

THE BOARD OF MANAGEMENT'S REPORT IN 2022

DAIRY DEVELOPMENT DEPARTMENT

“

Pioneering in building an advanced dairy farming model, boldly accepting initial challenges to gradually improve towards sustainable development.

”

Despite the difficulties of a “post-Covid-19 pandemic” year of 2022, Vinamilk still firmly held its own against mounting challenges and achieved encouraging results, thereby creating a stronger development momentum and raising the brand value on the global dairy industry. This also affirms the wise vision of the Company’s leadership and the collective dedication of the entire staff to the Company’s sustainable development and its valuable contribution to society.

GENERAL INTRODUCTION

Vinamilk is operating and managing a system of 04 dairy companies and raw milk production, including Vietnam Dairy Cow Company Limited (“Vietnam Dairy Cow Company” - 100% charter capital), ThongNhat Thanh Hoa Dairy Cow Company Limited (“BS TNTH Company” - 100% charter capital), Lao-Jagro Development XiengKhouang Co., Ltd. (“Laos-Jagro Company” - 87.32% charter capital) and Moc Chau Dairy Breed Joint Stock Company (“Moc Chau Milk” - owning 49.17% of voting rights).

Currently, Vinamilk is running 15 dairy farms and sourcing milk from a total of 146,000 cows, in which 36,000 cows are at own farms. For own cows, Vietnam Dairy Cows manages 11 farms and Thong Nhat Thanh Hoa Dairy Cow manages 02 farms with a total herd of over 33,000 cows. Lao-Jagro Company inaugurated the first farm complex of phase I with a total scale of 8,000 cows, of which the first batch of 1,000 Elite cows were imported directly from the US by Vinamilk experts in 2022. Moc Chau Milk currently owns more than 2,000 dairy cows on the farm.

VINAMILK IS OPERATING AND
MANAGING A SYSTEM OF

4

Dairy companies and raw milk
production

VINAMILK CURRENTLY HAS

15

Dairy farms

SOURCING MILK FROM

MORE THAN **146,000 COWS**

VINAMILK - ACTION AND TRANSFORMATION IN THE NEW NORMAL

The pandemic posed unprecedented challenges to business and production, including disruption of the supply chain and depletion of raw materials, services and consumption. Vinamilk, however, with 46 years of development, has actively adapted in a positive direction, constantly improving competitiveness, increasing infrastructure investment, modernizing production processes and advancing corporate governance.

In particular, pioneering in sustainable development is one of the strategic transformations implemented by Vinamilk through the network of Vinamilk Green Farm ecological farms, with the focus on environment- and cow-friendly farming practices to ensure the production and supply of better quality products to consumers in accordance

with the Company's philosophy of **Transparency, Honesty** and **Sustainability**, including the following key aspects:

- ✦ Regenerative farming;
- ✦ Circular economy;
- ✦ Livestock welfare;
- ✦ Renewable energy.

Vinamilk Green Farm – A typical farm model of sustainable development

Even during the tumultuous two-year pandemic period, Vinamilk overcame obstacles and established a system of ecological farms - Vinamilk Green Farm - which is regarded as the Company's strong commitment to the implementation of sustainable development strategies, with three key aspects:

- i) Selective raw material source;
- ii) Regenerative agricultural practices;
- iii) Advanced technological application in sustainable development,

Selective raw material source

Among 15 farms in operation across the country and abroad (Lao Jagro), there are currently three Vinamilk Green Farms including Tay Ninh, Quang Ngai and Thong Nhat Thanh Hoa Dairy Farms, built in accordance with the world's most modern dairy farm model and meeting GlobalG.A.P standards. These farms are strategically located and conveniently connected to Vinamilk's most modern factories

in key economic areas, ensuring that raw milk quality is maintained during transportation.

The Vinamilk Green Farm network covers nearly 950 hectares, of which nearly 500 hectares are cultivated to produce high-quality forage ingredients including corn, Mombassa grass, oats, and rice that meet GlobalG.A.P standards. These provide for more than 20,000 purebred dairy cows selected at source; each cow's genetic history is traced back three generations by Vinamilk experts before direct import from America, Australia and New Zealand. The cows produce 250 tons of raw milk per day, ensuring the supply of the highest quality raw milk to three modern large-scale factories including Northern, Southern and Central region.

03

VINAMILK GREEN FARM INCLUDING TAY NINH, QUANG NGAI AND THONG NHAT THANH HOA DAIRY FARMS

built in accordance with the world's most modern dairy farm model and meeting GlobalG.A.P standards

THE VINAMILK GREEN FARM NETWORK COVERS NEARLY

950 HECTARES

OF WHICH NEARLY

500 HECTARES

are cultivated to produce high-quality forage ingredients including corn, Mombassa grass, oats, and rice that meet GlobalG.A.P standards

PROVIDING FEEDS FOR MORE THAN

20,000

PUREBRED DAIRY COW



Green Farm at Tay Ninh Province

“ The use of green energy such as from Biogas, solar energy to replace fuels such as gasoline, diesel, etc. in the operation of the farm system contributes positively to the goal of reducing greenhouse gas emissions with the ability to reduce up to 62,000 tons of CO₂/year, equivalent to planting 3.4 million trees. ”

Regenerative farming practices

Green Farms currently use renewable energy systems such as solar energy and modern waste treatment systems to separate solid and liquid waste. Biogas storage tanks are also used to reduce greenhouse gas emissions of CO₂, N₂O, and CH₄ and to convert waste into organic fertilizer materials for better cultivation and soil improvement, while biogas can be used to pasteurize milk for calves and fuel the grass drying system to make forage for cows. The use of green energy such as from Biogas, solar energy to replace fuels such as gasoline, diesel, etc. in the operation of the

farm system contributes positively to the goal of reducing greenhouse gas emissions with the ability to reduce up to 62,000 tons of CO₂/year, equivalent to planting 3.4 million trees. Typically, at Green Farm Tay Ninh, daily production activities at the farm follow the process of a circular economy, starting with collecting and treating waste from cows given the amount of 30 tons of waste per day with the output being solid waste, liquid is separated and CH₄ gas is used through the Biogas treatment system, in which solid, liquid waste is used as an organic fertilizer source to provide

nutrition for pastures and crops on the farm to create a high-quality, nutritious forage source for cows of 8,000 cows. CH₄ gas is reused as gas for milk pasteurization for calves, heating sanitary water for production equipment and used for grass drying systems to store feed for cows, thereby saving more than 2 billion VND/year for the farm's electricity consumption costs for the above-mentioned activities.

LED lighting systems are installed in all newly built barns and factories and gradually replacing traditional light bulbs in older farms, reducing electricity consumption while ensuring lighting intensity for operation and durability.

Vinamilk has pursued a green investment orientation, prioritizing motorized large-capacity electrical equipment with new generations of energy-saving engines that meet strict emission standards, such as engines with fuel-saving modes (for tractors, multi-purpose forklifts, etc.) and electric engines with soft starters and inverters (for rotor choppers, pumps, air compressors, etc.).

The solar panel system was first installed at Organic Farm Dalatin 2016. So far, it has been installed for all barns at Dairy Farms. This is a significant step forward in the Company's efforts to reduce greenhouse gas emissions as part of its sustainable development strategy.



Solar panel installed on the roof of a farm



Furthermore, the use of organic atomic carbon technology with Nema biological products to clean the environment, treat odors in livestock, and eliminate pests such as flies and mosquitoes is carried out on farms on a regular basis.

The solar panel system has been installed for all barns at Dairy Farms.

Spraying Nema for environmental sanitation at a farm

Green Farms all practice organic farming, which means they don't use chemical fertilizers or chemical pesticides, instead relying on fertilizers made by the barn waste treatment system using the GEA manure collection and treatment technology in water discharge. This not only helps to treat manure effectively but also reuses water, bringing positive environmental impacts and optimizing water resource use. By reusing

wastewater to provide nutrients for crops that serve as forage materials, the farms successfully applied a renewable cycle, contributing to the improvement of farm resources and the adoption of environmentally friendly production.

In addition, at the farms, a large area is designated for regulating lakes, which help to cool dairy herds in hot and dry climates and create a healthy

water cycle on the farm. The green coverage rate at any Green Farm is maintained at over 70%. Green trees are planted around the farms to serve as a natural barrier between the farms and residential communities, as well as a biosphere for wildlife. This helps protect the local eco-diversity and reduce the impact of farming on the overall environment.

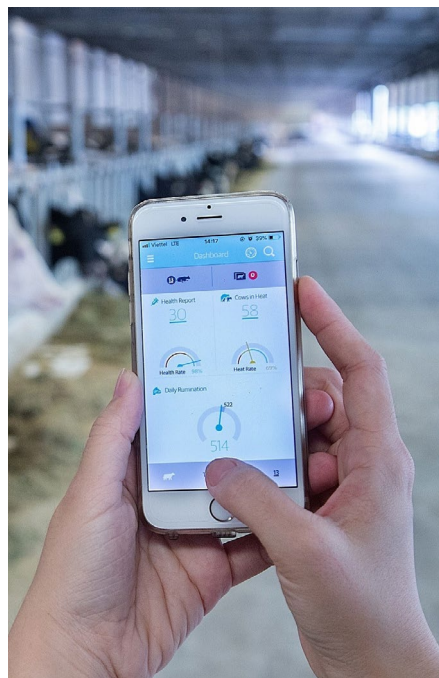
Applying advanced technology to sustainable agriculture

At Vinamilk Green Farms, dairy cows are given special care thanks to advanced technology that emphasizes and enables animal welfare. Every farm has a modern cooling system that keeps the barn temperature stable, as well as massage equipment and open space for cattle. The dairy cows are raised in comfort to produce high milk yields and the best milk quality, while absolutely no growth hormones are allowed.

Following the policy and commitment of the Vietnamese Government about Net Zero at COP26, as a leading dairy enterprise in Vietnam, Vinamilk has implemented action plans to achieve this goal.

Accordingly, Vinamilk has identified sustainable development as one of **four development strategies** for the period 2022-2026, including:

- ✦ Promoting sustainable development by referencing successful models from the global dairy industry;
- ✦ Applying science and technology to sustainable farming;
- ✦ Increasing renewable energy;
- ✦ Vegetation coverage to neutralize greenhouse gases and achieve net zero emissions by 2050.



Livestock welfare is a priority at Vinamilk farms

Application of technology in management and production methods

Vinamilk and its subsidiaries continue to widely apply Enterprise Resource Planning (ERP) systems, e-Office, e-Contract, e-Signature and many more, in management and production to ensure smooth operations in all situations. Vinamilk farms use automation and 4.0 technology extensively to ensure remote and highly systematic management. There has also been investment in infrastructure and equipment upgrades, particularly in terms of high automation.



Automatic irrigation system on the field

New research orientation for proactive adaptation to changing circumstances

In the challenging context that climate change is accelerating and directly affecting production activities, Vinamilk has been proactive in researching solutions with climate-friendly technologies

and high-tech farming techniques such as: testing hydroponic production of seedlings from local seed materials in a controlled "indoor" environment, providing high-quality forage for calves, and

reducing production costs. Vinamilk also aims to research and apply inoculants to reduce emissions from cow digestion, crop rotation to adapt to climate change, and many other solutions.



Research and trial production of hydroponic sprouts as cow feed



Close partnership with farming households

Currently, Vinamilk is running 80 raw milk collection stations across the country and cooperates with farmers to manage more than 110,000 cows, of which 85,000 cows are cooperated with Vinamilk and 25,000 cows with Moc Chau Milk, to collect more than 500 tons of raw milk per day. Milk collection stations, in addition to the main task of purchasing raw fresh milk, also provide assistance to dairy farmers in distributing animal feed and milking hygiene solutions, consulting, providing technology transfer and disease control. These activities are always welcomed and trusted by farmers.

VINAMILK CURRENTLY MANAGES **80** RAW MILK COLLECTION STATIONS NATIONWIDE

110,000 COWS
TOTAL HERD OF CONTRACTED FARMERS

Vinamilk is always willing to help advise farmers on dairy farming techniques and inspect cattle conditions for quality assurance. Simultaneously, Vinamilk works with local veterinarians to vaccinate cows, manage epidemiology, monitor cow ear tags, and keep

antibiotic residues in milk under control. Vinamilk always develops and maintains programs, support policies, reasonable and cohesive purchasing price policies to create a driving force for the development of dairy farming households.

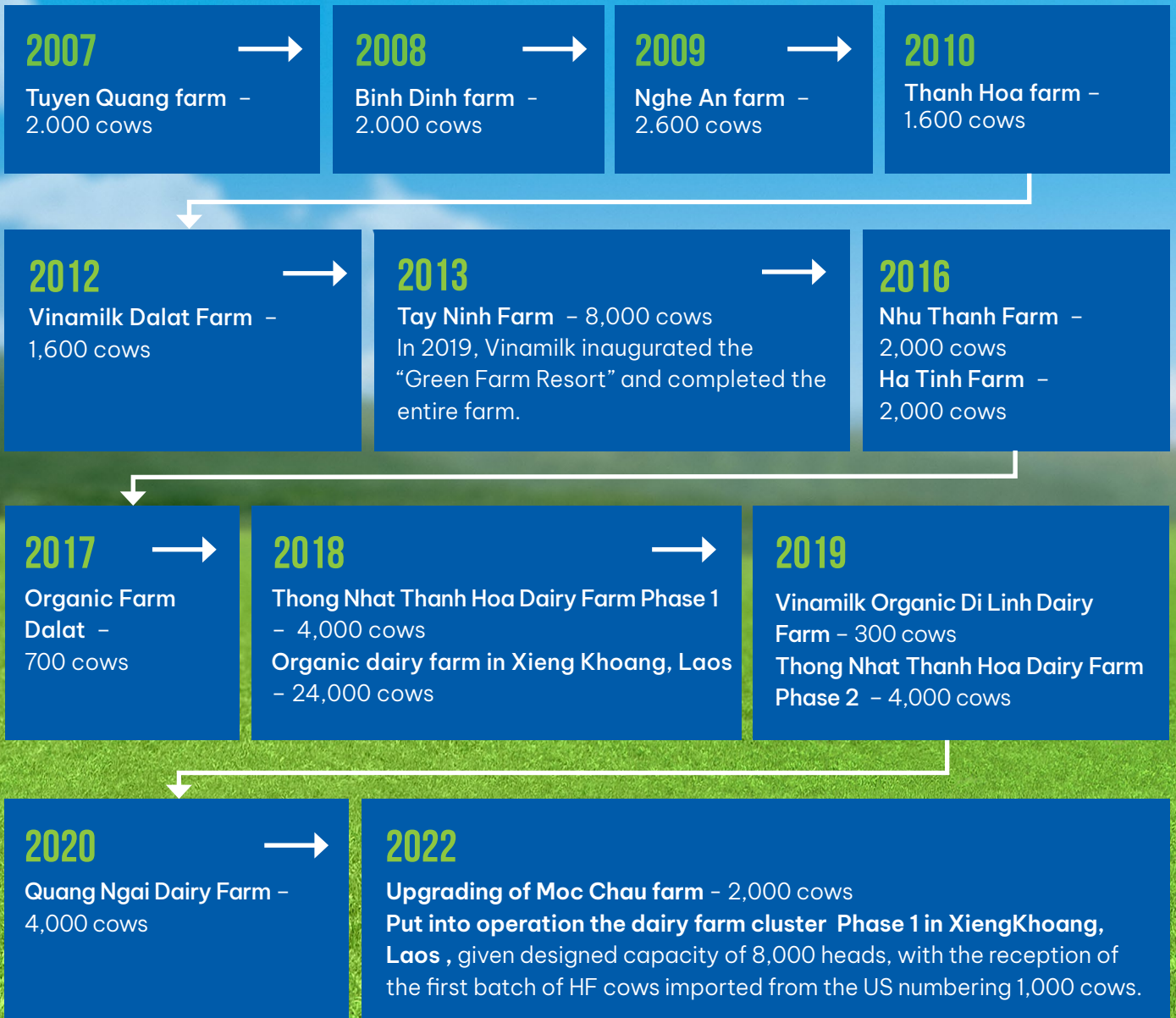
VINAMILK - PROMOTING GROWTH

Vinamilk pioneers in advanced production and breeding models, embracing initial obstacles to gradually improve and perfect the production process towards sustainability, environmental friendliness and emission reduction.

The Vinamilk Green Farm model, in particular, will continue to be replicated throughout Vinamilk's production farm system in order to provide a favourable environment for both farmers and cattle, thereby creating outstanding quality

products to serve consumers and contribute to the community's sustainable development. Besides, Vinamilk is always transparent in disclosing information about the program's impact, influence and benefits to stakeholders.

The journey of developing Vinamilk’s farm system and raw material areas



Furthermore, Vietnam Dairy Cow's Technology and Embryo Transfer Center was put into operation and has carried out the first projects of genetic selection and embryo transfer experiments, with initial results showing good potential for

application to the Company's cows in the near future.

In addition to improving the current system of dairy farms to meet international standards, Vinamilk is constantly looking for expanding the Company's

scale of operations, diversifying products, and meeting the increasing needs of consumers both domestically and internationally, through new breakthrough projects/farms in the near future, including:

- ✦ HI-TECH DAIRY FARMING COMPLEX AT SONG HAU FARM (CAN THO);
- ✦ TAY NINH DAIRY FARM PROJECT NO. 2;
- ✦ HI-TECH DAIRY COW ECO-TOURISM FARM PROJECT (MOC CHAU);
- ✦ VILICO TAM DAO BEEF PROJECT.

CONCLUSION

With the sustainable development orientation through an increasingly better-quality, more environmentally- and consumer-friendly product portfolio, and 46 years of strong establishment and rich experience, Vinamilk continues to "GROWTH - RE:INVENT" to raise its brand value and position, not only in Vietnam but also on the global scale.

Vinamilk's farm system, despite facing many challenges in 2022, has achieved encouraging results:



100% Vinamilk's dairy farms and centers in Vietnam are

- ✦ ISO 9001: 2015
- ✦ GLOBALG.A.P

GHG EMISSION /TON PRODUCT INDEX IS
537 KG GHG/TON OF PRODUCT (103% above plan)

THE TOTAL OUTPUT OF RAW MILK SUPPLIED TO VINAMILK'S FACTORY IS

NEARLY **355,000** TONS

VIETNAM DAIRY COW'S REVENUE SURPASSED BUDGET OF **109.5%**

THE BOARD OF MANAGEMENT'S REPORT IN 2022

SUPPLY CHAIN DEPARTMENT

“

Continued to performed well in its role of supplying and coordinating the transportation of goods and materials.

”

In terms of procurement, the Supply Chain Department has sufficiently and timely met the needs for raw materials, supplies, and spare parts for production, maintained a reasonable inventory of raw materials, and completed the bidding and signing of raw material contracts for 2023.

In terms of freight coordination, the Department has sufficiently and timely met the sales demands between regions and factories, and generally provided well for product launches and relaunches.

Logistics enterprises has successfully implemented scenarios of direct shipping from satellite warehouses to shorten delivery time, improve service quality, and provide benefits to customers. The Department has also done well in freight coordination, with a punctuality rate of more than 98%, and has finished bidding and signing transportation contracts for the period 2022-2025.

Furthermore, in order to actively implement sustainable development goals, the Supply Chain Department has made significant contributions to building the Vinamilk brand, creating values for the community and society, and implementing projects for optimal and cost-effective use of resources. The Department is always willing to make bold changes to outperform expectations, such as such as reviewing and improving workflows to optimize inventory and warehouse management and enhance stacking specifications. Preparations are also underway to meet the conditions for applying ISO 45000 on occupational safety and health, in Vinamilk's pursuit of a safer workplace and better health for employees.



RESEARCH AND DEVELOPMENT (R&D) DEPARTMENT

“ Greatly contributed to new product development and product improvement processes in domestic and foreign subsidiaries. ”

The Research and Development Department continued to play a key role in the strategic enhancement of technological capabilities in production, strengthening Vinamilk’s business position in the competitive market, promoting export activities and contributing significantly to sustainable development. In 2022, the R&D Department researched 15 new products, 40 enhanced products, and 16 exported products, affirming Vinamilk’s advanced production capability. Not only with Vinamilk branded products, the R&D Department also greatly contributed to new product development and product improvement processes in domestic and foreign subsidiaries such as Moc Chau and AngkorMilk (Cambodia).

At the same time, Vinamilk strives to keep pace with the highest standards of the world, and clearly demonstrates its commitment with the philosophy of “no compromise on quality” through continuous updates and applications of the latest standards onto materials

and products, in accordance with Vietnamese and international laws. Vinamilk 100% Organic Fresh Milk has maintained European standards for many years. Vinamilk is also the first company in Asia to receive certifications and awards from the Clean Label Project (CLP), USA for both fresh milk and infant formula milk.

Products from the Vinamilk Optimum Gold brand, in particular, won the Purity Award 2022, CLP’s most rigorous examination for purity of infant formula milk, which pays special attention to health hazards to child development during formative years such as heavy metals, microplastics and other harmful chemicals in products. In addition, Vinamilk Green Farm and Vinamilk 100% Organic fresh milk products are also the first fresh milk products in the world to receive the Clean Label certification, which recognizes brands that have the highest transparency in quality control over raw materials and finished products, as well as product labeling.

2022 | THE R&D DEPARTMENT RESEARCHED

15

new products

40

enhanced products

16

exported products

The R&D Department has made recommendations for the preparation of circulars, decrees and laws related to food safety, such as the Ministry of Health's circular on nutrition labeling and draft standards of food products.

Management Team of the R&D Department also attended the following conferences:

- + “Policies to encourage and support enterprises to develop circular economy” organized by Investor Magazine/Nhadautu.vn.
- + Vietnam Sustainable Development Business Forum 2022 organized by the Vietnam Chamber of Commerce and Industry (VCCI).
- + Suggestions and policies to promote the application of circular economy by the Energy Saving Department, Ministry of Industry and Trade.
- + Thereby, the circular economy model integrated into Vinamilk's value chain has been widely introduced to the expert community.
- + Recently, the R&D Department has held site visit to introduce Vinamilk's food safety control system (at Vietnam Milk Factory) to many domestic and foreign participants.



THE BOARD OF MANAGEMENT'S REPORT IN 2022

PRODUCTION DEPARTMENT

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Standardize the process to ensure the best consistency and quality for the entire Vinamilk product portfolio.

”

Socioeconomic difficulties, as a result of the COVID-19 pandemic, severely impacted people's lives and the Company's productions and operations in 2022. The Production Department and the Factories worked hard to ensure employee health and safety. The company completed the investment guidance and delivered impressive results through consideration, action, determination, and solidarity with other Departments and Departments:

Production Planning

Complete the production plan both in terms of quality and quantity.

With quality as a top priority, the Production Department reviewed the criterion of Quality Assurance and standardized technological processes for all products in collaboration with the Research and Development Department. Positive outcomes include: improving quality of Green

farm fresh milk products using the latest nitrogen-based production technology; and ensuring quality consistency of all Pasteurized Milk, Eating Yogurt, and other products. In addition, the Production Department worked closely with the Research and Development Department and the Marketing Department to improve the quality control of all new products launched in 2022.

ISO 9001, FSSC 22000, Integrated System PAS 99 (including ISO 14001 and ISO 45001), ISO 17025, Halal, ISO 50001, Organic EU, Organic China, and BRC were effectively and consistently maintained throughout all operational stages, factories, and management levels. Furthermore, in 2022, the Production Department completed an assessment of all factories' greenhouse gas emission in accordance with ISO 14064-1 and developed an action plan to reduce greenhouse gas emissions.



Effective cost-controlling

The production costs were effectively managed.

Prices for raw materials, fuels, and facilities increased in 2022, while production scales were reduced, resulting in production losses. The Factories, on the other hand, made every effort to cut costs, with a total savings value estimated at VND 111 billion. The overhead costs were below budget.



Investment

Projects to increase production capacity were completed on time to meet the demands of Sales and Marketing Departments.

Many projects were implemented at the same time by the Production Department to increase the production capacity of sweetened condensed milk and Probi 130ml-HDPE products, as well as a new facility project to apply new technologies to improve the efficiency and quality of production lines of whole soybean milk, skimming milk and butter making, and cheese filling machines. In 2022, the Production Department successfully completed the project



of converting to Slim Leaf Packaging using new technology, resulting in significant packaging cost savings. Furthermore, renewable energy projects were completed, as solar energy from rooftop installations was used for factories. In addition, the Production Department

established a Project Management Team to oversee the implementation of projects approved in the 5-year strategic plan 2022-2026, including Hung Yen Dairy Factory, Moc Chau Hi-Tech Dairy Factory,...

The Production Department and Factories have completed their assigned tasks by the end of 2022, the first year of the 5-year plan 2022-2026. The Production Department will continue to carry out key tasks in 2023:

- ✦ Completing the production plan in both quality and quantity;
- ✦ Research and invest in applying new technologies to improve the quality for mass-produced sterilized fresh milk;
- ✦ Implementing the TPM (Total Productive Maintenance) program; gradually applying digital transformation to have better control over factory operations, ensuring the best control over Quality, Productivity, Cost and Production Planning;
- ✦ Commencing the construction of Hung Yen and Moc Chau factories which will apply advanced technology and high automation, contributing to the Company's increased production capacity and readiness to growing demands of consumers, thus affirming Vinamilk's stature and position in the market.

THE BOARD OF MANAGEMENT'S REPORT IN 2022

MARKETING DEPARTMENT

“

Maintain the leadership position of key products in the market such as Fresh Milk, Eating Yogurt, Drinking Yogurt, Powdered Milk.

”

After the pandemic, the barely-recovered economy immediately encountered many new challenges, especially the high prices of goods and services which reduced purchasing power. Although the dairy industry increased slightly in value due to manufacturers raising selling prices, volume did not increase significantly. Vinamilk's sales and marketing team closely followed the market to understand thoroughly the needs and psychology of consumers, thus implementing many programs to stimulate consumption and contribute to persistent sales growth and leading positions of key products in the market such as Fresh Milk, Eating Yogurt, Drinking Yogurt, Powdered Milk.

More importantly, Vinamilk is constantly innovating to add value to product lines in all segments, from affordable to premium products, in order to meet the market's diverse needs. Thereby, the Company has provided consumers with high-quality nutritional solutions as well as rich and convenient experiences, based on thorough understanding of the Vietnamese's nutritional needs, tastes and behaviors.

The highlights of 2022 include new media campaigns that have left a strong impression on consumers, as well as products with improved quality and a fresher, more premium appearance, resulting in encouraging sales growth of Yogurt, Probi, 100% Fresh Milk, Powdered Milk and Ready-to-drink Milk for Adults. Sure Prevent Gold propositioned “Comprehensive Nutrition, Eat and Sleep Well” with different and unique message from the competitors, resulting in an impressive sales growth. New products such as Powdered Milk Pedia Kenji, Super Nut Milk, Hero fruit milk watermelon flavor, ADM cereal milk initially laid the foundation for VNM to explore potential market segments.

Sure Prevent Gold propositioned “Comprehensive Nutrition, Eat and Sleep Well” with different and unique message from the competitors, resulting in an impressive.

Despite facing many challenges, Vinamilk achieved many valuable awards and certifications in 2022, affirming its leading position in Vietnam and rising reputation in international markets:

According to Kantar's Brand Footprint 2022 report, Vinamilk received three outstanding results:



Top milk brand most chosen by customers

TOP 3

FMCG manufacturers most chosen by consumers

TOP 10

Vinamilk, Ong Tho, Phuong Nam Star, Susu, and Probi being among the top 10 most typical dairy brands

TOP 3

Social campaigns in Vietnam in November 2022 with the Campaign "Golden Choice for Brunch"

TOP 10

Vietnam Social campaigns in July 2022 with the Campaign "Defense System 1170" of Vinamilk Eating Yogurt

TOP 10

Social campaigns Vietnam December 2022 with Ong Tho Condensed Milk's "Museum of the Ages" campaign



Introduced Vinamilk Green Farm model and the "green" value chain at the 15th Global Dairy Conference held in France;



Inspired the public with the story "The 33-year journey to build the love of Dielac milk powder brand" at the Asian Dairy Industry Conference in Singapore



THE BOARD OF MANAGEMENT'S REPORT IN 2022

DOMESTIC SALES DEPARTMENT

“ Focusing on developing sustainable distribution channels. ”

Vinamilk continued to strengthen its brand position in 2022 by focusing on developing sustainable distribution channels in order to improve business performance. This is a solid foundation for the Company to improve the efficiency of distribution channels, gradually restore sales activities in the face of economic fluctuations, declining consumer demand, and increasingly fierce competition. Trade policies are negotiated and adjusted based on market conditions to suit each distribution channel, with the goal of achieving a more sustainable cooperation relationship in which the Company and distributors share long-term goals, interests, and responsibilities. Furthermore, in order to improve performance monitoring, Vinamilk always prioritizes the use of information technology to optimize data management and processing, allowing partners and the Company itself to make decisions quickly and accurately in the midst of market fluctuations.

Vinamilk has implemented such key aspects including:

Traditional channels

Trade policies are implemented to balance the mutual benefits and optimize the number of points of sale. The Company has reviewed the low-performing points of sale, thereby streamlining the distribution

Modern channels

Following a period of rapid growth during the first two years of the pandemic, supermarket chains and convenience stores showed signs of more stable growth in 2022. The distribution network in modern channels has been significantly expanded, with nearly 8,000 points of sale. This is due to the efforts of the market development team in maintaining close relationships with partners as well as developing competitive and sustainable trade policies for these distribution channels

E-commerce channels and Key Accounts

had positive growth of more than 30% and 10%, respectively, as a result of timely investment in digital platforms to keep up with online shopping trends and the recovery of dine-in service, tourism, aviation, and other industries. With successful product quality improvements in 2022, the Vinamilk brand is also gradually entering well-known coffee and restaurant chains in major cities, consolidating a diverse customer base in special customer groups.

Vinamilk store

Chain had nearly 650 stores by the end of 2022, with the number of new openings thoroughly calculated to optimize operational efficiency in the face of challenging economic conditions.

THE BOARD OF MANAGEMENT'S REPORT IN 2022

INTERNATIONAL SALES
DEPARTMENT

DIRECT EXPORT

“

Overcoming challenges with customers, maintaining traditional markets and seizing new opportunities.

”

Vinamilk's export activities in 2022 faced numerous challenges. Due to political unrest, inflation, and recession, consumer demand fell while inventories rose in export markets. Vinamilk responded proactively with a series of flexible support initiatives, adapting to access alternative export opportunities and improving the work of building long-term customer relationships. As a result, over 3,300 containers of products were exported during the period, allowing the Company to maintain traditional markets while catching up with new export opportunities.

OVER
3,300
CONTAINER
OF PRODUCTS

were exported
in 2022



Vinamilk focused on trade promotion activities throughout 2022, making a presence at international food fairs and exhibitions to introduce national products to the world. Vinamilk was the only dairy enterprise in the Vietnam - Foods of Vietnam pavilion at Gulfood Dubai 2022, the world's largest agricultural trade fair. Many signature Vinamilk products were also on display at the Foodex Japan fair, including the legendary Ong Tho sweetened condensed milk, various vegetable

milks, and the latest condensed coconut milk product.

In addition to exporting its branded products, Vinamilk seized opportunities for export processing at specialized outsourcing fairs, with the goal of expanding customer bases, new markets, and access to the latest manufacturing and packaging technologies for high-end markets with stringent requirements such as the US, Canada, Japan, Korea, Australia, and New Zealand.

Vinamilk anticipates and grabs the opportunities for export cooperation, overcoming customer difficulties, and developing business activities in international markets. Vinamilk therefore aims to maintain Vietnam's national brand in the international market. In 2022, Vinamilk was honored as a prestigious exporter for the sixth time, thanks to relentless efforts in export activities.

VINAMILK WAS THE ONLY DAIRY ENTERPRISE

in the Vietnam - Foods of Vietnam pavilion at Gulfood Dubai 2022, the world's largest agricultural trade fair.

IN 2022

Vinamilk was honored as a
A PRESTIGIOUS EXPORTER

6th



THE BOARD OF MANAGEMENT'S REPORT IN 2022

INTERNATIONAL SALES
DEPARTMENT

OVERSEAS SUBSIDIARIES

Driftwood

In 2022, Driftwood's operations were affected by the general difficulties of the US economy following the Covid-19 pandemic. The main sales channel, the school system, gradually recovered, though still at a lower output than pre-pandemic levels. At the same time, raw materials, gasoline, and labor costs were still on the rise and unpredictable.

In that situation, Driftwood actively developed other sales channels to compensate for the school-based one, resulting in revenue growing 31% over the previous year. Driftwood also focused on controlling production and operation

activities to reduce costs and improve efficiency. In addition, sales of imported products from Vinamilk was still maintained, although transportation costs to the US skyrocketed in the first quarters of the year. In 2023, as transportation costs stabilize, Southern Star condensed milk export revenue is expected to grow further. Driftwood is also working with partners to seek new opportunities for Vinamilk's products.

2022
REVENUE GROWTH

31% year-on-year





Angkormilk

Angkormilk's 2022 revenue increased 13% year-on-year. Liquid milk, condensed milk, and yogurt continued to maintain their strong performance from previous years and were the primary growth drivers. Furthermore, Angkormilk continuously introduced new

products to meet the diverse needs of Cambodian consumers.

Major business cooperation and PR activities were also recorded in 2022. In July 2022, Angkormilk signed a comprehensive cooperation agreement with Viettel

Cambodia (Metfone) to provide telecommunications services and electronic payment services in Cambodia. In November 2022, Angkormilk attended the Vietnam-Cambodia Trade and Investment Promotion Forum 2022. At the event, Angkormilk presented its business performances and outstanding projects to the Prime Ministers of the two countries. At the same event, the Prime Minister of Vietnam announced the Decision to increase Vinamilk's capital at Angkormilk to invest in a farm project in Cambodia.



Del Monte – Vinamilk Joint Venture

2022 was a challenging year for the Philippines' market as the government tightened closure orders to prevent pandemic spread, the economy suffered from high inflation rates and the peso lost value against the dollar. Despite many difficulties, the joint venture still achieved some positive results, as its presence was prominent in many important points of sale in the three largest islands of the Philippines. Its products had high levels of customer loyalty, indicating great potential once they reach a larger customer base.

strategic partner of Vinamilk, to co-develop marketing and sales programs in the Philippines.

It is expected that in 2023, the joint venture will concentrate resources to boost publicity and reach more customers. In addition, the joint venture will increase customer

In Q4/2022, the joint venture cooperated with FuwaFuwa, a trademark of Sojitz, another



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THE BOARD OF MANAGEMENT'S REPORT IN 2022

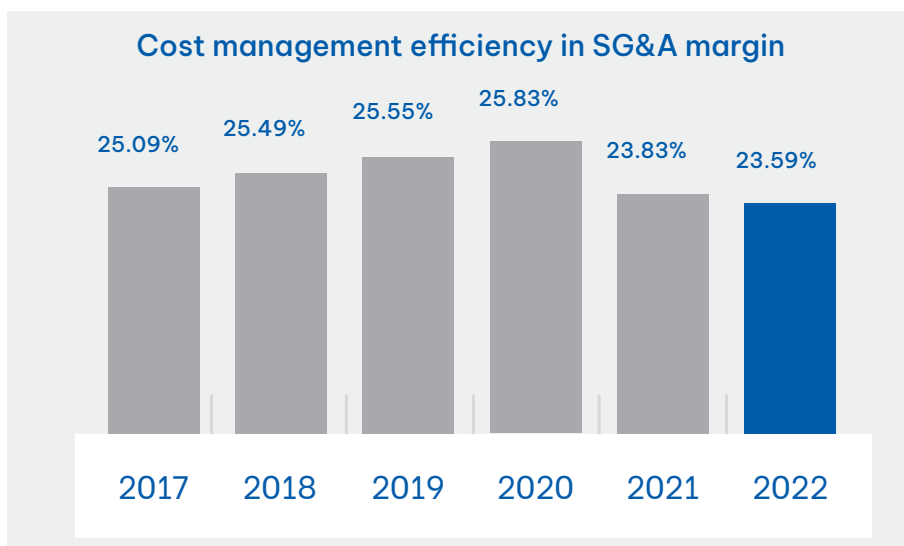
FINANCE DEPARTMENT

“ Continued to perform its functions and duties in financial management and investor relations. ”

The economy was expected to recover in 2022 following the Covid pandemic, but the situation remained difficult and complicated due to rising input material and service prices, as well as declining purchasing power. In this context, the Finance Division continued to perform its functions and duties in financial management and investor relations. The consolidated profit before tax for 2022 reached nearly VND 10,500 billion, completing 88% of the plan.

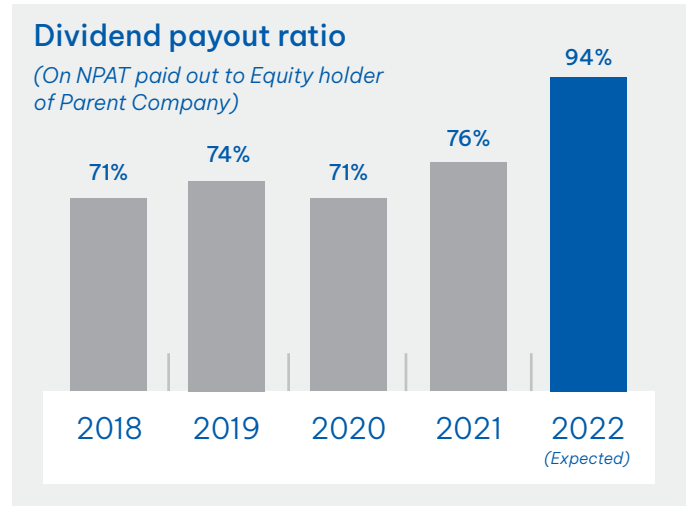
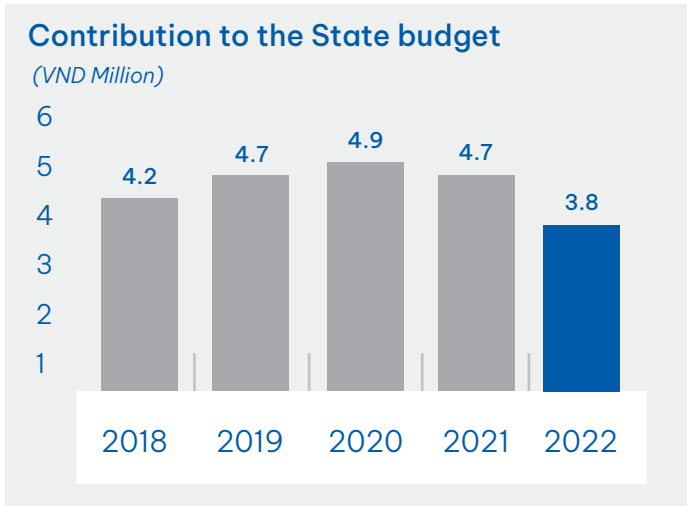
Financial Management

The Finance Division maintains its efficiency in forecasting and preparing financial statements. The financial data provided timely and comprehensively reflects the Company's operation, and closely follows each unit's budget implementation to ensure meeting the business plan. The Finance Division also conducts in-depth analysis and makes recommendations to the CEO and Divisions as a basis for making operational decisions and capitalizing on business opportunities. Furthermore, the Finance Division has developed a strategy for IFRS official application in the Group's financial statement preparation and reporting.



To achieve the Company's goals of revenue and profit, the Finance Division actively coordinates and supports other Divisions and departments in implementing new product launches and product improvements through pricing, as well as budget and performance control of export and trade promotion programs.

In terms of taxes and customs, the Finance Division has swiftly implemented and applied regulations and instructions from competent agencies by strengthening training and supervision in tax declaration and reporting, thereby ensuring the total contribution to the State budget in accordance with the Company's plan.



The Finance Division led and completed key digital transformation projects in 2022. The Hyperion Performance Management (HPM) system, which aids in the storage of budget plan and actual cost data, has been expanding to track financial results to each product SKU. The e-invoice system was also successfully deployed before the deadline of July 1, 2022 for mandatory use of e-invoices as required by Circular 78. As a result, the Company had more time to fine-tune and upgrade technical software to meet the needs of each group of customers and partners. The application for automatically reading and storing electronic invoices was also included in the accounting voucher digitalization project.

Investor Relations

For many years, the Company has successfully held AGMs of the parent company and listed subsidiaries online. The Q&A session at each AGM is recorded in meeting minutes, which are then posted on the Company website, alongside other meeting documents. Shareholders can fully exercise their shareholder rights, including attending the AGMs and voting online. During the meetings, members of the Board of Directors directly communicated with shareholders about the Company’s business strategy and

long-term development orientation. The Investor Relations team keeps shareholders and stakeholders up to date through timely disclosure of important documents and other relevant information, and ensures compliance through direct exchanges and official letters to the State Securities Commission (SSC) and Vietnam Securities Depository (VSD). The Company’s representatives have enthusiastically participated in investor conferences and seminars both at home and abroad in order to connect directly with the market and domestic and international investors in order to present the Company’s development strategies and financial performance. These activities help to give financial investment experts a better understanding of the Company’s operating model and business results while also drawing the market’s attention to Vinamilk’s stock.

Vinamilk has fulfilled its legal obligations as a public company by creating favorable conditions for

Survey results on investor relations activities in 2022



shareholders and stakeholders to access the Company’s information, ensuring consistency as well as transparency in information disclosure. Vinamilk’s investor relations policy encourages shareholders to actively interact with the Company through a variety of forms and means, such as press releases, business results update meetings, external communications, in order to improve communication effectiveness and transparency, and to ensure shareholder rights and equity.

Awards

Vinamilk consistently ranks high in the polls of Listed Companies 2022 and Top 50 Listed Companies in Vietnam. Vinamilk’s Annual Report was named one of the top ten best annual reports, and the Corporate Governance Report was ranked first for two years in a row. These awards recognize Vinamilk’s outstanding efforts to ensure transparency and publicity in order to help investors make informed decisions based on publicly available information about the Company’s performance. The Company maintains high standards of corporate governance and business practices to protect the interests of shareholders, while pursuing sustainable growth in the Vietnamese dairy industry.

THE BOARD OF MANAGEMENT'S REPORT IN 2022

HR DEPARTMENT

“

Improve the working environment toward Innovation and Inspiration.

”

In the context of a rapidly changing environment, Vinamilk recognizes that it is not possible to rely solely on current strengths; we must always be ready to adapt and upgrade. Even in traditional industries, innovation to keep up with the latest trends is an unavoidable requirement. As a result, Vinamilk has established goals and plans to improve the working environment toward Innovation and Inspiration, in which the human factor plays a central role and is also the primary driving force to promote the successful implementation of the approved strategic plans for 2022-2026.

Vinamilk has been implementing the following key aspects:

Employer Reputation

Continuing to promote traditional values while incorporating new trends to bring the best values to the community and society: Be a role model in the implementation of policies on sustainable development, the environment, and social security.

Becoming an appealing workplace where every employee wants to work and which every employee can be proud to be a member of.



Appealing Workplace

Improving the corporate environment's attractiveness in terms of culture, facilities, welfare, and efficiency.

*** Culture**

Respect, openness, cooperation, connection, tolerance of differences, and the promotion of creativity are all aspects of culture. An appealing work environment must be one that can harmonize, connect, and promote the strengths of multiple generations, with Generation Z gradually becoming the key driver of the future.

*** Benefit**

In addition to current good remuneration and welfare policies, Vinamilk aspires to more comprehensive welfare policies on employee care, spiritual values, and work-life balance.

*** Facilities**

The workplace inspires and reflects the organization and people of Vinamilk. Our main strengths are beauty, convenience, modernity, and technology.

Aside from working conditions, utilities for physical and mental health care are a critical component of the facility upgrade project.

*** Efficiency**

Vinamilk, as a large-scale organization, aims to promote operational efficiency through knowledge and the application of technological power. This promotes the speed and flexibility of operation mechanisms while still meeting administrative practice requirements, allowing employees to be better equipped and optimize their time for higher-value creating jobs.



Value sharing

Vinamilk will continue to promote community activities and integrate aspects of sustainable development into the Company's development strategy as an organization with a tradition of caring for the community and implementing social support programs.

Communication with the public, as well as encouraging and facilitating employees' participation in community activities, will be prioritized in order to convey positive messages to each employee and to foster cohesion, love, and loyalty to the Company in creating values for society.

Professional Development

Employee capacity development will be linked to organizational innovation and capability expansion.

Identifying critical competencies to add and facilitating development plans for employees to respond to new trends and requirements are both critical components of Vinamilk's HR development strategy in the coming years.

Opportunities will always be available to those who are willing to seize them.