



VINAMILK





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CHAIRWOMAN'S MESSAGE

2014 MARKED A FOUNDATION FOR VINAMILK'S DEVELOPMENT IN A NEW PERIOD: AIMING TO PRODUCT PERFECTION AND CUSTOMER CARE – DEVELOPING DAIRY FARMS IN BOTH SCALE AND QUALITY – EXPANDING BUSINESS OPERATION ABROAD.

DEAR ALL,

2014 marked great efforts of Vinamilk among difficulties in macroeconomy, fluctuations in prices, unrecovered purchasing power, and more strictly tightened legal regulations. However, sustainable development is always a priority in our orientation – development of enterprise always accompanies society development and life improvement.

Among those difficulties and challenges, Vinamilk still maintained stable development, gained achievements and brought benefits to stakeholders. That success came from the activeness, intelligence, assertiveness, and creativity of all staffs in combination with the application of advanced governance and risk management models. The valuable support from Shareholders, Customers, and Partners, especially the trust from consumers in Vinamilk products are essential factors contributing to the Company's success. The development of Vinamilk is attached to your collaboration and your development.

2014 marked a foundation for Vinamilk's development in a new period: Aiming to product perfection and customer care –

Developing dairy farms in both scale and quality – Expanding business operation abroad. All of them are based on a sustainable development strategy in respects of improving human resource, enhancing supply chain value, creating products and protecting environment. They are our foci in development strategy in the future and also the contents of Sustainable Development Report 2014, including 3 major issues: **Environment & Energy – Economy – Society**.

I strongly believe that, with positive signs in 2015 together with appropriate preparation for new trends, not only Vinamilk but also we all will continue going far sustainably.

Thanks & Regards,

On behalf of the Board of Management

Mai Kieu Lien

Chairman and Chief Executive Officer



CORPORATE PROFILE

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- 10 Highlights on business areas, products and market
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VINAMILK

SỮA VIỆT XÚNG TẦM THẾ GIỚI

SỮA Tươi
100m³

SỮA Tươi
100m³



CORPORATE HISTORY

Our Company was founded under the name of Southern Coffee-Dairy Company, a subsidiary of the Food General Directorate and had two factories in operation, namely Thong Nhat Dairy Factory and Truong Tho Dairy Factory.

The Company had more factories: Bich Chi Powder Factory, Lubico Cake Factory and Bien Hoa Coffee Factory.

The Company was transferred to the Ministry of Food Industry and the Company was renamed United Enterprises of Milk Coffee Cookies and Candies I.

Dielac Powdered Milk Factory came into operation and introduced its first batch of products to the market in Vietnam.

The "white revolution" started the development of fresh milk. The first time we launched UHT milk products and yoghurt to the Vietnam market.

The United Enterprises of Milk Coffee Cookies and Candies I was formally renamed Vietnam Dairy Company and came under the direct management of the Ministry of Light Industry.

In the expansion plan to meet the market demand in the North, the Company built the Hanoi Dairy Factory.

On October 7th 1994, the sales office was opened and responsible for sales activities in the North provinces.

Binh Dinh Dairy Joint Venture Enterprise was founded as the result of our Joint Venture with Quy Nhon Frozen Joint Stock Company. Ha Noi Dairy Factory came into operation.

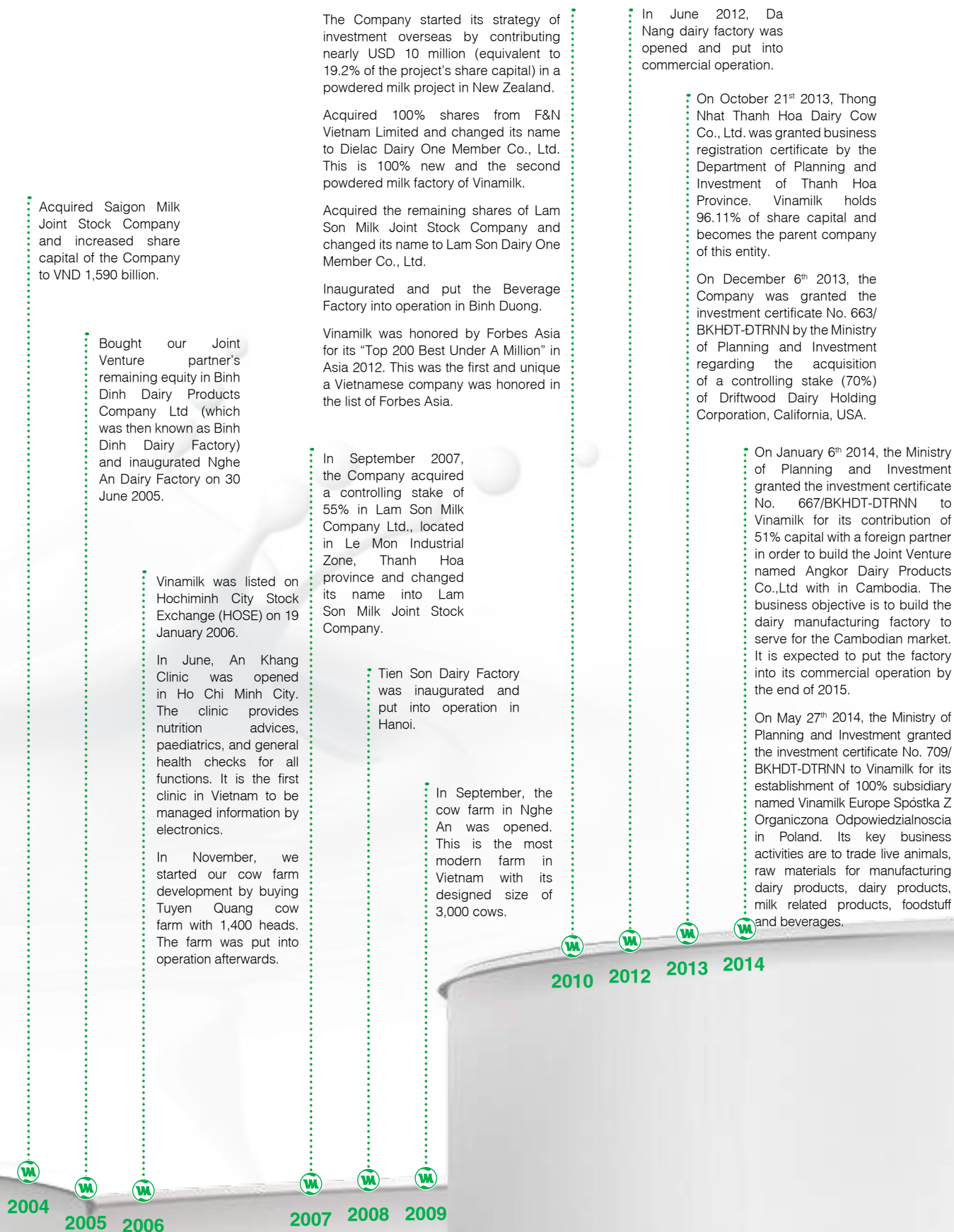
In May 1996, Da Nang sales office was opened and responsible for sales activities in the central provinces.

Can Tho sales office was opened in order to develop sales activities in the Mekong delta provinces.

Can Tho Dairy Factory was inaugurated and put into operation in the Mekong Delta.

The Company was formally transformed into a Joint Stock company in November 2003 and renamed as Vietnam Dairy Products Joint Stock Co., to reflect its change in legal status.







HIGHLIGHTS ON BUSINESS AREAS, PRODUCTS AND MARKET

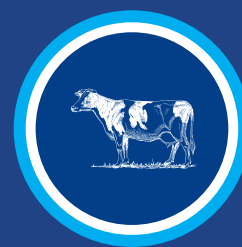
PRINCIPAL BUSINESS ACTIVITIES



Producing, trading milk and dairy products



Producing and trading beverage



Breeding dairy cows, producing fresh milk material (in 100% capital owned companies)

MAIN PRODUCTS

- ◆ Powdered milk and nutrition powder: Dielac, Ridielac.
- ◆ Condensed milk: Longevity Milk, Southern Star.
- ◆ Liquid milk: Vinamilk 100% Flex, ADM.
- ◆ Yoghurt, ice-cream, cheese: Vinamilk yoghurt – Ice-cream – Cheese; Susu, Probi, and ProBeauty yoghurt
- ◆ Soy milk and beverage: GoldSoy milk, Vfresh, Icy.

MAIN MARKET

- ◆ Vinamilk products mainly serve Vietnam market with all lines of product. Domestic market takes account of 90% of Vinamilk's total revenue.
- ◆ For foreign market, the main markets of Vinamilk are Middle-East area, South-East Asia, and Africa. Main exported products are powdered milk and condensed milk. In 2014, export revenue made up 10% Vinamilk's total revenue.



VINAMILK'S DISTRIBUTION NETWORK IS RATED AS STRONG AND WIDE NETWORK ALL OVER THE COUNTRY WHICH HELP THE CONSUMERS APPROACH THE PRODUCTS IN A CONVENIENT, FAST WAY AND BEST CONDITIONS.



DISTRIBUTION NETWORK AND CUSTOMERS

In Vietnam market:

Vinamilk's distribution network is rated as strong and wide network all over the country which help the consumers approach the products in a convenient, fast way and best conditions.

Vinamilk products come to customers through the system of distribution partners and direct distribution channel of Vinamilk:

- ◆ Distribution partner system (General Trade Channel – GT): By the end of 2014, Vinamilk had totally 268 distributors (2013: 266 distributors) and about 215,000 retail outlets (2013: 224,000 retail outlets).
- ◆ Nationwide chain of supermarkets (Modern Trade Channel - MT): Vinamilk is directly dealing with over 650 supermarkets across the country.
- ◆ Vinamilk showrooms: Vinamilk has set up a showroom system in charge of introducing and selling Vinamilk's product, including 74 showrooms across the country. Expect to reach 110 showrooms in 2015 and 500 showrooms in 2017
- ◆ Direct distribution to factories, schools, and entertainment sites (KA Channel).

In foreign market, Vinamilk's customers are distributors.

268

Distributors

650

Nationwide chain of supermarkets

74

Vinamilk showrooms

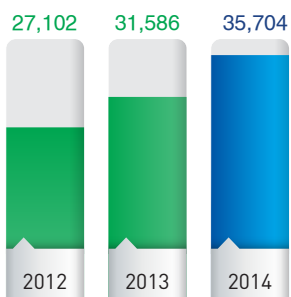


SCALE OF VINAMILK

BUSINESS PERFORMANCE INDICATORS:

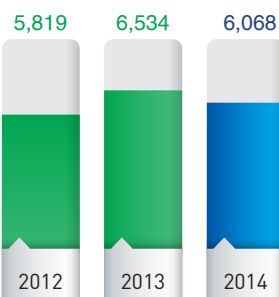
REVENUE

35,704 VND BILLION



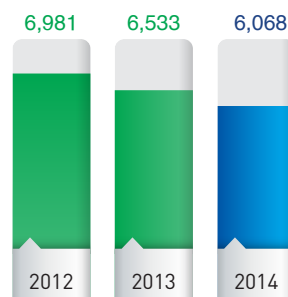
PROFIT AFTER TAX

6,068 VND BILLION

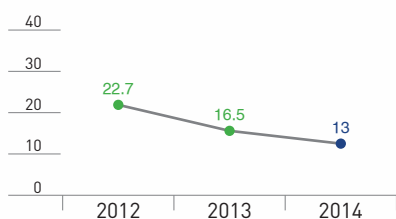


EARNING PER SHARE

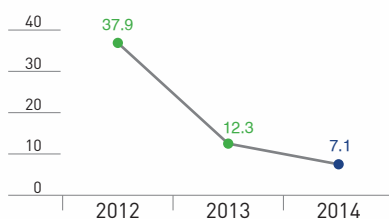
6,068 VND



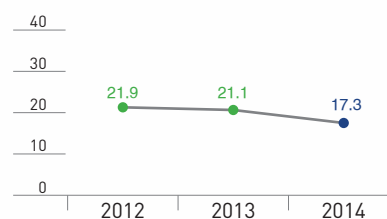
Sale growth rate (%)



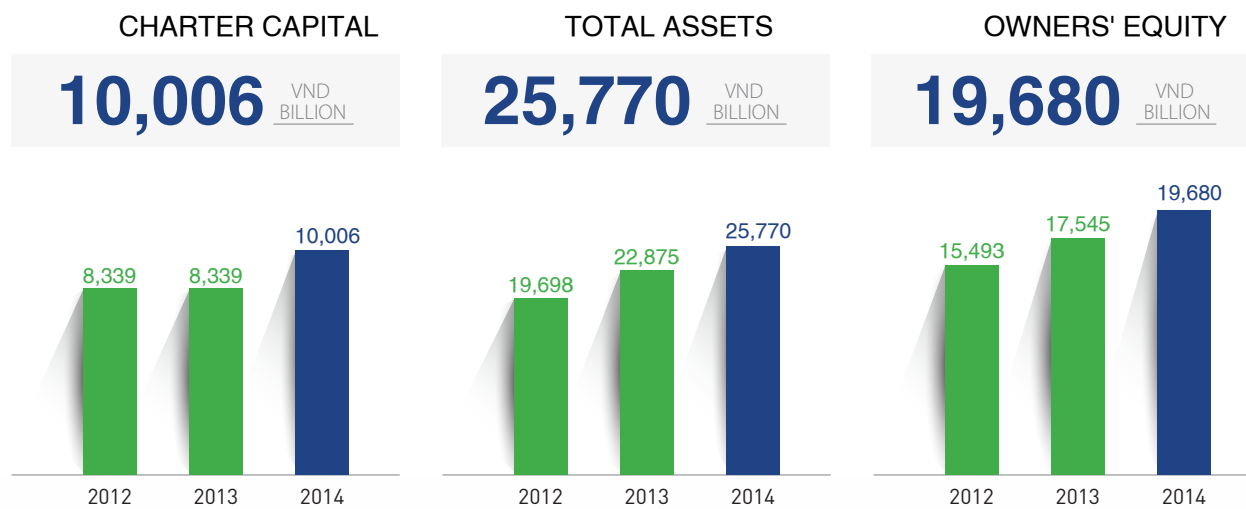
Profit after tax growth rate (%)



Profit margin (%)



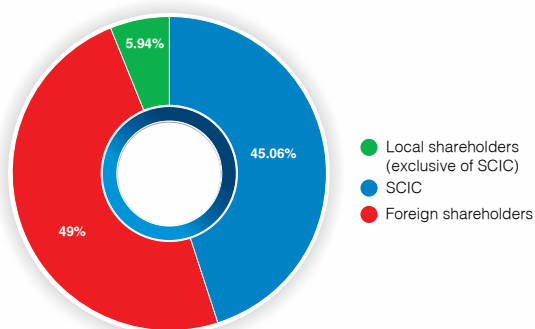
OPERATION SCALE INDEX



SHARE CAPITAL STRUCTURE OF VINAMILK AT THE END OF 2014 IS AS FOLLOWS:

At present, Vinamilk has nearly 11,300 shareholders, in which:

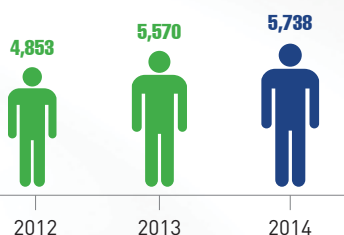
- Organizations: holding 94.41% of share capital.
- Individuals: holding 5.59% of share capital.



SCALE OF EMPLOYEES

NUMBER OF
OFFICIAL EMPLOYEES (*)

5,738 EMPLOYEES



(*) This number includes the employees of Vinamilk and of two subsidiaries, i.e. Lam Son Dairy One-member Co., Ltd. and Vietnam Dairy Cow One-member Co., Ltd. and exclude the employees of subsidiaries that were established at the end of 2013, i.e. Thong Nhat Thanh Hoa Dairy Cow One-member Co., Ltd., Driftwood Dairy Holding Corporation and Angkor Dairy Products.



ORGANIZATION STRUCTURE AND OPERATING UNITS

STRUCTURE OF VINAMILK INCLUDES:

HEAD OFFICE



at 10 Tan Trao, Tan Phu Ward, District 7, HCMC.

02



Logistics enterprises in Ha Noi and HCMC.

03



Sales offices in Ha Noi, Da Nang, and Can Tho.

12



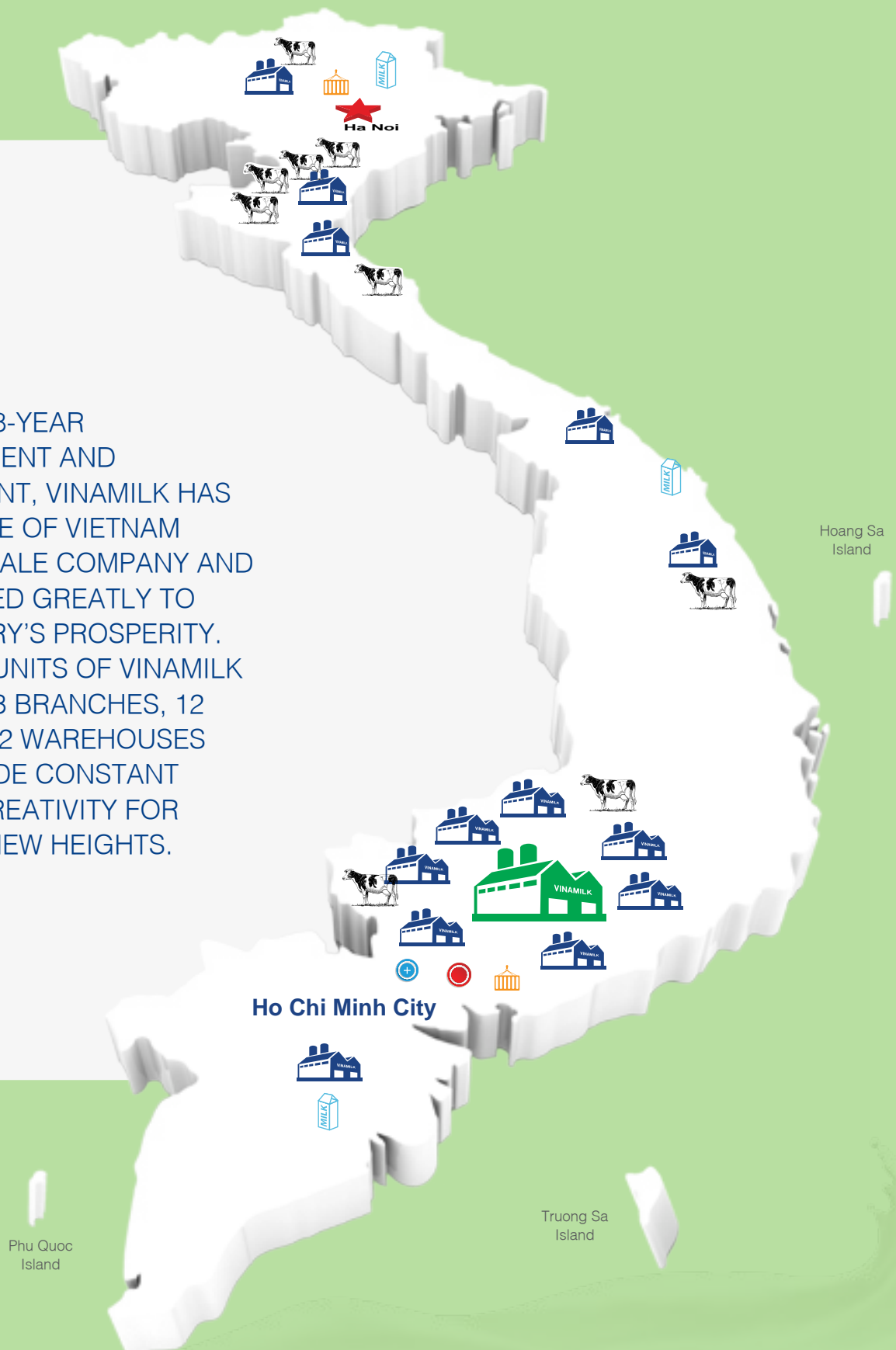
Factories in operation.

01



Health care clinic in HCMC.

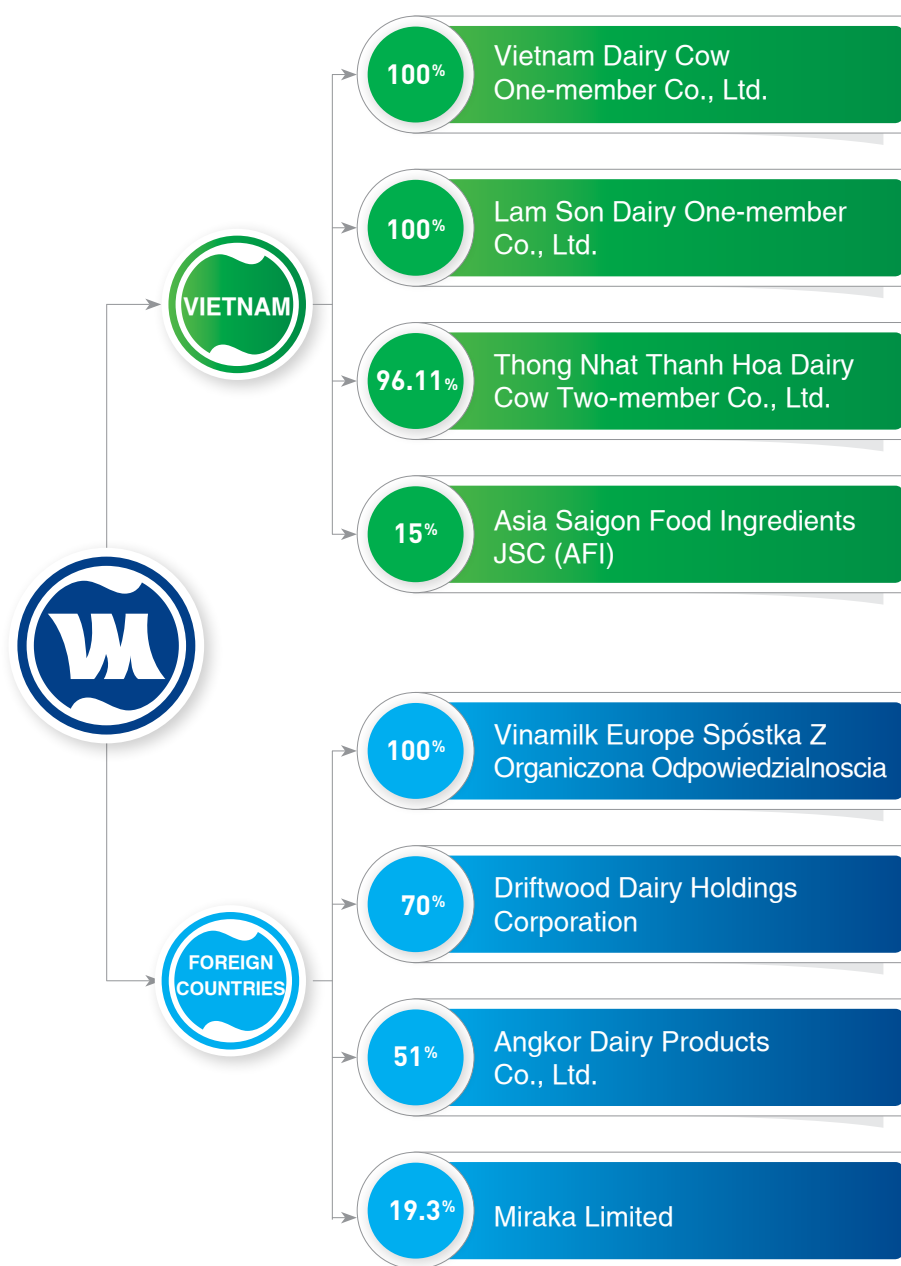
THROUGH 38-YEAR ESTABLISHMENT AND DEVELOPMENT, VINAMILK HAS BECOME ONE OF VIETNAM LARGEST SCALE COMPANY AND CONTRIBUTED GREATLY TO THE COUNTRY'S PROSPERITY. AFFILIATED UNITS OF VINAMILK INCLUDING 3 BRANCHES, 12 FACTORIES, 2 WAREHOUSES ALWAYS MADE CONSTANT EFFORTS, CREATIVITY FOR REACHING NEW HEIGHTS.



ORGANIZATION STRUCTURE AND OPERATING UNITS (CONTINUED)

SUBSIDIARIES & ASSOCIATES

IN 2014, VINAMILK
HAD 6 SUBSIDIARIES
AND 2 ASSOCIATED
COMPANIES.



On February 24th 2014, the Board of Management announced decision on dissolution of International Real Estate One-member Co., Ltd. (a subsidiary). Dissolution procedures were completed in January 2015.

On May 27th 2014, Vinamilk was granted Investment certificate No. 709/BKHĐT-ĐTRNN by the Ministry of Planning and Investment to contribute 100% capital to establish a subsidiary named Vinamilk Europe Spółka Z Organiczną Odpowiedzialnością in Poland. Main business operations of this company are to trade in live animals, raw milk, milk, dairy products, food and beverages.

Accordingly, at the end of 2014, Vinamilk had totally 6 subsidiaries and 2 associates:

SUBSIDIARIES

No.	Name	Business activities	Charter capital (VND billion)	Vinamilk's ownership rate
1	Vietnam Dairy Cow One-member Co., Ltd.	Breeding dairy cows and producing fresh milk material	1,550	100%
2	Lam Son Dairy One-member Co., Ltd.	Producing and trading dairy products	780	100%
3	Vinamilk Europe Spółka Z Organiczną Odpowiedzialnością	Trading live animals, raw materials for manufacturing dairy products, dairy products, milk related products, foodstuff and beverages	USD3 million	100%
4	Thong Nhat Thanh Hoa Dairy Cow Two-member Co., Ltd.	Breeding dairy cows and producing fresh milk material	600	96.11%
5	Angkor Dairy Products Co., Ltd.	Producing and trading dairy products	USD20.01 million	51%
6	Driftwood Dairy Holdings Corporation	Producing and trading dairy products	USD7 million	70%

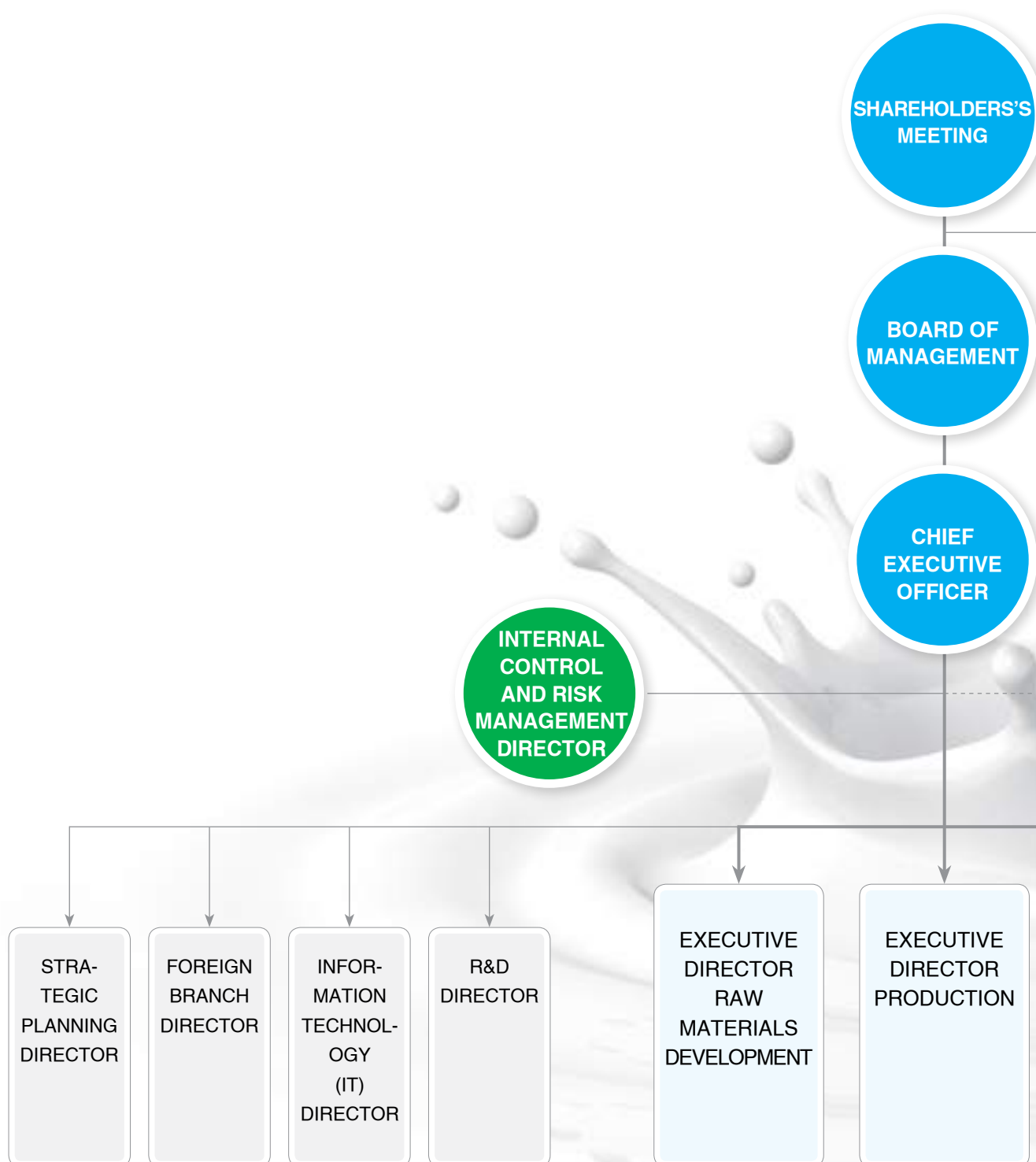
ASSOCIATES (*)

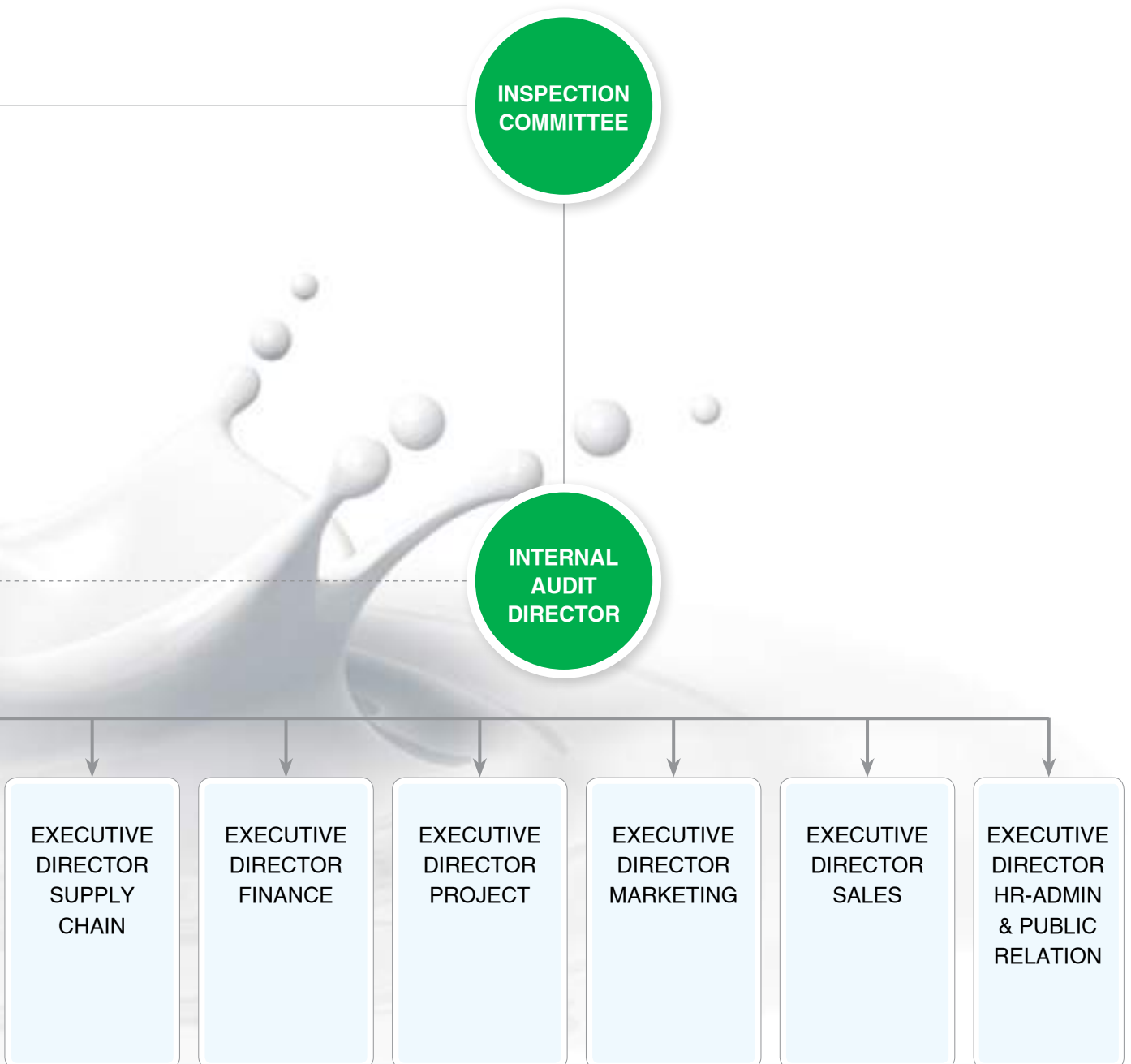
No.	Name	Business activities	Charter capital (VND billion)	Vinamilk's ownership rate
1	Asia Saigon Food Ingredients JSC (AFI)	Producing cream powder used for food	120	15%
2	Miraka Limited	Producing and trading dairy products	NZD55 million	19.3%

(*) Based on the presence of Vinamilk's representative in Board of Management of associates.



ORGANIZATION CHART









SUSTAINABLE DEVELOPMENT CONSOLIDATION OF CORPORATE GOVERNANCE

- 22 Board of management structure and members
- 26 Activities of sustainable development
- 26 The mechanism of receiving recommendations from stakeholders
- 28 Vision, Mission, Core Values - Code of Conduct
- 30 Award and achievements up to now



BOARD OF MANAGEMENT

STRUCTURE AND MEMBERS**NUMBER AND STRUCTURE OF MEMBERS**

The changes of the BOM during the year were as follows:

- ♦ The Company's AGM Resolution, dated April 25th 2014, approved Mr Ng Jui Sia to become a BOM member for the office term 2012-2016. He is the representative of the major shareholder F&N Dairy Investments Pte Ltd, and is assigned the Board member in replacement to Mr. Pascal De Petrini, who resigned from the position of Board member since May 23rd 2013.
- ♦ The BOM has approved the resignation of Mr. Ha Van Tham as a member of BOM of Vinamilk since March 11th 2014.

The BOM currently has 06 members consists of 3 female and 3 male members.

	2013	2014
Number of members:	7	6
Gender classification:		
+ Female members	3	3
+ Male members	4	3
Executive/Independent:		
+ Executive members (*)	2	2
+ Independent members	2	1

(*) Members of the Board of Management concurrently held the executive position as a CEO and CFO. Ms Mai Kieu Lien held the position as Chairwoman cum CEO of Vinamilk. This was approved by the AGM annually.



THE SUBCOMMITTEES BOM

Continue the work of 2013, the BOM in 2014 includes 4 subcommittees:

No.	Subcommittee	Key function	Number of members	Change compared to 2013
1	Subcommittee of Development Policy	Determine and orient development strategies, objectives and plans. Establish long-term management and development orientations for the Company.	4	Unchanged
2	Subcommittee of Risk Management	Orient and develop risk management activities in the level of BOM. Instruct and supervise activities of the Risk Management Council to ensure a strong and effective risk management system for the Company.	3	Short of 1 member due to resignation
3	Subcommittee of Human Resource	Manage personnel issues concerning members of the BOM and the executive apparatus: Initiate, assess scale and component of the BOM; recommend appointment, dismissal of BOM's members, Chief Executive Officer, and senior managers; build up human resources development plan.	2	Short of 1 member due to resignation
4	Subcommittee of Remuneration and bonus	Establish policies on salary, reward, allowance and other benefits for members of the BOM and the executive apparatus; Counsel CEO in building policies about salary, reward, and income of the company.	3	Unchanged

BOARD OF MANAGEMENT STRUCTURE AND MEMBERS (continued)

STRATEGY AND DEVELOPMENT COMMITTEE



MR. LE SONG LAI
Chairman



MS. MAI KIEU LIEN
Member



MS. NGO THI THU TRANG
Member



MS. LE THI BANG TAM
Member

RISK MANAGEMENT COMMITTEE



MR. LE ANH MINH
Chairman



MR. NG JUI SIA
Member



MS. NGO THI THU TRANG
Member

NOMINATING COMMITTEE



MS. MAI KIEU LIEN
Member



MR. LE SONG LAI
Member

ALLOWANCE COMMITTEE



MS. LE THI BANG TAM
Chairwoman



MR. NG JUI SIA
Member



MR. LE ANH MINH
Member



ACTIVITIES OF SUSTAINABLE DEVELOPMENT

IN 2014, VINAMILK CONTINUE MAINTAINING
OUR ACTIVITIES/PROGRAMS RELATED
TO SUSTAINABLE DEVELOPMENT, INCLUDING:



THE MECHANISM OF RECEIVING RECOMMENDATIONS FROM STAKEHOLDERS

TO SHAREHOLDERS

IN 2014, VINAMILK
WELCOMED OVER
148 INVESTORS AT
OUR HEAD OFFICE
AND VIA TELEPHONE
FOR THE PURPOSES
OF LEARNING ABOUT
AND UPDATING
OUR BUSINESS
SITUATION.
VINAMILK ALSO
ORGANIZED OVER
18 VISITS FOR OVER
250 INVESTORS,
SHAREHOLDERS,
AND STUDENTS
FROM USA TO OUR
FACTORIES.

Shareholders are the important related party of the Company. The relationship between Vinamilk and shareholders is being paid special attention. Vinamilk has established an Investor Relation Department to be responsible for establishing and maintaining the relations as well as receiving opinions and recommendations from shareholders. Besides, this is an information channel to contact potential investors. This is an important communication channel to enable Vinamilk to approach to the expectations and concerns from stakeholders for the Company. Vinamilk's investor relations function is very flexible and to create the most favourable conditions for the investors to get update on the Company's operations through:

1. Attending the Annual General Meeting of Shareholders
2. Visiting our head office directly.
3. Investor relation personnel can discuss with investors through telephone, teleconference
4. Responding to investors' queries via email
5. Responding to investors' queries through Q&A on our website at <http://www.vinamilk.com.vn/?vnm=FAQ>
6. Investor relation personnel can attend investment seminars organized by securities companies, institutional funds

In 2014, Vinamilk welcomed over 148 investors at our head office and via telephone for the purposes of learning about and updating our business situation. Vinamilk also organized over 18 visits for over 250 investors, shareholders, and students from USA to our factories.

- ◆ Implementing environment protection goal, deploying energy saving programs, using clean energies, and developing dairy farms aiming to Global G.A.P certificate.
- ◆ Continuing maintaining an effective working environment with appropriate preferential regimes and talent attraction. Deploying big programs related to human resource such as Management Trainee, Succession Planning, etc.
- ◆ Attending in seminars about sustainable development organized by professional organizations, researching and applying G4 for Sustainable Development Report 2014.



All opinions and recommendations from shareholders will be consolidated, analysed and reported to the Chief Executive Officer. The Chief Executive Officer will consider and propose the BOM the contents under its jurisdiction.

EMPLOYEES

The information channels between Vinamilk and its employees take various forms. Employees can contribute their opinions to the Company periodically or regularly by:

- ◆ Proposing their opinions and recommendations every six months within the consideration period of the managers.
- ◆ Giving opinions in employee

surveys (at least once a year).

- ◆ Sending their opinions directly to the company's email address: vinamilk@vinamilk.com.vn.

Besides, in delicate cases or if the employees want to keep their information confidential, they can contact the Compliance Department by email (compliance@vinamilk.com.vn) or by phone calls.





VISION – MISSION

CORE VALUES - CODE OF CONDUCT

Together with the Company's development, the BOM has reviewed long-term development orientation, vision and mission of the Company in the new era. Accordingly, vision and mission of the Company have been oriented as follows:

- ◆ Expanding operation scope of the Company comparably the world class.
- ◆ Affirming the Company's responsibilities to consumers, human's health and community.

Vision



To become a world grade brand in food and beverage industry, where people put all their trust in nutrient and health products.

Mission

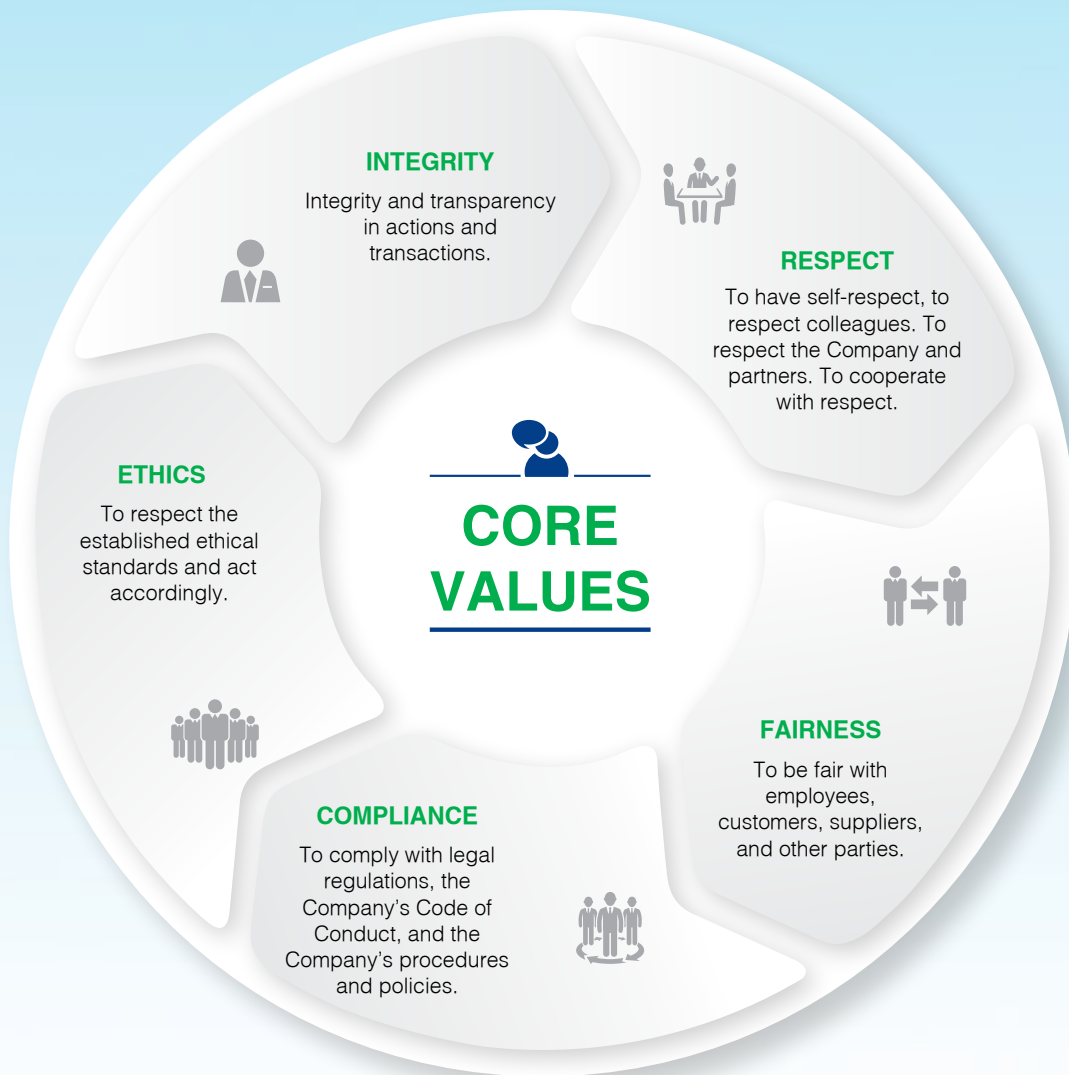







To deliver the most valuable nutrition to community with our respect, love and responsibility.

CORE VALUES – CODE OF CONDUCT

Core values according to Vinamilk's Code of Conduct continue to be asserted the lodestar in orientation for all activities of the Company. In 2014, Vinamilk also had practical activities to increase the application of these values to the actual operation. In particular, the key activities were focused on increasing the transparency in the transactions between Vinamilk and partners:

- ◆ Apply and control the procurement of goods, bids to enhance the transparency and efficiency.
- ◆ Implementing mechanism of declaration and assessment on interest conflict in the transactions.



RESPONSIBILITIES	SUSTAINABLE DEVELOPMENT	CREATIVITY	HUMAN DEVELOPMENT	CUSTOMER IS CENTER
<p>Wholehearted commitment to mission and acting with the highest responsibility are always accompanied by us.</p> 	<p>We do business on the basis of paying attention to long-term interest of customer, shareholders and relevant parties.</p> 	<p>We have high opinion of renovation and creativity in order to improve quality, performance of all operations.</p> 	<p>We attach special importance to all activities related to development of knowledge and competence of employee.</p> 	<p>We always pursue what brings true thing, good thing for customer and keep customer centered principle in every thought and action.</p> 



AWARD AND ACHIEVEMENTS

UP TO NOW

INTERNATIONAL AND REGIONAL AWARDS, TITLES:

Forbes

TOP **50**

Top 50 Asia's Most Powerful Businesswomen

TOP **50**

Top 50 best listed companies in Vietnam

Corporate Governance Asia

Awards on Asia's Best Corporate Governance in 2014



TOP **100**

Top 100 Asian Leading Enterprises in 2014

NIKKEI
ASIAN REVIEW

TOP **100**

Top 100 Asian's Most Excellent Enterprises in 2014



Award on Global Food Industry IUFOST 2014

GLOBAL G.A.P.

05 dairy farms achieved the certificate of International standard GLOBAL G.A.P.



DOMESTIC TITLES, AWARDS

No.	Titles, awards	Organization
1	Ranked the second in Top 500 Vietnamese biggest private companies in 2013	VNR 500 (Vietnam Assessment Report JSC) and Vietnamnet
2	03 Vinamilk plants achieved the environmental award of the City in 2014	People Committee of HCM City and the Department of Natural Resources and Environment of HCM City
3	Certificate "Vinamilk – ONE OF TOP 10 PRESTIGIOUS VIETNAM BRAND 2014"	Centre of Study, Application and Development for Vietnam Brands under Federation of Science and Technology Associates in Vietnam
4	The award of enterprise leaders No.1 of Vietnam (CEO Vinamilk)	The Business Review Magazine
5	Title of high quality Vietnam goods in 18 consecutive years	Enterprise association of high quality Vietnam goods
6	Top 15 Vietnam Strong Brands in 2013	Vietnam Economic Times
7	1 st prize on Annual Report and second prize on sustainable development Report 2013	Hose & Securities Investment newspaper
8	One of 10 Vietnamese highest corporate taxpayers 2014	Vietnam Assessment Report JSC
9	Vietnam Leading Brand - Global GTA	Economic Research Institute
10	Top 100 Brands of Trust and Consumption	Vietnam Economic Times
11	National Brand 2014 (consecutive 3 rd time)	Department of Trade Promotion - Ministry of Industry and Trade
12	Top Vietnam Best company 2014-Top Vietnam enterprises achieved the best indicator of operational capability in 2014	VCCI and enterprise forum newspaper
13	Typical equalization unit	Investment newspaper & Vietnam AVM
14	Typical M & A deal 2013 – 2014	Investment newspaper & Vietnam AVM
15	Top 50 Vietnam's most effective Companies (3 consecutive years: 2011 - 2013)	The Business Review Magazine



THE INFORMATION ABOUT THE 2014 REPORT



2014 SUSTAINABLE DEVELOPMENT REPORT OVERVIEW

Sustainable Development Report 2014 was prepared separately, apart from Annual Report. In this report, Vinamilk continued focusing on sustainable development issues, including 03 main contents: Economy – Environment and Society. The 2014 report was made with reference to guidelines of Global Reporting Initiative (GRI) - G4.

Information about the report

- ◆ Report period: This report was made for the year ending on December 31st 2014 (the same year as the 2014 Annual Report).
- ◆ The Sustainable Development Report will be made every year.

SCOPE OF THE REPORT

Scope of reporting units

This report was made for the operation scope of:

- ◆ Vinamilk.
- ◆ Vietnam Dairy Cow One Member Co., Ltd. Including 4 farms
- ◆ Lam Son Dairy One Member Co., Ltd. including 1 factory and 1 farm

Therefore, in this report, number of factories and farms will be 13 factories and 5 farms.

Scope of operating fields

This report was made within Vietnamese territory in the fields of producing and trading milk and beverage; breeding cows at farms.

Limits of the report scope

This report excluded the operations of:

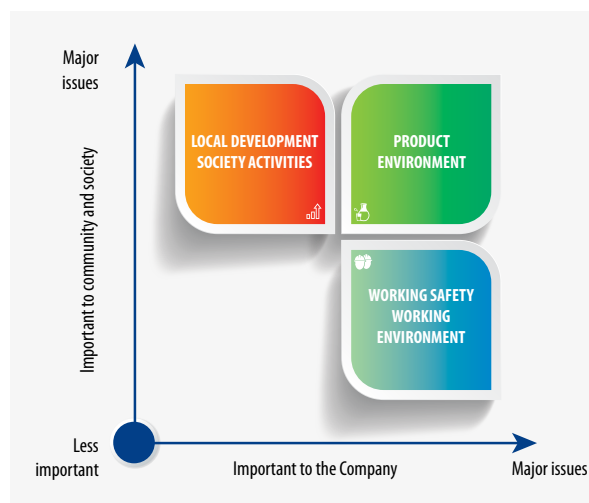
- ◆ International Real Estate One Member Co., Ltd. has completed the dissolution in January, 2015
- ◆ An Khang Clinic: health care clinic service has characteristics different from principal business activities and does not take up the considerable proportion in the operation of Vinamilk
- ◆ Thong Nhat Thanh Hoa Dairy Cow Co., Ltd: The company is in progress of building up facilities and restructuring.
- ◆ Angkor Dairy Products Co., Ltd: is in the progress of construction.
- ◆ Driftwood Dairy Holding Corporation: is in setup phase of statistical mechanism and data classification.

METHOD TO DETERMINE THE REPORT CONTENTS

Contents on sustainable development are defined by Vinamilk based on the interest level of the company and stakeholders. The interest of concerned parties is acknowledged and evaluated in terms of priority by Vinamilk via the below information channels:

- ◆ Shareholders: Through opinions of the members of the BOM who represent major shareholders and opinions recorded in Shareholder relation activities.

- ◆ Customers and consumers: results of customer and consumer surveys and opinions received through consulting and customer services.
- ◆ Employees: results of employee surveys and other opinion receiving channels.
- ◆ Local authorities: while working in investment projects and operating in the local areas.



Information is analyzed and evaluated based on the standards:

- ◆ Important level to the Company
- ◆ Important level to community and society

The information will be evaluated the important level between the important level to the Company and to community, society.

APPLIED STANDARDS

This report was established based on Instructions for Submission of Sustainable Development Report released by State Security Commission of Vietnam in association with IFC (International Finance Corporation).

The report was made with reference to guidelines of Global Reporting Initiative (GRI), Guidelines 4 Content Index - Food Processing Sector Supplement.

CONTACT INFORMATION ABOUT THE REPORT

Any comments and contributions to the report or related questions can be posted directly on the website of Vinamilk in FAQ section (<http://www.vinamilk.com.vn/?vnm=FAQ>) or sent via e-mail to the department in charge of Sustainable Development Program.

THE INFORMATION ABOUT THE 2014 REPORT (continued)

PERSONNEL IN CHARGE OF SUSTAINABLE DEVELOPMENT PROGRAM

CEO directs the program and the participants include:

WORKING ENVIRONMENT – PUBLIC AND SOCIAL ACTIVITIES

MS. BUI THI HUONG

Executive Director of HR – Admin & Public Relation,
email: bthuong@vinamilk.com.vn

in charge of general management.

MS. VU BICH NGHIA

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in charge of public and social activities.

PRODUCT – ENVIRONMENT & ENERGY

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MR. NGUYEN QUOC PHONG

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in charge of deploying activities related to environment management and energy conservation.

MR. HA VAN THUAN

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in charge of deploying activities related to environment management and energy conservation in dairy farms.

COORDINATION AND REPORT PREPARATION TEAM

In charge of coordinating and consolidating programs and report preparation, including the following members:

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COMMITMENT TO STAKEHOLDERS



TO CONSUMERS

- ◆ Diversify products; facilitate customers optimally in selection and approach to products.
- ◆ Create new things and increase product value to benefit nutrition and human health.
- ◆ Create products at reasonable price.



TO THE SHAREHOLDERS

- ◆ Guarantee a safe investment, interests for the shareholders sustainably.



TO THE STATE

- ◆ Comply with the State policies and regulations in the fields operated.
- ◆ Comply with and fulfil tax obligations sufficiently and promptly.



TO EMPLOYEES

- ◆ Create satisfaction in environment, safety, health, and income for employees.



TO PARTNERS

- ◆ Collaborate and develop on the basis of mutual benefit, transparency, and social responsibility.



TO COMMUNITY

- ◆ To be responsible, share values and jointly develop community.

GOOD ENVIRONMENT LIFE

Quoted from "Environment Policy" of Vinamilk.

ENVIRONMENT - ENERGY

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IN VIETNAM, VINAMILK MAINTAINS A PRODUCTION SYSTEM INCLUDING 13 FACTORIES AND 5 DAIRY FARMS, OF WHICH THE OPERATION REQUIRES A LARGE AMOUNT OF POWER (FUEL, ELECTRICITY, ETC.) AND WATER AND CREATES A LOT OF WASTE. THIS IS THE REASON WHY ENERGY AND ENVIRONMENT CONSERVATION IS AN IMPORTANT ISSUE FOR VINAMILK. WE NOT ONLY SPEND A LOT OF MONEY FOR ENERGY BUT ALSO TAKE RESPONSIBILITY TO ENVIRONMENT PROBLEMS, GLOBAL WARMING, AND POLLUTION.

KEY ACTIVITIES IN 2014

With on-going investment in production system, in 2014, to accomplish the goals of energy for the period 2013 – 2017, we continued implementing the programs related to energy management according to ISO 50001:2011, deploying solutions to increase the use of clean energy resources and the efficiency of waste control.

As for farm system, Vinamilk focuses on waste treatment. The current waste treatment system can effectively control the waste discharged from dairy farms; all the sewage after treatment is used for irrigation. In the next period, Vinamilk continues completing environment management system according to ISO 14001, applied to all our dairy farms.

Goals of energy for the period 2013 – 2017 (production)	SOLUTIONS IN 2014	ACHIEVEMENTS
Saving 3% of power consumption in 2013 - 2017	1. Applying energy management according to ISO 50001:2011.	8/13 factories obtained ISO 50001: 2011.
	2. Using clean energy and biomass fuel to replace traditional fuels.	13/13 factories used CNG/Biomass in replacement to FO.
	3. Periodic energy audit.	04 factories were conducted periodic energy audit in 2014.
	4. Using energy saving devices for lighting	12/13 factories replaced lighting system, using LED lights.
	5. Training energy management staffs for factories.	Energy management staffs of 8 factories in the South and Head office in HCMC were trained and granted certificates.



ENERGY IN PRODUCTION

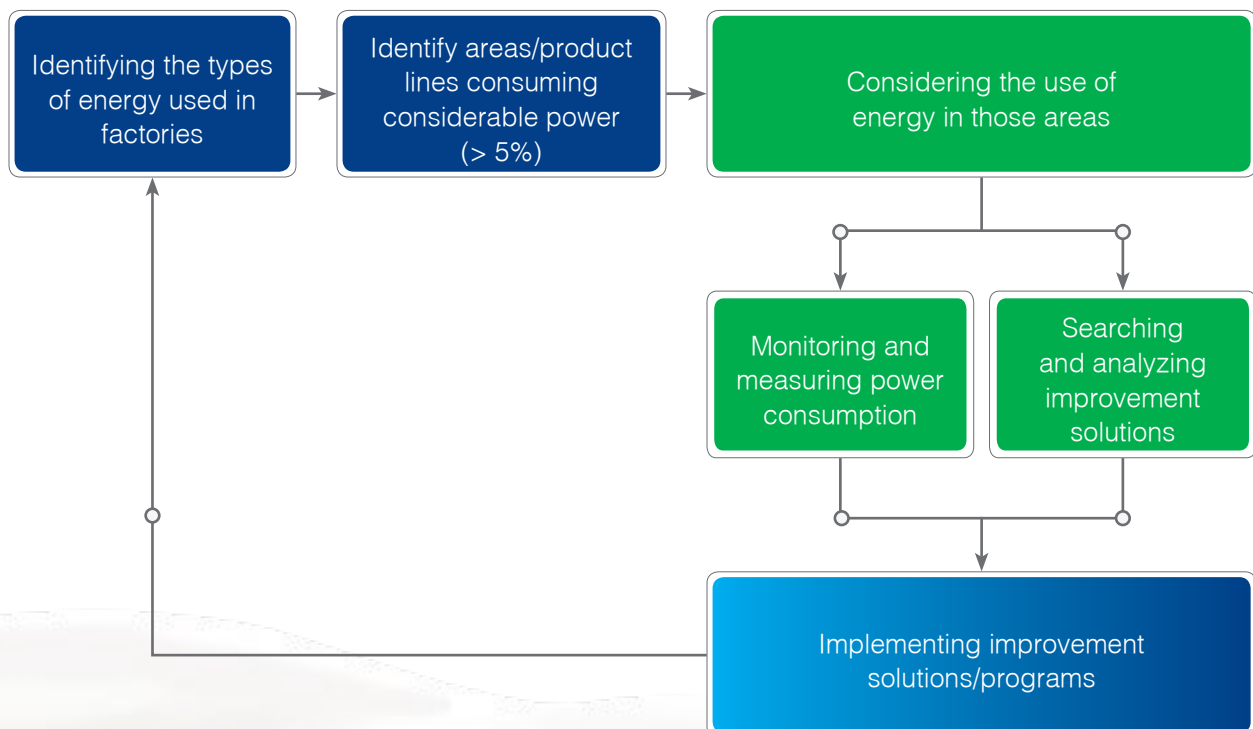
ENERGY MANAGEMENT ACCORDING TO 50001: 2011 STANDARD

AT PRESENT, 8/13 FACTORIES OF VINAMILK ARE RUNNING ENERGY MANAGEMENT SYSTEM ACCORDING TO ISO 50001:2011 (INCREASING BY 6 FACTORIES AS COMPARED TO THOSE IN 2013).

This standard requires Vinamilk to establish an energy management system for each factory, including setting up policy, goals, and process for planning, measuring, monitoring, and improving continuously to gain energy use efficiency.



Energy planning process at Vinamilk's factories:





CLEAN ENERGY IN REPLACEMENT OF OLD ENERGY

The replacing program (FO) by clean energy (CNG and Biomass) is implemented widely in 2014 with the result of 13/13 factories have totally converted into using new energy. With this result, Vinamilk will

contribute to reduce the energy consumption and especially contributes to the reduction of emissions which cause the Greenhouse Effect by cutting a large amount of FO oil on whole production system.

3,663,645 Kilo FO oil

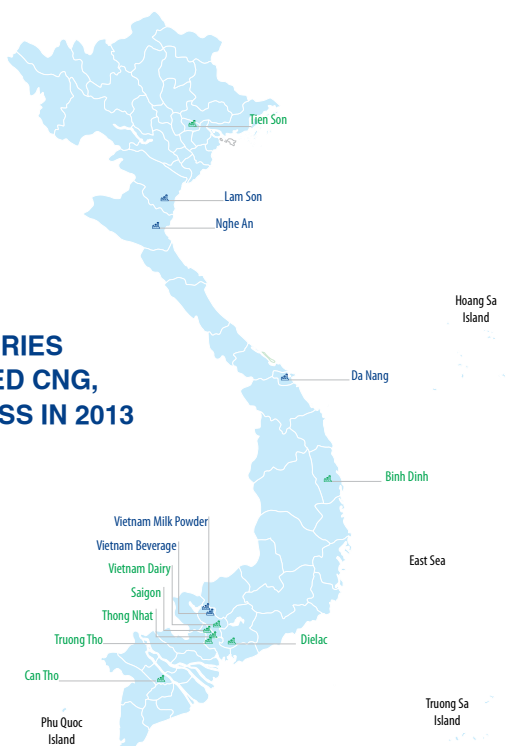
★
Total savings
(convert to kilo FO oil)

Total used amount in 2014		Savings (convert to kilo FO oil)
CNG (mmBTU)	415,871	534,539 kg
Biomass (tons)	118,527	3,129,106 kg
Total savings		3,663,645 kg

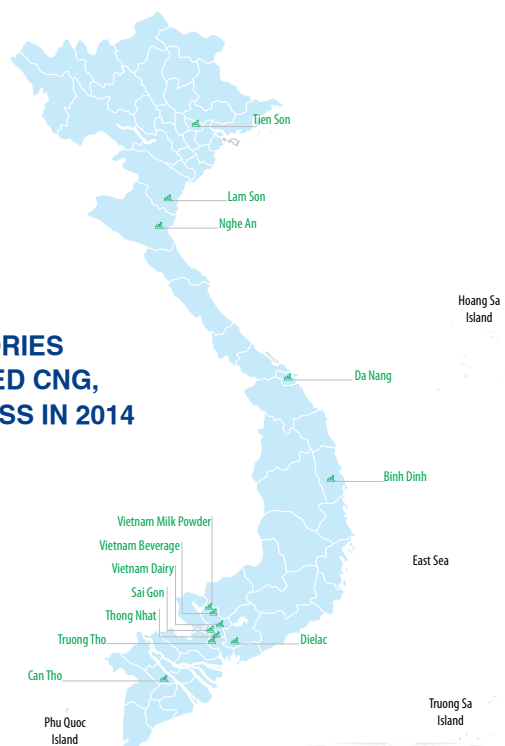
Note: Conversion methods:

- ◆ Saving 5% when using CNG compared to FO oil (conversion)
- ◆ Saving 33% when using Biomass saturated steam compared to FO (conversion)

FACTORIES APPLIED CNG, BIOMASS IN 2013



FACTORIES APPLIED CNG, BIOMASS IN 2014



Factories used CNG/Biomass



Using FO oil

ENERGY IN PRODUCTION (continued)



LIGHTING DEVICES

Program of using LED lights for lighting system to save energy in 2014 was deployed in 8 factories for the total cost of VND13.1 billion. At the end of 2014, this program was completed with 12 factories, of which indoor and outdoor lighting devices were replaced.

13.1 VND BILLION

Total LED lights for lighting 8 factories

ENERGY AUDIT AND SOLUTIONS

Energy audit is conducted every 3 years for each factory. Through audit results and solutions proposed in audit report, the factories choose and implement some improvement solutions for energy use efficiency in production and living activities. Some implementation solutions as proposed in audit report (please see Implementation solutions in 2014).

Implementation solution in the period

No. Improvement solutions

TIEN SON FACTORY	
1	Installing frequency converter for motors stirring condensed milk 1 – 3, tanks A – F
2	Installing Led lights for lobby PX
LAM SON FACTORY	
1	Splitting area of cool warehouse
3	Installing frequency converter for engine of air blowing machine for sewage treatment system
4	Optimizing program of processing system and hot water recovery from UHT system



Saving energy and water resources (*)					Investment cost (VND million)	Cost (*) (VND million/year)
Electricity Kwh/year	Oil kg/year	CNG mmBTU/year	Water m³/year			
65,060					65.0	97.5
23,333					72.0	35
32,887		-	-		10.0	48.8
39,000					33.0	62.4
7,500			23,884		70.0	388.8

ENERGY IN PRODUCTION (continued)

ENERGY AUDIT AND SOLUTIONS

Implementation solution in the period

No. Improvement solutions

NGHE AN FACTORY	
1	Installing frequency converter for cold water pump system
2	Installing frequency converter for sewage treatment system
DA NANG FACTORY	
1	Splitting area of cool warehouse
2	Appropriately running air compressors, prioritizing machines with frequency converter
3	Running refrigeration compressor during off-peak hours, cryopreserving in cold water tank
4	Using boiler with lower capacity suitable to production plan
5	Using water after treatment for irrigation
BINH DINH FACTORY	
1	Recovering condensate to warm butter
2	Using water after treatment for irrigation
3	Installing frequency converter for cold water pump, pump of water for production and pump of Pasteurizer 15,000 l/h
4	Replacing motor with lower capacity for Homo. UHT 4,000 l/h
5	Optimizing operation of air blower machine for sewage treatment system
6	Appropriately adjusting control mode for condenser fan of cool system
7	Limiting operation of refrigeration compressor during peak hours

Saving energy and water resources (*)					Investment cost (VND million)	Cost (*) (VND million/year)
Electricity Kwh/year	Oil kg/year	CNG mmBTU/year	Water m ³ /year			
63,171		-	-		70.0	100.0
37,902	-	-	-		70.0	60.0
136,572					269.3	180.3
114,279					-	150.8
-	5,724	-	-		10.0	86.43
			6,893		7.5	55.14
45,000					21.0	63.86
105,600					40.0	147.84
24,856					5.0	34.80
46,080					5.0	64.51
-						30.00

ENERGY IN PRODUCTION (continued)

ENERGY AUDIT AND SOLUTIONS

No. Improvement solutions

TRUONG THO FACTORY	
1	Moving cool system of warehouse No. 4 to prevent blowing cool air to entrance and replacing gaskets to seal the door
2	Improving and installing circulating water system for condensed milk tower system
3	Preventing sediment for boiler
4	Adjusting operation pressure of air compressor
5	Installing automatic door for dispatch gate of warehouse No. 4
6	Installing exhaust heat recovery system for 3 boilers
SAIGON FACTORY	
1	Installing automatic cleaning system for conveyor belt A1
2	Reducing power loss of warehouse No. 2
3	Recovering condensate
4	Improving cold system NH3 after moving 2 Frick refrigeration compressors
CAN THO FACTORY	
1	Utilizing sewage after treatment to clean conveyor belt of sludge dewatering machine of sewage treatment system
2	Recovering heat exchanging water of UHT system 6,000 liter/hour to supply water tank
3	Designing and manufacturing three compartment stainless steel sink for washing shoes
BEVERAGE FACTORY	
1	Inventing Unitherm program with Ozone
2	Installing VSD for air blower of sewage treatment system
3	Installing condensate recovery system for UHT and Unitherm
4	Installing VSD for Cooling tower CB and air conditioner
5	Installing standby mode of Unitherm – Energy saving solution for filling machine
6	Adjusting mixing rate of fuel/air supply for boiler
7	Optimizing operation of condensate system
8	Optimizing operation pressure of air compressor

Saving energy and water resources (*)					Investment cost (VND million)	Cost (*) (VND million/year)
Electricity Kwh/year	Oil kg/year	CNG mmBTU/year	Water m ³ /year			
90,000	-	-	-		35.0	126
-	-	-	62,400		50.0	250
-	-	446	-		95.0	150
75,000	-	-	-		-	120
50,160	-	-	-		100.0	75
-	-	1,440	-		1,759.0	540
			17,000		20.0	116
216,000					73.0	311
			25,200		1,053.5	234
175,200					10.0	247
			5,616		-	44.5
			3,120		-	24.7
			1,168		-	9.3
-	26,400	-	3,000		800.0	249.0
29,700		-	-		50.0	44.6
	9,840	-	-		200.0	98.0
7,650	-	-	-		100.0	23.0
2,000	3,200	-	-		-	23.0
	6,363	-	-		-	107.0
29,000	-	-	-		-	40.0
92,000	-	-	-		-	124.0

ENERGY IN PRODUCTION (continued)

ENERGY AUDIT AND SOLUTIONS

No. Improvement solutions

DIELAC FACTORY	
1	Replacing bright steel sheet for production area
2	Checking and replacing joints of flange, air pipe, steam trap, and condensate pump for shaft drying
3	Replacing light T5 with light T8
4	Adjusting percentage of Oxygen for Loos boiler
5	Utilizing top steam to create low pressure steam
6	Optimizing air compressor ZT90
7	Optimizing operation of supply water pump
8	Installing frequency converter 22KW for Chiller cold water pumps of tower 2
9	Installing VSD for air blower of sewage treatment system
10	Changing LPG air system of canteen into CNG
VIETNAM POWDERED MILK FACTORY	
1	Utilizing water after sludge dewatering
VIETNAM MILK FACTORY	
1	Improving automatically lighting control system according to production time in filling room and DE area
3	Coordinating operation of air compressor
4	Coordinating operation of refrigeration compressor
5	Installing condensate recovery system for 10T boiler
6	Using water after treatment for sludge dewatering and cleaning sewage treatment area
TOTAL	

(*): Estimated figures in energy audit report

Saving energy and water resources (*)					Investment cost (VND million)	Cost (*) (VND million/year)
Electricity Kwh/year	Oil kg/year	CNG mmBTU/year	Water m ³ /year			
147,420					327.0	206.0
		335	1,296		40.0	140.8
40,320					32.2	48.3
-	-	1,065	-		220.0	408.0
-	-	976	-		200.0	374.0
97,581	-	-	-		-	137.0
22,176	-	-	-		22.0	31.0
48,051	-	-	-		40.0	68.0
95,520	-	-	-		48.7	138.5
	-	359	-		10.0	123.3
-	-	-	10,000		-	98.4
107,747	-	-	-		5.0	161.0
120,000	-	-	-		-	180.0
50,000	-	-	-		-	75.0
-	9,417	-	730		50.0	194.2
-	-	-	13,000		-	123.5
2,236,765	74,366	4,621	187,907		6,777	7,536

ENERGY IN PRODUCTION (continued)

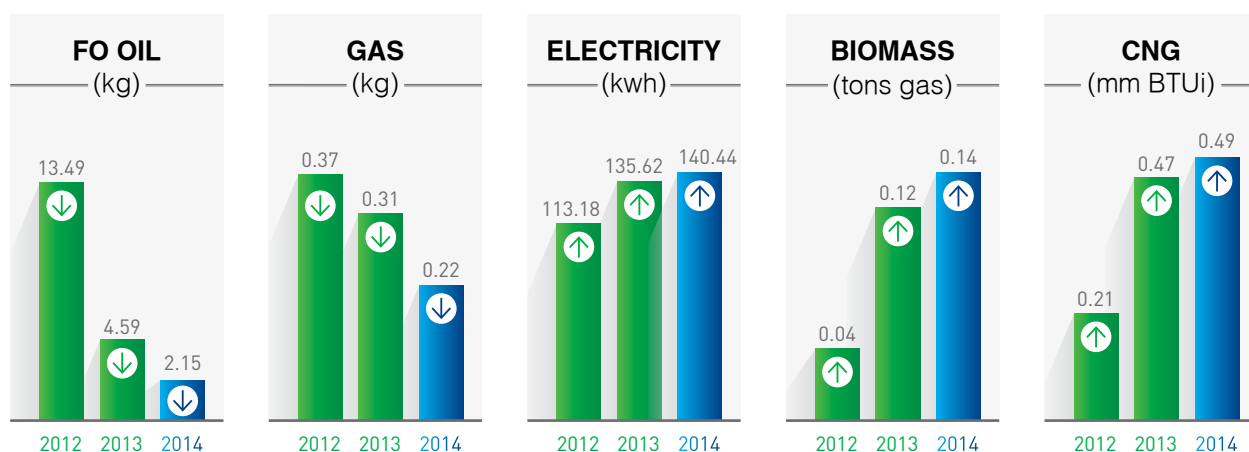
ENERGY AUDIT AND SOLUTIONS

Energy measurements in production

Measurement criteria	2012	2013	2014
Total output (tons)	768,552	814,387	843,557
% of output fluctuation	16.07%	5.96%	3.58%
TOTAL OF USED ENERGY, CLASSIFIED BY EACH KIND			
FO Oil (kilo)	10,367,891	3,741,599	1,811,057
% of fluctuations compared to last year	-2.3%	-63.9%	-51.60%
Average rate (kilo)/tons products	13.49	4.59	2.15
Total used energy (Kjun)	433,999,917,260	156,623,334,140	75,810,861,559
Gas (kg)	283,120	255,245	185,887
% of fluctuation	-0.70%	-9.85%	-27.17%
Average rate (kilo)/tons products	0.37	0.31	0.22
Total used energy (Kjun)	12,457,280,000	11,230,780,000	8,179,015,432
Electricity (kwh)	86,983,440	110,452,250	118,470,050
% of fluctuation	11.27%	26.98%	7.26%
Average rate (kwh)/tons products	113.18	135.62	140.44
Total used energy (Kjun)	313,136,904,662	397,623,681,910	426,487,442,660
Biomass (tons gas)	32,413	97,061	118,527
% of fluctuation	269.00%	199.45%	22.12%
Average rate (Tons gas)/tons products	0.04	0.12	0.14
Total used energy (Kjun)	113,971,887,120	341,289,770,640	416,768,415,030
CNG (mm BTUi)	16,231	380,737	415,871
% of fluctuation	22.10%	134.57%	9.23%
Average rate (mm BTUi)/tons products	0.21	0.47	0.49
Total used energy (Kjun)	17,121,627,432	401,628,800,664	438,690,815,248
Total used energy/tons products			
+ Kjun/tons products	1,158,916.53	1,606,602.72	1,619,257.93

Energy intensity for each type (/tons products)

Energy	Unit	2012	2013	2014
FO oil	Kilo/tons products	13.49	4.59	2.15
Gas	Kilo/tons products	0.37	0.31	0.22
Electricity	kwh/tons products	113.18	135.62	140.44
Biomass	Tons gas/tons products	0.04	0.12	0.14
CNG	mm BTUi/tons products	0.21	0.47	0.49



ANALYSIS:

- FO use intensity (kg FO/ton of product) decreased significantly from 2012 to 2014. This is the outcome from the use of clean energy sources CNG/Biomass to replace FO at 13 factories. It means the use intensity of clean energy sources i.e. CNG and Biomass has gradually increased through the years.
- Electricity use intensity (kwh/ton of product): for the whole system, this rate slightly increased as compared to that in 2013 although many energy

saving solutions were applied to each factory. The reason was that, in 2014, the capacity of two Vinamilk's biggest and most modern factories i.e. Vietnam Milk Factory and Vietnam Powdered Milk Factory was increased as compared to their capacity in the first operation year 2013 to cut down capacity of old factories. These two factories use modern technologies and are completely automatic; therefore, electricity consumption per ton of product is much higher than that of the old factories. In the next time, Vinamilk will continue monitoring and analyzing to improve electricity utilization efficiency.



ENERGY IN LIVESTOCK

ENERGY INDICATORS IN LIVESTOCK

Report criteria	2012	2013	2014
Total outputs (Unit: 1,000 liter fresh milk)	20,050	23,950	29,472
% of output fluctuation	57.63%	19.45%	23.05%
TOTAL OF USED ENERGY, CLASSIFIED BY CATEGORIES AND FLUCTUATION RATE			
FO Oil			
(kg)	152,520	184,864	227,283
% fluctuation	36.01%	21.21%	22.09%
Average (Kilo)/1,000 liter	7.61	7.71	7.98
Electricity (kwh)			
Kwh	3,200,257	4,186,618	4,835,928
% fluctuation	56.23%	30.8%	15.5%
Average (kwh)/1,000 liter	159.61	174.8	130

FO Oil (kg)



ELECTRICITY (kwh)





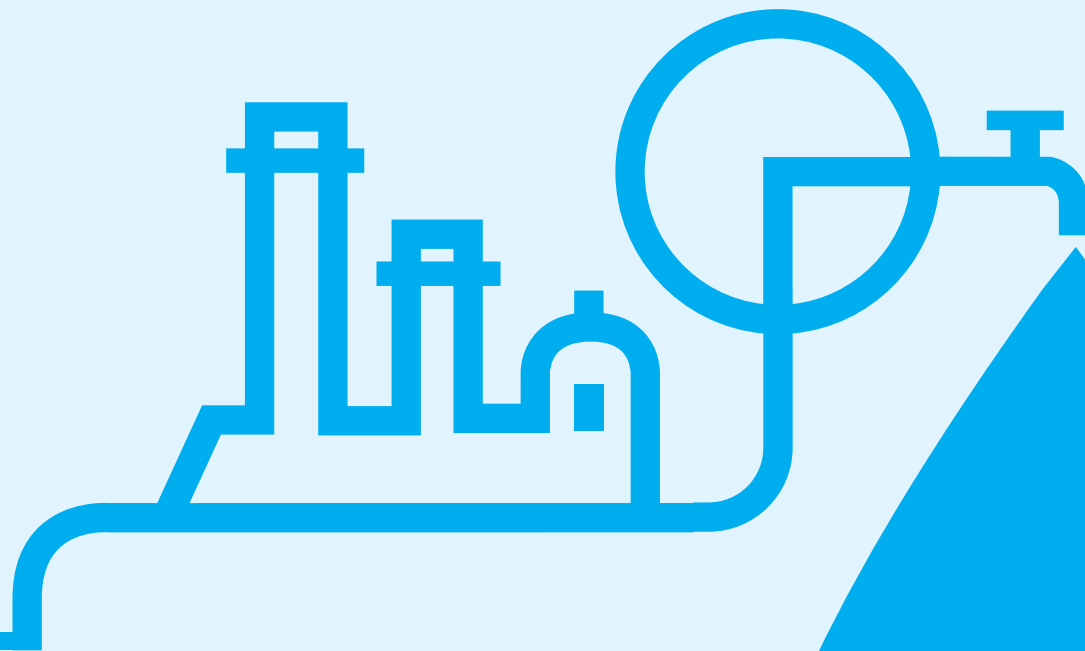


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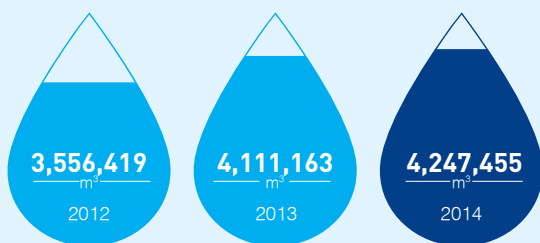
WATER RESOURCE

“VIETNAM IS ONE OF 5 COUNTRIES MOST ADVERSELY AFFECTED BY CLIMATE CHANGE, POTENTIALLY CAUSING SEVERE IMPACT ON WATER RESOURCES AND MAKING THE PROBLEMS THAT ARE VERY SERIOUS THEMSELVES BECOME MORE SERIOUS. THE PROBLEMS RELATED TO WATER RESOURCES WHICH ARE POTENTIAL RISKS AT PRESENT MAY BECOME TRUTH SOON. AS PREDICTED, THE IMPACTS OF CLIMATE CHANGE WILL CHANGE FLOWS OF WATER IN MEKONG DELTA IN DRY SEASON (ONLY WATER ARISEN IN THE AREA), REDUCING BY AROUND 4.8% IN 2020, 14.5% IN 2050 AND 33.7% IN 2100. WITH THE ABOVE-MENTIONED EFFECTS, THE IMPACT OF CLIMATE CHANGE AND THE STRONGLY INCREASED DEMAND OF WATER IN THE COMING YEARS, SHORTAGE AND SCARCITY OF WATER WILL BE MORE AND MORE SERIOUS”

Quoted from the speech of Mr. Nguyen Thai Lai – Deputy Minister of Natural Resources and Environment at the seminar on water in Vietnam – Hungary.



To serve production and livestock, Vinamilk now uses 2 sources of water, including water purchased from water suppliers and underwater (a very little water from lake). However, according to the policy of underwater exploitation reduction, some factories are step by step cutting down the water from drilling wells to replace them with tap water.



TOTAL VOLUME OF USED WATER

In 2014, some factories utilized sewage after treatment for sprinkling trees in factory campus. Thanks to that, Vinamilk saved a considerable amount of water for irrigation, especially in big factories with many trees like Vietnam Milk Factory.

USING WATER RESOURCE (continued)

WATER RESOURCE USED AT THE UNITS

No.	Unit	Underwater	Tap water	Lake water
FACTORIES				
1	Tien Son Dairy Factory	✓	✓	
2	Lam Son Dairy Factory	-	✓	
3	Nghe An Dairy Factory	-	✓	
4	Da Nang Dairy Factory	-	✓	
5	Binh Dinh Dairy Factory	✓	✓	
6	Thong Nhat Dairy Factory	✓	✓	
7	Truong Tho Dairy Factory	✓	✓	
8	Sai Gon Dairy Factory	-	✓	
9	Can Tho Dairy Factory	-	✓	
10	Beverage Factory	✓	✓	
11	Dielac Dairy Factory	-	✓	
12	Vietnam Powdered Milk Factory	-	✓	
13	Vietnam Dairy Factory	✓	✓	
FARMS				
1	Lam Dong	✓		
2	Tuyen Quang			✓
3	Binh Dinh	✓		
4	Ha Tinh	✓		
5	Nghe An	✓		
6	Thanh Hoa	✓		
7	Tay Ninh	✓		

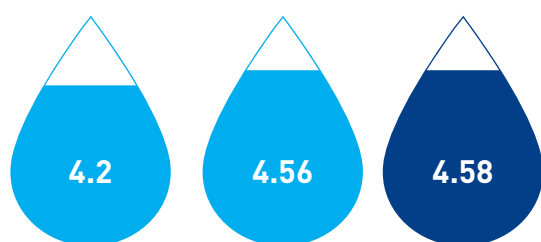


CRITERIA FOR WATER USE MEASUREMENT (PRODUCTION & LIVESTOCK)

Measurement criteria	2012	2013	2014
Total volume of used water of each source (m³):	3,556,419	4,111,163	4,247,455
Underwater	1,925,645	1,894,055	2,095,129
Purchasing from water supplier	1,484,774	2,109,433	2,044,651
Lake water	146,000	107,675	107,675
Classification of water according to using purpose (m³):	3,556,419	4,111,163	4,247,455
Production	3,228,944	3,711,163	3,860,330
Livestock	327,475	400,000	387,125
Water use efficiency			
Average rate in production (m³/tons of product)	4.2	4.56	4.58
Average rate in livestock (m³/1,000 liters of fresh milk)	16.3	16.7	13.13
Recycling/Reusing in production	6.85%	5.69%	5.13%
Recycling/Reusing in livestock	100%	100%	100%

USED WATER IN PRODUCTION

Average in production (m³/tons products)



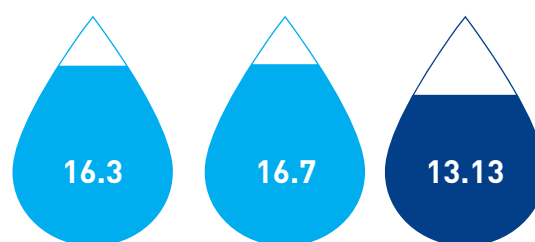
2012

2013

2014

USED WATER IN LIVESTOCK

Average in livestock (m³/1,000 liters of fresh milk)



2012

2013

2014



ENVIRONMENT MANAGEMENT AND WASTE CONTROL

MEASUREMENT CRITERIA FOR WASTE CONTROL IN PRODUCTION

	2012	2013	2014
Total output (ton)	768,552	814,387	843,557
Total waste volume:			
Solid waste: 💧 Total volume (Kg)	2,244,183	2,671,849	2,376,019
💧 Kg/ton of products	2.92	3.28	2.81
Liquid waste: 💧 Total volume (liter)	2,852,842	4,086,107	4,369,134
💧 Liter/ton of products	3.71	5.01	5.18
Exhaust fume: 💧 Total volume (kg)	95,556,672	89,566,251	88,673,261
💧 Kg/Ton of products	124	109	105
Waste sludge: 💧 Total volume (kg)	3,153,768	3,124,516	3,045,923
💧 Kg/ton of products	4.1	3.83	3.61
Percentage of hazardous waste in total waste volume	0.05%	0.05%	0.05%
The processed was liquid waste meet the discharge standards:	2,226,757	2,731,112	2,656,269
💧 Discharge into nature	908,286	829,359	1,601,638
💧 Discharge into general treatment of zone industry	1,318,471	1,901,753	1,054,631
💧 Number of leaking waste	0	0	0
Environmental observance			
Environmental penalty times	1	-	0
Penalty amount in total (Million VND)	170	-	0

WASTE CONTROL IN LIVESTOCK

IN 2014, VINAMILK PUT 2 NEW DAIRY FARMS INTO OPERATION (I.E. HA TINH AND NHU THANH), IN WHICH, SEWAGE TREATMENT SYSTEM WAS INVESTED FROM CONSTRUCTION STAGE. ONE DAIRY FARM APPLIED BIOMASS; THE OTHER WILL APPLY THIS TECHNOLOGY IN 2015



5 old dairy farms are currently operating under Biomass technology – all the sewage after being treated by Biogas system will be contained in HDPE pools and reused for irrigation in pastures of Vinamilk's farms and pastures of nearby residents, not discharging sewage into environment.

With this technology:

- ◆ 2 Tuyen Quang and Nghe An farms were certified with sewage quality standard QCVN 39: 2011/BTNMT (standard of water used for irrigation).
- ◆ 3 Thanh Hoa, Binh Dinh, and Da Lat farms are applying for certification of water quality standard QCVN 39:2011/BTNMT and are in progress of appraisal and approval.
- ◆ 2 Ha Tinh and Nhu Thanh farms are in construction completion progress and are preparing for applying QCVN 39:2011/BTNMT in 2015.

In 2015, Vinamilk will complete environment management system in farms according to ISO 14001 on environment management.

ENVIRONMENT MANAGEMENT AND WASTE CONTROL (continued)

MEASUREMENT CRITERIA

	2012	2013	2014
Total volume of fresh milk (1,000 liter of fresh milk)	20,050	23,950	29,472
Total volume of waste			
Solid waste: ♠ (Kg)	16,234,731	17,992,525	20,801,237
♠ Kg/1,000 liter	809	751	706
Liquid waste: ♠ (m ³)	241,274	201,680	258,338
♠ m ³ /1,000 liter	12	8.4	8.77
Percentage of hazardous waste			0.49%
Environmental observance			
Environmental penalty times	1	-	0
Penalty amount in total (Million VND)	170	-	0
Cost related to waste control activity			597,163,540 (VND)



SOME RECORDED RESULTS

IN 2014, ALL 5
OPERATING
DAIRY FARMS
OF VINAMILK
OBTAINED
GLOBAL G.A.P
CERTIFICATE.

**GLOBAL
G.A.P.**

HCMC Environment Award was launched for the first time in 2014 in order to praise individuals and organizations that have good awareness and effective actions in environment protection, bringing practical benefits for society. 3/3 Vinamilk's factories in HCMC, including Truong Tho, Thong Nhat, and Saigon received this award. As for Vinamilk, this award is really meaningful. It proves our efforts in production with environment responsibility, which is recognized by society.

In 2014, all 5 operating dairy farms of Vinamilk obtained Global G.A.P certificate (Good Agricultural Practice) (2 other farms came into operation in 2014). As for environment protection issue, in order to get Global G.A.P certification, a dairy farm has to have safe sewage treatment system, have energy and water saving program, have enough necessary number of trees surrounding farms, and does not use herbicides, which affect landscape, to keep fresh air, and most importantly, not to affect living environment surrounding the farm. This comes from Vinamilk's efforts in the field of livestock during the past years. Vinamilk will continue the goal of completing this issue in our dairy farm system and apply for certificates for the remaining farms.





VINAMILK CONTINUES MAINTAINING BUSINESS OPERATION
WITH THE MOTTO **“THE DEVELOPMENT OF
ENTERPRISE IS ATTACHED TO THE
DEVELOPMENT OF LOCAL ECONOMY”**.
ACCORDINGLY, IN 2014, VINAMILK INCREASED BENEFITS
FOR STAKEHOLDERS AND AFFIRMED OUR IMAGE BY
CONTRIBUTING TO ECONOMIC BENEFITS OF LABORERS,
FOCUSING ON INFRASTRUCTURE INVESTMENT TO CREATE
CONNECTION BETWEEN THE COMPANY’S ACTIVITIES AND
THE LOCAL ECONOMY.

ECONOMIC EFFICIENCY

BENEFITS FOR STAKEHOLDERS

SHAREHOLDERS



Dividend in 2014:

VND **4,000,511** MILLION

STATE BUDGET



Tax obligations to the State budget:

VND **3,501,072** MILLION

EMPLOYEES



Salary, income, and allowance:

VND **1,475,436** MILLION

SUPPLIERS



Value of transactions:

VND **25,681,986** MILLION

CUSTOMERS



Value of transactions:

VND **33,068,937** MILLION

COMMUNITY



Contribution to community and society:

VND **16.9** BILLION



INDIRECT ECONOMIC IMPACT

TOP **10**

Enterprise as Vietnam's
largest taxpayer in 2014

244.3 VND
BILLION

Participating in "The
market stabilization
program" 2014

COMPLYING WITH TAX OBLIGATIONS TO STATE BUDGET

Vinamilk commits to always comply with and implement our obligations to local budget and State budget adequately, timely, and legally.

Vinamilk is always proud of being one of the companies paying highest tax in Vietnam through many years. Vinamilk was one of 10 companies paying highest tax in Vietnam in 2014.

PARTICIPATING IN SOCIAL SECURITY PROGRAMS HELD BY THE STATE

- ◆ Continuing actively participating in "The market stabilization program" for dairy products chaired by the People's Committee of Ho Chi Minh City. In 2014, Vinamilk contributed products valued up to VND244.3 billion to this program.
- ◆ Funding to build up Thong Nhat Health Station – Thanh Hoa, contributing in healthcare for local residents and Vinamilk's staff in locality, with the total value of over VND1 billion.

CREATING NEW JOBS AND HIRING LOCAL WORKERS

- ◆ The development of material supplies in sustainable and long-term development strategy. In addition to current farms system, the Company is implementing 2 more large scale dairy farms in Tay Ninh and Thong Nhat - Thanh Hoa. When goes into operation, Vinamilk will directly and indirectly create new jobs in the local areas.
- ◆ Besides, with the development of distribution network, Vinamilk has also been contributing its efforts to establish a system with more than 260 enterprises and over 4,500 permanent jobs across the country.



10,930

heads

Total heads of cow in 7
Vinamilk farms in 2014

DEVELOPING AGRICULTURE FOR PROCESSING DEMANDS

Together with the strategy of pushing development in fresh milk material zones, Vinamilk is proud to be the leading entity that has much contribution to the development of dairy cow breeding industry with modern method, improving efficiency and enhancing product values for both Vinamilk and cow breeding households in Vietnam.

BUILDING FARMS AND APPLYING ADVANCED BREEDING TECHNOLOGY

Till the end of 2014, Vinamilk had 7 dairy farms under operation (including Ha Tinh and Nhu Thanh - Thanh Hoa as new farms) with the total of 10,930 heads of cow, most of cows are high quality purebred. In 2014, Vinamilk has imported 8 times with 1,679 heads of cow.

In 2014, Vinamilk also had 5 farms certified of International Standard Global Good Agricultural Practice (Global G.A.P).



INDIRECT ECONOMIC IMPACTS (continued)



DEVELOPING TOGETHER WITH DAIRY COW RAISERS

In addition to developing large-scaled farm pattern, Vinamilk always accompanies with the dairy cow breeding raisers in developing milk material zones and improving operation efficiency of breeding households.

- ◆ Creating stable output sources and reasonable purchasing prices for the farmers.
- ◆ Supporting farmers in operation development and efficiency improvement.
- ◆ Pushing the development of other agricultural products used for feeding cows (such as corn, elephant grass, fresh straw etc.)

In 2014, Vinamilk pushed the agricultural encouraging activities as well as training courses about breeding techniques and breed to share the farmers with modern techniques and technologies:

- ◆ Directly giving advices to 3,265 households having poor quality milk, trim nails for 154 cows is equal to 66 households.

- ◆ Conducting 31 training meetings across the country in 2014 with the topic “Food and how to mix food reasonably for cows”.

- ◆ Deploying program of workflow management via GPS Tablet – Dairy Farm Development channel to create favorable conditions in controlling and checking barns of farmers.

In addition, for the purpose of supporting breeding households in Lunar New Year as well as consolidating relationship between Vinamilk and the households, the Company has implemented the program “Accumulate points with Vinamilk to greet Spring and Tet holidays”. With this program, Vinamilk has totally supported more than VND45.7 billion to 6,105 households/6,618 households which are selling for Vinamilk. Each household received about VND 7.5 million in average. The farm of Mr. Lam Van Trung in hamlet 3, Phuoc Vinh An town, Cu Chi district, HCMC was supported 288 million dong. The program brings a happy Tet atmosphere for all the households.



THE TABLE BELOW SHOWS THE DEVELOPMENT OF RAW FRESH MILK SUPPLIES

The table shows indicators in the development of raw fresh milk supplies

	2012	2013	2014
Farm scale			
Total heads of cow	8,124	8,818	10,930
Purchasing activities			
Fresh milk material			
Number of households that Vinamilk buys raw fresh milk from	6,096	5,092	6,624
Purchasing volumes (million of liter)	141,54	132,61	154,44
The change rate of purchasing volumes	19.43%	(6.3)%	16.46%
Average purchasing price	11,021	12,741	13,762



BE ONE OF THE LEADING ENTERPRISE IN VIETNAM, VINAMILK REALIZES ITS INFLUENCE TO THE COMMUNITY AND SOCIETY'S SUSTAINABLE DEVELOPMENT. VINAMILK ALSO UNDERSTANDS THE SUCCESS OF A BUSINESS IS NOT MEASURED BY THE REVENUE FIGURES SHOWN IN THE ANNUAL REPORT BUT LONG-TERM AND OUTSTANDING VALUES THAT ENTERPRISE BRINGS TO THE PEOPLE.

WITH PROPER EXPECTATION AND PRACTICAL ACTIONS, VINAMILK IS REMEMBERED AS "COHESIVE COMMUNITY BRAND".



WORKERS AND SUSTAINABLE JOBS

HUMAN RESOURCE IS ONE OF THE IMPORTANT RESOURCES THAT WE FOCUS ON AND DEVELOP. APPROPRIATE AND ATTRACTIVE PERSONNEL POLICIES IN RESPECTS OF RECRUITMENT, TRAINING & DEVELOPMENT, SALARY, BONUS & WELFARE, AND HUMAN RESOURCE DEVELOPMENT ARE SET UP, DEPLOYED, MAINTAINED, AND IMPROVED CONTINUOUSLY.

Human resource is a valuable asset to help enterprises implement goals and reach to sustainable development in their fields. Vinamilk is not an exception. Human resource is one of the important resources that we focus on and develop. Appropriate and attractive personnel policies in respects of Recruitment, Training & Development, Salary, Bonus & Welfare, and Human Resource Development are set up, deployed, maintained, and improved continuously.

In 2014, Vinamilk continued pursuing the goal to develop a talent team with high experience and capability by continuing implementing the programs of Succession Planning (SP) and Management Trainee (MT).

◆ *Succession Planning (SP) Program:*

This is a program to build and maintain a team of succession for senior and important positions. In 2015, the phases of “Capacity assessment of potential candidates” and “Training and development plan” for potential candidates have been completed.

◆ *Management Trainee (MT) Program in 2014:*

This is a program to find and develop young talents

into the future managers. Vinamilk implements Management Trainee across the country for the first time. The program collects potential candidates to spend a screening, training, and challenging progress to choose high quality administrators after 18 months. At the end of 2014, Vinamilk completed building program and implementing the phase “Screening & Recruitment”, “Training and Development Plan”, and “Integration”.

Rewards:

In 2014, Vinamilk was honored to be ranked at 2nd position in the list of 100 top places to work in Vietnam and was the most attractive employer in respects of Salary, bonus & welfare and Work & life quality. This was the result of the survey “Top places to work in Vietnam” annually conducted by Anphabe network of management professionals and Nielsen Market Research Company.

This year’s survey was implemented online from October 2014 to January 2015 with 15,578 respondents under 24 occupations across the country. New point of this year’s survey was that, the enterprises were assessed by both internal staff and external human resource operating in the same field.

WORKERS AND SUSTAINABLE JOBS (continued)

OVERVIEW OF LABOR FORCE

Total number of Vinamilk's employees in 2014 was over 5,500 people from different occupations, ages, and qualifications. Vinamilk always maintains our view point of respect and equal treatment for employees, no discrimination on gender, region and religion. Every person, in any field or any level, is facilitated to express their values and is a part of the success of the organization.

Workforce indicators of Vinamilk and subsidiaries

Year		2012	2013	2014
Average number of employees		4,510	5,570	5,738
Gender	Male	3,605	4,143	4,267
		74.3%	74.4%	74.5%
	Female	1,248	1,427	1,462
		25.7%	25.6%	25.5%
Occupation	Manufacturing – Processing	1,703	1,813	1,812
		35.1%	28.7%	31.58%
	Directly selling	307	334	351
		6.3%	6.00%	6.12%
	Agricultural activities	235	251	314
		4.8%	4.51%	5.47%
	Supporting activities (Purchasing, Accounting, Personnel, Administration, IT, etc.)	2,608	3,172	3,261
		53.7%	60.75%	56.83%
Age	< 30	1,448	1,835	1,727
		29.8%	32.94%	31.1%
	30 -> 40	2,046	2,263	2,428
		42.2%	40.63%	42.31%
	40 -> 50	1,009	1,100	1,241
		20.8%	19.75%	21.63%
	> 50	350	372	342
		7.2%	6.68%	5.96%
Educational background	Vocational	2,322	2,469	2,462
		47.9%	44.33%	42.91%
	College	396	505	487
		8.2%	9.07%	8.49%
	Graduate	2,075	2,515	2,694
		42.8%	45.15%	46.95%
	Postgraduate	60	81	95
		1.1%	1.45%	1.66%

Percentage rate of Management levels/Total labors:

Percentage rate of Management levels/Total labors	7.1%
Gender:	
+ Male	74.7%
+ Female	25.3%
Ages	
+ < 30	4.9%
+ 30 - 50	84.5%
+ > 50	10.6%



Chart of total number of labours base on gender

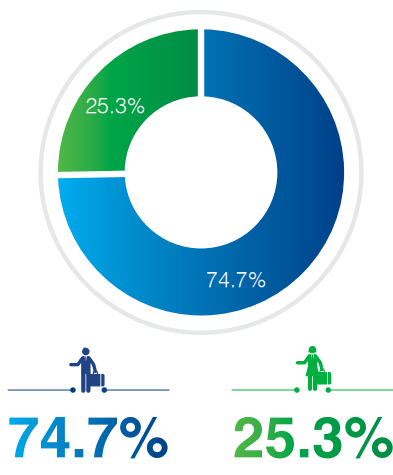
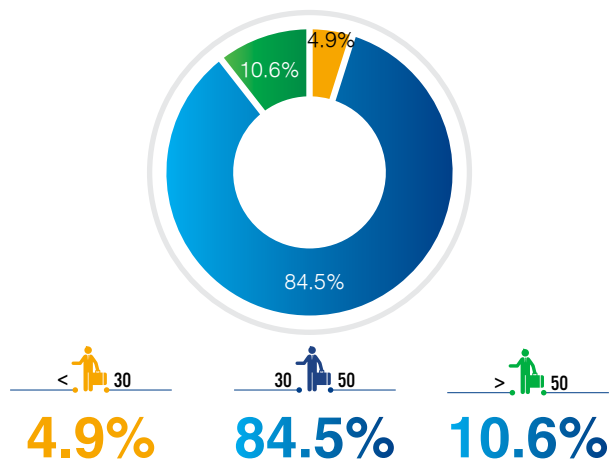


Chart of total number of labours base on ages



LABOR RELATIONS

The relationship between Vinamilk and labors is established base on voluntary:

- ◆ All employees shall be established labor contracts in accordance with the law and the requirements of the position.
- ◆ All workers' rights are guaranteed under the labour Law
- ◆ Vinamilk absolutely not used or forced children as labours.
- ◆ Collective working agreement is applied to all employees.

WORKERS AND SUSTAINABLE JOBS (continued)

Statistics on labour relations and fluctuation in the period (Vinamilk and its subsidiaries):

	Year		
	2012	2013	2014
Labor contract			
Permanent contract	3,771	4,201	4,396
Term contract (1-3 years)	1,012	1,268	1,297
Under-1-year contract (*)	70	101	45
Rate of employees signed labor contract	100%	100%	100%
Fluctuation of employees			
New recruitment:	565	852	446
**Ages			
• < 30			314
• 30 - 50			128
• > 50			4
** Gender			
• Male			320
• Female			126
Resignation (**)	229	227	303
• Retirement	20	28	27
• Contract termination	209	199	276

(*) Under-1-year labor contracts belong to two groups:

- Probationary contracts.
- Contracts signed with employees whose remaining time until retirement age is less than 12 months.

(**) In case of termination of labor contracts, the Company complies with legal regulations on the period of notice. Accordingly, the notice period is 30 days for term labor contract and 45 days for permanent labor contract.



SAFE WORKING CONDITIONS AND HEALTHCARE

Working at Vinamilk, all employees are ensured with a safe working environment and are entitled to healthcare and helpful insurance regime.

WORK SAFETY

Vinamilk continues maintaining activities to ensure work safety with 100% of employees attending in training courses.

In 2014, Vinamilk organized Work safety assessment program in all factories and farms.

INSURANCE FOR LABORERS

Vinamilk continues purchasing health insurance according to legal regulations in Vietnam and accident insurance to give best support to laborers.

- ◆ Accident issuance 24/24 for employees.
- ◆ Comprehensive health insurance for employees: Employees will be paid for their inpatient and outpatient treatment, maternity, and dental care. Besides, employees holding management positions are provided with health insurance for their relatives.
- ◆ In case of death or injury caused by accident: Insurance compensation is up to 30 months of latest salary.

SUPPORT POLICY FOR EMPLOYEES THROUGH INSURANCE SCHEMES

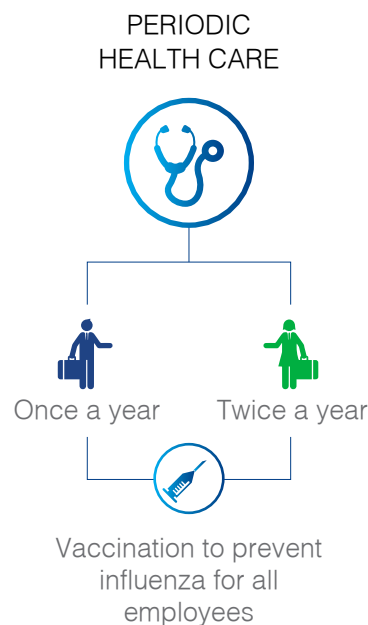
Provisions for support	2013	2014
Accident 24/24	X	X
Comprehensive health insurance	All employees (applied to all employees from September 2013)	X
Health insurance for relatives	Management positions	Management positions
Death or injury caused by accident	X	X

WORKERS AND SUSTAINABLE JOBS (continued)

HEALTHCARE ACTIVITIES

Healthcare support activities to ensure good health for employees continued being promoted by Vinamilk in 2014:

- ◆ Organizing and providing nutritious meals with hygiene and food safety: All food must have a clearly known origin and be offered by prestigious suppliers.
- ◆ Periodic health examination for employees: This program is committed by the Company and is specified in Collective bargaining agreement. Accordingly:
 - ◆ Male: Once a year
 - ◆ Female: Twice a year
- ◆ Vaccination against influenza for all employees.



MEASUREMENT INDEX:

CRITERIA	YEAR		
	2012	2013	2014
Cost for ensuring work safety (VND billion)	14.37	11.7	11.9
Cost for health insurance and accident insurance for employees (VND billion)	2.16	10.5	13.4
Cost for healthcare activities	3.6	5.25	6.24
Number of labor accidents (*)	0	0	2
+ Number of deaths caused by labor accident	0	1	1
+ Number of laborers whose working ability is affected	0	1	1
Total number of cases affected with occupational diseases or at high risk of occupational diseases (**)			9

(*) The cases of labor accidents recorded in this report are considered serious ones – Working ability of laborers is affected and the laborers take off work for recovery.

As for 2 cases in 2014:

◆ **Death:**

An employee of Vinamilk's factory was died due to traffic accident on the way to work. This employee received support from the factory and the insurance (VND75 million) and is in consideration for receiving 30 months.

◆ **Labor accident:**

An employee of canteen was in second-degree burn due to slipping and falling. This employee was supported with salary during her treatment time (180 days) and payment from insurance for treatment fees. She also received support from Trade Union and other employees of Vinamilk.

(**) These are the cases of occupational diseases detected through annual health examination. The accumulated number of employees with occupational diseases over the years is 9 persons, who are affected with occupational hearing loss. They were transferred to other works right after detecting their conditions.

At present, Vinamilk's policy on occupational diseases is as follows:

1. Implementing precautions when detecting symptoms or risks of occupational diseases.

◆ Periodic health examination to detect occupational diseases.

◆ Providing and supervising the use of protection tools: anti-noise earplugs, anti-noise headphones.

◆ Handling and minimizing noise.

◆ Making compensation for toxicity to employees by means of products.

◆ Changing kind of works if necessary

2. Changing kind of works right after detecting occupational diseases.

3. Supporting laborers with intensive examination and treatment to recover hearing ability and to reduce effects of occupational diseases on health of laborers.

4. Giving VND1,000,000 per year (as regulated in Collective Bargaining Agreement) for the cases affected by occupational diseases.

WORKERS AND SUSTAINABLE JOBS (continued)

TRADE UNION

Trade Union

Trade Union is an organization representing the interests of laborers. Trade Union is held by Vinamilk in all units. All employees are encouraged and facilitated to participate in Trade Unions.

Information recognition mechanism

All employees can reflect their concerns and complaints through the following channels:

- ◆ Human Resource Department, the Board of Administration - Human Resource at the units.
- ◆ Trade Union of the units.
- ◆ In addition, Vinamilk also establishes an independent unit to receive feedbacks, complaints, and accusations about sensitive and serious issues from employees. The reflection can be done through the Compliance Department by email (compliance@vinamilk.com.vn) or by phone calls at any time. All information about employees is kept in secret.

Mechanism for resolving labor disputes:

Mechanism for resolving labor disputes is set up into official regulations and disseminated to all staff. The settlement includes the participation of Trade Union to

ensure fairness and transparency. Mediation Council of the Company is established in accordance with the legal regulations and with the participation of representatives of employers and laborers.

Respecting working value of employees

Policy on salary and income for employees is always reviewed and updated to ensure the following values:

- ◆ Meeting reasonable demands for employees.
- ◆ Commensurate with the contribution of employees in the Company's success.
- ◆ Being an important factor for employees to rest assured to work and best promote their ability.

Vinamilk's policy on salary and income is set up in conformity with the value of each job and each position. At Vinamilk, no differences in policy on salary and income between men and women.

Vinamilk is proud that our efforts have brought good results with maintaining a stable staff and attracting more talented personnel together with the development of the Company's operation scale. This result was recognized by the 1st position in the list of most attractive employers in respects of Salary, bonuses, & welfare and Work & life quality in a survey in 2014.

	YEAR		
	2012/2011	2013/2012	2014/2013
Average rate of salary increase	18.5%	22.7%	-0.05%
Bonus from bonus and welfare fund (VND billion)	445.2	631	547
Other allowances (VND billion)	55	71	70



Training to improve the ability of management team

222

★
Training courses
in 2014

5.32
Billion VND

★
Training budget
in 2014

DEVELOPING HUMAN RESOURCE

Vinamilk always maintains, promotes and improves staff development environment because it is one of the key factors to build a strong workforce.

TRAINING

In 2014, Vinamilk's training activities continued being focused on improvement of training quality and effectiveness. The training activities aimed to meet both short-term and long-term demands.

Also during the year, Vinamilk continued implementing training programs to enhance capability of management team: "Master of Business Administration", "Executive Director", "Enhancing Capacity Management for middle-class management team"...

Indicators of training activities (data from Vinamilk, excluding subsidiaries):

Criteria	YEAR		
	2012	2013	2014
KPIs for training activities			
Number of training courses	240	258	222
♦ Internal training	42		
♦ External training	198		
Number of training participants	8,525	7,687	13,055
♦ Staff	7,531		
♦ Manager	994		
Number of training hours/person	24	8,5	17
KPIs for budget and costs for training activities			
Budget for training (VND billion)	5	6,5	5,32
Costs for training already used (VND billion)	1.8	3.2	3.8
Rate of actual costs/budget (%)	36.4%	49%	71%

WORKERS AND SUSTAINABLE JOBS (continued)



The above indicators show that the implementation of practical training in 2014 was better than the plan. The number of participants and number of hours of training in 2014 increases, by the reasons of:

- ◆ Enhancing training activities for staff at new factories (Vietnam Powdered Milk Factory and Vietnam Milk Factory) to meet the needs on operating new machinery.
- ◆ Enhancing training activities for supervision staffs of distributors to improve supervisory skills and sale management.

EMPLOYEE EVALUATION

Comprehensive employee evaluation system in terms of capability assessment and performance efficiency of employees (Performance Appraisal - PA, Management by Objective - MBO) continues being applied and more improved to enhance performance efficiency in practice. The evaluation makes links between the Company's target and the target of each department and reaching to the staff level; between the performance efficiency of the Company and the achievement of each department or individual.

Employee evaluation connects and provides useful information for other areas:

- ◆ Helping employees have self-assessment on their results and improvement on their work.
- ◆ Creating interactive mechanisms between staff and manager.
- ◆ Providing useful information for developing training programs.
- ◆ As a basis for salary increase for employees who have well done during the year.
- ◆ As a basis for promotion for employees.

Particularly in 2014, Vinamilk stopped Management by Objective – MBO program to aim at the orientation that the objectives in the MBO should be set up sufficiently and appropriately and reach to necessary challenging level with reference to the world's standards and practices in order to ensure completion of the overall objectives of the Company. The 2015 MBO will be set on this orientation and will be implemented to comprehensively promote effectiveness of the program.

HUMAN RESOURCE DEVELOPMENT – EMPLOYEE PROMOTION

Succession Planning Program continued being implemented in 2014. The program continued receiving the attention from management team and the investment in time and finance. In 2014, Vinamilk also deployed Management Trainee Program for the first time, which was the first step to build a young, dynamic, and capable management team. This is one of the important steps in the Talent Administration Program that Vinamilk will implement in the future.

	YEAR		
	2012	2013	2014
Number of employees to be promoted (*)	42	97	65
Percent (%)	0.98%	1.74%	1.1%

(*) Data from Vinamilk in 2014, including subsidiaries.

This is the number of employees to be promoted to higher position in Vinamilk's staff level system.



CULTURE AND MEASURING SATISFACTION OF EMPLOYEES

Developing culture of harmony and satisfaction of employees:

◆ Developing culture of harmony

Working environment and culture based on clear responsibilities, understanding of common goal, coherence in work connection and in the spirit of cooperation to achieve the common goal is one of the things Vinamilk encouraged in 2014. This spirit is one of the important factors helping the Company overcome difficulties and accomplish the results as expected.

A working environment based on the core values, codes of conduct with transparency and fairness together with the motto of blending goals of organization with goals of individual, and cooperation in a spirit of “strict but not rigid”, “flexible but not arbitrary”, “collaboration without compromise” will continue to be the lodestar in all operations of the Company and each of its members.

◆ Employees' satisfaction:

Criteria	YEAR		
	2012	2013	2014
+ Working conditions	95.09%	96.94%	90.8%
+ Income	90.11%	95.03%	84.7%
+ Corporate culture	95.09%	93.36%	87.6%
+ Training	83.20%	87.52%	83.5%



PRODUCT RESPONSIBILITY

PRODUCT QUALITY IS VITAL FOR VINAMILK. THIS IS A PRINCIPLE TO HELP VINAMILK GAIN THE TRUST OF CUSTOMERS THROUGHOUT OUR 39 YEARS OF OPERATION AND WILL BE ONE OF THE PRINCIPLES TO HELP VINAMILK REACH TO THE TARGET IN THE WORLD'S TOP 50 LARGEST DAIRY ENTERPRISES. RESPONSIBILITIES OF VINAMILK FOR CONSUMERS PRESENT IN THREE ISSUES: SAFE PRODUCTS FOR HEALTH; PRODUCTS WITH NUTRITIONAL VALUE, SOLVING PROBLEMS AND IMPROVING HEALTH; FULL AND HONEST INFORMATION. IN 2014, VINAMILK FOCUSED ON IMPROVING QUALITY OF RAW MILK, ASSESSING RISK OF DIRTY PRODUCTS AND IMPROVING QUALITY OF EXISTING PRODUCTS, SUPPLYING NEW PRODUCTS TO DIVERSIFY PORTFOLIO OF CHOICE FOR CONSUMERS.

DAIRY FARM SYSTEM PROVIDING CLEAN RAW MILK FOR PRODUCTION:

To have sources of clean and nutritious milk, Vinamilk strictly implements the factors such as breed, feed for livestock, farming techniques, safety and hygiene, and milk preservation after milking.

In 2014, Vinamilk made a far step on the long journey to bring high quality products to consumers. Our 5 dairy farms including Nghe An, Lam Dong, Tuyen Quang, Thanh Hoa, and Binh Dinh were officially certified by Global G.A.P (Certificate of Global Good Agricultural Practice). These are the first farms in Southeast Asia and are the farms across Asia to achieve this standard.

Global G.A.P. is farm management standard with strict criteria which are recognized worldwide. For examples, feed for dairy cows must ensure that no plant protection products and have clear origin. The feed quality is checked periodically or even irregularly at any time and always reaches all safety standards regulated by Global G.A.P. Particularly, Global G.A.P. makes a lot of safety criteria for consumer health. For example, fresh milk from dairy farms requires no antibiotic residues and is verified by Local Veterinary Authority that there is no diseases that can affect consumers...



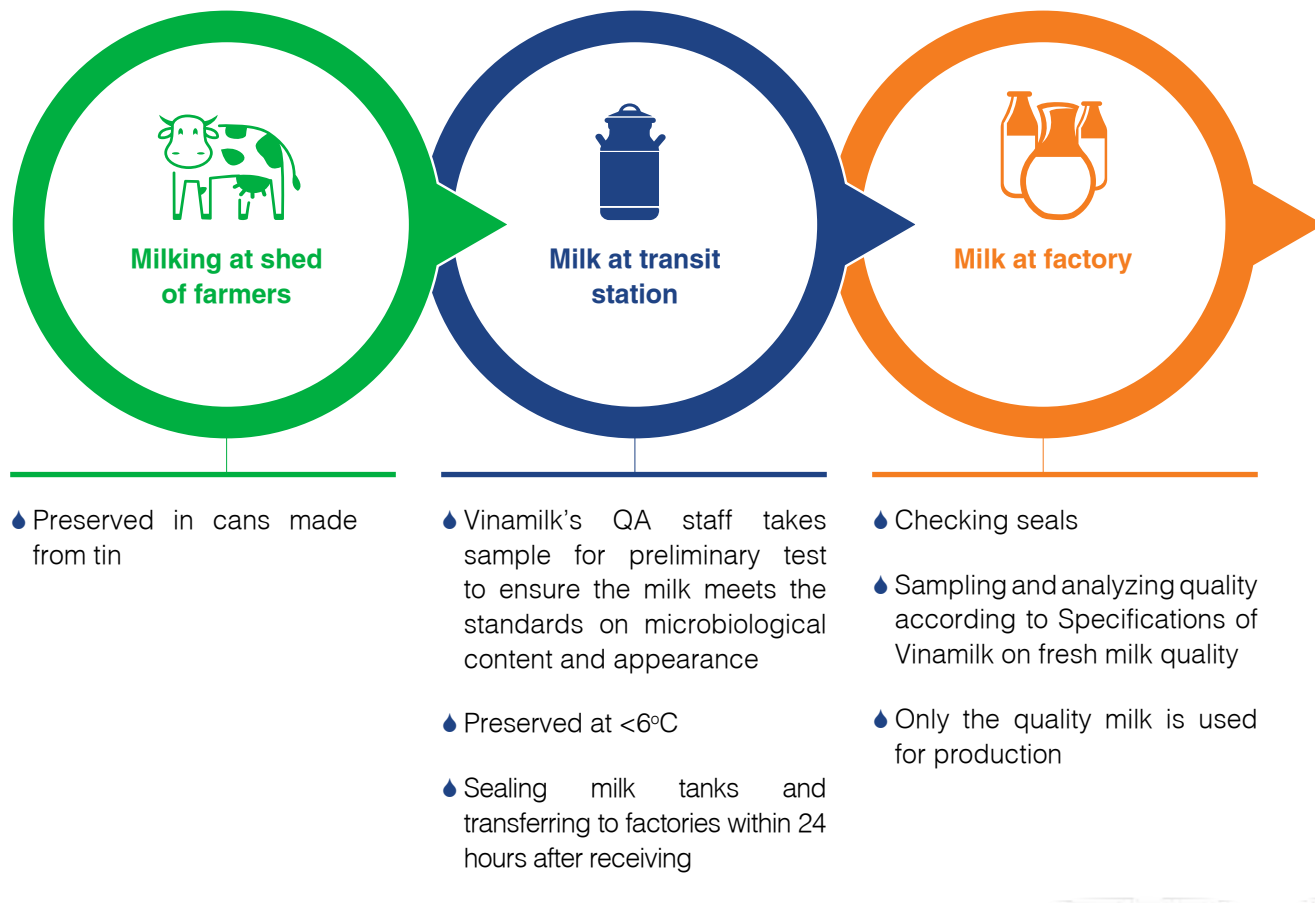
STRENGTHENING QUALITY CONTROL OF RAW MILK PURCHASED FROM FARMERS

At present, fresh milk from farmers occupies 80% of total milk for production of Vinamilk. To closely control the quality of this supply source of milk, in the period 2012 - 2016, Vinamilk will continue accelerating the plan to upgrade procurement system – transit stations, in which, one of the most important things is upgrading equipment used for milk storage and transportation. In 2014, more 27 transit stations were upgraded, increasing the total number of stations to be upgraded up to 45 stations.

In 2015, Vinamilk will continue implementing this program in HCMC, Tien Giang, Long An, Tay Ninh, Binh Duong, and Lam Dong.

As the second method, Vinamilk invested in computer system with internet connection for employees working at the transfer stations to update information among transit stations, factories and head office. With this system, information and data are always accuracy and reliability.

MILK PROCUREMENT PROCESS:



PRODUCT RESPONSIBILITY (continued)

RISK OF CONTAMINATED PRODUCTS IS ONE OF THE IMPORTANT RISKS OF VINAMILK



Based on the selection result of list of important risks of the Company in accordance with risk management program from the highest management levels, risk of contaminated products is one of the important risks for assessing, periodically monitoring, and establishing related action programs. With this action, Vinamilk aims to prevent and reduce all causes that may lead to contamination in our products. Our first step in this action is to review the whole control system through Control Self-Assessment (CSA). This program will evaluate all potential risks from input material procurement, production process to output product quality. From the assessment result, Vinamilk records a self-control system that is built and well operated at our production units.

Enhancing values of people health

Program of researching and developing products is one of the focuses in long-term sustainable development strategy of Vinamilk. The Company focuses and introduces the products with added value and higher class, meeting the higher demands of consumers.

In 2014, Vinamilk improved 58 existing products and introduced 29 new products to the market.

Providing product information fully and honestly

Information on labels and packages of Vinamilk's products is ensured to comply with legal regulations and is fully provided for consumers.

The information provided includes:

- ◆ Kind of product
- ◆ Ingredients of product
- ◆ Nutritional information
- ◆ Use instruction
- ◆ Preservation and storage instruction
- ◆ Manufacturing and expiry date
- ◆ Basic standard on product quality
- ◆ Quality control system applied in production
- ◆ Information about Vinamilk and control code of production unit
- ◆ Telephone and email for consumers to contact
- ◆ Information about nutritional consultant

This information is not only to provide information for consumers but also helps Vinamilk control quality and use duration of products and recall products if necessary.

Feedback and complaints from customers are input information for operation improvement:

Vinamilk establishes and maintains direct channels at distributors or via email and hotline to receive all opinions and feedback from customers, especially as for the issues related to product quality. All complaints from customers are recognized and resolved in spirit of customer's satisfaction and company's operation improvement. Vinamilk regards the feedback and complaints from customers as your concerns for us and as a valuable source of input information so that we can improve our production and business activities. In 2014, Vinamilk received 4,043 feedback, opinions, and complaints from customers about product quality. All of them were timely solved by the Company's Customer Care Department.

The IUFOST Global Food Industry Awards 2014 proved the world's recognition for Vinamilk's liquor milk and our commitment on product quality. Vinamilk passed over 100 other products from 70 nations and was the only dairy product gaining this award.



PRODUCT RESPONSIBILITY (continued)



MEASUREMENT INDEX ON PRODUCT RESPONSIBILITIES

No.	Criteria	Level
1	Rate of products with NON-preservatives/Total products	100%
2	Factory certified for HACCP and ISO 9001:2008	13/13
3	Percentage factory with laboratory certified for ISO/IEC 17025:2005 standards in Chemistry, Biology field.	10/13
4	Number of violations of food safety	0
5	Number of violations of trademark, product disclosure	0
6	Number of recalled products due to quality assurance	0
7	Percentage of major products and services to be assessed about health impact and safety for improvement	100%
8	Total number of incidents of non-compliance with standards (voluntary participation) related to health impact and product and service safety during duration of product and service	0
9	Total number of incidents of non-compliance with voluntary principles related to product and service information and label	0
10	Selling prohibited and disputed products	0
11	Total number of incidents of non-compliance with voluntary regulations and laws on marketing communications, including advertising, promotion and sponsorship by type of outcomes	0
12	Total number of complaints with evidence about violation of customer privacy and loss of customer data	0
13	Monetary value of significant fines for non-compliance with laws and regulations on provision and use of products and services	0

VINAMILK
VƯỜN CAO VIỆT NAM

Sữa tươi tiệt trùng VINAMILK 100%

**Bổ sung vitamin D,
hỗ trợ miễn dịch**

MỚI

Sữa tươi
100%
Vitamin D và Các Dưỡng Chất Khác
Hỗ Trợ Miễn Dịch

VITAMIN D

Thực phẩm bổ sung
**Sữa Tươi Tiệt Trùng
Không Đường**
Thể tích thực: 180 ml

HƯỚNG DẪN SỬ DỤNG:
Sữa tươi tiệt trùng VINAMILK 100% có thể dùng trực tiếp hoặc pha chế với các loại thực phẩm khác. Không nên dùng sữa tươi tiệt trùng để chế biến các món ăn cần đun sôi.

HƯỚNG DẪN LƯU GIỮ:
Sữa tươi tiệt trùng VINAMILK 100% nên được bảo quản ở nhiệt độ từ 4°C đến 6°C. Không nên để sữa tươi tiệt trùng ở nhiệt độ phòng quá 2 giờ.

THÔNG TIN SẢN PHẨM:
VINAMILK 100% Sữa tươi tiệt trùng không đường. Thành phần: Sữa tươi tiệt trùng, Vitamin D3, Canxi. Không chứa đường, chất bảo quản, hương liệu.

ĐƠN VỊ SẢN XUẤT:
CÔNG TY CỔ PHẦN VINAMILK
Số 10, Đường Nguyễn Văn Linh, Quận 1, TP. HCM



SOCIAL ACTIVITIES

ACTIVITIES FOR THE DEVELOPMENT OF VIETNAM CHILDREN



Ms. Bui Thi Huong - Executive Director of Vinamilk donated milk directly to children in Thai Binh Province

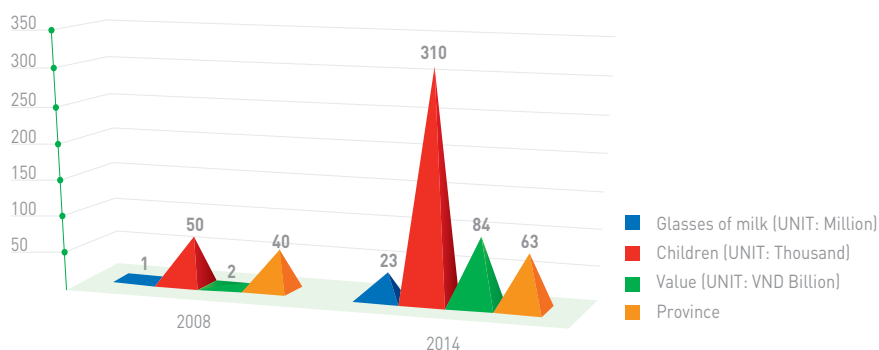
JOURNEY **07** YEAR OF THE “STAND TALL VIETNAM” MILK FUND

Till the end of 2014, the total amount of milk that the milk Fund has given more than 310 thousand disadvantaged children in Vietnam were nearly 23.5 million glasses of milk, or about 84 billion VND. Particularly in 2014, the Fund donated to 63 cities the total amount of 8.5 billion VND, with nearly 2 million glasses of milk.

The “Stand Tall Vietnam” Milk Fund originates from the Funds of 1 million, 3 million and 6 million glasses of milk for poor children in Vietnam, a socially responsible activity implemented by Vinamilk through combination with the Vietnam Children Fund in 2008 and 2009 with the aim of sharing the difficulties of poor children, children with special circumstances, the mal-nutritious children for the sake of contributing to reducing child malnutrition rate in the country. Following the success of this

program, Vinamilk continues to coordinate with the National Fund for Children of Vietnam, Ministry of Education and Training, National Institute of Nutrition in implementing the programs of 6 million glasses of milk Fund in 2009 to help tens of thousands of Vietnamese children all over the country to be able to drink milk every day.

On the basis of the 6 million glasses of milk Fund and with the socialization purpose of this meaningful program, starting from 2010, the Ministry of Labor, War Invalids and Social Affairs has allowed the National Fund for Children of Vietnam to deploy the program of milk fund “STAND TALL VIETNAM” so as to be able to mobilize more resources in society contributing to the milk Fund and ensuring “every child has right to drink milk every day.”



VND **8.5** BILLION

The milk fund donated to 63 cities in 2014

23.5 MILLION GLASSES OF MILK

for disadvantaged children in Vietnam

The “Stand Tall Vietnam” Milk Fund comes to more than

310,000

disadvantaged children in Vietnam

SOCIAL ACTIVITIES (Continued)

MAIN COMMUNITY ACTIVITIES OF THE YEAR

IN 2014, THE COMPANY HAS ALSO PARTICIPATED IN AND CONTRIBUTED A LOT OF DIFFERENT CHARITIES. THE TOTAL VALUE OF COMMUNITY ACTIVITIES IS 16.9 BILLION VND. OF WHICH, A NUMBER OF TYPICAL ACTIVITIES SUCH AS THAT VINAMILK'S OFFICERS AND EMPLOYEES CONTRIBUTED THEIR ONE-DAY SALARY TO SUPPORT THE POLICE OF MARINE AND FISHERY CONTROL IN THE TRUONG SA ISLANDS IN THE PROGRAM "TOGETHER TOWARD THE EAST SEA." FUNDING 02 BILLION VND FOR THE PROGRAM "SENTIMENTAL ATTACHMENT WITH BORDER, ISLANDS ARE HOMELAND"



FUND “ONE MILLION GREEN TREES FOR VIETNAM”



The Program “1 million green trees for Vietnam” fund is an activity joint between the Vietnam Environment Department (VEA) and VINAMILK Vietnam Dairy Products Joint Stock Company for the purpose of growing more green trees for cities, provinces so as to improve living environment for Vietnamese people. The program was extended to the areas where green trees provide tangible benefits to community such as residential areas, public parks, central roads, schools... in the cities around the country.

In 2012 and 2013, the program of Fund “1 million green trees for Vietnam” organized planting in 10 cities across the country with total nearly 100,000 green trees of all kinds. In 2014, the program of the Fund will continue the trees plantation journey and the trees plantation performance all over the

country's regions with approximately 120,000 to 150,000 trees of all kinds.

On the occasion of 60th anniversary ceremony of Dien Bien Phu victory (1954-2014), in the past date of 31 July, the 1 million green trees Fund in collaboration with the Department of Agriculture - Rural Development of Dien Bien Province conducted to plant 40,000 trees in Independence hill historic monument area, Dien Bien Province.

In 2014, the total amount which Vinamik contributed to the Fund “1 million green trees for Vietnam” was 1.5 billion VND. Following Dien Bien, the Fund “1 million green trees for Vietnam” will continue to plant more trees in other cities across the country, expanding to areas where green trees bring real benefits to community.



Ms. Bui Thi Huong, Vinamilk's Director presented the symbolized green trees donation table to Mr. Tran Phong, representative of the Environment Department - Ministry of Natural Resources & Environment



The program was attended by Ms. Vo Hanh Phuc - daughter of Former General Vo Nguyen Giap



Representative leaders of the Ministry, departments, industries local authorities and Vinamilk jointly planted trees with the Fund “1 million green trees for Vietnam” in Dien Bien.



Representatives together performed the ceremony “pulling the memorial table covering cloth” of the program of the Fund “1 million green trees for Vietnam” in Dien Bien

REFERENCE TABLE OF REPORT CONTENT AND GLOBAL REPORTING INITIATIVE (GRI) GUIDELINES



VERSION G4

GRI Indicators		Report 2014	Page
GENERAL STANDARDS			
STRATEGY AND ANALYSIS			
G4-1	Statement from the most senior decision-maker of the organization, Chairman or high level positions related to the sustainable development of the organization and the organization's strategies about sustainable development	✓	5
G4-2	Given the description about impact, risk and main opportunity	✓	5
ORGANIZATION PROFILE			
G4-3	Name of the Company	✓	8
G4-4	Primary brands, products, and/or services	✓	10
G4-5	Headquarter	✓	14
G4-6	Number of countries where the Company operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	✓	10
G4-7	Nature of ownership and legal form	✓	13
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	✓	10 & 11
G4-9	Scale of the reporting organization	✓	12 & 13
G4-10	Report on workforces	✓	13
G4-11	Percentage of total workers including in aggregate labour agreements	✓	71
G4-12	Description of the organization's supply chains	☒	
G4-13	Any significant changes during the reporting period regarding size, structure, ownership or supply chain	✓	9 -> 13
G4-14	Report the organization to have precautionary measure or principle is addressed by the organization	☒	
G4-15	List the terms, principles of economy, environment, society which are developed outside the organization or other initiatives approved and supported by the organization	☒	
G4-16	List the members' right in the associations and organizations operated in local and international country.	☒	
IDENTIFY MAJOR BOUNDARIES			
G4-17	List the units including in the organization's consolidated financial statements or relevant documents Report on one unit including in the organization's consolidated financial statements or any relevant documents not mentioned in the report	✓	32
G4-18	Explain the progress of identifying report content and boundary of the field. Explain how the organization has implemented the reporting principles for defining how the report content will be	✓	33

	GRI Indicators	Report 2014	Page
G4-19	List all the major fields were identified while identifying report content	✓	33
G4-20	To each major field, report the field boundary inside the organization	☒	
G4-21	To each major field, report the field boundary outside the organization	☒	
G4-22	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	☒	
G4-23	Report the significant changes of Size and Field boundaries compared to the earlier reports	☒	
THE CONSULTATION OF STAKEHOLDERS			
G4-24	Provide list of related groups were invited by the organization	✓	35
G4-25	Report the base of identifying and selecting related parties to invite	✓	35
G4-26	Report the approaching methods with the consultation of related parties, including the frequency of participation by type and related groups, and point out is there any consultation has been implemented within the framework of making the report	✓	26 & 27
G4-27	Report the topics and main concerns approved by the consultation of related parties and how the organization reacted toward these topics and main concerns, including the announced reports. Report on related parties pointed out each topic and main concern	☒	
CORPORATION PROFILE REPORT			
G4-28	Reporting period (e.g., fiscal/calendar year) for information provided	✓	32
G4-29	Date of most recent previous report (if any)	✓	32
G4-30	Reporting cycle (annual, biennial, etc.)	✓	32
G4-31	Contact point for questions regarding the report or its contents	✓	34
G4-32	a. Report "suitable" method selected by the organization b. Report the reference table of content GRI for selected method (refer the following tables) c. Report reference documents to the External Assurance Report, if this report was assured externally (GRI encouraged using external assurance but not a "suitable" request to the Guidelines.	✓	46 -> 51
G4-33	a. Report current policies and general rules of the organization on using external assurance for the report b. If not included in the assurance report accompanied with the sustainable development report, size report and any external assurance provided. c. Report the relations between the organization and assurance suppliers. d. Report if top management level or high executive level participated in seeking assurance for sustainable development report of the organization	☒	

	GRI Indicators	Report 2014	Page
	GOVERNANCE		
G4-34	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks	✓	22 -> 25
G4-35	Report the authorized progress on the topics of economy, environment and society from the highest governance body to high level executive directors and other members	✓	34
G4-36	Report if the organization has appointed the executive position or positions responsible for economic, environmental, social topics, and if the ones in charge of those position reported directly to the highest governance body	✓	34
G4-37	Report on consulting progress between the related parties and highest governance body about the economic, social, environmental topics. If the consultation is authorized then who is the authorized person and what agency for the feedback progress	✓	33
G4-38	Report the composition of the highest governance body and the committee of this body	✓	24 & 25
G4-39	Report to the chairman of the highest governance body if was a executive director (and, if any, functions of the chairman during the management activity and reason for this arrangement)	✓	5
G4-40	Report the specified procedures and selection for the highest governance body and its committees and the criteria used for specification and selection of members in the highest governance body	☒	
G4-41	Report the processes in place for the highest governance body to ensure conflicts of interest are avoided. Whether the report of interest conflict be announced to related parties ?	☒	
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	✓	23
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	☒	
G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	☒	
G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	✓	23

	GRI Indicators	Report 2014	Page
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	☒	
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	☒	
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered.	✓	5
G4-49	Report the process for communicating critical concerns to the highest governance body.	☒	
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	☒	
G4-51	Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	☒	
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization	☒	
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	☒	
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	☒	
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	☒	
ETHICS AND INTEGRITY			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	✓	28 & 29
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	☒	
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	☒	

GRI Indicators		Report 2014	Page
SPECIFIC STANDARD DISCLOSURES			
CATEGORY: ECONOMIC			
ASPECT: ECONOMIC PERFORMANCE			
G4-DMA	Generic Disclosures on Management Approach	✓	62
EC1	Direct economic value generated and distributed	✓	63
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	☒	
EC3	Coverage of the organization's defined benefit plan obligations	☒	
EC4	Financial assistance received from government	☒	
ASPECT: MARKET PRESENCE			
G4-DMA	Generic Disclosures on Management Approach	☒	
EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	☒	
EC6	Proportion of senior management hired from the local community at significant locations of operation	☒	
ASPECT: INDIRECT ECONOMIC IMPACTS			
G4-DMA	Generic Disclosures on Management Approach	✓	62
EC7	Development and impact of infrastructure investments and services supported	✓	64 -> 67
EC8	Significant indirect economic impacts, including the extent of impacts	✓	64 -> 67
ASPECT: PROCUREMENT PRACTICES			
G4-DMA	Generic Disclosures on Management Approach	☒	
EC9	Proportion of spending on local suppliers at significant locations of operation	☒	
CATEGORY: ENVIRONMENTAL			
ASPECT: MATERIALS		Yes/No	
G4-DMA	Generic Disclosures on Management Approach	☒	
EN1	Materials used by weight or volume	☒	
EN2	Percentage of materials used that are recycled input materials	☒	
ASPECT: ENERGY			
G4-DMA	Generic Disclosures on Management Approach	✓	38 -> 40
EN3	Energy consumption within the organization	✓	41 -> 53
EN4	Energy consumption outside of the organization	☒	
EN5	Energy intensity	✓	51
EN6	Reduction of energy consumption	✓	43 -> 50
EN7	Reductions in energy requirements of products and services	☒	

	GRI Indicators	Report 2014	Page
ASPECT: WATER			
G4-DMA	Generic Disclosures on Management Approach	✓	54 & 55
EN8	Total water withdrawal by source	✓	56 & 57
EN9	Water sources significantly affected by withdrawal of water	☒	
EN10	Percentage and total volume of water recycled and reused	✓	57
ASPECT: BIODIVERSITY			
G4-DMA	Generic Disclosures on Management Approach	☒	
EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	☒	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	☒	
EN13	Habitats protected or restored	☒	
EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	☒	
ASPECT: EMISSIONS			
G4-DMA	Generic Disclosures on Management Approach	☒	
EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	✓	58 & 59
EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	✓	58 & 59
EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	☒	
EN18	Greenhouse gas (GHG) emissions intensity	✓	58 & 60
EN19	Reduction of greenhouse gas (GHG) emissions	☒	
EN20	Emissions of ozone-depleting substances (ODS)	☒	
EN21	NOX, SOX, and other significant air emissions	☒	
ASPECT: EFFLUENTS AND WASTE			
G4-DMA	Generic Disclosures on Management Approach	☒	
EN22	Total water discharge by quality and destination	✓	58 -> 60
EN23	Total weight of waste by type and disposal method	✓	58 -> 60
EN24	Total number and volume of significant spills	✓	58
EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	☒	
EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and run off	☒	

	GRI Indicators	Report 2014	Page
ASPECT: PRODUCTS AND SERVICES			
G4-DMA	Generic Disclosures on Management Approach	☒	
EN27	Extent of impact mitigation of environmental impacts of products and services	☒	
EN28	Percentage of products sold and their packaging materials that are reclaimed by category	☒	
ASPECT: COMPLIANCE			
G4-DMA	Generic Disclosures on Management Approach	✓	28
EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	✓	60 & 61
ASPECT: TRANSPORT			
G4-DMA	Generic Disclosures on Management Approach	☒	
EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	☒	
ASPECT: OVERALL			
G4-DMA	Generic Disclosures on Management Approach	✓	38
EN31	Total environmental protection expenditures and investments by type	✓	40 & 41
ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT			
G4-DMA	Generic Disclosures on Management Approach	☒	
EN32	Percentage of new suppliers that were screened using environmental criteria	☒	
EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	☒	
ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS			
G4-DMA	Generic Disclosures on Management Approach	☒	
EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	☒	
CATEGORY: SOCIAL			
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK			
ASPECT: EMPLOYMENT			
G4-DMA	Generic Disclosures on Management Approach	✓	68
LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	✓	72
LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	✓	73
LA3	Return to work and retention rates after parental leave, by gender	☒	

	GRI Indicators	Report 2014	Page
ASPECT: LABOR/MANAGEMENT RELATIONS			
G4-DMA	Generic Disclosures on Management Approach	✓	71
LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	☒	
ASPECT: OCCUPATIONAL HEALTH AND SAFETY			
G4-DMA	Generic Disclosures on Management Approach	✓	73
LA 5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	☒	
LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	✓	75
LA7	Workers with high incidence or high risk of diseases related to their occupation	✓	75
LA8	Health and safety topics covered in formal agreements with trade unions	✓	75
ASPECT: TRAINING AND EDUCATION			
G4-DMA	Generic Disclosures on Management Approach	✓	77
LA9	Average hours of training per year per employee by gender, and by employee category	✓	77
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	✓	77 & 78
LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	✓	79
ASPECT: DIVERSITY AND EQUAL OPPORTUNITY			
G4-DMA	Generic Disclosures on Management Approach	✓	70
LA 12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	✓	24 & 25 & 70
ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN			
G4-DMA	Generic Disclosures on Management Approach	✓	70
LA 13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	☒	
ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES			
G4-DMA	Generic Disclosures on Management Approach	☒	
LA 14	Percentage of new suppliers that were screened using labor practices criteria	☒	
LA 15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	☒	
ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS			
G4-DMA	Generic Disclosures on Management Approach	✓	76
LA 16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	☒	

GRI Indicators		Report 2014	Page
SUB-CATEGORY: HUMAN RIGHTS			
ASPECT: INVESTMENT			
G4-DMA	Generic Disclosures on Management Approach	☒	
HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	☒	
HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	☒	
ASPECT: NON-DISCRIMINATION			
G4-DMA	Generic Disclosures on Management Approach	✓	70
HR3	Total number of incidents of discrimination and corrective actions taken	✓	70
ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
G4-DMA	Generic Disclosures on Management Approach	✓	76
HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	☒	
ASPECT: CHILD LABOR			
G4-DMA	Generic Disclosures on Management Approach	☒	
HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	☒	
ASPECT: FORCED OR COMPULSORY LABOR			
G4-DMA	Generic Disclosures on Management Approach	☒	
HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	☒	
ASPECT: SECURITY PRACTICES			
G4-DMA	Generic Disclosures on Management Approach	☒	
HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	☒	
ASPECT: INDIGENOUS RIGHTS			
G4-DMA	Generic Disclosures on Management Approach	☒	
HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	☒	
ASPECT: ASSESSMENT			
G4-DMA	Generic Disclosures on Management Approach	☒	
HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	☒	

GRI Indicators		Report 2014	Page
ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT			
G4-DMA	Generic Disclosures on Management Approach	☒	
HR10	Percentage of new suppliers that were screened using human rights criteria	☒	
HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	☒	
ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS			
HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	☒	
SUB-CATEGORY: SOCIETY			
ASPECT: LOCAL COMMUNITIES			
G4-DMA	Generic Disclosures on Management Approach	✓	68
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	✓	87 & 89
SO2	Operations with significant actual and potential negative impacts on local communities	☒	
ASPECT: ANTI-CORRUPTION			
G4-DMA	Generic Disclosures on Management Approach	☒	
SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	☒	
SO4	Communication and training on anti-corruption policies and procedures	☒	
SO5	Confirmed incidents of corruption and actions taken	☒	
ASPECT: PUBLIC POLICY			
G4-DMA	Generic Disclosures on Management Approach	☒	
SO6	Total value of political contributions by country and recipient/beneficiary	☒	
ASPECT: ANTI-COMPETITIVE BEHAVIOR			
G4-DMA	Generic Disclosures on Management Approach	☒	
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	☒	
ASPECT: COMPLIANCE			
G4-DMA	Generic Disclosures on Management Approach	☒	
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	☒	
ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY			
G4-DMA	Generic Disclosures on Management Approach	☒	
SO9	Percentage of new suppliers that were screened using criteria for impacts on society	☒	
SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	☒	

GRI Indicators		Report 2014	Page
ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY			
G4-DMA	Generic Disclosures on Management Approach	☒	
SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	☒	
SUB-CATEGORY: PRODUCT RESPONSIBILITY			
ASPECT: CUSTOMER HEALTH AND SAFETY			
G4-DMA	Generic Disclosures on Management Approach	✓	80
PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	✓	84
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	✓	84
ASPECT: PRODUCT AND SERVICE LABELING			
G4-DMA	Generic Disclosures on Management Approach	✓	80
PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	✓	82
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	✓	84
PR5	Results of surveys measuring customer satisfaction	☒	
ASPECT: MARKETING COMMUNICATIONS			
G4-DMA	Generic Disclosures on Management Approach	✓	80
PR6	Sale of banned or disputed products	✓	84
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	✓	84
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	☒	
ASPECT: COMPLIANCE			
G4-DMA	Generic Disclosures on Management Approach	✓	80
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	✓	84

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