STOP cards. All reports were thoroughly investigated to determine root causes, followed by the implementation of corrective actions. Detailed records and statistics were maintained for ongoing monitoring and future prevention.
- A total of 1,853 devices subject to strict safety regulations were successfully registered and inspected in accordance with legal requirements.
- The Phu My Fertilizer Plant operated safely and continuously for 365 days, with no unplanned equipment shutdowns, thereby extending the service life of machinery and equipment.
- Internal security was effectively maintained through 24/7 surveillance, including camera systems, access control, and thorough checks of personnel and vehicle records before each shift, etc.



SHARING RESPONSIBILITY WITH THE COMMUNITY

RESPONSIBILITY TO CUSTOMERS AND PRODUCT QUALITY

In line with the principle of “Sharing prosperity” and its commitment to stakeholders and the community, PVFCCo consistently prioritizes customer responsibility. This commitment is demonstrated through the operation of a product quality management system aligned with ISO 9001:2015, which is regularly monitored and evaluated by an independent certification body. To ensure the effective implementation of this system, all employees and organizational units, including departments, divisions, and subsidiaries are required to adhere to the following principles:

Comprehensive management is maintained throughout the entire process, from raw material receipt to production, packaging, transportation, and product supply.

The quality management process is operated with strict adherence to established protocols. This includes regular status control, risk analysis, and continuous improvement based on the Plan-Do-Check-Act (PDCA) cycle.

Periodic training programs are organized to raise employee awareness and expand the pool of internal auditors certified in ISO 9001:2015.

Product quality is kept stable and consistent, with a strong focus on minimizing impurities or harmful substances that could affect consumer health and safety, while ensuring compliance with all declared standards.

Risk assessments are regularly conducted to identify potential hazards during product contact, transportation, and use particularly for corrosive products or those that may affect the respiratory system. Improvement measures include humidity control, enhanced physical stability of fertilizer particles, improved solubility, and dust reduction.

Product effectiveness is monitored in practice through collaboration with the distribution network, agricultural extension centers, and farmers.

Product development is continuously promoted to enhance crop productivity, reduce post-harvest losses, and protect soil health and the rural environment.



SHARING RESPONSIBILITY WITH THE COMMUNITY (continued)

To further strengthen customer trust in the Phu My brand, PVFCCo has implemented a wide range of initiatives to safeguard the rights, health, and safety of end users. These activities include:

- Full compliance with legal regulations on transparent marketing, product information disclosure, and adherence to international standards.
- Clear and informative packaging, including usage instructions, safety warnings, nutritional content, origin, and production date.
- Active collaboration with agricultural extension agencies, cooperatives, local authorities, and research institutes to promote safe and effective fertilizer use. This includes guidance on the “4Rs” (right source, right rate, right time, right place) and the adoption of smart, circular, and low-emission farming practices to support sustainable agriculture and environmental protection.
- Regular training and on-site guidance are provided to help farmers recognize and prevent risks such as gas inhalation, skin or eye contact, and incorrect dosage, etc.
- Partnerships with relevant organizations are established to deliver training on advanced farming techniques, soil and water analysis, and plant nutrition—helping farmers access new knowledge and reduce reliance on outdated practices.
- Expansion of agricultural engineering and enables us to provide “1-1” support to farmers in the field. This includes conducting field surveys, offering advice on specific crops and growth stages, and directly addressing practical issues to inform product improvement and support initiatives.
- Multiple feedback and complaint channels are maintained, including hotlines, official websites, distributor networks, and a network of permanent agricultural engineers across provinces and cities.
- The complaint handling process is regularly reviewed to ensure transparency, accountability, and compliance with customer data protection regulations.
- Proactive brand protection measures are implemented to combat counterfeiting and imitation. These include full intellectual property registration, collaboration with authorities for market inspections, and the use of traceability barcodes and electronic anti-counterfeit labels.



20 years
continuously recognized as
“High-quality Vietnamese
goods - global integration
standards”

Thanks to its sustained efforts in product responsibility and customer care, PVFCCo achieved several positive outcomes in 2024:

- Phu My Fertilizer has consistently maintained its “High-quality Vietnamese goods - global integration standards” certification for over 20 consecutive years, earning a strong reputation for safety and dependability.
- No serious accidents or complaints related to improper fertilizer use or product safety were reported, reflecting the Corporation’s exemplary safety record.
- A demonstration model for economical, balanced, and effective fertilizer use was successfully implemented in 2024. Scientifically tailored to match specific soil types, crops, and local farming conditions, the model was applied in key agricultural regions such as the Mekong Delta, Central Highlands, and South-Central Coast. As a result, crop yields increased by an average of 7.5%, input costs were reduced by approximately 3%, and farmer profits rose by up to 29%.
- Numerous farmer support seminars were organized across Mekong Delta provinces, introducing new, more efficient product lines and distributing sample products. These events attracted thousands of participants and contributed to raising awareness of safe and effective fertilizer use.



SHARING RESPONSIBILITY WITH THE COMMUNITY (continued)

RESPONSIBILITY TO COMMUNITY AND SOCIETY

In addition to the goal of economic growth and environmental protection, PVFCCo's long-term commitment to the social community is consistent with the slogan associated with the Phu My brand, "Sharing prosperity". PVFCCo is always a pioneer in accompanying the community in implementing social security programs and spreading humane values and practical humanitarian spirit under the unified coordination of the Corporation's Social Security Council according to 4 core principles:

1

Assistance is delivered to the right place and at the right time to address specific and practical needs.

2

Actions are driven by a sense of genuine responsibility rather than for public display.

3

The connection between businesses and the communities they serve is enhanced.

4

The entire process is conducted with a focus on efficiency and full transparency.



SHARING RESPONSIBILITY WITH THE COMMUNITY (continued)

PVFCCo's approach of focusing on highly practical projects for corporate social responsibility to join hands in building a fair and harmonious social foundation - where no one is left behind - has been maintained for more than 20 years as follows:

General Education Investment:

This initiative focuses on comprehensive student development in remote areas by improving school facilities (including new buildings, furniture, and learning equipment), providing textbooks and library materials, and building playgrounds. It also includes scholarship programs for students from disadvantaged backgrounds to foster a lifelong love of learning and creativity.



Rural Workforce Development:

The program partners with vocational and continuing education centers to enhance the practical skills and labor capabilities of rural youth. This aims to empower them with the knowledge and technological expertise needed to thrive in a modern agricultural economy and escape poverty.



Support for Livelihood and Entrepreneurship:

A substantial portion of the Corporate Social Responsibility (CSR) budget is allocated to building "Great Unity" houses. This provides stable housing for poor households, families of national policy, elderly individuals, and ethnic minorities, enabling them to focus on economic improvement and contribute to new rural development.



Access to Essential Health Services:

This involves improving local healthcare infrastructure, providing essential medical equipment, and enhancing on-site first aid capabilities. The Corporation also collaborates with health organizations to offer free medical examinations, treatment for common illnesses, and nutritional and reproductive health counseling, particularly for women and children in rural areas.



Timely Humanitarian Relief:

The Corporation provides swift support to communities affected by natural disasters, such as storms, floods, and landslides, offering timely humanitarian aid during and after extreme weather events.



Lunar New Year Philanthropy:

For over 20 years, the Corporation has maintained a tradition of distributing gifts to impoverished households during the Lunar New Year. This activity aims to share humanistic values, provide spiritual encouragement, and spread warmth to those in need during the holiday season.



SHARING RESPONSIBILITY WITH THE COMMUNITY (continued)

200
units of blood
were donated to hospitals

570
Great Unity houses
were completed and
handed over



In 2024, PVFCCo achieved many outstanding results in CSR activities, reflecting its long-standing commitment to integrating business operations with social responsibility, including:

- PVFCCo was recognized by many local authorities and media organizations for its persistent efforts in supporting and promoting positive contributions to society.
- Nearly **570 new Great Unity houses** were completed and handed over, with a total value exceeding **21 billion VND**, providing safe and stable shelter for disadvantaged households.
- In May 2024, the Youth Union of Phu My Fertilizer Plant successfully coordinated a humanitarian blood donation program themed “Enthusiasm of Oil and Gas People”, as part of a series of activities in response to Workers’ Month and the Action Month on Occupational Health and Safety. The event attracted hundreds of enthusiastic participants, including union members, youth, and workers from Phu My Fertilizer Plant and neighboring partners such as Phu My Fertilizer Packaging Joint Stock Company and Phu My Thermal Power Company. More than **200 units of blood** were donated to hospitals in Ho Chi Minh City. The entire donation process was professionally and safely organized under the guidance of the Humanitarian Blood Donation Center, with thorough health consultations and screenings for all participants. This annual tradition of “voluntary blood donation to save lives” reflects the unique identity of Phu My employees—rich in compassion, ready to share, and always acting for the common good—while spreading a message of positive and humane living to all staff and their families.
- PVFCCo launched an emergency fundraising campaign across its entire system, raising over 1 billion VND (including 600 million VND in voluntary contributions from employees and the remainder from the Corporation’s social welfare fund) to support communities severely affected by Typhoon Yagi and widespread flooding and landslides in northern Vietnam. This initiative reflects the Corporation’s spirit of solidarity, responsibility, and deep empathy for the hardships and losses faced by fellow citizens.
- PVFCCo contributed 4 billion VND to the Parent Group’s total funding of 40 billion VND to carry out emergency construction of resettlement areas for households that lost their homes in three villages—Lang Nu, Nam Tong, and Kho Vang—in Lao Cai province, which suffered severe landslides following a major storm in late 2024. The project was completed ahead of schedule on December 22, 2024, bringing immense joy to hundreds of families who were able to settle into new, spacious, and warm homes before the New Year. It also ensured that children in the area could continue attending school in safe and well-equipped conditions.
- The PVFCCo Trade Union hosted the program “Thousands of Cakes, Thousands of Affections,” where employees gathered around long tables to **personally wrap 1,000 Chung cakes**—the sacred symbol of the traditional Tet holiday—to be gifted to lonely elderly individuals, low-income households, and policy families in various provinces across the country.

These activities not only highlight PVFCCo’s rich tradition of community engagement but also serve as vivid expressions of its philosophy of “doing business with social responsibility”, which the Corporation has consistently upheld for over two decades. Through these compassionate initiatives, PVFCCo helps improve the lives of vulnerable groups while building public trust and affirming its role as a caring, deeply rooted enterprise with strong ties to communities across Vietnam.



CHAPTER 05

Transparency and Effectiveness for a Prosperous Future

- 158 Sustainable growth in the long-term
- 162 Transparent Governance and Responsible business
- 168 Digital Transformation



PHUMY TOWER

SUSTAINABLE GROWTH IN LONG-TERM

SUSTAINABLE GROWTH AND CONTRIBUTION TO THE ECONOMY

The year 2024 brought challenges to PVFCCo due to the impact of the global economic recession, prolonged inflation, and increased input material costs due to scarce resources while consumer demand is declining. From the beginning of the year, the Party Committee and the Board of Directors of the Corporation have proactively implemented many drastic and flexible management solutions to stabilize production and business and maintain financial efficiency for the enterprise in compliance with the following principles:

- Ensure long-term sustainable economic growth while minimizing impacts on the climate and natural environment, contributing to national and global sustainable development goals.
- Conduct thorough research, analysis, and evaluation of key investment projects to ensure economic efficiency, full compliance with current legal regulations, and alignment with international ESG standards and practices.
- Strengthen the identification and management of risks that are likely to affect the long-term sustainable development of the entire industry value chain, especially emerging risk groups, to develop response plans and implement appropriate prevention and control measures.
- Research and propose projects to produce and trade environmentally friendly fertilizer and chemical products to expand market share and take the pioneering role in building a green economy.
- Research and develop greenhouse gas emission reduction projects and energy-saving plans that deliver high economic efficiency by lowering operating costs, complying with legal requirements, and fulfilling PVFCCo's commitment to PVN in contributing to Vietnam's Net Zero target by 2050. These efforts also enhance opportunities to participate in the carbon market and diversify revenue streams.
- Implement action programs and initiatives to promote sustainable supply chains.
- Organize awareness-raising training programs and explore feasible options to increase access to green financial instruments (e.g., green loans, green bonds, climate bonds) and sustainability-linked instruments (e.g., sustainability-linked loans and bonds) with preferential interest rates. These efforts aim to establish an optimal capital structure and improve the financial efficiency of investment projects that meet ESG-related standards, which often require substantial financial resources.

The above activities have brought PVFCCo positive business results and helped the Corporation continue to contribute to the overall growth of the Vietnamese economy in the past year:

Consolidated net revenue
from sales and services:

13,496 billion VND

Consolidated profit after tax:

554 billion VND

Total taxes actually paid to the
State Budget:

258 billion VND

Actual dividends paid to investors:

801 billion VND

Number of jobs created:

1,550 workers

Expand the business scale of green chemical products such as emission reduction agents like DEF/AdBlue for diesel engines, H₂ O₂ for industrial applications and environmental treatment, etc.

SUSTAINABLE GROWTH IN LONG-TERM (continued)

SUSTAINABLE PROCUREMENT AND SUPPLY CHAINS

PVFCCo recognizes that sustainable development cannot be achieved without the parallel growth of its partners across the industry value chain. Ensuring continuous operations and a stable supply of goods and services is essential to meeting the Corporation's production and business needs. Legal violations by suppliers—such as breaches of environmental regulations, human rights, or labor laws—not only risk disrupting operations at the Phu My Fertilizer Plant but also threaten PVFCCo's reputation and credibility. To mitigate these risks, PVFCCo applies unified procurement policies and procedures across the organization, based on the following principles:

- Only suppliers who fully comply with environmental laws, properly dispose of waste and demonstrate a clear commitment to ethical values and social responsibility, and do not use child or forced labor, are accepted through the preliminary stages of the contractor evaluation and selection process.
- Bidding documents are developed to include detailed environmental and social requirements that are clearly defined, allowing suppliers to understand and agree upon these terms during contract negotiations.
- Legal documents, environmental monitoring results, and procedures for waste classification,

storage, and transportation are periodically reviewed. These reviews are combined with environmental risk assessments throughout the contract period to promptly detect violations and request immediate corrective actions when necessary.

- Suppliers with a history of violations are removed from the list of eligible partners for long-term cooperation.
- PVFCCo continues to research and propose a set of environmental and social criteria to be integrated into future contractor evaluation and selection processes, aligning with international ESG standards and best practices.

Summary of PVFCCo's transaction situation with suppliers in 2024 is as follows:

- Transactions with 77 suppliers.
- 100% of suppliers fully comply with safety, health and environmental requirements.
- No violations related to the environment and society have been recorded.



TRANSPARENT GOVERNANCE AND RESPONSIBLE BUSINESS

As a listed company on the stock market and with the goal of reaching international standards, PVFCCo not only strictly complies with current Vietnamese laws on corporate governance but also aims to apply good public governance standards and practices that are popular globally to maintain transparency, accountability, ensure efficiency in business operations and increase the trust of stakeholders in the market. Accordingly, corporate governance practices in accordance with regulations and good practices, ensuring responsible business are implemented throughout PVFCCo with the following notable activities:

- Develop and periodically update internal regulations and documents related to corporate governance such as the Board of Directors' Operating Regulations and Internal Regulations on Corporate Governance, etc. in accordance with current legal regulations and with reference to international good practices, ensuring that governance activities are always transparent, clear and the rights of minority shareholders are not violated.
- Conducted regular evaluations and improvements the structure of the Board of Directors - the highest management body at PVFCCo representing the rights and interests of shareholders - including members who fully meet the legal standards and conditions and professional qualifications and practical

experience in line with the strategic orientation of the Corporation, of which 1 member (accounting for 20%) is an independent member of the Board of Directors.

- Maintained transparency and democracy in the process of nominating and selecting members of the Board of Directors for each term through specific implementation requirements:
 - Information relating to candidates is disclosed at least 10 days prior to the date of the General Meeting of Shareholders to ensure full and timely access to information for all shareholders.
 - The election process for the highest level of management is carried out according to the cumulative voting method prescribed in Clause 3, Article 148 of the Enterprise Law 2020 to enhance the decision-making power and presence of minority shareholders, ensuring the regulation of power and the level of corporate control among shareholder groups.
 - The collection and counting of votes are carried out by the Ballot Counting Committee in a separate area within the venue of the Shareholders' Meeting to ensure objectivity and can be monitored by several shareholders representing the meeting upon request. The election results are announced immediately during the meeting to be officially recorded in the Resolution of the Shareholders' Meeting.

- Establish specialized committees under the Board of Directors with clear functions and tasks stated in the operating regulations in compliance with current legal regulations to support the Board of Directors in reviewing professional content before regular or extraordinary meetings, and at the same time monitor, supervise and coordinate with the Executive Board in implementing Resolutions and Decisions approved by the Board of Directors. The specific areas of the 03 specialized committees operating in 2024 include:

Planning and Business Committee

Advised the Board of Directors in developing, monitoring and evaluating PVFCCo's strategy and operational plans; closely monitored periodic business performance to ensure consistency with the Corporation's long-term business development strategy and flexibly adapted to unusual market fluctuations.

Risk Management & Employee Policy Committee

Advised on issues related to risk management, auditing and internal control; proposed policies on organization and senior personnel; monitored remuneration and proposed improvements to governance mechanisms to enhance the effectiveness of the Board of Directors' operations.

Investment, Development and Science and Technology Committee

Advised on investment strategies, research and application of science and technology, digital transformation, and monitored sustainable development programs, as well as managed shareholder relations and monitored transactions with potential risks of conflicts of interest.



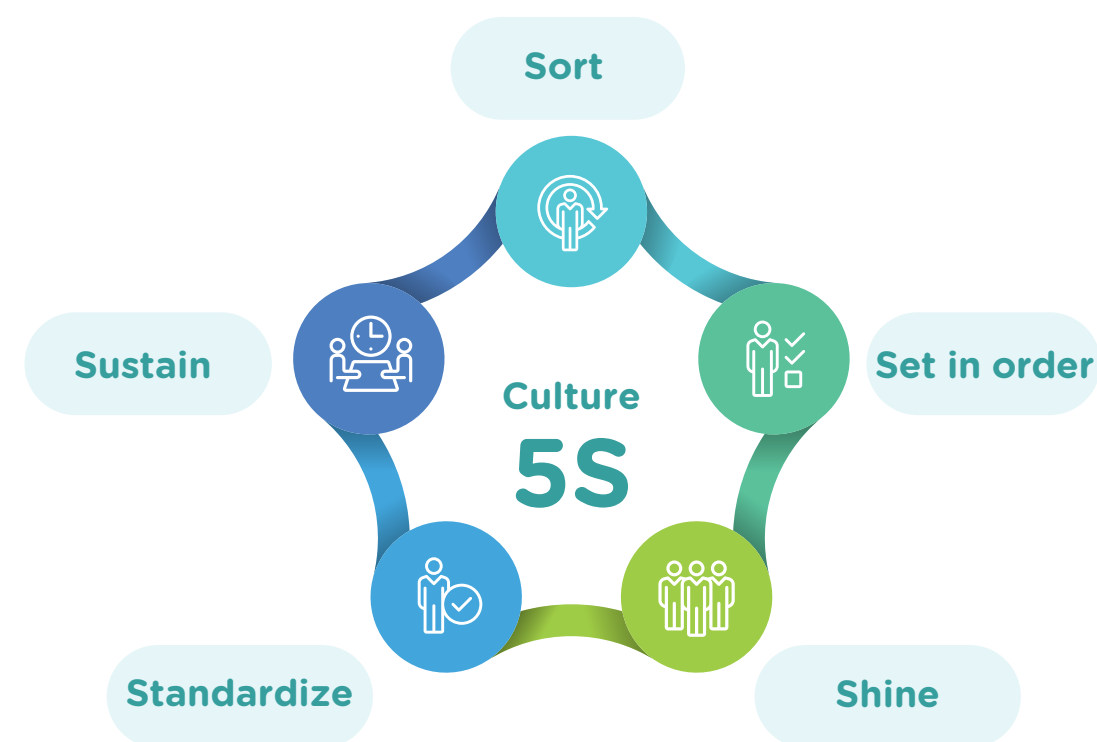
- Focus on raising awareness and quickly grasping emerging governance trends by sending members of the Board of Directors, Board of Supervisors, Board of Management and key managers to participate in intensive training courses on ESG and corporate governance organized by the State Securities Commission, Ho Chi Minh City Stock Exchange, Vietnam Chamber of Commerce and Industry (VCCI) and international organizations.
- Ensure that all important information is disclosed fully, promptly and on time as required by current legal regulations and perform accountability when receiving requests from relevant parties.
- Build a remuneration structure for members of the Board of Directors, Board of Supervisors and Board of Management closely linked to the annual production and business performance of PVFCCo, the remuneration level for each individual is approved by the Annual General Meeting before payment in accordance with current legal regulations and is disclosed in detail in the annual Financial Report.

TRANSPARENT GOVERNANCE AND RESPONSIBLE BUSINESS (continued)



PVFCCo requires all departments, divisions, affiliated units, and subsidiaries to strictly and fully comply with current legal regulations governing all aspects of operations in the fertilizer and chemical sectors. The following commitments are consistently implemented throughout the entire organization:

- Ensure fair competition, uphold integrity in production and business activities, and promote sustainable business thinking - where economic development goes hand in hand with environmental protection and shared responsibility with the broader community.
- Comply with current legal regulations and international conventions related to human rights and labor rights throughout all production and business operations.
- Implement anti-corruption programs according to the direction of the Corporation's Party Committee and the guidance of the Parent Group, regularly direct, inspect, examine, and closely monitor the implementation process through a multi-level network and strictly handle violations if detected.
- Fully and promptly comply with tax obligations with the process of declaration, submission of reports and contributions to the state budget periodically implemented synchronously, regularly monitor and update changes in tax policies that affect PVFCCo's production and business activities to propose amendments to corresponding internal documents and processes.
- Encourage employees to proactively identify their training needs, update professional knowledge, and participate in relevant courses to enhance their competencies, including training on new policies and regulations, etc.
- Maintain the 5S culture (Sort - Set in order - Shine - Standardize - Sustain) at Phu My Fertilizer Plant and the Corporation Office to increase efficiency, improve production productivity while ensuring labor safety, limiting potential risks and accidents.
- Respect and protect privacy as well as information and personal data of customers according to current laws, ensure that the transaction process and information collected from customers are processed for the right purpose, stored on the management and operation system application with a high level of security and limit the subjects with access rights.
- Ensure that any use of customer images for communication purposes is governed by a complete, lawful, and reasonable agreement, with remuneration paid in accordance with regulations.

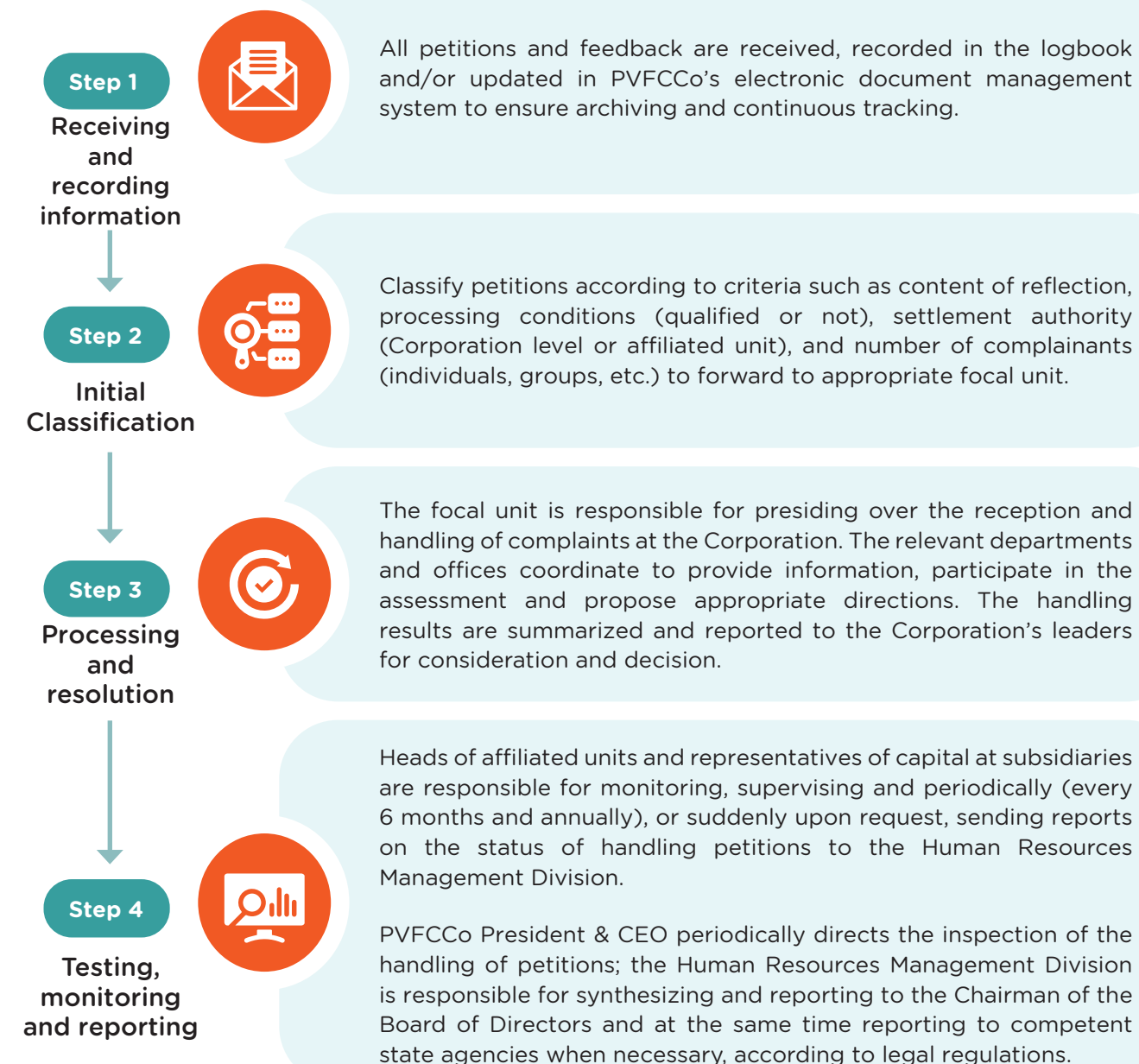


TRANSPARENT GOVERNANCE AND RESPONSIBLE BUSINESS (continued)

The principles of business conduct and behavioral standards for PVFCCo employees are defined in the Corporate Culture Handbook.

- 1 Correctly implement the Party's policies and guidelines and strictly comply with the laws of the State. 
- 2 Serve a role model by continuously learning, cultivating, and practicing improving personal capacity, political integrity, professional ethics, and civil behavior to successfully fulfill assigned responsibilities. 
- 3 Exercise the rights and obligations of officers, employees, and workers in accordance with the law and PVFCCo's internal regulations. 
- 4 Maintain an open, friendly, and modest attitude in all relationships; uphold the reputation and honor of leaders and colleagues; and protect the prestige, rights, and legitimate interests of PVFCCo. 
- 5 Demonstrate a high sense of responsibility and professionalism at work; foster care, respect, trust, and cooperation; and promote democracy and collaboration toward PVFCCo's sustainable development. 
- 6 Do not use shared assets for personal gain, and do not participate in activities that harm the interests of PVFCCo. 

Regarding the practices related to receiving, handling and managing complaints and reports of violations, PVFCCo has issued and implemented the Regulations on inspection and settlement of complaints and denunciations with the aim of ensuring timely, competent and transparent handling of feedback, thereby maintaining stability and strengthening the trust of stakeholders in the Corporation and its member units. The implementation process in practice takes place in the following 4 steps:



Through the process of strictly implementing the above contents, PVFCCo has not committed any violations of the law on competition, anti-monopoly or hindering the market, environmental and social impact management in the process of operating regular production and business activities and fulfilling obligations to the state budget. PVFCCo has also always maintained good, long-term cooperative relationships with partners and has not recorded any cases related to conflicts of interest, corruption or negative behavior affecting the prestige and reputation of the Corporation and has not incurred any complaints related to violations of customer information security.

DIGITAL TRANSFORMATION

The industrial revolution 4.0 is taking place strongly worldwide and has a great impact on the production and business activities of many enterprises. In that flow, the Vietnamese Government has also issued many related policies and strategic orientations such as Decision No. 2289/QĐ-TTg dated December 31, 2020 on the “National Strategy on the Fourth Industrial Revolution towards 2030”, Decision No. 749/QĐ-TTg on the “National Digital Transformation Program to 2025, with a vision to 2030”, etc. and at the same time, integrating digital transformation requirements into development strategies for each business sector with the goal of developing the digital economy. PVFCCo also identified digital transformation as a mandatory requirement that needs to be implemented quickly, not only to comply with the common

goals of the Parent Group but also to keep up with the trend of the times, improve internal business efficiency, and be ready to seize new business opportunities, thereby enhancing competitiveness in the international arena. Therefore, the digital transformation roadmap to 2025, with a vision to 2030, has been built and implemented by PVFCCo in practice through the following activities:

- Establishment of the Digital Transformation and Information Technology Division - a specialized focal unit responsible for comprehensively implementing the digital transformation program and operating the information technology system throughout the Corporation, ensuring that the digital transformation process is implemented in a systematic, synchronous and sustainable manner.

- Strengthen the digital transformation implementation plan towards 2030, Data Governance Framework (DBI) and internal communications to guide action programs throughout the enterprise.
- Research and plan the application of digital initiatives in line with practical goals and resources, especially focusing on solutions to support optimal procurement, management, use, and storage of raw materials, to ensure continuous and safe production for fertilizer and chemical factories, while improving production and business efficiency.
- Review and update regulations and processes on information technology and digital transformation to better suit new requirements and contexts, focusing on enhancing information security, clearly establishing access authorization mechanisms according to functions/tasks and ensuring security for the entire data system and digital infrastructure.
- Develop a flexible annual training plan suitable for each transformation stage and each target group. Participants are not only limited to the IT specialist team but also extended to all staff with rich content such as information security, digital transformation knowledge, technology skills and specialized professional topics.



PVFCCo also identified digital transformation as a mandatory requirement that needs to be implemented quickly, not only to comply with the common goals of the Parent Group but also to keep up with the trend of the times, improve internal business efficiency, and be ready to seize new business opportunities, thereby enhancing competitiveness in the international arena.

DIGITAL TRANSFORMATION (continued)

Many information technology platforms have been developed and integrated into the production and business operation process, which is the clearest evidence of PVFCCo’s comprehensive and synchronous digital transformation efforts and the capacity for innovation, creativity, and high adaptability to new requirements in the digital age of human resources:

Activity Group	Target	IT Platform
Manufacture	Improve operating efficiency, ensure safety and optimize capacity	• Oracle - Comprehensive enterprise resource planning (ERP) software system supports synchronous management of areas such as finance, human resources, materials, production and related business processes. • DCS (Distributed Control System) allows centralized monitoring and control of complex production processes in the factory in real time. • MMS (Maintenance Management System) supports planning, monitoring and organizing equipment maintenance, contributing to improving the reliability and longevity of assets. • ESD (Emergency Shutdown System) allows automatic activation of necessary safety measures to protect people, equipment and the environment in the event of a serious incident. • PLC (Programmable Logic Controller) plays a role in controlling automation devices in the factory operation process. • CMMS (Computerized Maintenance Management System) enables more efficient equipment maintenance management through repair history storage, material management, performance tracking and maintenance process automation. • PMIS (Plant Monitoring Information System) is developed internally by the plant engineering team, helping to remotely monitor operating indicators in real time, receive information about incidents directly via phone or computer connected to the Internet, and support leaders to make quick and accurate handling decisions.
Business and office	Increase the rate of digitized business operations and internal administration, reduce manual operations to increase work efficiency	• DMS (Distribution Management System) helps effectively control the process of distributing goods to agents and branches. • TMS (Transportation Management System) supports planning, tracking and optimizing transportation operations. • ERP (Enterprise Resource Planning) integrates core processes such as finance, accounting, materials, production, human resources etc. into a unified system.

Activity Group	Target	IT Platform
		• RFID (Radio Frequency Identification) helps automate the tracking and management of goods, assets in warehouses, and transportation. • Zoom, Microsoft Teams support online meetings, discussions and work exchanges. • eOffice - Electronic office supports document management and paperless work operations. • The e-Learning system supports flexible internal training with diverse content from expertise, digital transformation to information security, suitable for each employee.
Engage with stakeholders	Promote a comprehensive digital ecosystem and increase effective engagement with stakeholders	• Customers: LOGETY system serves to manage and take care of customers and agents to improve experience and service quality. • Supplier: online bidding and procurement portal connected to the National Bidding Portal to enhance transparency and efficiency in the bidding, evaluation and selection process of contractors. • Farmers: applying artificial intelligence (AI) to provide technical support and answer questions in agricultural production. • Employees: My PVFCCo application enhances interaction between the Corporation and employees.

In addition to the practical benefits brought by implementing digital transformation activities and integrating technology into the operation chain, PVFCCo also faces increasing risks from information technology (IT) risks. Security vulnerabilities in the IT system can cause sensitive data such as customer information, partner contracts, operational data and production formulas to be stolen or leaked when attacked by cyberattacks, infected with malware or hardware and software failures. Therefore, PVFCCo has always focused on operating and upgrading the following security and network security infrastructures in recent years:

• Deploy firewalls and XDR solutions - tools for monitoring and responding to threats.	• Maintain 24/7 operation of the SOC (Security Operations Center) system to ensure comprehensive information security monitoring and response capabilities and gradually standardize according to updated security requirements.	• Control access, assign user permissions and protect customer personal data, especially on user-facing platforms such as Loyalty Apps and ERP systems.
--	--	---

With the above methodical steps and clear orientation, PVFCCo is getting closer to the goal of becoming the leading unit in digital transformation in PVN, while affirming its pioneering position in the fertilizer and chemical industry in Vietnam in applying digital technology to business operations and management.

APPENDIX

GRI Index



Statement of Use	PetroVietnam Fertilizer and Chemicals Corporation (PVFCCo) reports the information cited in the GRI table of contents below for the fiscal year ending December 31, 2024, with reference to the GRI Standards.
GRI 1	GRI 1: Foundational Standards 2021

GRI	GRI Index		Page
GRI 2 General Disclosures 2021	2-1	Organizational details	
	2-2	Entities included in the organization’s sustainability reporting	
	2-3	Reporting period, frequency and contact point	
	2-4	Restatements of information	
	2-5	External assurance	
	2-6	Activities, value chain and other business relationships	
	2-7	Employees	
	2-8	Workers who are not employees	
	2-9	Governance structure and composition	
	2-10	Nomination and selection of the highest governance body	
	2-11	Chair of the highest governance body	
	2-12	Role of the highest governance body in overseeing the management of impacts	
	2-13	Delegation of responsibility for managing impacts	
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	
	2-16	Communication of critical concerns	
	2-17	Collective knowledge of the highest governance body	
	2-18	Evaluation of the performance of the highest governance body	
	2-19	Remuneration policies	
	2-20	Process to determine remuneration	
	2-21	Annual total compensation ratio	
	2-22	Statement on sustainable development strategy	

GRI	GRI Index		Page
	2-23	Policy commitments	
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impact	
	2-26	Mechanism for seeking advice and raising concerns	
	2-27	Compliance with laws and regulations	
	2-28	Membership associations	
	2-29	Approach to stakeholder engagement	
	2-30	Collective bargaining agreement	
GRI 3 Material Topics 2021	3-1	Process to determine material topics	
	3-2	List of material topics	
	3-3	Management critical topics	
GRI 201 Economic Performance 2016	201-1	Direct economic value generated and distributed	
	201-2	Financial implications and other risks and opportunities due to climate change	
	201-3	Defined benefit plan obligations and other retirement plans	
	201-4	Financial assistance received from government	
GRI 202 Market Presence 2016	202-1	Ratio of standard entry level wage by gender compared to local minimum wage	
	202-2	Proportion of senior management hired from the local community	
GRI 203 Indirect Economic Impacts 2016	203-1	Infrastructure investment and services supported	
	203-2	Significant indirect economic impacts	
GRI 204 Procurement Practices 2016	204-1	Proportion of spending on local suppliers	
GRI 205 Anti- corruption 2016	205-1	Operations assessed for risks related to corruption	
	205-2	Communication and training about anti-corruption policies and procedures	
	205-3	Confirmed incidents of corruption and actions taken	

GRI	GRI Index	Page
GRI 206 Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
GRI 207 Tax 2019	207-1	Approach to tax
	207-2	Tax governance, control, and risk management
	207-3	Stakeholders engagement and management of concerns related to tax
	207-4	Country-by-country reporting
GRI 301 Materials 2016	301-1	Materials used by weight or volume
	301-2	Recycled input materials used
	301-3	Reclaimed products and their packaging materials
GRI 302 Energy 2016	302-1	Energy consumption within the organization
	302-2	Energy consumption outside the organization
	302-3	Energy intensity
	302-4	Reduction energy consumption
	302-5	Reductions in energy requirements of products and services
GRI 303 Water and Effluents 2018	303-1	Interaction with water as a shared resource
	303-2	Management of water discharge-related impacts
	303-3	Water withdrawal
	303-4	Water discharge
	303-5	Water consumption
GRI 304 Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas
	304-2	Significant impacts of activities, products, and services on biodiversity
	304-3	Habitats protected or restored
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations

GRI	GRI Index	Page
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions
	305-2	Indirect (Scope 2) GHG emissions
	305-3	Indirect (Scope 3) GHG emissions
	305-4	GHG emissions intensity
	305-5	Reduction GHG emissions
	305-6	Emissions of ozone-depleting substances (ODS)
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant emissions
GRI 306 Effluents and Waste 2016	306-3	Significant spills
GRI 306 Waste 2020	306-1	Waste generation and significant waste-related impacts
	306-2	Waste generation and significant waste-related impacts
	306-3	Waste generated
	306-4	Waste diverted from disposal
	306-5	Waste directed to disposal
GRI 308 Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria
	308-2	Negative environmental impacts in the supply chain and countermeasures taken
GRI 401 Employment 2016	401-1	New employee hires and employee turnover rate
	401-2	Benefits provided to full-time employees are not provided to temporary or part-time employees
	401-3	Parental leave
GRI 402 Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes

GRI	GRI Index	Page
GRI 403 Occupational Health and Safety 2018	403-1	Occupational health and safety management system
	403-2	Hazard identification, risk assessment, and incident investigation
	403-3	Occupational health services
	403-4	Employee participation, consultation and communication on occupational health and safety
	403-5	Worker training on occupational health and safety
	403-6	Promoting worker health
	403-7	Prevention and mitigation on occupational health and safety impacts directly linked by direct business relationships
	403-8	Workers covered by an occupational health and safety management system
	403-9	Work-related injuries
	403-10	Work-related ill health
GRI 404 Training and Education 2016	404-1	Average hours of training per year per employee
	404-2	Programs for upgrading employee skills and transition assistance programs
	404-3	Percentage of employees receiving regular performance and career development reviews
GRI 405 Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees
	405-2	Ratio of basic salary and remuneration of women to men
GRI 406 Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken
GRI 407 Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
GRI 408 Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents child labor

GRI	GRI Index	Page
GRI 409 Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor
GRI 410 Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures
GRI 411 Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of Indigenous peoples
GRI 413 Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs
	413-2	Operations with significant actual and potential negative impacts on local communities
GRI 414 Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria
	414-2	Negative social impacts in the supply chain and actions taken
GRI 415 Public Policy 2016	415-1	Political contributions
GRI 416 Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services
GRI 417 Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling
	417-2	Incidents of non-compliance concerning product and service information and labeling
	417-3	Incidents of non-compliance concerning marketing communications
GRI 418 Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data



PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION

No. 43 Mac Dinh Chi, Saigon Ward, Ho Chi Minh City, Vietnam

Tel: (028) 382 562 58 Fax: (028) 382 562 69

Website: www.dpm.vn